## EXPERIENCES OF ENTREPRENEURS OF NEPALI SMALL AND

## MEDIUM-SIZED ENTERPRISES

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8 February 2018

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## DEDICATION

I dedicate my PhD thesis to my beloved mother Late Sabitri Rai (Yungpang) and father Late Santa Bir Rai (Yamphu - Shibaubasa) whose souls encouraged me to complete this degree. My wife, Tulasi Limbu (Neyonghang), has the highest contribution during the courses I have earned in my life. I also dedicate this thesis to my beloved father-in-law Late Hari Prasad Limbu (Neyonghang) and mother-in-law Late Hili Maya Limbu (Okhrabu) who always wished and blessed me for my career success.

I, especially dedicate this research work to my lovely sons, Bigyan Rai and Dhiraj Rai with the hope that my research will surely be a resource to them in the future and will get more encouraged to do even better than me.

## DECLARATION

I hereby declare that this thesis has not been submitted for the candidature of any other degree to any university.

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## AN ABSTRACT OF THE THESIS OF

Krishna Bahadur Rai for the degree of Doctor of Philosophy in Education -Development Studies presented on 8 February 2018.

Title: Experiences of Entrepreneurs of Nepali Small and Medium-sized Enterprises

Abstract approved

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The thesis explored the experiences of entrepreneurs of Nepali SMEs regarding their "habitus fit" in the competitive market context. It includes the process of becoming - building entrepreneurs' habitus and exhibiting the embodied dispositions in the market - field. Those are (a) sources and ways of 'becoming' (b) exhibition of entrepreneurial 'doing' on strategic readiness and (c) exhibition of entrepreneurial 'doing' on product-making and product-selling. Using the sociological viewpoint of Bourdieu's 'Theory of Practice' with an interpretive perspective of narrative inquiry, I collected the stories of entrepreneurs, analyzed and extracted the insights on 'habitus fit' within the contexts they were living in.

The findings of this study reveal that the entrepreneurs of Nepali SMEs gained entrepreneurial orientation from different sources like parent's professions, past experiences, and formal education and training activities. They have distinctive ways of 'becoming', utilizing their business activities. They learn much about their business activities from the participation to the business events, observation of others' practices, connections with business colleagues. Likewise, they have everyday practices of listening to customers and observing the practices of competitors. The entrepreneurs have their unique practices on strategic readiness, utilizing much for ensuring subsistence continuity and business growth under the competitive context through collecting more capitals and utilizing them. They have innovative practices in the areas of contextual movement, use of business plan, resource management, innovation leading, organizational culture, employee motivation and reward, ready for uncertainty, and communication practices. They collect and utilize the resources (capitals), search for new ideas and incorporate them into their products. They provide emphasis on production technology, cost, quality, and flexibility. They focus on both, manufacturing process and responding to the competitive context. They produce products based on local resources, needs, and cultures. On productselling, they value the components like pricing techniques, sales and distribution, market communication, and market plan as the major components. They exhibit their products in the markets traditionally and using narrow sets of promotional activities.

However, SMEs are 'light-weight players in the field' living in the position of 'dominated' in the markets due to their smallness. They have a culture of 'multitasking' which seems one of the compulsions, but a barrier of business progress. Combining and mixing the local and imported technologies, methods and materials as the practice of 'combination' is a kind of compulsion, fashion, or a strong motivation headed to globalization and a way of their existence. The entrepreneurs' habitus has been influenced by the duality of localization and globalization. Local cultural demands are the foundation of the SMEs and the globalization has been presenting multiple opportunities and challenges. The insights produced by this research have the implications for the planning of sustainable SME development identifying the status and emergences in the sector of contextual sources and ways of becoming, course of strategic readiness, product-making and product-selling.

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## **ABBREVIATIONS**

- BDS: **Business Development Service** CBS: Central Bureau of Statistics CIDA: Canadian International Development Agency CSIDB: Cottage and Small Industry Development Board CTEVT: Council for Technical Education and Vocational Training DCSI: Department of Cottage and Small Industry DFTQC: Department of Food Technology & Quality Control DLGSP: Decentralized Local Governance Support Programme DMEGA: District Micro Entrepreneurs' Group Association FAO: Food and Agriculture Organization FHAN: Federation of Handicraft Associations of Nepal FNCCI: Federation of Nepalese Chambers of Commerce and Industry FNCSI: Federation of Nepalese Cottage and Small Industries FSME Nepal: Federation of Small and Medium Enterprises, Nepal FWEAN: Federation of Woman Entrepreneurs Associations of Nepal GDP: Gross Domestic Product GoN: Government of Nepal ICT: Information and Communication Technology IEDI: Industrial Enterprise Development Institute ILO: International Labor Organization **KUSOED** Kathmandu University, School of Education
- LDC: Least Developed Country

- LGCDP: Local Governance and Community Development Programme
- MEDEP: Micro Enterprise Development Programme
- MOICS: Ministry of Industry, Commerce, and Supplies
- NBF: Nepal Business Forum
- NGO: Non-Governmental Organization
- NKC: National Knowledge Commission
- NMEFEN: National Micro Entrepreneurs Federation Nepal
- NPC: National Planning Commission
- R&D: Research and Development
- SIMI: Smallholders Irrigation and Market Initiative
- SLC: School Leaving Certificate
- SME: Small and Medium-sized Entrepreneur/Enterprise
- SMFE: Small and Medium Forest Entrepreneur/Enterprise
- UNDP: United Nations Development Programme
- UN/ESCAP: United Nations Economic and Social Commission for Asia and the Pacific

#### CHAPTER I

## INTRODUCTION

The thesis has explored the experiences of entrepreneurs of Nepali small and medium-sized enterprises (SMEs) in terms of their habitus in the field of their enterprising activities. 'Habitus' is a social theme borrowed from Bourdieu's theory of practice to see the agency-performance of entrepreneurs of Nepali small and medium-sized enterprises. By habitus, Bourdieu understands the "ensemble of schemata of perception, thinking, feeling, evaluating, speaking and acting that structures all expressive, verbal, and practical manifestations and utterances of a person" (Walther, 2014, p. 13). The ancient Greek Philosopher Aristotle used the concept of habitus as 'hexis' where it outlines the body positions, capabilities, and skills of the individuals (Asimaki & Koustourakis, 2014). The 'habitus' is taken here as the capabilities and skills of the entrepreneurs in terms of innovation, productmaking, and product-selling so that the enterprising activities would ensure their survival in the market. My research explores the 'habitus fit' of entrepreneurs of SMEs in terms of entrepreneurial understanding of 'becoming' and 'doing' in the context of Nepal. This is the first chapter with the introductory note which includes inquiry issue, context, problem, purpose, inquiry questions, significance and delimitations of the inquiry.

### **Exploring a Research Issue**

The small and medium-sized enterprises (SMEs) have greater importance in the national economy because they have been contributing to the household livelihoods by crafting innovations, creating and performing enterprises and self/employment (Akugri, Bagah, & Wulifan, 2015). The SMEs were neglected in the past by the economists due to the emotional interests created by the European industrial revolution of the late 18<sup>th</sup> and early 19<sup>th</sup> century. The least developed countries (LDCs) could not participate in the industrialization process due to the smaller domestic market, low income and other complications in infrastructure and the facilities (Dhungana, 2009). "Since the 1970s, this trend has been reversed itself as an ever-growing number of scholars, policymakers and members of the assistant community have begun to examine the possibilities of this sector as an engine of growth" (McPherson, 1996, p. 254). Over the past 30 years, the fields of small business management and entrepreneurship have emerged as major areas of academic inquiry (Landstrom, Harirchic, & Astrom, 2012). The research on entrepreneurship, especially in the sector of SMEs has been becoming popular due to the realization of greater utility in the overall economy. Nowadays, SMEs have been taken as one of the major development issues around the world as a means of poverty reduction and thus also taken as a vital part of research and development.

Volery and Mazzarol (2015), in an article published through the International Small Business Journal (ISBJ) in 2015 with the bibliographic examination of all 660 articles published between 1982 and 2012. They found that the most important themes emerged from the ISBJ were 'companies, firm and enterprises', 'technology', 'development', and 'business' (Volery & Mazzarol, 2015). The theme of 'companies, firm, and enterprise' was the most important over the three decades. This theme was connected with the basic concepts of *size, technology, innovation,* and *performance*. The second theme 'technology' was found associated with the application of innovation to be a part of the 'industry'. The papers focused on the importance and use of various technologies for further innovation and growth (Volery & Mazzarol, 2015). As per their findings, another theme 'development' was found investigated relating to the impact of small businesses on economic development within countries. It was also associated with the internal development of the firms through *training* and *work*. The last and most important theme was 'business' which contained the concepts relating to *business activities* and *entrepreneurship*.

Likewise, Carlsson et al. (2013) explored the history of entrepreneurship research based on the domains reflected in the research of the winners of the Global Award for Entrepreneurship Research (GAER). They stated that the domain of entrepreneurship research has been enlarged in multiple levels and dimensions. The levels of exploration might be an individual or team level, venture and firm-level, and macroeconomic level. Likewise, the dimensions might be socioeconomic aspects, environmental, institutions, norms, culture, national policy, finance, industry, geography which may influence the entrepreneurial activities at all levels (Carlsson et al., 2013). The research in the SME or entrepreneurship has been taking either single or multiple dimensions of the effects for exploring its potentialities for better development.

After the establishment of GAER in 1996, the researchers with the new and best domain used in their research have been awarded annually. The GAER was awarded the domain of "the role of new and small firms in job creation" in 1996. The second GAER was awarded in 1997 to the research domain of technology-based firms and incubation. Another GAER awarded theme in 1999 was "cultural differences in entrepreneurship behaviors", which was one of the best examples of promoting the cultural eyes to see the entrepreneurship. The domain of "formation and evolution of new small firms with a broader sociological research context" was selected for the award of 2000. The GAER focused more on the domains of innovation, geography, relating to economic theories, venture creation, business, organizational context, environment, entrepreneurial process, entrepreneurial finance, corporate entrepreneurship, and regional industry cluster (Carlsson et al., 2013). Therefore, the GAER has given negligible priority to promote entrepreneurship in relation to the socio-cultural theories. But, a big chunk of the scholars has also been arguing that the entrepreneurship is better to investigate and understand by considering the social environment in which a firm is created for performing the economic activities (Steyaert, 2007).

From the very beginning, the scholars pointed out the importance of sociocultural factors from the imagination and creation of entrepreneurship to the continuation within the social context (Aldrich & Zimmer, 1986). However, the literature indicates the focus of the previous studies on individual entrepreneurial behavior relating to economic endeavor, employment creation, and creation of organizational business (Thornton, Ribeiro-Soriano, & Urbano, 2011). The majority of studies were found typically focused on the economic approach of entrepreneurship (Audretsch & Keilbach, 2004; Parker, 2004; Wennekers et al., 2005). I found a greater absence of utilizing the sociological theories and approaches blending with other theories used from the past. I realized it as an opportunity to contribute knowledge to explore the entrepreneurs' 'habitus fit' in terms of entrepreneurial 'becoming' and 'doing' as a new and sociological way of study on the practices of SMEs. Another dimension of my research is to explore the insights on the entrepreneurial habitus of entrepreneurs qualitatively relating to the context of Nepal, under the duality of the localization and globalization.

I met the entrepreneurs individually for the initial meetings to know the issues of Nepali SMEs. I discussed the scope of the issue with them. I asked them to unpack their logic and understandings regarding the principal areas of importance when we imagined the entrepreneurship as a whole package of practice. They indicated and named their major areas to be researched, i.e. the sources and ways of 'becoming', the 'doings' for strategic readiness, product-making and product-selling. Thus, I became mentally prepared to carry out the research on the issues of 'becoming' and 'doing' as the fundamental components of entrepreneurial 'habitus fit'.

## **Context of the Study**

Having kept the intent of exploring the 'habitus fit' of entrepreneurs of Nepali SMEs, I have pursued this research journey in the context of Nepal. Nepal is characterized by a rural and agricultural economy. Agriculture is still a major profession of Nepali people. But, it has suffered from low productivity, dividing the farm sizes, decreasing labor availability and other facilities from the government (Maharjan, Bauer, & Knerr, 2013). It provides only seasonal employment. For being full-time-employed and earning additional income, the majority of Nepali people are engaged in SMEs based on local raw materials from agriculture, forests, minerals, and other resources. A huge number of local enterprises of micro, small or medium scales are in operation as a means of livelihood.

The majority of Nepali people have lower socio-economic prosperity because of fewer earnings and lack of regular employment opportunities (Pun, 2010). In this situation, the SMEs are essential means of increasing employment opportunities and improving the socio-economic conditions of the citizens. The tradition of part-time engagement in SMEs has been gradually changing. Nowadays, part-time entrepreneurs have been shifting to full-time in their business and taking it as a major source of income and employment. Nepali citizens have been leaving the subsistence farming or traditional enterprising activities gradually and shifting towards the profit orientation, product specializations, and professional entrepreneurship. The enterprise sector has a dual structure in Nepal. On the one side, there are a few numbers of big industries with modern concepts and technologies, capitalintensive, resource-based, and import-dependent (United Nations Conference on Trade and Development, 2005). On the other side, the SMEs have been operating with the capital and production capacity at small scales, more labor-intensive, and depend on local markets. The SMEs have been working in different locations and supplying the products of local demands or markets (Food and Agriculture Organization, 2009). Basically, those market demands are created by local needs, lifestyles, local traditions, and cultures.

Another context, the duality of localization and globalization is everywhere in the world. Nepal is not out of this situation and each of the human activities has been affected by this duality. Hence, the Nepali SMEs have also been struggling within the condition of the duality of the globalization and local traditions. The SMEs have been initiating and supplying the products to the local culture based on local skills, resources, and technologies. On the other hand, the field of the market has been extended around the globe so that the entrepreneurs may deal widely as per the capacity of their enterprises (Rai, 2018b). The products and methods of the Apple, Samsung, Dell, Unilever, Adidas, and other internationally branded companies have been capturing the wider area of the markets and deal with the mass volume of production and selling with the modern and sophisticated technologies (Best, 2013; Jobber & Ellis-Chadwick, 2012). On the contrary, the small enterprises of natural fiber, Dhaka clothes, metal crafts and other enterprises of local products have been sustaining for a long time (Panthi, 2015). Thus, the SMEs have been operating under the duality of localization and globalization.

#### **Policy Context of SMEs**

To promote the enterprises including SMEs and commercial activities, the government of Nepal has made and implemented a number of policies, acts, and other legal provisions. The Industrial Enterprise Act of 1961 was the first government initiative undertaken for industrial development in Nepal. Small and cottage enterprises are enshrined in the acts but not the micro-enterprises. The tenth development plan (2002–07) outlined the broad objectives, indicators, and outcomes in the industry sector. Entrepreneurship development programs are also based on this plan and are implemented under the Ministry of Industry, Commerce, and Supplies (MOICS). "New Industrial Policy, 2011 has been enacted with the vision of socio-economic advancement through rapid industrial development" (Government of Nepal, 2011). This policy has enshrined supportive provisions, especially privileged to SMEs and taken as a way of poverty reduction.

For initiating all types of industries/enterprises, the government has launched different policies, acts, guidelines, i.e. Company Act 2006, Industrial Enterprise Act 2016, Foreign Investment and Technology Transfer Act 1992, Environment Protection Act 1997, Industrial Enterprise Development Institute Act 1996 and others. The Nepal Business Forum is the national platform for public-private dialogue to fulfill its objective of resolving industrial problems (Nepal Business Forum, 2012). Different programs have been designed, implemented and institutionalized for the promotion of entrepreneurship (National Planning Commission, 2013). The construction of Special Economic Zones in Bhairahawa, Simara and 12 other places in Nepal are examples of promotional efforts to the SMEs and the industries of other scales. Likewise, the government has launched a number of policies, acts and guidelines like Supply Policy 2012, Customs Act 2000, Competition Promotion and Market Protection Act 2007, Export and Import Act 1997, the Patent, Design, and Trade Mark Act 1965 for promoting the business and commerce environment of Nepal. The Department of Cottage and Small Industry (DCSI) operating its activities in 27 districts, the Cottage and Small Industry Development Board (CSIDB), operating its activities in 48 districts (Department of Cottage and Small Industries, 2013), and the Industrial Enterprise Development Institute (IEDI) are the implementing agencies of the government of Nepal. The approach paper to the thirteenth plan (FY 2013/14 – 2015/16) has also highlighted the small and mediumsized enterprises as a means of poverty reduction and forced to extend and institutionalize them (NPC, 2013). From the observation of those policy provisions, the policy context seems favorable for initiating the SMEs. The policy documents, Act, and other legal provisions have given high priority to the SMEs.

#### **Statement of the Problem**

The SMEs have been recognized worldwide for their significant contribution to the utilization of local resources, employment creation, discovery and continuation of cultural innovations and supporting the volume of exports (Shrestha, 2004). The SMEs have been really involved in fostering the business competition, helping to grow the economic prosperity of households and the overall national economy (Raposo & Paco, 2011). Because of the valuable contribution to economic prosperity at household and national levels, the scholars have been searching for different aspects of SMEs for better fostering and making them more contributive and sustainable. The Government of Nepal has accepted that SMEs are the basic foundation of the Nepali economy. Thus, the government has been giving higher emphasis on SMEs development and providing support to the process of creation, growth, and continuation of these enterprises to make them capable in today's competitive context (United Nations Conference on Trade and Development, 2005). In spite of having a higher potentiality, these enterprises are declining gradually from the fields. The outflow of the youngsters has been continuing in the increasing rate due to the attractions of education and employment opportunities. The SMEs have some gaps in the area of productivity and quality maintenance. Food and Agriculture Organization (2010) noted the problem of SMEs, i.e. poor quality of the products, informal and unregulated production and being unable to establish proper marketing channels, etc.

"Why have the SMEs demonstrated poor entrepreneurial performance?" It was the main issue identified so far. These enterprises are becoming less contributive to the national economy and the Nepali people are putting them in less priority. The SMEs have been facing the problems like lack of skilled human resources, low capacity for technological adaptation, low productivity and weak management of supply chain (Government of Nepal, 2011). However, they have been struggling with the duality of local traditions and the new economic paradigm emerged by globalization.

The hidden phenomena might be crucial for developing insights into the embedded problems of the existing enterprises as well as new SMEs. There might be another level of investigation that is the 'habitus' as a vital sector left by the entrepreneurship researcher employing the sociological perspective. I found very few reports on academic research on entrepreneurial practices conducted through the sociological approach. Hence, I studied the habitus of entrepreneurs of SMEs in terms of entrepreneurial habitus in terms of 'becoming' and 'doing' in the context of Nepal so that the study can contribute to making healthy and sustainable SMEs.

I concentrated my research on two areas of entrepreneurial habitus from the *practice perspective*. I felt, knowledge is there in the experiences of entrepreneurs of SMEs in relation to the scope of 'habitus fit' in terms of 'becoming' and 'doing'. I requested them to provide time individually as per their convenience at their factory locations. I went to see the participants for a short meeting with them on a single agenda of 'the scope of habitus fit'.

After completing the initial meetings with them, I realized two areas of study that could be conducted. One major area the participants believed, 'the sources and ways of the entrepreneurial orientation and dispositions' or the process of capability formation. It indicated the course of 'becoming'. Another was 'doing' which includes 'doing on strategic readiness', 'doing on product-making - manufacturing activities' and 'doing on product-selling – marketing activities'.

#### **Inquiry Purpose**

The aim of the study was to explore the state of 'habitus fit' of entrepreneurs of SMEs in terms of entrepreneurial 'becoming' and 'doing' from their experiences. On becoming, I searched for the sources and ways of 'becoming' that shape the entrepreneurial dispositions. The second component was 'doing' as the exhibition of dispositions. It includes three actions, i.e. strategic readiness, product-making, and product-selling.

## **Inquiry Questions**

The purpose of this inquiry was to explore the state of 'habitus fit' from the experiences of the entrepreneurs of SMEs. The first component was to explore the sources and ways of 'becoming'. The second component was to explore the

- a) How do the entrepreneurs of Nepali SMEs value the sources and ways of their 'becoming'?
- b) How do the entrepreneurs of Nepali SMEs exhibit their 'doing' on strategic readiness?
- c) How do the entrepreneurs of Nepali SMEs exhibit their 'doing' on productmaking and product-selling?

## **Inquiry Significance**

This research explores the 'habitus fit' of entrepreneurs of Nepali SMEs valuing the sources of entrepreneurial orientation and dispositions, the practices of searching and using the innovative ideas to their business, and capitalizing the networks. It is infrequent in the field of entrepreneurship research to explore the entrepreneurial habitus of the entrepreneurs through practice perspective which is popular in the sociological approach. Basically, this study explores the entrepreneurs' habitus in line with Bourdieu's theory of practice. Entrepreneurs' habitus is the 'product of social conditioning' (Wallace & Wolf, 2008). The experiences of the entrepreneurs will obviously inform the practical notions and approaches exhibiting in the marketplace during their entrepreneurial careers.

The study explores the state of 'habitus fit' in terms of entrepreneurial practices of 'becoming' and 'doing'. The stories of the entrepreneurs on 'becoming' depict the process of acquiring entrepreneurial orientation and skills. Likewise, entrepreneurial 'doing' indicates three entrepreneurial actions based on the shaped habitus, i.e. strategic readiness, product-making, and product-selling. This type of research may provide a sociological way of exploring the knowledge of entrepreneurship. The entrepreneurs, researchers, policymakers and educators may receive the space of further learning and investigation. The study may support to open the door of ideological transformation regarding the growth and development of the SME sector. How does their habitus govern them to establish the emotional activeness in the field of practice?

The first research question interprets the contextual sources and ways of entrepreneurial orientation and dispositions valued by the entrepreneurs. "Habitus functions as structured and structuring dispositions" (Bourdieu 1990, p. 52). It is also an ongoing process of building and rebuilding the social embodiments. The participants' lived experiences show the sources and ways of their habitus exhibiting to the field, which is extracted from the stories of the entrepreneurs.

Likewise, the second research question focuses on the 'courses of doing' on strategic readiness that indicates the skills for collecting innovative ideas available in the context and utilizing them in their business game. "Every match is different and players develop new strategies and new forms of actions according to the position they occupy in the team" (Gomez, 2015, p. 143). The individual entrepreneur or firm's ultimate expectation lies in enough growth and long-term continuation of business in the market. The study explores the combination of 'becoming' and 'doing' indicating the 'present' and visualizing the ways for 'future'. This way of understanding ultimately helps the stakeholders to come out from the traditional mindset and enter another wider space and culture of entrepreneurship.

Another significance of this inquiry is to see the 'courses of doings' in the area of product-making and product-selling – which is the exhibition of their habitus in these areas. The entrepreneurs may have been interacting, struggling, accumulating and exploiting the ideas, methods, and technologies for the purpose of 'market solution'. The product-making integrates the resources collected for making/creating new products (goods or services), endorses the innovative notions, processes, and creates the values and utilities for human needs. Likewise, the product-selling presents those products with some similar and different strategic activities to sell them, especially with a competitive mentality.

Generally, the entrepreneurs struggle for more than 18 hours and live always with the networks and resources. The study explores the native experiences on the entrepreneurs' attempts of establishing networks, using those networks to collect the resources under objective conditions. It provides the scene of the experiences of making networks and collecting resources in the context of Nepal. They are entering the networks and capitalizing them to the collection of the resources or selling the cultured products with particular types of institutions of the communities.

Hence, I tried to extract knowledge useful about the SMEs in the sectors I have stated above. The policymakers, development experts and practitioners, academicians, researchers, and readers get the analytical inputs from this research work to their suitable attempts of making a conducive environment for further study through a sociological perspective. The use of practice perspective may provide another way of thinking to the academicians for implementing the other issues of entrepreneurship research.

## **My Subjectivity**

This research is not detached from my subjectivity. However, I have maintained the balance between my subjectivity and participants' experiences because it is impossible to dismiss (Pushkin, 1988). Unlike the positivist paradigm, owning one's subjectivity is important in qualitative research (Glesne, 2011). Having worked with the entrepreneurs of micro and small scales for 25 years, directly and indirectly, I gained some kinds of values and beliefs that would obviously influence this study. It would create the situation intellectually dishonest if I did not document those values and beliefs here. Hence, I disclose my subjectivity to this research.

When I started my job in 1994 at Eastern Rural Development Bank Nepal, I was 21 years old and there I got an opportunity to practice microfinance to women entrepreneurs. When I interacted with them, I found that entrepreneurship was a particular type of occupational skill they inherited yet unknown about it. Hence, I helped them to start enterprises based on their knowledge and skills. I felt as if they were not only my research participants but also an invaluable part of my research journey.

When I joined NMEFEN, a national confederation of micro-entrepreneurs and worked for four years as a Programme Manager at the national level, I got an opportunity to interact with the Ministry of Industry and other ministries, development partners like UNDP, Australian Government, CIDA, and the national federations like FNCCI, FNCSI, FHAN, FWEAN, and other development initiatives like MEDEP, DLGSP, LGCDP, SIMI, BDS-MAPs and so on. Those organizations and development programs were actively promoting micro, small and medium-sized enterprises of Nepal. I got the opportunity to participate in the national discourses on entrepreneurship development. I participated in a number of national and regional business exhibitions, and intensively interacted with the entrepreneurs. Those experiences assured me of SMEs' contribution to the national economy with the mass participation of poor households. However, they did not have good conditions as expected. The continuous interaction with the entrepreneurs for a long time made me convinced to do the study focusing on the agency of the SMEs. Moreover, I spent more time with them promoting their agency through training and counseling activities. Hence, I decided to document my experiences and knowledge as a human agency. However, I had doubts about the approach I would be adopting.

Later, as I started working on my research, I got convinced by the *theory of practice* propounded by Pierre Bourdieu (1930 -2002) which I used in my M Phil research too. Therefore, I examined the culture of SMEs from the lens of Bourdieu's theory of practice. I assumed that it would be a new research practice in the field of Nepali SMEs. My aim was to explore the ways for the improvement of the contemporary status and performance of SMEs. I was encouraged to see the 'habitus fit' on the acquisition and utilization of innovative ideas in the field of SMEs. Another purpose that I attempted to meet through this research was to see the habitus on the capitalization of the networks and resources through the *practice perspective*.

## Structure of the Thesis

This thesis is divided into ten chapters. The first chapter introduces the inquiry agenda, where I stated the context of the inquiry, the problem of inquiry, purpose, research questions, the significance of the inquiry and my subjective understanding in relation to the agenda of the inquiry. The second chapter deals with the literature review and theoretical standpoints that I employed in the inquiry process. I included the conceptual notes of entrepreneurship, basic elements of entrepreneurship, entrepreneurship as social phenomena, practice perspective: a sociological lens, Bourdieu's theory of practice, and entrepreneurship and education. Additionally, I also included the review notes of small and medium-sized enterprises in Nepal, previous research works, the gap in the literature and theoretical framework for this research.

The third chapter is related to the 'approach of exploration'. I have stated philosophical consideration consisting of ontology, epistemology, and axiology of this research. Under methodological consideration, I have discussed the paradigm, design, approach, quality standards and ethical considerations of my research. The fourth, fifth and sixth chapters contain the presentation and interpretation of the storylines of the participants. In chapter four, I presented and interpreted the narratives regarding the sources and ways of entrepreneurial orientation and skills. In the fifth chapter, I have presented the narratives regarding the practices of strategic readiness. Likewise, in the sixth chapter, I have presented the narratives of the participants regarding the practices of product-making and product-selling. Those chapters have harvested the thematic insights from the analysis of the narratives.

Three chapters - seventh, eighth and ninth – are related to results and discussion which are for the thematic accumulation and theorizing the insights extracted from the previous three chapters. The insights were scattered in the plots of individual participants. I drew the insights in line with the themes and discussed them with the perspective of 'social practice'. In the seventh chapter, I have theorized the sources and ways of entrepreneurial orientation and skills. In the eighth chapter, I have presented insights on the practices on strategic readiness and theorized it. In the ninth chapter, I have theorized the practices of product-making and product-selling.

And in chapter ten, I have presented the conclusion and the implications of the insights of my research. It is the final chapter that reveals the evidence-based knowledge claim and the expected implications of the research insights. The implication covers the theoretical, practical and research fields.

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### CHAPTER II

## LITERATURE REVIEW

This chapter is about instituting the theoretical stand through the review of existing literature on the theoretical perspectives, related academic publications, and other relevant documents. I present the review notes on the subject-matters which would be the elements of the theoretical stand to my inquiry. The conceptual notes on entrepreneurship, entrepreneur, the basic elements of entrepreneurship, entrepreneurship as social phenomena, and the duality of globalization versus localization are the major thematic headings included in this chapter. I discuss small and medium-sized enterprises in Nepal because of the subject of my inquiry. This chapter analyzes the research gap and presents a theoretical referent as a conceptual way of my study.

## **Entrepreneurship: A Conceptual Note**

The culture of entrepreneurship has been shaped differently to fulfill human needs due to geography, resource availabilities, family and social orientations, territorial climate, human imagination, and other factors. From the beginning of human society, various activities like the invention of hand-ax and new trends of cultivating crops (Holt, 2009) for subsistence created entrepreneurship. It was widely believed that entrepreneurship matters for development (Gries & Naude, 2010). It was obviously a means of livelihood from the beginning of human civilization.

Entrepreneurship is an essential part of a study by different disciplines such as economics, sociology, and psychology (Wennekers, Uhlaner, & Thurik, 2002). Human activities indicate the nature of entrepreneurship. The term *entrepreneurship* focuses on productive activities. The economists, psychologists, and sociologists have accepted entrepreneurship as a process of gaining some results. It is a combination of 'becoming' and 'doing' which employs different ideas and approaches for producing some types of products for human society.

The business-scholars have taken the entrepreneurship as a purposeful activity that initiates and continues with the expectation of growth (profit) under the context created by internal and environmental contingency factors (Balakrishnan, Gopakumar, & Kanungo, 1998). The scholars have also taken the meaning of entrepreneurship out of profit earning. The term '*entrepreneur*' would be applicable to an individual or groups whether engaged in any business for profit or not (Nandan, 2011). Entrepreneurship has been defined as an economic activity, it has also been contributing to a social reformation too (Kirby, 2005). Hence, entrepreneurship is not only for profit but also for the social disciplines and benefits which are essential for human beings.

Hence, I have taken the issue of profit-making entrepreneurship of micro and small-scale defined as per the clauses of the Industrial Policy of Nepal. For this research, the meaning of entrepreneurship is fully attached to the profit motive.

### **Entrepreneur and Entrepreneurship**

The word 'entrepreneur' comes from the French word 'entreprendre' which means 'to do something', and it was originally used in the middle ages in the sense of 'a person who is active, who gets things done' (Swedberg, 2000). Entrepreneurs perceive differently at the situation and identify the needs and demands of the people and make efforts to bring innovative changes in the marketplace (Kuratko & Hodgetts, 1998; Kuratko & Rao, 2009). Likewise, an entrepreneur tries to fulfill these needs in artistic ways. The entrepreneur is the maker or changer of an economic and productive life who is usually envisaged as an individual (Arrow, 2000). Therefore, it is a productive motive to carry out activities for producing goods or services to fulfill human needs.

In reality, the unlimited needs of people create demand in the markets. The entrepreneurs get an opportunity to fulfill their demands. An entrepreneur serves society and changes their living conditions by integrating the resources (Barringer & Ireland, 2012). The ecosystem of the national economy requires these types of entrepreneurial activities for achieving the perceived goal of development. Kuratko and Rao (2009) stated that "the entrepreneur is an innovator or developer who recognizes and seizes opportunities; converts those opportunities into workable/marketable ideas; adds value through time, effort, money, or skills; and assumes the risk of the competitive marketplace to implement these ideas" (p. 23). The entrepreneurs deal with market opportunities with better ideas and technologies to continue their business by fulfilling social needs.

Likewise, Nandan (2011) defined that the term *entrepreneur* specifies preciously a dynamic individual who has creative ideas, talents, takes initiatives, assembles necessary resources, risks own money and fortune, undertakes a new venture, introduces in the market something new and useful, and who is eventually rewarded with profit or loss. An entrepreneur is an actor and entrepreneurship is an action. It is a dynamic combination of the entrepreneurs' dream to move towards the changes and creations of many ideas, translating them into the products (Kuratko & Rao, 2009). Schumpeter (2000) took entrepreneurship as a special type of function in which, every individual carries on his/her economic affairs as much as he or she can. But, it is neither glamorous nor easy to be successful. "It is like taking the duty of never-ending roller-coaster ride in the dark. The journey will test the strength of your stomach with numbers of ups and downs" (Harper, 2005, p. 15). Hence,

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entrepreneurship is not as easy as expected where continuous innovation is a must for growth and continuity.

#### **Basic Elements of Entrepreneurship**

Basically, the entrepreneurs own and operate independently on the basis of resources, skills, and market opportunities. The principal objectives of those enterprises are innovation, profitability, and growth (Kuratko & Rao, 2009). The entrepreneurs always want to produce new and innovative products so that the profitability and growth of the enterprise will be possible. Hence, entrepreneurship has some generic elements that differ from other businesses and income-generating activities.

# **Entrepreneurial Opportunity**

Coulter (2005) believed that "opportunities are positive external trends or changes that provide unique and distinct possibilities for innovating and creating value" (p. 62). Business opportunities are always created by human requirements that exist in society. Moreover, Blundell and Lockett (2011) asserted that "the world seems to offer limitless opportunities from the prospective entrepreneur. Yet only a small proportion of these opportunities are converted by them into the ventures, and fewer still become successful and sustainable businesses" (p. 59). Thus, the initiation, continuation, and decline of enterprises depend on the fit with opportunities.

Entrepreneurs search and identify business opportunities and assemble the necessary resources to utilize them for personal gain (Wickham, 2004). Assembling the resources depends on the knowledge and skill of the individual entrepreneurs. Nieman and Bennett (2002) added that "quite often an entrepreneur who has gone through the stages of business growth will seek new opportunities and challenges" (p. 58). The entrepreneurs are opportunity-seekers; hence they can create a new business or continue their ongoing enterprises with unique discoveries or new or modified combinations.

Entrepreneurial opportunities exist because different entrepreneurs have multiple ideas on the relative value of resources or when resources are translated to outputs. The theory of entrepreneurship focuses on the heterogeneity of beliefs about the value of resources (Alvarez & Busenitz, 2001). The heterogeneous beliefs lead to the multiple techniques of valuing resources and create multiple ideas of introducing new values in the market. Though we may not be able to catch every opportunity, it will help us in the long-run if we understand the prime sources of opportunities (Blundell & Lockett, 2011). It is not easy to understand and capture the existing opportunities. Experienced entrepreneurs might be able to identify appropriate opportunities. Thus, successful entrepreneurship is possible only by the exploitation of surrounding business opportunities.

Blundell and Lockett (2011) stated, "Entrepreneurial opportunity is a particular type of opportunity, which could lead to creating a self-sustaining venture. The combination of creativity, innovation, and opportunity recognition can also result in unpredictable as well as surprising outcomes" (p. 58). Identifying and selecting the right opportunities for new businesses are among the most important abilities of a successful entrepreneur (Ardichvili, Cardozo, & Ray, 2000). Thus, an entrepreneur exploits the right opportunities, meaning that s/he must develop the capability to obtain resources, organize and exploit them.

The entrepreneurs recognize, compare, select, and utilize the entrepreneurial opportunities available around them. The process of opportunity recognition and exploitation is influenced by the *personality traits* of the entrepreneurs regarding innovation and creativity.

#### **Entrepreneurial Orientation and Behavior**

The entrepreneurial orientation and behavior are closely related to the cognitive pillar. The cognitive pillar is the product of society. The cognitive pillar may operate more at the individual level in terms of culture and language (Carroll, 1964), and other taken-for-granted and preconscious behavior that people barely think about it (Bruton, Ahlstrom, & Li, 2010). The societies accept entrepreneurs, inculcate values, and even create a cultural milieu whereby entrepreneurship is accepted and encouraged (Bosma et al., 2009). The entrepreneurial orientation (EO) and behavior have always been affected by social norms, values, and motivation which create personal efficacy in individual life. Therefore, the contexts of entrepreneurial intentions and the conditions under which these intentions may be translated into action (Boyd & Vozikis, 1994). The entrepreneurial intention and the enterprising activities are contextual and ever-changing due to the changing temporality and spatiality.

On the other hand, entrepreneurship is known as the creation of a new enterprising venture (Low & MacMillan, 1988). It is a process of 'becoming' and 'doing' rather than a state of being in terms of entrepreneurial activities of each individual for fulfilling the survival needs (Bygrave, 1989). Previously, entrepreneurship research focused on the study of personality, traits, or characteristics of the entrepreneurs which differentiate from other population (Low & MacMillan, 1988). Entrepreneurship research has conducted a number of research-works for exploring the social, cultural, political and other contextual components so that the new ways in enterprising activities will be encouraged (Shapero & Sokol, 1982). The research studies have found that enterprising activities are existing because of sociocultural needs.

Hence, entrepreneurship is a process of becoming but the socio-cultural factors shape entrepreneurial orientation and behavior. The psychological approach to EO, drawn from Schumpeter's (1934) understanding of the entrepreneur, which consists of autonomy orientation, competitive aggressiveness, innovative orientation, risk-taking orientation, and proactiveness (Krauss et al., 2005). Thus, the entrepreneurial orientation is different from other orientations devoted to the creativity and the sense of tolerance of ambiguity.

In a broad sense, entrepreneurial behavior captures all actions taken by an organization's members that relates to the discovery, evaluation, and exploitation of entrepreneurial opportunities (Kuratko, 2005). The various concepts of entrepreneurial behavior are often associated with discrete entrepreneurial events such as the creation of new organizations, new entry or new product development (Zampetakis, Beldekos, & Moustakis, 2009). Moreover, the entrepreneurial life would expect to produce new utilities from the combination of available resources in particular places. However, the statements and conceptual stands regarding entrepreneurship are somehow extreme and more radical. But, I would say an entrepreneur has been engaged in the business activities either modern or more sophisticated or traditional and informally operated. Entrepreneurship cannot be obliged to be always a new venture attached to the invention and innovations.

# **Personality Trait**

To act with confidence beyond the range of familiar beacons and to overcome that resistance requires aptitudes that are present in only a small fraction of the population and that define the entrepreneurial type as well as the entrepreneurial function (Schumpeter, 1942). Personal predispositions are the cornerstones for venture success and venture capitalists are in favor that entrepreneurial characteristics are extremely important (Baum, Locke, & Smith, 2001). Some cognitive studies have named them 'personality traits' of entrepreneurs. From Bourdieu's perspective, it is a form of instinctive dispositions that contribute to the structure of habitus.

"An entrepreneur should have three major traits associated with the entrepreneurship scholar: achievement motivation, tolerance for ambiguity, and personal efficacy" (Pillis & Reardon, 2007, p. 383). The achievement motivation has been taken as a prevalent predictor (Babb & Babb, 1992) and critical to economic development and progress. The tolerance for ambiguity is a better interpreter of business success. Compared to managers, entrepreneurs are expected to possess a significantly higher level of tolerance for ambiguity (Low & MacMillan, 1988). Similarly, Gatewood, Shaver, and Gartner (1995) highlighted an internal locus of control or self-efficacy which has been closely associated with entrepreneurial venture and success.

Ardichvili, Cardozo, and Ray (2000) stated two types of personality traits that have been closely related to successful opportunity recognition. First, the connection between optimism and higher opportunity recognition is observed by a number of researchers. It is important to point out that optimism about one's ability to achieve specific and difficult goals is not related to optimism in the sense of higher risktaking.

When forced to take an outside view, entrepreneurs were much more realistic in judging probable outcomes. The second personality trait is creativity. Schumpeter (1934) was the first to introduce the notion that successful entrepreneurs discover opportunities that others do not see (Ardichvili, Cardozo, & Ray, 2000). Many researchers pointed out a weak relationship between personality traits and venture successes but "an entrepreneur's traits serve to influence the skill sets which are developed at the level of entrepreneurial motivation which in turn affect strategy (Baum, Locke, & Smith, 2001). The features and levels of skills and entrepreneurial motivation vary with each other or amongst the entrepreneurs.

The personality traits of the entrepreneurs are shaped by the learning from social constructs and even changeable so that the modes of personality differ from person to person. "Entrepreneurial alertness is likely to be heightened when there is a coincidence of several factors: certain personality traits (creativity and optimism); relevant prior knowledge and experience; and social networks" (Ardichvili, Cardozo, & Ray, 2000, p. 106). The successful entrepreneurs share some traits and behaviors that make them able to go through the risky process of business venturing (Bouchikhi, 1993). The main traits are generally believed to be associated with entrepreneurship, such as growth, innovation, and flexibility, however, they are deemed to be also desirable traits for large corporations as stated by theorists and practitioners (Stevenson & Jarillo, 1990). Thus, the overall exhibition of the entrepreneurship of individuals.

# **Innovation and Creativity**

Innovation is popularly defined as "the introduction of novelties; the alteration of what is established by the introduction of new elements or forms" (Blundell & Lockett, 2011, p. 65). Innovation deals with processes, products, and technology (Ulijn & Brown, 2004). Innovation looks for something new in the entrepreneurial venture as a major part of entrepreneurship. The main crux of entrepreneurship is to create a long-term business by introducing new approaches (Coulter, 2005). The entrepreneurs may continue the same goods or services with their particular ideas, or they can introduce new products in the markets.

Schumpeter (2000) stated that the new combination may in time grow out of the old by the gradual adjustments which lead to change, growth, or a new phenomenon. The innovations have the features of the continuum for fulfilling everyday social and physical needs. Human needs create the market and "entrepreneurship consists of the competitive behaviors that drive the market process" (Kirzner, 1973, p. 6). The competitive behaviors ensure the active presence of the individual entrepreneur to the markets where an unlimited number of entrepreneurs have been struggling for their existence and growth.

Entrepreneurship is the innovative and imitative intervention of the firm in the markets which is characterized by the nature of innovation (Wong, Ho, & Autio, 2005). The entrepreneurs always try to create unique values and satisfactions; convert the material to the resource; or combine the available resources to a new and more productive arrangement. The new notions and approaches of the resource combination make it possible to introduce the products in the value-added forms equal to competing with others or being better than others.

An entrepreneur always searches for change, responds to it, and exploits it as an opportunity (Drucker, 2006). The changing context of society creates new requirements for living to individuals and societies. New requirements of society invite new enterprises to fulfill them and create new entrepreneurial possibilities. "New possibilities are continuously being offered by the surrounding world; thus, the particular new discoveries are continuously being added to the existing store of knowledge" (Schumpeter, 2000, p. 61). An entrepreneur tries to search for adequate methods and ideas for translating the changing contexts to the opportunities. Thus, entrepreneurship is the continuous process of fulfilling the changing needs of human beings.

The innovation process is knowledge-intensive. It creates new knowledge intensively, trusts on human intelligence and creativity and involves *interactive learning*. The major point to focus on is how the micro-process and macro conditions are better for their cultivation (Kanter, 2000). The individual cosmology, family traditions, educational orientation, etc. shape individual intelligence. Creativity regarding innovation and the macro conditions like policy and support systems, business and economic environments create opportunities and threats for the enterprising activities.

Thus, Schumpeter (2000) concluded that "there is a joy of creating, of getting things done or simply of exercising one's energy and ingenuity" (p. 70). Innovation is an important form of creativity. The creativity explores the sources of the capability to search for new paths of action (innovative ideas) for the utilization of those innovative ideas, growth, and continuation of the enterprises. Moreover, it contributes to the capitalization of the networks that make it possible to combine the resources and sell the products as expected.

#### **Entrepreneurship as Social Phenomena**

The sociologists understand the enterprising activities as one of the social actions under the socially constructed contexts. They have been focusing on various issues, i.e. personality traits, different drives, motives, and social values (Pawar, 2013). The sociological perspective sees the enterprise through social systems and their constituent actors (Reynolds, 1991). It analyses the social context, process, and effect of/to the entrepreneurial activities (Ruef & Lounsbury, 2007). Entrepreneurship

is always, because of the socio-economic reasons, mediated by the social norms, rules, human interests, and decisions.

Entrepreneurship is a social activity; thus, Schumpeter (1883 – 1950) never produced concrete guidelines for how the entrepreneur should behave, of the type that today's business schools are trying to develop (Swedberg, 2000). The renowned sociologist Talcott Parsons sees the *actor* as motivated to spend energy in reaching the desired goal or end (Wallace & Wolf, 2006). The social need for livelihood always reinforces the individual and collectivity for generating some types of economic activities.

As a result, different activities get the continuum and some follow the characteristics of entrepreneurship. The scholars of entrepreneurship commonly agree to the socio-cultural perspectives to see the entrepreneurship because it is one of the streams of social dynamism. "Several writers have used a comparative framework to highlight the ways in which different societies, with differing interests, attitudes, system of stratification and the like, operate to produce different kinds of businessmen and different patterns of entrepreneurial behavior" (Conger & Kanungo, 1998, p. 24). Thus, entrepreneurship is a product of human cognitions shaped by their family and socio-cultural traditions where the individuals were born and live.

Hence, entrepreneurship is the process of 'becoming' within social settings. According to National Knowledge Commission (2008), "Socio-cultural factors such as social norms, family values, networks and social value of entrepreneurship play a key role in nurturing the entrepreneurial ecosystem" (p. 21). The entrepreneur may be driven not only by economic motives but also by psychological motives to innovate new products (Schumpeter, 1934). The psychological motives are the product of embedded culture, learning, and experiences. Max Weber introduced first the influence of culture on entrepreneurship at the beginning of this century (Basu & Altinay, 2002). Weber claimed that the spirit of modern capitalism started from the religious ethics of Protestantism that encouraged a culture of self-reliance, individualism, and entrepreneurial ways of life (Weber, 1976). Entrepreneurship is motivated and promoted by the culture, and the entrepreneurs are expected to meet cultural needs. Entrepreneurship habitus proposes that the individual/entrepreneur aspires to a certain combination of dispositions demanded by the entrepreneurship culture. It operates in disciplinary ways to dictate how one should properly feel, look and act, as well as the values, attitudes, and beliefs that one should espouse (Colley et al., 2003). It is influential and embodied, and calls upon the innermost aspects of one's own habitus.

Hofstede (2001) referred to culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another" (p. 9). This programming typically happens early in life and leads to behavioral patterns that continue over time and hence set the cultural context. The entrepreneurial thought or motive is one of the behavioral patterns which produces entrepreneurship in reality. Thus, the cultural aspect is intrinsically linked with entrepreneurial activities and we get differences based on the geographical regions and communities. For example, the entrepreneurship of African countries is different from Asian countries due to various causes and one of the major causes is a cultural aspect.

Cultural differences are the result of national, regional, ethnic, social class, religious, gender, and language variations (Basu & Altinay, 2002). Ulijn and Brown (2004) noted three different layers of culture regarding innovation and entrepreneurship, i.e. national culture, corporate culture, and professional culture. The varieties of entrepreneurial activities are guided by the culture and are different from the enterprises of other countries. "For example, 9.2 percent of all Dutch SMEs are run by immigrant entrepreneurs, such as Turks, Surinamese, and Moroccans, mostly in services like restaurants, retail, automation, and public relations" (Ulijn & Brown, 2004, p. 9). Professional culture is related to individual entrepreneurs or groups of them.

An individual's extensive education and subsequent career may have a significant impact on the processes of innovation and entrepreneurship. "Looking at engineers and marketers one can often see these professional culture differences" (Ulijn & Brown, 2004, p. 10). Thus, entrepreneurship is guided by the cultures inherited in the different communities and geographical territories. I felt it essential to see the cultural norms of Nepali society for looking at the influential factors of Nepali enterprises.

# **Practice Perspective: A Sociological Lens**

'Practice perspective' is a sociological approach which I have utilized in my research to explore the 'becoming' and 'doing' of SMEs. I wanted to understand the state of the habitus of entrepreneurs because entrepreneurship is one of the social actions and socially constructed phenomena. The entrepreneurs are the heroic agents of change, socially constructed and the entrepreneurial actions operate within the social field that set the limits on the choice of action possibilities (Chell, 2000). The entrepreneurs are always accumulating their instinctive dispositions as habitus and exhibiting the particular context of the field. On the other hand, they engage in the particular type of social practices to maintain their expected positions in the market contextual field. As stated by De Clercq and Voronov (2009), the practice perspective basically attends to the three main themes. First, it always sees the linkage between broader social structures and the shared understandings, cultural rules, language and procedures that guide and shape human behavior (Whittington, 2006). Second, it focuses on the minutiae of the everyday life of people and groups like new product launching, application of new technology, new methods of marketing and so on. Third, it recognizes the persons as neither deterministically manipulated by their institutional and social context nor free and autonomous agents. The people are the actors who artfully interpret and seek to navigate the context actively (De Clercq & Voronov, 2009). Entrepreneurship is also an interpretation and exhibition of the individual history stimulated by the purpose of ensuring the position expected in the social markets.

The practice perspective in social science (Whittington, 2006) and Bourdieu's theory of practice (Bourdieu, 1989) are the major conceptual foundations of the *practice perspective* to analyze and explain the social phenomena. Thus, I have taken "Bourdieu's theory of practice" as a major theoretical standpoint to explore the entrepreneurial practices of entrepreneurs and evaluate the issue of 'habitus fit' of SMEs in my research.

### **Bourdieu's Theory of Practice**

Pierre Bourdieu (1930 – 2002) was the most influential thinker to write within a critical framework, as well as being the best known of all contemporary French sociologists (Wallace & Wolf, 2008). Bourdieu sees the social reality as a process of the dialectic of the internalization of the externalities and externalization of internalities (Bourdieu, 1977). He looked at the social activities as a sort of game that starts from birth and ends after the death of an individual. Social activities occupy specific time and space but those activities are under the social game which is neverending and ever-changing.

For making it easy to understand and interpret, Bourdieu introduced and endorsed three major fundamental concepts i.e., habitus, field, and capital as the components of social practice. According to him, all human actions are constituted through a dialectical relationship between individuals' thought, activity, and the objective world. He has given an equation: "(Habitus x Capital) + Field = Practice" to clarify the relationships among the themes included in the equation (Bourdieu, 1984). It seems like the algebraic formula but does not imagine exactly the functions of mathematical signs and results. Normally, the practice is the accumulation of the habitus, capital, and field.

Bourdieu has provided the space for thinking and adopting the theory of practice to all of the social functioning of human beings either economic or noneconomic to analyze and explain. I have stated the concepts on the three major themes - field, capital, and habitus - introduced by Bourdieu as the fundamental components of the 'social practice' under the following headings.

# Field: A Game

Bourdieu (1989) used the term 'field' as a culturally structured context which contains the norms and practices that continue from the very beginning but everchanging. This is like a playground socially constructed, where the actors play for obtaining the position they expected, with the rules of the game, always relational, dynamic, ever-changing and dialectical (Bourdieu & Wacquant, 1992). For example, entrepreneurship, education, politics, sports, music, religion, and art are different forms of fields. The field has its own specific logic, behavioral traditions, and networks created and maintained by both individuals and institutions. A field consists of a set of objectives, historical relations between positions anchored in certain forms of power or capital (Bourdieu & Wacquant, 1992). In other words, a field is a system of social positions, structured internally in terms of power relations. Every field is a locus of power relations (Bourdieu, 1990). Thus, the positions stand in relationships of either domination versus subordination or equivalence (homology) to each other by virtue of the access they afford to the goods or resources (capital) which are at stake in the field (Jenkins, 2002). The positions are permanent but the rules of the field may define its features and domain influenced by the particular contexts and temporality.

Bourdieu's concept of field is mostly similar to the recent neo-institutional concept of field, as space where the competing logics and interests fight between/among them for establishing the power of domination (Marquis & Lounsbury, 2007). The field is always occupied by the dominant and dominated actors, who attempt to take over, exclude and establish monopolies over the mechanisms of the field's reproduction and nature of power that is effective in it (Bourdieu & Wacquant, 1992). Thus, it is like a battle-field where the struggle is never-ending between/among the actors to capture the positions they expect.

The individuals and groups struggle in the fields to upgrade their standing as dominant from dominated or there may achieve only the equivalence in relation to the capital that defines the field (Bourdieu, 1989). The cultural rules of a field are also the consequences of the struggle that happens within it. Therefore, the field is the locus of the struggle between/among the actors for ensuring the relatively dominant position within the field. But, the reality is that an actor definitely secures the dominant position in comparison with the actors weaker than him/her and on the other side, s/he is always at the dominated position compared with the actors who have a more effective combination of habitus and capital appropriate in the contextual field.

### **Capital: Sense of Purchasing Power**

Each field values particular sorts of resources (Bourdieu & Wacquant, 1992) that Bourdieu named *capital*. It denotes the 'sense of purchasing power' in the market. Hence, it is the source of power that the actors always attempt to capture it more than others (Everett, 2002). Bourdieu (1986) referred to it as the 'forms of capital' within it. Capital is anything that is designated as being of value within a given field. Bourdieu identifies four kinds of capital. First, economic capital that involves commanding over economic resources, money and other monetary properties. It is related to the persons' monetary fortune and revenues. It is directly convertible into money and maybe institutionalized in property rights (Bourdieu, 1986). It is also easy to transform into other types of capital and vice versa.

Second, social capital represents a person's entirety of social relations that command over the relationship - networks of influence. It is a social capability legitimized by family, group or class membership (Bourdieu, 1986) and that allows access to material and immaterial resources, information, and knowledge (Gretzinger, Hinz, & Matiaske, 2010). The social capital can be earned through the exhibition of appropriate practices and strategies, and also be used for increasing social and other capitals.

Third, Bourdieu has given high importance to the cultural capital, i.e. knowledge, skills, and aesthetic preferences, and taken as an ability that provides the access and mobilizes the institutions and cultural products of society (De Clercq & Voronov, 2009). It appears in three forms: objectified, institutionalized and embodied (Allan, 2006). De Clercq and Voronov (2009) clarified those three forms of cultural capital. The objectified cultural capital refers to material goods with a value in a particular field such as an artfully designed building or a strategically positioned physical location from which the field participants can operate. The goods may objectify and capture key attribute values of the field. Second, institutionalized cultural capital refers to certifications and credentials that recognize and display certain kinds of knowledge and abilities deemed valuable in a particular field. Third, embodied cultural capital refers to a person's automatic 'knowing' of how to present him/herself, according to the field's rules.

Likewise, fourth, the symbolic capital refers to the ability to use and manipulate symbolic resources such as language, writings, and myth (Everett, 2002). It is related to honor and recognition. It is not independent within itself, but rather consists of the acknowledgment by the entirety of the peer competitors in a specific field (Bourdieu, 1977). The feeling of honor and recognition are attached to the actors (competitors) within the field but are totally oriented and accept the rules of the field.

The recognition of symbolic capital reflects the rules of the field regarding the understanding of the worth of capital. This is the rule of the game and the rules determine the price and position of the particular types of honor or recognition. Symbolic capital reflects the external and internal recognition, i.e. the value accorded by the system and its actors (Doherty & Dickmann, 2009). Other forms of capital - economic, social and cultural - can also be converted to the symbolic capital (Bourdieu, 1977). Symbolic capital is not the earning of itself totally but it is also the sum of the earnings of other forms of capital. The capital either economic or social or cultural, all those as the source of the power, shape the habitus of a particular type and ensures the position in the field. The actor receives honor and recognition based on his/her achievement of the position.

# Habitus: Sense of Game

The third component of Bourdieu's theory is *habitus* as a central concept, taken as the results from the absorption of the structures of the field into the individuals' way of being – in thought and action. Thus, habitus contains the embodied dispositions guided or deposited by the historical learnings, thoughts and that exhibits in the way of life (Bourdieu & Wacquant, 1992). It entails the cognitive and somatic structures, actors use to make sense of and enact their positions in the field (De Clercq & Voronov, 2009). The individuals or group/s face or interact with the non/material objects; those create the reaction to them that makes their sense, might be for or against, exhibit in their behavior.

To make habitus conceptually clear, we can take a question asked by Bourdieu, "How can behavior be regulated without being the product of obedience to rules?" (Bourdieu, 1990, p. 65). Every person's behavior is shaped by culture. The culture discloses the patterns of confirming behavior to the individuals or groups in which patterns are driven by the objective social structure. The persons unconsciously adopt the social patterns and norms that surround them through the experiences of their everyday life – particularly formative experiences in the early years. The notion of what is 'right' and 'appropriate' becomes ingrained instinctive patterns of thought and behavior. Bourdieu refers to these instinctive tendencies towards certain behaviors as *habitus* (Beames & Telford, 2013). The notion of 'right' and 'appropriate' is the foundation of creating values and dispositions that shape instinctive patterns of thought and behaviors.

The values and dispositions shape the way of living of an individual, groups or greater space. Each of the people cultivates his/her own instinctive values and dispositions. Another condition may appear that the groups from the same and similar

social environments share a similar group habitus. That condition is named 'doxa' by Bourdieu which is foundational and unconsidered cultural beliefs (Beames & Telford, 2013). Doxa encourages not only the acceptance of the things are but, moreover, gives us a sense that the way things are in the way they ought to be (Jenkins, 2002). Thus, individuals or groups exhibit their habitus in every aspect of their lives.

As the reflection of habitus, they exhibit the particular ways of thinking, expectations and choices, politics, religion, speech, posture, a way of dressing and response to the field (Beames & Telford, 2013). The habitus includes the way of thinking and the way of doing in particular social contexts. The way of thinking is driven by certain values and beliefs as 'common sense' (Bourdieu, 1989). This is also the process of self-legitimation influenced by the formative experiences of early life. The changing social context may produce an uncommon situation for a particular habitus. The long-living in the same geographical location, same familial structure, and the same social surroundings as relatively unchanging environments provide the durable, instinctive dispositions that form the habitus (Bourdieu, 1977). Thus, the habitus indicates the instinctive dispositions unconsciously collected from the social living and exhibition to society.

Entrepreneurship is an economic practice in the social world in line with 'economic reason' (Bourdieu, 2005). The economic reasons immediately chain-up to the social reasons automatically. Each of the social activities has either a single or multiple reasons from the creation, growth, continuation and other forms of dynamism. Due to the reason/s of any type/s, the social practices appear to fulfill the particular reason/s. The social actors follow the particular 'way of life' which reflects a cumulative expression of their early social experiences. Bourdieu named 'habitus' to a person's cumulative expression based on their dispositions either cultural or economic, earned from the society (Bourdieu, 2005).

The habitus is defined as a system of durably acquired schemes of perception, thought, and action, endangered by the objective conditions, tending to persist even after an alteration of those conditions (Wallace & Wolf, 2008). It is structured by the experiences in the social life of the person it belongs to, and furthermore habitus structures the field in which the person moves (Bourdieu, 2000). Here, 'habitus fit' is an issue - like the object to be investigated, the SME is a subject - a knower interacting with the issue, participants are the representatives of the subject and Nepal is the socio-cultural (not geographical) context - where the knower and knowledge are interacting and sitting together contextually.

# **Social Practice**

The behavior of human beings in the social world – social practice – is thus understood as a dynamic, interdependent relationship between individual agency and the rules and practices of cultural fields (Beames & Telford, 2013). The particular social practices or the social practices of the particular individual or groups are the parts of a broader social practice. The social practice is an everlasting social game where the players, game properties and nature, norms and rules are always contextual and temporal. The players might be the newcomers, stayed for a long time, and near to be retired, of different instinctive dispositions – habitus, and different levels of power in the game.

"There are good and poor players, winners and losers; although why this should be the case is never absolutely clear. There are rules which govern how the game is played ... be entering the game, individuals implicitly agree to be ruled by it and immediately set up personal relations with it as well as with other players" (Grenfell & James, 1998, p. 18). Bourdieu's theory of practice interprets social activities as a game where the players, rules, playgrounds, and connections between/among them are actively interacting and contributing to the social dynamism. Bourdieu has indicated the social practice as never-ending and ever-changing internal movements of the components as the sum of standing society alive.

Bourdieu (2005) wrote another book 'The social structure of the economy' and published it in 2005 and added the utilization of the 'theory of practice' in economic sociology. He explored his conception from the words 'economic reason' which we can understand on the one hand, through an economist's view and on the other hand, a more realistic one (Swedberg, 2011). In entrepreneurship research, the 'economic reason' is appropriate to use for initiation, growth, and continuation of the enterprising activities. The economic reason is not an 'odd value' and we cannot imagine out of social reasons. It means the economic reason is a part of the social reason for social practice. It promotes the economic practice that is not out of the 'social practices'.

The prominent sociologists like Bourdieu, de Certeau, Foucault, Giddens, and many others have introduced the 'social practice' as situated practice and its role to explain social phenomena. The scholars believe in the 'situated practice' that individuals perform their role within a set of practices. Entrepreneurship is a set of practices intrinsically intertwined with the fabric of contemporary society (De Clercq & Voronov, 2009). All of the entrepreneurial practices inevitably are socially embedded (Lounsbury & Glynn, 2001). Within a big set of practices, the entrepreneur's day-to-day practices are connected to their ability to gain legitimacy from others. The entrepreneurs' practices have a dialectical relationship with social context. Thus, the legitimacy in a field results not from thoughtful planning or intentions but from the interplay between everyday practices and the social context. To develop legitimacy, the entrepreneurs must in Bourdieu's terms, enact particular and fieldspecific habitus (or normative embodiment). For ensuring the legitimacy, the enactment of the entrepreneurial habitus which consists of two principal facets: the need for entrepreneurs to 'fit in' and 'stand out' (De Clercq & Voronov, 2009). Both facets have the opportunities and challenges on the race of establishing legitimacy in the competitive markets.

#### Small and Medium-sized Entrepreneurship

The definition of Small and medium-sized enterprises (SMEs) might be different as per the country context. But, SME covers formal and informal, rural or urban enterprising activities in micro, small and medium scale. The SMEs have relatively high labor intensity, based on indigenous skills, technologies and promote the growth of industrial linkage (Manzer & Nayeem, 2009). By nature, SMEs are family-owned, based on traditional or cultural skills, local technologies and laborintensive. Thus, they have the characters of low income and low productivity, especially with petty trades. Thus, they have been categorized to the small and medium scales mostly attached to the local cultures and demands.

The SMEs are independent business firms which hire the given number of employees and financial ceilings. The number of employees and financial ceilings is not the same or varies across the countries. A new definition of SME came into force on 1 January 2005 for regulating all of the community acts, funding programs, and granting higher emphasis to promote them than the big companies (OECD, 2005). The new definition states that the medium-sized enterprises should have the employees from 50 to 249 and the maximum financial ceiling of EUR 50 million; that of small enterprises employ from 10 to 49 employees and should not exceed EUR 10 million. The micro-firms should have less than 10 employees and the financial investment up to EUR 2 million (OECD, 2005).

In Nepal, the government has clearly defined SME on the basis of investment sizes. According to the Industrial Enterprise Act (2016), the small enterprise constitutes the fixed capital up to NPR 100 million except the micro and cottage enterprises. Literally, micro and cottage enterprises are under the category of small enterprises. Likewise, the medium enterprise constitutes the fixed capital of NPR 100 to 250 million. SMEs may be established to any of the sector/s provisioned to the act, i.e. energy, production/ manufacturing, agriculture, and forest products, minerals, construction, tourism, information and communication, and other services (Government of Nepal, 2016). Thus, the SMEs have been operating to multiple sectors with a variety of manufacturing features.

There are two types of SMEs; formal and informal based on their legal registration to government entities. Formal enterprises are established and continue with formal registration to the concerned government offices. Those enterprises will be accountable to follow the process of registration, renewal, tax liability and other legal provisions of the government. Informal enterprises are generally initiated by an individual family to earn money by means of their traditional craft skills, whereas formal enterprises are either initiated by NGOs and government agencies as incomegenerating programs for poor families and the marginalized or self-initiated by the rural people themselves (Food and Agriculture Organization, 2010). Informal enterprises are family-based on a very small scale for their livelihood maintenance.

regulated under the industrial acts and legal provisions of Nepal although they are generating significant income and local employment and are often ignored by the government, e.g. in providing support" (Food and Agriculture Organization, 2010, p. 3). It is one of the neglected sectors of development in Nepal but highly essential for the national economy.

### Small and Medium-sized Enterprises in Nepal

The national economy of Nepal is partially based on the SMEs. SMEs are the potential means of livelihood in Nepal looking at the local resources and economic status of Nepali people. Pandey (2004) highlighted that SMEs cover 96 percent of the total industrial establishments and contribute 83 percent to industrial employment. The SME sector contributes around 80 percent of the industrial sector's contribution to the national gross domestic product [GDP] (Dahal, 2004). The figure of small enterprises registered to DCSI and CSIDB is 19,376 where 4,263 females and 27,577 male entrepreneurs are engaged in these enterprises (Department of Cottage and Small Industries, 2013). Only around 0.12 percent of the total population has initiated SMEs formally which is a much negligible figure but there are a number of informal enterprises contributing to the national economy.

SMEs account for a big proportion of economic activities, making a notable contribution to trade, employment, and national income. According to the Population Census (2011), almost one-fifth of all households are engaged in nonfarm enterprises. This varies by ecological belts: of total households 22.5 percent in the Terai, 18.1 percent in the hills and 15 percent in the mountain districts are engaged in non-farm enterprises (Central Bureau of Statistics, 2011). The formally registered enterprises have created employment opportunities for around 2,103,437 in Nepal which is around 8 percent of the total population. We can estimate the total number of

employment around 24 percent in the accumulated figure including the informal enterprises in this country.

As stated by Department of Cottage and Small Industries (2015), there are seven categories of SMEs. Out of them, 207,172 enterprises are formally registered in all 77 districts. "Nepali SMEs are involved in processing and manufacturing of food items, consumer and household goods, and textiles and related products, both for exports as well as the domestic market" (Pandey, 2004, p. 8). Those enterprises have been initiating and serving local demands.

There are more than 104 categories of manufacturing industries including food and non-food items which are small-scale and most of them have traditional processing methods with local technologies (Department of Cottage and Small Industries, 2013). Likewise, four categories of energy-based enterprises, nine categories of agriculture and forest-based enterprises, two categories of mineral-based enterprises, four categories of tourism enterprises, 37 categories of service-based enterprises and three types of construction-based enterprises exist in Nepal.

Food processing, fruit drinks, tobacco/cigarettes, clothes, metal items, hand embroidery, carpet, leather items, readymade dress, wood and bamboo products, herbal products, soap and detergents, chemical items, plastic items, bricks and tiles, woolen items, cement and cement items, metal furniture and pots, gold and silver ornaments, Allo and Dhaka items, food-oil, incense sticks, wood carving, mirror fittings, tea processing, candle making, thread making, shoes, and slippers, etc. are the manufacturing enterprises.

Likewise, electric energy and LP gas, water supply and Pani Ghatta, solar plant, electric and electronics and others are energy-based enterprises in Nepal. In agriculture and forest-based enterprises/industries; nursery, agriculture, and livestock, beekeeping, poultry farm, tea state and processing, dairy, fishery, herbal farm, and processing are the major categories with higher potentialities. Pottery, stone and sand collection, processing and delivery, and slate, marble and stone crushing are the types of mineral-based enterprises.

Similarly, hotels, restaurants and bars, travel and tracking, paragliding and other services are the major types of tourism enterprises. There are various categories of service enterprises like photo studio, printing and publication, taxi and rickshaw, beauty parlor, tailoring, transportation and delivery, cold storage, communication, consultancy, legal services, advertisement, training centers, health services, engineering workshops, dry cleaning, house wiring, packaging, foreign employment, repair and maintenance, and others.

# **Duality of Localization and Globalization**

Nepali SMEs are under the situation of duality between localization and globalization. The majority of Nepali SMEs have been initiated by the demands of local cultures and they have been operating with the traditional methods and technologies. On the other hand, globalization has entered into the rooms of all citizens in the world. Nepal and Nepali entrepreneurs are no exception. This contrasting condition has been shaping the mentality of the entrepreneurs of SMEs and also the big enterprises because they have both opportunities and threats.

If we see the globalization, the rapid advancement in the field of information and communication technologies (ICT) made it possible to exchange any of the ideas around the globe within a minute (Audretsch, Grilo, & Thurik, 2012). The ICT has created the situation of the 'death to the distance' and prepared it possible to the interaction between and among the individuals at the global range. In addition, the liberal policies in economic activities have opened the borders of the countries. This condition allowed business activities and funds for investments across the countries. The interconnection with the markets of both national and international has become possible (Incekara, 2013). Globalization has formed the situation of 'new economic paradigm' with the new features of the dynamic market, global competition, entrepreneurial/organizational form, the high mobility of business, knowledge and innovation-based production, alliances and collaboration, deregulated governance, and continuous research in information systems (Lumsdaine & Binks, 2007). Thus, globalization has created a wider space for SMEs or other types of enterprises/entrepreneurs for exhibiting their skills and physical resources with the purpose of capturing the market share.

The international movement of products and capitals have been carrying a new economic paradigm that is quite different from the traditional economic thoughts and traditions. Globalization has made it possible for the resources diversification, construction, and expansion of new investment opportunities by connecting with supplementary markets, the discovery of new methods and materials (Incekara & Savrul, 2012). Therefore, the globalization forces all of the entrepreneurs on crafting self or collecting and utilizing the innovations from the markets that ensure their market shares with competitive advantages (Rai, 2018b). In other words, globalization has created the ground based on the prime rules of competition where a player enters knowingly and unknowingly with his/her skills and weapons, plays with the competitors, wins or loses the game. The games are never-ending, the ground is unlimited, opportunities are also unlimited, and the threats and probability of failure are also attached to the players.

The dismantlement of local business opportunities due to the openness of the customers' choices and availability of alternative products indicates the need for

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better awareness of the individual firms to compete in the new business context (Rai, 2018b). The market is dynamic in terms of multiple products for a single need, rapidly changing needs, interests, versions, fashions and value additions. The innovative exhibition of the products plays a more influential role in the existence of the enterprises. Nowadays, the nature of competition is unlimited in terms of time, space and types. Therefore, there are both opportunities and threats in the business life.

It has provided competitive opportunities to all of the entrepreneurs for collecting the best resources, investing them in the enterprises and reaching a better position. It requires the innovation dynamics of the enterprising activities for their better existence within the global market situation (Rai, 2018b). The speed of the changes in the ideas of dealing with human needs, manufacturing processes and product-presentation-techniques is very high as the outcome of globalization. The business firms have been updating their products and methods as much as possible.

The vision and functioning of the entities have been changing for 'survival for the fittest' within the momentum of market changes. The customers' interests, needs, and market demands have been rapidly changing with wider diversification as a continuous process. Because of diversified demands and production patterns, new professions emerged and the production process and philosophy have evolved (Dereli, 2015). SMEs have also been entering the globalized market and they must struggle for their survival.

When we see another face of localization, Nepal's socio-economic and political systems are based on the Hindu philosophy and assigned the work division based on caste, gender, social and economic classes (Aryal, 2016). In the previous days, the enterprises were traditionally attached to the castes. For instance, ironworks were attached to the 'Kami' - a caste under Shudra, tailoring to the 'Damai' - another caste under Shudra. It means the people who were working in the innovative enterprises were already tagged the common caste 'Shudra'. The Baishya people were traders and agriculture workers (Aryal, 2016). The castes under Baishya had the enterprising activities featured as more sophisticated, invested more money, higher economic class, and dominant to the Shudra. The discrimination was attached to each of the social dealings at that time.

Because of the expansion of the formal education system and the implementation of the Constitution and Acts after the restoration of democracy in 1990 in Nepal, the caste and gender-based discrimination and work division have been eliminated and positively respond to the issues. The tradition of untouchability and unfair domination have already been prohibited by the legal provisions of Nepal. Thus, the caste-based understanding of the enterprises has been rapidly decreasing and developing a conducive environment for innovative and potential entrepreneurs.

But, a big chunk of Nepali SMEs is based on the local cultures and traditions. We have the enterprises of metal crafts, natural fibers, Dhaka clothes, leather items, varieties of food items, costumes, religious products, agriculture weapons and so on are based on the Nepali lifestyles. The SMEs have been supplying to the local demands of those products.

Thus, the SMEs of Nepal have been exhibiting their practices under the duality of globalization versus localization. The globalization has been exploring them to the wider space of the market, multiple options of the enterprises, and interaction and knowledge sharing. On the other hand, localization has its origin and provides the marketplaces, materials and other resources, especially preserving the small investments. The SMEs have been playing in the ground where both of the rules of globalization and localization are in the practices.

# **Research in SMEs**

In LDCs, 'SMEs have been taking as a vital means of poverty reduction and several research studies have been conducted taking different issues (Akinwale & Ogundiran, 2014). The research on SMEs has been carried out on different issues like national policies, micro, and macro environments, entrepreneurial cognition and others.

McPherson (1996) in a study, concluded the insights of three things; (i) micro and small firms had the same strength as of larger ones but the experienced, educated and trained proprietors often grew more rapidly than those with the proprietors possessing smaller stock of human capital; (ii) the assistance programs were found effective on generally larger and older firms than the smaller and younger; (iii) those enterprises in urban areas grew more rapidly than home-based and rural firms.

Likewise, Abeka (2011) carried out a research and found that the networks played a vital role to get the firm-performance in the case of small enterprises and recommended networking as a necessary strategy in obtaining resources such as gathering information, technology, and finance. Meanwhile, it was found that small entrepreneurs who attended the seminars, training events and participated in trade fairs had a higher chance of developing relations with other entrepreneurs.

In a study, Ozar (2005) concluded the urgency of policy reformulation for two sectors, i.e. (i) policies aiming to establish and sustain an enabling environment in which SMEs can develop and expand their activities, and (ii) policies aiming to enhance the capabilities and competence of entrepreneurs and enterprises.

Similarly, Osotimehin, Jagede, Akinlabi, and Olajide (2012) explored that small and medium scale enterprises' growth in Nigeria had been prevented by structural and environmental challenges. In the context of Nepal, Tuladhar (1996), carried out a research study analyzing the Nepali socio-cultural norms, legal factors, and education and training as the environmental factors for shaping entrepreneurial behavior to women entrepreneurs. She took the entrepreneurial traits of individuals, motivation factors and business behavior within the personality traits essential for women entrepreneurship. She found several constraints to female entrepreneurs in Nepal; financial constraints, marketing, and institutional problems.

Likewise, Pradhan (1999), in a study, focused on the relationship between the organizational climate and job satisfaction of the employees. He also compared public enterprises with private enterprises. The research concluded that the organizational climate of private enterprises was relatively result-oriented and there was a significantly strong relation with the job satisfaction of employees. The job satisfaction level of the employees of public enterprises was poorer than the employees of private enterprises.

Pant (2013) conducted a study that focused on the socio-cultural influences on entrepreneurship in the context of Nepal. He concluded that the socio-cultural factors, i.e. family background, caste, gender, migration, education, and training influence people to become an entrepreneur. He left the area of the ways of becoming and the practice of doing.

International Labor Organization (2005) published a report focusing on the policy influences and found that the current incentive schemes were in favor of large industrial enterprises neglecting the SMEs. "The review concluded that the absence of policy framework for micro and small enterprises without incentive packages, support services, especially from the gender perspective, has created a situation of 'growth trap' (International Labor Organization, 2005, p.5). It has been recommended to

create the database, prepare the policy framework including gender issues, and the delivery of the technical support services.

Shrestha (2007) conducted a study taking the policy context of Nepal for the development of SMEs. He concluded that the policy hurdles have been pulling back to the process of entrepreneurship development. Likewise, he further published a research article in 2011 carrying the issue of accessing raw materials like unavailability at the expected volumes, unfavorable public policies, the involvement of agents and importers, and the high market price of raw materials. He concluded that the policy is not practically supportive in terms of registration and renewal, tax exemption, and collection and use of the local raw materials.

Food and Agriculture Organization (2009), in a study, concluded that the existing policies and laws on the SMEs are quite ambiguous and contradictory. Thus, those policies and other legal documents need to be clear, detailed with provisions of regulating all types of enterprises based on forest, agriculture, livestock, minerals, and others. The government should work with stakeholders to develop a comprehensive set of support services, including those for market information, business development services, financial services and access to technology to encourage the growth of SMEs in Nepal.

Pun (2010) conducted a case study taking socio-demographic characteristics, business types, and the environment as the influential factors and employed the quantitative approach for finding out the relation and effects. The study concluded that the non-economic factors seemed stronger than the economic factors to influence entrepreneurship ability.

Likewise, United Nations/Economic and Social Commission for Asia and the Pacific (2011) produced a research report within the contexts of Bangladesh, Nepal,

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and Sri Lanka. Perennial problems such as a lack of financing, inadequate infrastructures, inaccessibility of public services and inadequate market intelligence were major constraints of SMEs in South Asia. UN/ESCAP (2011) recommended that the government should take the lead role to formulate the sector-specific policies, outline an intervention scheme and implement both. Second, the global value chain approach should also be used for the products/sectors for promoting the exports of those products in international markets.

Manandhar Bajracharya (2011) carried out a research study on the processes of preparing entrepreneurs from the families of poor communities in Nepal. It was concluded that the entrepreneurial traits, family supports, the chance of mobilizing finance and credits, product-market potentiality, and creativeness were the major indicators of initiating entrepreneurship in poor families.

Shrestha (2015) carried out a research study on Nepali entrepreneurs taking three themes, i.e. perception, discovery, and creation. He concluded that the entrepreneurs were inspired to start a particular business from their personal experiences, family members and friends. The entrepreneurs were conscious of changing their strategies as per the change of the business environment. He finally, proposed a model of business opportunity recognition.

Sigdel (2015), in a study, examined the institutional mechanism, assessed the attributes of women entrepreneurs in the development of a business venture and their influences in management. The study also examined the intricacies of successful business ventures run by women. It was concluded that the success of women entrepreneurship is based on age, experience, and external orientation.

# **Gap in Literature**

The scholars have carried out their research works on different themes and domains. They have much focused on 'organizational set up', 'firm enterprises', 'innovation', 'technology', 'development', 'globalization', and 'marketplace' through the economic or business school theories. They have also conducted the research works on individuals, teams or groups, and at macroeconomic levels relating to the domains.

The reviews of the current literature show that research studies in the field of entrepreneurship and SME have the dominance of economic, business school or management and organizational approaches. All of the SMEs or enterprising activities are not out of the socioeconomic environment and living in society and culture (Hofstede, 2001). Looking through the social perspectives also seems to be very important and might help to make and implement the policies relating to the social aspects.

The scholars have rarely seen those domains and themes through sociological perspectives. It is also important to see the firm enterprises and their activities through sociological perspectives because it is one of the social actions because of 'economic reason'. The individuals and entrepreneurship are socially embedded in network structures (Aldrich & Zimmer, 1986; Casson & Della Giusta, 2007). Therefore, I became ready to conduct research on the habitus of the entrepreneurs of Nepali SMEs in terms of their entrepreneurial capabilities by exploring their practices in the context of Nepal.

# **Theoretical Referent**

I took the issue of 'habitus fit' of the entrepreneurs of Nepali SMEs in terms of entrepreneurial 'becoming' and 'doing' I followed the 'practice perspective' as a sociological lens to explore the state of habitus through collecting and analyzing the experiences of entrepreneurs.

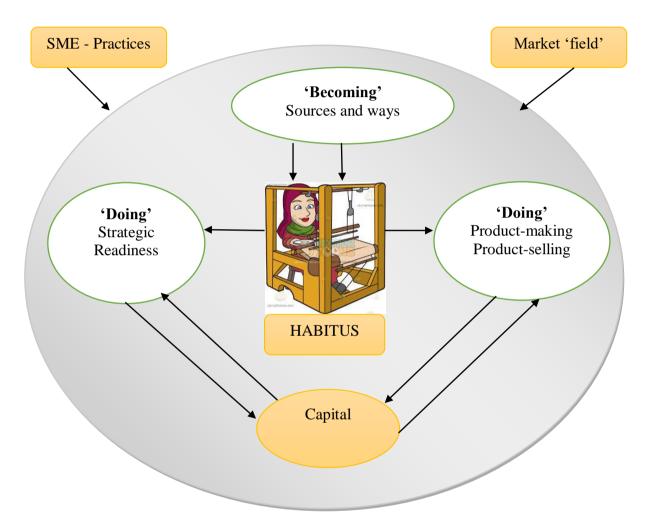


Figure 1. Theoretical Referent

I made my theoretical concept to see the 'habitus fit' of the entrepreneurs of Nepali SMEs as given in the following figure – 1. The figure shows a bigger circled area which is the market or field for entrepreneurs of all types and scales. The entrepreneurs play the game within this field because the game is compulsory to ensure existence and growth. The process of constructing habitus - 'becoming', exhibiting habitus – 'doings', earning capital, investing the capital for the process of becoming and doing, etc. will be everlasting in this field. I made the conceptual preparation to explore this research for finding and analyzing the practices of Nepali entrepreneurs on 'becoming' and 'doing' into this field which is always competitive with unlimited opportunities and threats.

I have segregated the main issue of 'habitus fit' into three stages of exhibitions. An individual, first of all, prepares the dispositions because of the cultural sources starting from the parents. Likewise, the individual might get the opportunity to think, collect and compare the knowledge on entrepreneurship so that s/he might be motivated and initiate the enterprising activities in this field. After entering the field of entrepreneurship and the wider market, an entrepreneur tries to play better games or goes out. The entrepreneurs, who are trying to play better games, search for the multiple ways of collecting the knowledge and skills for better performances. Hence, I search for the sources and ways of entrepreneurial 'becoming' of the entrepreneurs of Nepali SMEs.

In the figure, I have displayed two circles of doing because those indicate the two stages and 'doing' for different natures or components. The 'doing' on strategic readiness indicates the practices of strategic actions for exhibiting the activities in the business game. The process of strategic actions will be continuous up to the game. Another circle in the figure shows the 'doing' on product-making and product-selling which indicates the real physical activities of business games which is compulsory to exhibit in the field.

The habitus and exhibition of habitus – 'doings' earn the capital in different forms like financial, social, cultural and symbolic, etc. The increase in the storage of the capital promotes the players to invest more for a better and unique exhibition of the habitus or higher-level preparation and display of game activities. It means the figure shows the mutual connection of habitus and capital which ensures the

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entrepreneurs' capacity and performance in the competitive markets. My research follows the figure for guiding me to explore the 'habitus fit' of the entrepreneurs of Nepali SMEs in the Nepali context.

# **Chapter Essence**

This chapter has included the description on topics like concept of entrepreneurship, sociological perspective, theory of practice, small entrepreneurship, duality of globalization and localization, review of previous literature, theoretical gap and conceptual framework. The theory of practice informed that society is a field of game where the human habitus and capital earned by the individual or group interact continuously for performing the game. I have presented the contemporary context that emerged by the duality of globalization and localization which is the reality of the field environment for the entrepreneurs. Likewise, from the review of existing literature, it is explored that there is huge domination of business, economic, organizational theories in entrepreneurship research with rare use of sociological perspectives. There is an opportunity of doing research through the sociological perspective so that entrepreneurship would be easy to understand through this approach. Finally, I have articulated a conceptual framework of my research using the aspects of the theory of practice.

### CHAPTER III

## APPROACH OF EXPLORATION

In chapter II, I collected and discussed the different works in literature based on the themes of entrepreneurship and SMEs. I presented the conceptual notes on the theory of practice and its components because it is the theoretical perspective utilized for this research. This chapter starts with the conceptual underpinnings of *interpretivism* as my worldview. It highlights the philosophical and methodological considerations of my research. Under philosophical consideration, I discuss the ontology, epistemology, and axiology of my research. I also discuss the research design, paradigm, and approach; research site, tools, and techniques; research participants and data collection procedure; quality standards and ethical considerations as a part of the methodology of my research.

# **Interpretivism: My Worldview**

My research approach is 'interpretivism', a socially mediated approach to see the world. Interpretivism believes in the *multiple realities* 'due to the fact of pluralization of the lifeworld' (Flick, 2006) for looking at the *contextual depth* (Kelliher, 2005). Interpretivist perspective goes beyond the empirical truth and logical proofs. According to this perspective, the worldview of contextualism builds on the concern for the human condition that best expresses "I mean more than I say" (Kramp, 2004).

With a long history in the social sciences, the theoretical perspectives like positivism, postpositivism, interpretivism, and pragmatism have been contributing to the field of entrepreneurship research. The positivism had been established as a dominant position in the field of entrepreneurship research from the earlier decades of the 20<sup>th</sup> century (Leitch, Hill, & Harrison, 2010). The entrepreneurship research was believed as a natural science and perceived virtues of rationality, universality, objectivity, and value-free knowledge. Hence, the entrepreneurship research was mediated by the positivist ontology and epistemology. The methodological processes always entailed establishing credibility by testing theories through deductive processes.

Gradually, interpretivism became popular in this field because the scholars have encouragingly argued and recommended this research approach. The interpretivist approach is based on the life-world ontology that believes in the multiple realities constructed socially and attached to human science. The interpretive study seeks to explore peoples' experiences. It is inductive in nature and employs the qualitative approach of data collection, interpretation, and analysis (Gray, 2013). Mathys-Watkins and Lowe (2005) noted that an interpretivist approach can be employed in entrepreneurship studies to interpret each other and provide a more textured approach to understanding.

### Narrative Inquiry: Way of Knowing

For a narrative inquirer, the knowledge is 'subjective', and 'understands things from the viewpoint of those involved rather than explaining things from an outsider's point of view' (Denscombe, 1998). By nature, the narrative inquiry assumes that believes that knowledge is into human experiences (Clandinin & Connelly, 2000). "Narrative inquiry is set in human stories. It provides researchers with a rich framework through which they can investigate the ways humans experience the world depicted through their stories" (Webster & Mertova, 2007, p. 3). The narrative inquiry adopts a particular view of experience as a phenomenon under study (Connelly & Clandinin, 2006a). Human life is a totality constructed by the experience of previous days. The past experiences guide the activities of present days as the foundation of the experiences for future days. Hence, the narrative inquirer believes that the sources of knowledge are the experiences of human beings. I entered into the experiences of the entrepreneurs of Nepali SMEs, collected the stories of their experiences, compared between and among them in the narrative forms. I saw the realities embedded in their individual experiences. Therefore, the data for knowledge construction is contained in the stories of entrepreneurs ' experiences which are obviously shaped by cultural practices.

"The use of narrative inquiry is inspired by a view of human experience; in which, humans individually and socially, lead storied lives" (Clandinin, 2013, p. 13). I maintained the engaged listening with 'researched' to capture the stories regarding the entrepreneurial orientation, capability, and practices within the social context they have been showing, feeling and expressing. "Stories allow us to watch what experience can do to people who are living that experience" (Webster & Mertova, 2007, p. 20). They expressed differently their stories themselves regarding their entrepreneurial experiences.

I collected the sense of the world from the participants. While doing so, I learned how they behave in the entrepreneurial world because of their experiences and attempted to make that world understandable to outsiders, especially in the research community (Eisenhart, 1988). From these multiple insights collected from their stories, I generated the knowledge on the habitus of entrepreneurs from their experiences and practices. The stories supported to enhance the richness to my understanding which conveys a fuller picture as possible of the nature of that multifaceted reality. I collected the lived experiences of the entrepreneurs regarding their professional capabilities and everyday practices. I wished to understand the phenomena or the experiences of the participants rather than formulating logical and scientific explanations (Kramp, 2004). It is a way of discovering or exploring knowledge through understanding the experiences of the 'researched'.

The scholars of the narrative inquiry have structured the philosophical underpinnings citing mostly to Dewey's theory of experience (1938) and introduced the emergence of narrative methodologies in the field of social science research. (Clandinin & Rosiek, 2007; Clandinin & Connelly, 2000). Dewey has acknowledged two criteria of experience, i.e. (a) interaction, and (b) continuity enacted in the situations. Those criteria provide the foundation for attending to the narrative conception of experience through three-dimensional space of narrative inquiry.

The dimensions are *temporality*, *place*, and *sociality* (Clandinin, 2013), where the exchange, or the acquiring process of entrepreneurial habitus and utilization of that habitus in the field of business, always be affected by those three elements. The active subjects always construct a narrative that is particular, personal, and contextualized in time and place (Kramp, 2004).

The narrative inquiry is the study of people in relation to people, places and things by researchers who themselves are in a relationship with people, places, and things (Clandinin & Connelly, 2000). The enterprising activities are not exceptional cases and out of three-dimensional space because those are social actions basically for economic outcomes. We can see them through the viewpoint of three dimensions, the people – customers and other stakeholders, place – location, and areas of intervention, and things – products and the sources of the materials, which are the fundamental or active subjects of entrepreneurship.

I used narrative inquiry as a suitable interpretivist approach for exploring the knowledge of entrepreneurial issues. The narrative inquiry has been defined/perceived as a research approach that begins and ends in the storied lives of the people involved. It has been accepted as the most universal means of organizing and articulating the experiences. The story is the main source of knowledge and the basic unit of analysis (Kramp, 2004). I took the story as data to this inquiry.

I believed that entrepreneurs possess multiple experiences in the process of source identification and acquisition of innovative ideas, the use of those ideas in their practices, and the capitalization of the networks in the given context. The theory of narrative inquiry always puts together in the context to connect and situate particular experiences because life is always experienced (Kramp, 2004). The entrepreneurs performed their enterprising activities as their everyday practice guided by the stories of the past days within a particular socio-economic context which shaped their experiences. "Narrative inquirers understand continuity as an ontological matter. The experiences are continuous" (Clandinin, 2013, p. 16). The experiences of every event shape the habitus of a person and the changes happen continuously.

Dewey's ontology of experience highlighted the temporality of knowledge generation. The experience shows that "the knowledge generation is always more than we can know and represent in a single statement, paragraph, or book. Every representation, therefore, no matter how faithful to that which it tries to depict, involves selective emphasis of our experience" (Clandinin & Rosiek, 2007, p. 39). The interpretation of collected stories provides multiple realities where they have been experiencing. It is a process of constructive and artful representation of the story-data collected from the storytellers who shape their own stories. There can be no understanding of the social world without accumulating their experiences and daily practices. I collected the stories for capturing the meanings that actors subjectively ascribe to phenomena in order to describe and explain their behavior (Johnson et al., 2006). The multiple experiences of the entrepreneurs can provide particular understandings regarding their habitus and practices in a particular context which cannot be predicted through the deterministic models.

# **Narrative Design of Exploration**

The qualitative researchers are in confusion using the methodology or research design of narrative inquiry. "It has traditionally been understood in a general way, inclusive of various responses, from short-answer questions or write-up of field notes and transcriptions of interviews, case studies, and autobiographies" (Kramp, 2004, p. 107). The sentences might be rich with enough ideas and reflect the quality of 'narrative-like', but the process may not be followed exactly by the narrative inquirer. Being defined as the narrative inquiry, listening, observing, and living alongside another, it is clear that this approach focuses on the sophisticated or suitable ways of understanding and inquiring into the experience (Clandinin & Rosiek, 2007; Clandinin, 2013). This was taken as a way of collecting the experiences and establishing the experience as knowledge.

Narrative inquiry, a relatively new qualitative methodology, is the study of experience understood narratively (Clandinin & Rosiek, 2007). "Narrative knowing is expressed in a narrative form we call stories" (Kramp, 2004, p. 106). The stories collect or recollect our experiences, reflect the meanings from the experiences, connect our history with the present practices, and assist us in visualizing our potential for the future. It follows the process of collecting an individual's experience in the world, the experience is storied both in living and telling through the ways of listening, observing, living alongside another, and writing and interpreting the texts (Clandinin & Rosiek, 2007; Clandinin, 2013). In my research, I focused on listening to the story but not living with the story because the context of the researcher and 'researched' both have changed from the previous days due to the mobility to the markets.

As a narrative inquirer, I did not pay attention only to the entrepreneurs' entrepreneurial experiences but also asked them about the social, cultural, and institutional expressions, within which, their experiences and practices were completely constituted, shaped, expressed, and enacted (Clandinin & Rosiek, 2007). Secondly, I did not search for the stories of only 'what', mostly focused on 'how' for exploring their practices on acquiring the innovative ideas, utilizing those ideas to their practices, and capitalizing the networks.

I presented, described, and compared the entrepreneurial experiences of different participants derived from their stories for obtaining the similarities and differences between them and cultural processes. The main purpose of employing narrative inquiry was to generate a detailed, in-depth description of participants' entrepreneurial lives and continuous practices. I explained the cultural contexts of their lived experiences which were personal and contextualized by time and space. The design of the study is stated in figure 2. The figure shows the stages of conducting the research processes through narrative inquiry in detail.

I spent my time listening to the stories of participants' lived experiences and probed to the different corners for making them detailed and comprehensive narratives. I recorded their stories on my mobile phone-set, collected them in the flexible but organized ways, interpreted, and analyzed in the way of narrative research within the identified themes. The stories obviously carried the subject matters of entrepreneurs within them and their practices of collecting the knowledge, skills, and attitudes utilizing them into their enterprising activities.

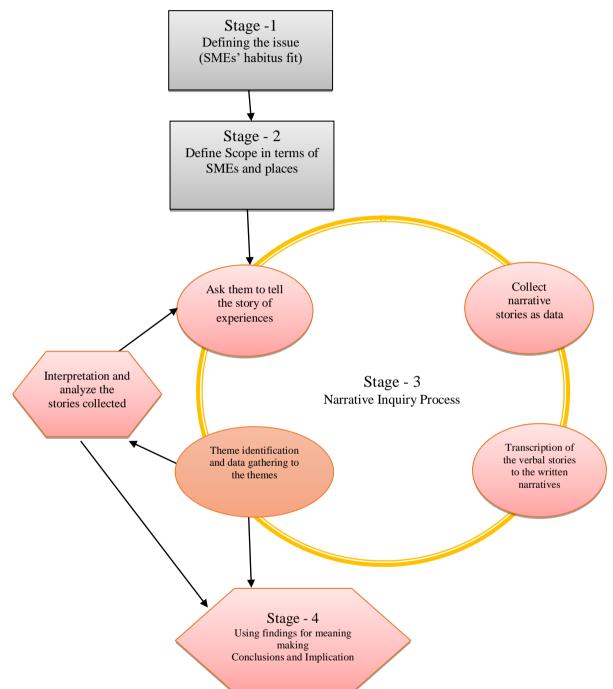


Figure 2. Narrative Design of Exploration

I followed the ways of presenting and portraying the stories introduced by Webster and Mertova (2007). I followed the styles of story 2 and story 5 in preparing the individual stories, interpreted based on those stories using the direct narratives and storylines of the situation relating to the temporality, spatiality, and sociality (Webster & Mertova, 2007). Searching for the best style of presenting, interpreting and extracting the insights from the narratives, I reviewed many thesis reports and academic articles. I followed the study carried out by Nugent (2007) for organizing, presenting the participants' stories, and extracting the insights from individual stories and meaning-making.

# **Selection of Participants**

I selected six entrepreneurs having rich information on their enterprising activities for this research from the different trades and locations from both male and female. It is more complicated than asking questions expecting the exact number of participants for the research design of narrative inquiry by the practice that depends on the decision of researcher/s as they feel the requirement of enough information to the research questions (Lal, Suto, & Ungar, 2012). Moreover, the actual number of participants used in a study does not necessarily translate to the quality of insights.

The qualitative approach employs the purposeful selection of the informationrich cases which is oriented toward the development of idiographic knowledge from individual cases (Goulding, 2005). Therefore, I followed purposive selection where participants are selected only if they have lived the experience on the research objectives in my research and individuals are considered if they are "informationrich" (Patton, 2002).

I selected the participants based on my judgment and the purpose of looking at those who have the experiences relating to the phenomenon to be researched. The participants/informants were only self-defined as successful entrepreneurs of the manufacturing sector who may have the experience of business failure also. I included the male and female entrepreneurs and both from urban cities and rural villages assuming that the participants of different categories have obviously different understanding of the issues.

# Table 1

List of Research	h Participants
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S. N.	Name of	Sex	Age	Educational	Year of	Type of Enterprise
	Participants		(Year)	Degree	Exp.	
1	Gopal	М	46	B. A.	12	Fruit juice, squash,
						and agro-seeds
2	Santosh	М	38	B. A.	11	Readymade cloth
						`items of Natural fiber
3	Binod	Μ	49	I. A.	15	Home utensils from
						copper and brass
4	Madan	М	43	Grade 8	14	Leather Footwear
5	Roshani	F	42	M. Ed.	17	Cloth handicrafts
6	Shila	F	44	Grade 8	16	Readymade cloth
						items of Natural fiber

I included the entrepreneurs of different manufacturing sectors like metal crafts, natural fiber and knot crafts, leather items, and agro and forest herbal products. I have given detail of the participants of my research in table – 1. The portfolio of the participants represents the diversity in the nature of enterprises and geographical locations. Merging of diversity is not a priority area of the narrative inquiry but I did not come across any study that rejects the participants of diverse categories so as to gather rich information on SMEs.

The study has included six entrepreneurs-four males and two females from different manufacturing enterprises of different locations of Nepal. They were involved in their enterprises for more than five years. They could tell the stories of their experiences, out of them, four participants (interviewees) had read above grade 10 or School Leaving Certificate (SLC) and other two were generally literate. All of them have been running private enterprises for a long time.

Regarding the study location, I selected the participants having long experiences in enterprise. I took the entrepreneurs of Kathmandu as the context representation of the urban city with the facilities of roads, raw materials, and markets. I picked up the entrepreneurs of Kavrepalanchok as the peripheral area of the Kathmandu Valley. Similarly, I selected an entrepreneur from Jajarkot to represent the remote area of Nepal. In this way, I included the entrepreneurs of three contexts, i.e. urban city, peripheral areas and geographically remote villages for collecting the stories of the diversified experiences and practices of the participants regarding their entrepreneurial lives.

### **Introducing Participants**

I selected six participants to generate narratives for this research. They were the entrepreneurs of small and medium-sized enterprises (SMEs). They were engaged in manufacturing different items. They possessed a long experience in the business field. I explored a variety of experiences from them in relation to their enterprising activities in the context of Nepal. I introduce them in the following paragraphs.

Gopal is a sole entrepreneur of juice and squash items made from the rhododendron, apple, Amla and other fruits, and herbal products like ginger, cinnamon, gooseberry, aloe-vera, asparagus and nettle powder, etc. He also produced agro-seeds in Kavrepalanchok district of Nepal. He got 12 years of experience in the field of enterprise. He obtained a Bachelor's degree in economics. He was the inhabitant of Bethanchok rural municipality (Dhungkharka) as a well-established entrepreneur and claimed as a successful one. Santosh was born in Sunkoshi Rural Municipality, Sindhuli district. He works as a medium-sized entrepreneur in Kathmandu. He has established a partnership enterprise natural fiber with two other partners in Kathmandu. He completed a Bachelor's degree in humanity. He produced clothes of natural fibers like hemp, allo (stinging nettle fiber), cotton and bamboo fiber. His enterprise produces the readymade items of these clothes, i.e. bags, wallets, ladies shawl, gent's coats, eastcoast, etc. He is a successful entrepreneur for seven years.

Binod is a medium-sized entrepreneur of metal processing working in Kathmandu. His original place of birth is also the Sunkoshi Rural Municipality of Sindhuli district. He operates his manufacturing enterprise of copper and brass for 15 years. His factory produces the household accessories made from copper and brass. He earned the formal education of Proficiency Certificate Level (PCL) and worked as an accountant for two years at an enterprise of metal utensils of copper and brass at Ashan, Kathmandu. From that experience, he became an entrepreneur of metal utensils different from his family profession. He possesses lots of experience in this sector and utilizes his knowledge and skills.

Madan is an entrepreneur of Kavrepalanchok district. He continues his enterprise at Banepa Municipality, Ward no. two and sales outlet is at the main market of Banepa. He operates his enterprise for 14 years. His family profession was to make shoes and slippers from leather. He is a small-entrepreneur and established a partnership enterprise named 'Common Shoes Industry', which he got registered in the District Office of Cottage and Small Industries, Kavrepalanchok. It was a successful enterprise with a sales outlet in Banepa and supplying the products to Kathmandu and other places in Nepal. Roshani is another successful woman entrepreneur. She was from Kavrepalanchok district. She is engaged in handicraft manufacturing, i.e. woolen caps, sweaters, socks, doll, cushion cover, Jhula, and other decorative items for 17 years. She is graduated Master's degree in Education. She is working as an executive member of the Central Committee of Federation of Nepalese Cottage and Small Industries (FNCSI). She is a central representative being selected from its district chapter. She has also established a training center for sewing and cutting as a partnership enterprise.

Shila is with her small enterprise in Jajarkot, a western and remote district of Nepal. She started her business 16 years ago. She focuses on the sector of natural fiber specially Allo, Hemp, and Ketuki. She has been manufacturing the household goods and gift items and selling them in Kathmandu, Nepalgunj and other places of Nepal. She started her entrepreneurial life from Dhankuta, one of the eastern districts of Nepal. During my visit to the field for this study, she claims to have been working in Jajarkot, a district of Karnali province which is very remote from Kathmandu, the capital city of Nepal. She is an executive member of FNCSI, affiliated to FWEAN and other organizations. She has participated in a number of business workshops, business exhibitions and another valuable meeting of the Ministry of Industry and other government agencies.

### Listening to Participants' Stories

As a narrative inquirer, my fieldwork started with listening to the stories from the entrepreneurs themselves. My aim was to collect the stories of entrepreneurial experiences from them, whom I took as the participants with an information-rich process. "A story is always narrative, but the narrative structure is not limited to the story" (Kramp, 2004, p. 106). Mostly, the narrative inquiry starts with telling stories where researcher interviews or makes conversations with the participants who (is/are able to) tell the stories of self-experiences (Clandinin & Rosiek, 2007). The process of self-storytelling can express the inner feelings of a series of experiences.

The scholars have accepted to use the story as a competent way of collecting the experiences. It is more difficult than we expect, intensive and time-consuming, engaging in the conscious listening to the participants' *living* because the narrative inquiry is about *life* and *living* (Connelly & Clandinin, 2006a). I listened to the story with conscious listening, recording of the verbal storytelling, probing to the left or the areas of interest to know the experiences. The popularity of the methods of data collection through storytelling has been increasing. "The sounds of storytelling are everywhere today" (Kramp, 2004, p. 107). The increasing tendency of taking the stories as data have been creating wider credibility in the field of social research.

I made a flexible plan for collecting stories from the field. I selected the entrepreneurs to invite as the participants of my research through the telephone contact. I made a loose schedule to meet and interact with my participants. While doing so, I considered the time and space of their convenience. For the first time, I confirmed the date and venue to meet them individually to their locations so that I could see their enterprising activities also. But, I was not bound to observe their enterprises to meet the purpose of my research.

The research agenda, I had already stated, was about the 'habitus fit' of Nepali entrepreneurs in terms of their 'becoming' and 'doing'. The term 'becoming' covers the sources and ways of entrepreneurial orientation and skills. Likewise, the second term 'doing' covers the practices on strategic readiness, product-making, and productselling. I prepared an interview protocol (Annex - 1) to collect the stories delimited to the above themes. The interview protocol helped me to shape the story as to how the participants started their enterprise, made the plan – strategic readiness - of the future, and how they implemented the plan for product-making and product-selling.

I had a laptop, a mobile phone, a notebook, and a pen when I visited the fields; those were the physical materials not made only for the narrative inquirer. I went to the venues accepted by them. Nowadays mobile phone sets have various features like camera, audio, and video recordings, internet connection and so on. I took the audiorecording of the stories to make it easy to develop stories about entrepreneurs and their enterprises.

I requested them to provide time to share the story on my research agenda. I also managed a peaceful and separate place near their enterprises so that the storytelling would not be interrupted or disturbed. They agreed to tell me their own story regarding their entrepreneurial lives from the beginning to the present day in a relaxed mood. The participants appeared to be informative and reflective during their storytelling. I encouraged them to bring out their detailed experiences to collect the essences for identifying the phenomena using appropriate evidence.

After the completion of storytelling and listening, I thanked the participants and returned to my home with the recorded data on my mobile phone-set. I came to my room and stored it on my computer making a separate folder in an organized way. During the phase of analysis and interpretation, the stories appeared to be insufficient. I found some missing parts in the stories. I went again to see the participants and listened to the missed parts of the stories. I met them more than three times for making the story rich in terms of information. I called them several times through mobile phones for asking and clarifying the unclear parts of the stories. The stories were not structured and well-organized. I did not add the fantasies and decorative words because I put the words as the storytellers shared.

### **Narrative Analysis and Reflections**

Being a narrative inquirer, I developed narratives by listening to the study participants who told me the stories of their own. I followed a narrative procedure of data analysis and interpretation for meaning-making of the experiences from the whole story. This is the process of careful organization of the data analysis and interpretation to dig out what the researcher wishes to know. Narrative inquiry is a highly labor-intensive and time-consuming research approach because the process includes the rigorous steps, i.e. listening and re-listening to the collected stories, analyzing and interpreting the voices of the stories, and constructing the senses as findings (Kramp, 2004). But, it is possible to dig out the native knowledge experienced by the storytellers.

Listening to the verbal stories is more complex because the different pieces of verbal expressions might have meanings different from the understanding of a researcher. The stories of the individuals are not only their experiences but totally constituted, shaped, expressed and enacted within the social, cultural and institutional systems (Clandinin & Rosiek, 2007). However, re-listening with the consciousness of those things is the only solution to make a more complete understanding of the expressions. When I entered the stories, I transcribed first to the words and sentences exactly in the Devanagari fonts. Then, I translated the stories into English. After that, I listened and re-listened to the audio-records, read and reread the narratives (written stories), and made some corrections as/where I realized something was missing to maintain the natural flow of the stories.

After completing the corrections of the transcribed data or the written form of the stories, I read the narratives written on the computer screen for multiple times. What the storytellers and I saw, heard, felt, thought, loved, tasted, despised, fear, etc. were important and set the ground for my understanding (Clandinin & Rosiek, 2007). The stories seemed more complete but not enough for my research questions yet.

There were many points where the story was told more than required, narrated one thing more than one time. Somewhere, the storyteller jumped leaving some parts of information other than expected by the research questions. Anyway, I read and reread to find out the themes. After identifying the themes linking to the events, perceptions, and experiences (Kramp, 2004), I placed them as the headings of the analysis and interpretation. I again went into the narratives for finding out the insights, and for putting them separately under appropriate themes.

When I categorized their voices, I defined and established the heading of analysis. I found that the themes were crowded somewhere with more than enough information. For the empty pots, as per the suggestions from my thesis supervisors, I went back to the storytellers and asked them on the themes which were empty but perceived and suggested as essential.

They told me their stories again, revised some statements again, and added the meaningful voices even not imagined by the story collector. The entrepreneurs showed their energy and happiness more than the previous one. Sometimes they expressed their slightly angry face. But, they did not exhibit through the words because they were in particular contexts. They tried to hide their emotional feelings due to their workload. Anyway, I requested them to tell the story again.

When I completed the segregation and separation of the narratives to the defined themes, I attempted to interpret and analyze for coming up to the step of 'sense-making'. In this step, I interacted with the 'theory of practice'. I started to see the data or the voices recorded in the device, categorized under the themes using this theoretical perspective for going deep down, seeing, touching, tasting the narrative

words, feeling, and making the 'meaning' as the insights after the conscious filtration processes.

After reaching the point of finding, I did not hurry up to carry the insights into the stage of conclusion and finish the task of reporting the research. I listened to the verbal stories several times with huge patience, which I had stored in my audio and video recording devices. I checked the narrative texts by listening to the audiorecords. I tested again the original meanings expressed by the storytellers which were not manipulated. I revisited the stages of translation from Nepali to English with my conscious mind and read the stories of both Nepali and English, then compared the meaning and sense difference. After making some corrections, I was convinced that the translation was meaningful. I read and reread the chapter of analysis and interpretation and made corrections where I felt necessary. I was closely consulting the academic peers who had recently completed their PhD research. I considered their constructive feedback and insights to enrich my study.

After completing the final chapter, I submitted the first draft of my thesis to the research committee of KUSOED. The members of the research committee provided me with some constructive and useful feedback and inputs to incorporate in a different section of my thesis. I also received comments, suggestions, and, remarks from peers and other related personalities. Collecting and incorporating all these inputs, I revisited all the chapters of the thesis and then I submitted it for final evaluation.

#### **Trustworthiness and Narrative Rigor**

As a narrative inquirer, I posit to fulfill the issues of trustworthiness and narrative rigor to my study to ensure its quality. However, such a criterion does not fully nor explicitly address the issue of quality or rigor (Loh, 2013). But, the tradition of doing the attempts to satisfy those criteria has been utilized by the qualitative researchers including the narrative inquirer. 'Trustworthiness' is a wider and alternative term used by a qualitative inquirer to replace the positivistic term validity, reliability, and generalizability. But, the term 'validity' is also used by qualitative scholars with a variety of typologies (Creswell & Miller, 2000). I used the term 'trustworthiness' in my study with the typologies which have the consensus of the majority of the qualitative practitioners.

Lincoln and Guba (1985) introduced the quality criteria of trustworthiness in major items like credibility, transferability, dependability, and conformability; those make it possible to produce the reflexive journal. I selected and borrowed the quality criteria from those main items to ensure the quality of my inquiry which has been accepted by the narrative inquirers. Those criteria are narrative engagement, triangulation, member checking, and peer debriefing under credibility for internal validation; rich description under transferability for external validation.

"Narrative inquiry is the process that calls forth your best and most exciting abilities as a researcher" (Kramp, 2004, p. 107). It is possible only if the narrative engagement which is beyond your imagination though you are an experienced practitioner. Narrative engagement is not limited to scheduled activities and timelines, i.e. invite the participants, request for storytelling of the self, transcribe the verbal stories and collect the insights. It is not just taking a jar of water from a stream but making a bottle of wine from the ingredients fermented in a special way and now boiling by the fire. In reality, the focus of the narrative inquiry is not only on individuals' experience but also on the social, cultural, and institutional narratives within which individuals' experiences are constituted, shaped, expressed, and enacted (Clandinin & Rosiek, 2007). I supposed the individual experiences of the participants as the 'Ankhi Jhyal'<sup>1</sup> to see the linkage with the meta-experience of the entrepreneurs in the socio-economic contexts of Nepal.

*Narrative engagement* is like *prolonged engagement* to ethnography and others but not the same in nature in the engaging sectors, both have the same condition of time-consuming and labor-intensive (Kramp, 2004). Narrative engagement starts from thinking about an issue that might be an agenda of research. The engaged imagination of the issue, engaged in the selection of the issues following a detailed approach, engaging in the in-depth interview, engagement on the storytelling and listening, retelling and re-listening, writing and rewriting and so on. For example, I explored the experiences on a particular phenomenon; I searched and highlighted whatever I found like native thoughts, feelings, ideas, examples, and situations as narrated by them.

During the course of narrative inquiry and meaning-making process, I did not use multiple methods of data collection as other qualitative approaches like ethnography – interview, participant observation and so on - and others do. But, I felt the need of 'triangulation' or see the internal consistency "whether the participants chose to lie to us?" (Loh, 2013, p. 9). I met the participants several times and requested them to tell the story of their entrepreneurial experiences.

I repeatedly listened to the taped interviews and read the transcripts (Mishler, 1990). I was aware of either the participant says "in one part of the narrative should not contradict what he or she says in another part" (Atkinson, 2002, p. 134). This is a qualitative technique to verify the participant's personal interpretation of his or her reality. I was convinced if the insights of the different parts of the story appeared, there might be different meanings or other contexts or other things hidden.

<sup>&</sup>lt;sup>1</sup> Ankhi Jhyal is Nepali terminology that means a small window for looking outside.

I felt the necessity of the 'member check' to my narrative inquiry because my understanding of the native insights and meanings explored might be different from the participants' view. Obviously, it was a major technique to confirm the credibility of the information and narrative account (Creswell & Miller, 2000). I went back to see the storytellers individually because it was not possible to invite them to a venue as a focus group of participants to review the insights.

I presented a new story articulated by accumulating the individual stories and transformed into a combined form (Creswell, 2009), and offered them "an opportunity to provide context and an alternative interpretation" (Patton, 2002, p. 561). They became excited but were confused to see and hear the insights taken from their voices recorded into the device. Then, I told them the insights in a simplified way. They accepted, reacted, and nodded their heads as per their understanding, and somewhere they added their insights and glorified them.

To maintain credibility, I employed the technique of 'peer review and debriefing' during the overall course of study. It is a popular technique utilized by the researchers of both positivism and interpretivism. Actually, peer review and debriefing are the processes where the researcher requests the academic and other peers who are appropriate to provide the inputs and suggestions (Creswell, 2006) regarding all dimensions of the research process either partially or completely.

I employed the process of peer review and debriefing to my research identifying the peers for the overall parts and also the experts of the particular parts. For example, I requested my academic colleagues of Kathmandu University and Tribhuvan University, who have completed a PhD in the relevant subjects and have been engaged in teaching and supervising the thesis and research activities. The academic peers were selected and coordinated for the overall parts of the research. The peers were also identified and coordinated only for the special parts like methodology – narrative inquiry, research issue – entrepreneurs' habitus and practices, writing in APA style and language corrections.

I was always conscious of completing my research "by using storyteller's own words, typically more colorful and distinctive, you can best communicate the unique particularities of what the experience is really like for each of the participants" (Kramp, 2004, p. 117). The narrative inquiry approach allows for a 'thick description'. The scholars of the narrative inquiry call it 'rich description' because it includes the rich insights of the experiences and exploration of the meanings that the participants expressed through their stories (Trahar, 2013). The stories with the voices recorded and narrative words were transcribed by the black ink on the white pages without any colors and pictures naturally thick by its origin, and again started another new story in the same features like 'white pages' of the laptop, and keyboards with command-tab.

Firstly, I read the stories multiple times and identified the phenomena under the major themes from the total reading of the stories. I collected and mixed the multiple insights and meanings under the phenomena defined temporarily not final then, became thicker with similar or contrasting the individual experiences. As a researcher, I saw the literature to make them more substantiated and pointing to the new insights which are not found in the existing literature. I again entered the narrative texts with the theories I have taken to use as the lenses of seeing the issue. I always tried to access rich layers of information that provide an in-depth understanding of the participants' points of view (Wang & Geale, 2015).

The texts of the research report represent the deeper layers than the texts written at the stage of transcription. Those texts, in reality, represented the voices 77

recorded in the device where the original meanings were attached. But, I did the big attempts at fabrication, articulation, finishing, and painting to a narrative report. Those attempts made the report thicker and compact than I imagined.

## **Ethical Respects**

Narrative inquiry is not an exceptional approach out of the ethical norms established and followed by the research communities. Ethics is a set of duties to be followed for securing others' dignity, privacy, and well-being (Wang & Geale, 2015). The researcher has a two-sided role during the research process; s/he should maintain a close connection with the participants and on the other hand, s/he should not forget the professional norms or role of the researcher (Clandinin, 2007). Thus, I have taken two sides of the ethics, i.e. a) professional ethics, and b) public ethics.

I believe the knowledge is there in the experiences and the experiences are attached to the stories of individuals or perhaps a group of individuals (Clandinin & Rosiek, 2007). I followed the 'narrative ethics' of accepting the story which is always narrative. I valued the story as culturally constructed expressions that always carry the experiences (Turner & Bruner, 1986). I believed and followed the methodological ethics established by the scholars of the qualitative approach and narrative inquiry by reading, rereading, citing and referencing related books, articles and other forms of publication.

While transcribing the story to the Nepali language (the native language of the participants) and translating it in English, I became more conscious, listened to the verbal storylines, read and reread the written narratives, and made corrections as well. The same process I employed in the translation of the story into English so that the original meanings would not be destroyed and misinterpreted. In the process of report writing, I followed the writing ethics and attempted to make my report free of

plagiarism. I always became conscious of preserving the original meanings spoken within the story. I did not use them as my personal bias but tried to place them in more suitable themes so that I could maintain more justice.

Regarding public ethics, I was aware of complying with the legal and procedural aspects of state if applicable to my research. My research report would not be against the state rules and promotion of criminal activities. It always promotes the entrepreneurs, scholars, policymakers, and other stakeholders for making the enterprising sector better. I tried to maintain the relational aspects between the written form of the stories and the texts used in the research report, and their lives (both researcher and researched) continue to unfold into the future (Huber, Clandinin & Huber, 2006). I am fully confident that the research texts respectfully represent the participants' lives and told stories.

In the part of dealing with the valued participants, I informed them about the agenda or issue I have taken to my research before I requested them to 'tell the story' regarding their entrepreneurial experiences and learning collected in the past. I was sure my research would cause no harm to them but in case it creates I ever maintain the ethics of anonymity and confidentiality in the research texts (Clandinin & Rosiek, 2007). But, the issue of 'habitus fit' of entrepreneurs is in the risk-free zone, and the anonymity and confidentiality are optional in this inquiry. I was aware of limiting the personal relation to make the story complete so that the story would not be influenced. I was also conscious of respecting their language, culture, religion, context, geography and other elements they have enjoyed in their lives. I respected them in my ways, said 'Dhanyabad' [Thanks] to all of the events of storytelling.

# **Chapter Essence**

In this chapter, I explained the philosophical stand, research method, and processes used in this inquiry. The philosophical stand of contextual and multiple realities, I stated here, informed to be interpretivist. Thus, my inquiry is purely qualitative through the narrative inquiry that believes 'the story is data', the narrative can represent the lived experiences; hence, nowadays, the storytelling is everywhere as a methodology of qualitative research. I have presented the narrative design of exploration to make it easier but not rigid to be stuck on it. The figure shows the inquiry process is not only one way or one-time act. The process is more cyclical and the multiple revisions of the steps would make a more credible understanding of the phenomena taken to the inquiry. I have also stated about the rigor and trustworthiness, and ethics followed during the inquiry process.

### CHAPTER IV

## ENTREPRENEURS' NARRATIVES: COURSES OF BECOMING

This chapter consists of the presentation and interpretation of the narrative stories in line with the first research question: How do the entrepreneurs of Nepali SMEs value the sources and ways of their 'becoming'? I present the stories of six entrepreneurs and interpret their stories to make them more meaningful and find out the useful knowledge from their experiences.

# **Courses of Becoming**

The social world, in particular, is not 'ready-made'; rather, it is the material effect of an ongoing enactive process of 'world-making' (Goodman, 1978; Chia, 2003). The *courses of becoming* indicate the process of 'world-making' or shaping and instituting the habitus. It is also the process of instituting the perceptions, emerging thoughts and being motivated, knowledgeable and skilled for maintaining obedience to the culture. In this research, the courses of becoming are in terms of being motivated, knowledgeable and skilled for initiating and operating a particular type of enterprise. The *courses of becoming* are impossible without the courses of doing because it is an ongoing result of human interactions and learning processes. It is the process of the coming-into-being of the world (Ingold, 2000). The course of becoming does not believe to be autonomous, intentional and purposeful activities. The individuals live with the everlasting process of accumulating the culturally acquired tendencies and predispositions for ensuring the existence in a certain interval of time-space (Nayak & Chia, 2011).

This research includes the sources and ways of becoming in the cases of entrepreneurs of Nepali SMEs. In this chapter, I have presented the narratives of the participants on the sources and ways of becoming; then, I interpreted the stories for harvesting the insights from their experiences.

# **Gopal's Becoming: Guided by Parental Profession**

Gopal was born in 1969 in a farmer's family. He was oriented from the parental profession of agriculture. The agricultural family is known about the fruit items locally available. The fruits like apple, gooseberry, pear, guava, and the rhododendron flower are available in the village. He started his enterprise of fruit juice and squash at his hometown in 2004. He had already known about the food grains available in his village. He adopted the enterprise of grain-seeds from the learning he had in his mind. He imagined the enterprise of fruit juice based on the knowledge of fruits available in his village. He uses different fruits for making juice and squash i.e. rhododendron, apple, gooseberry and other fruits available in the village and local markets, and herbal products. He also produced agro-seeds. He got 12 years of experience in the field of enterprise. He held a Bachelor's degree in economics from Tribhuvan University. He lives in Bethanchok rural municipality (Dhungkharka) as a popular entrepreneur and claimed as a successful one. Gopal recalled his experiences on how he got initiation of becoming the entrepreneur in his life and used the appropriate ways of collecting the knowledge and skills regarding his business.

# **Gopal's Sources of Orientation and Skills**

Gopal makes juice from fruits available in his village and local markets. He added another item of the enterprise of collecting and selling the agro-seeds to the farmers. He stated:

I was born in a farmer's family and got engaged in farming. I had already known the potentiality in the enterprise. Up to now, I have been continuing the

farming of paddy, corn, potato, and other vegetables. I have the land of 5 Ropani<sup>2</sup> in my village. Hence, I was confident about doing business based on local resources. I started this business in maintaining family needs. I had a hope of being a successful entrepreneur in this field. (Gopal, Transcript, 11 February 2016)

Being motivated by his family profession, Gopal started his enterprise of fruitjuice and agro-seeds. His family was not economically well off. Due to this reason, he had the compulsion to do any work for earning money. He became an entrepreneur based on local resources. This revealed that an individual may become an entrepreneur because of their experiences. It appears to me that Gopal was mediated by his parental profession of agriculture. Gopal had the compulsion of initiating the enterprise because of his family needs. He added again his story of starting the enterprise:

I worked for five years as an office assistant in the government of Nepal. I worked as a marketing staff in a private company in Kathmandu for four years. Thus, I have the experience of government and private sectors' services. I was always engaged in my duty based on the instructions of senior persons. I could not become an owner and chief then. When I started my enterprise, I became an owner and chief either it is small or big in size. I wanted to be an owner of the business; hence, I changed my way of life. (Gopal, Transcript, 11 February 2016)

Gopal felt difficulty to work under the command of other persons while he was in his previous job. His personality was shaped by the father's role in the family because of the patriarchal social norms in Nepal. He felt humiliated when he had to

<sup>&</sup>lt;sup>2</sup> Land measurement system in Nepal: 1 Ropani = 16 Aana = 5476 Sq Ft

follow the instructions of his supervisor. This feeling encouraged him to start an enterprise of his own. This incident revealed that one's own interaction with the context may make him/her determine a particular career. He could not be 'fit in' with jobs given by others because he did not find the space of being a leader while working under the command of others.

Gopal continued his story explaining the experience of the relationship between his educational qualification and entrepreneurship. He said:

I have completed a Bachelor's degree in economics and mathematics. The education did not encourage me to start my own business but helped me to read, write and calculate the cash transactions. The literacy skill has been helping me to read the business information, calculate the income and expenses, maintain the business records. (Gopal, Transcript, 3 June 2016)

Primarily, formal education provides literacy support, i.e. read, write and calculate the cash transactions. Education does not help to think about the enterprise. He indicated the reality of the Nepali education system which does not focus on the enterprising mindset. After completing a Bachelor's degree, Gopal was not motivated to be an entrepreneur by his educational qualification. But, he became ready to do the enterprise from his family profession. Gopal did not value education as a source of enterprising mindset but a source of literacy skills. The literacy skill seems to be a fundamental requirement for better operation of the enterprises.

Gopal indicated training as a vital source of entrepreneurial dispositions. He added, "I started my enterprise after receiving the training of potential entrepreneurs (TOPE - a part of SIYB) and skill training on rhododendron juice. The MEDEP program was implemented in our district since 2001. I was invited to participate in the training". Gopal became ready and capable of starting an enterprise after participating in entrepreneurship training packages. The training made him an entrepreneur. He searched for the training of different knowledge and skills relating to his enterprise. The MEDEP program made him more aware of searching for training opportunities for collecting knowledge and skills. The culture of formal training is guided by the concept of modern business theories initiated by the governments and development initiatives in Nepal.

Gopal was guided by his family profession of agriculture at the starting of his enterprise. He valued his past experiences, the interaction between the persons and context, educational qualifications, and the training packages as the sources of entrepreneurial orientation, knowledge, and skills. He was not motivated to start his enterprise because of his educational qualification; but, he has been using the literacy skills to his business operation and became an inseparable element of his business life.

# **Gopal's Ways of Acquiring Orientation and Skills**

Gopal visited and observed many enterprises before starting his business. He is always sincere to search for multiple ways of gaining more knowledge and skills related to his enterprise. He talked about using the electronic means of communication to his business:

In previous days, I visited the markets of Banepa, Dhulikhel, Kathmandu, and villages near my enterprise for collecting the fruits and different seeds of grains. Now, this is not the age of marketing by visiting door to door. We have to use mobile phones, Facebook, and the internet. If we use these facilities, we can reach easily to more customers. Many other successful enterprises have been using these facilities for their better marketing. Looking at their practices, I know about the usefulness of these means. (Gopal, Transcript, 11 February 2016)

The learning culture is changing due to the rapidly upgrading of modern information technologies. Due to the government's intervention of formal education, mobility of the citizens to the foreign employments, development of the communication technologies, i.e. mobile phone and access to the Wi-Fi and data packs. The wider publicity and utilization of modern information technologies have been affecting the learning process of Gopal. Gopal has been utilizing different means of communication for gaining knowledge and skills from the markets.

Gopal is also aware of learning by observing others' practices. Gopal shows his practice of observing the products and selling methods of others. Hence, he valued 'learning by observing' others as a way of acquiring entrepreneurial knowledge and skills. The entrepreneurs are aware and know about using them in their practices.

There might be multiple ways of acquiring orientation and skills. Gopal values experience of participating in the business fairs. In this regard, he shared:

I knew about the business exhibition since 2002 when CSIDB invited me to participate in the national exhibition held at Bhrikuti mandap, Kathmandu. Different organizations like CSIDB, FNCCI, FHAN, and FNCSI organize the national business exhibitions annually in Kathmandu and other cities of Nepal at different times. The entrepreneurs of different products and different countries participate in those exhibitions with their products. Participating in these exhibitions is a good way of collecting new ideas, knowledge, and skills. I have been participating regularly in the business exhibitions of Nepal. I go to the exhibitions of Kathmandu, Biratnagar, Pokhara, Nepalgunj, and Chitawan because of the chance of selling products and the availability of various entrepreneurs with their creative items. My main objective of participation is to collect new knowledge and ideas for the enterprise and collect the customers. (Gopal, Transcript, 30 September 2016)

The exhibitions are basically organized by the government and different advocacy-based organizations for creating a spot of product presentation, business interaction, increasing publicity, creating the chance of business observation, negotiations, and motivating the entrepreneurs of SMEs. Gopal has been inviting to participate in the exhibitions because he has already entered the network of exhibitions or receive information from popular media. Now, Gopal knows the importance of exhibitions for learning new things and does not miss to participate in those events. In reality, these exhibitions seem like a platform of learning which contributes to shaping the habitus of the entrepreneurs which will affect durably to their business.

Gopal gained many ideas of business skills from the connection with social networks. He further said:

Our plan and assumptions are not enough in the real markets. I connected and interacted with the salespersons of Unilever, Samsung, and other companies. I have connections with many business colleagues that automatically establish informal networks. From those connections and relationships with other business actors, I found 3/4 layers of pricing of the products in their practices. The levels of wholesalers, retailers and end customers, I found from their practices. I learned about wholesale, retail and end-customer prices in the market. I found another reality about lower margin to the highly competitive products and greater margin to the less-competitive products. (Gopal, Transcript, 11 February 2016) Gopal stated an example of building relationships with business colleagues which creates informal networks and platforms for sharing better ideas of business growth and continuation. He has a culture of instituting the loose networks and sharing the ideas related to enterprising activities with them. Gopal utilizes much to the network with business colleagues for collecting new business ideas and skills. For him, the 'connection with other business colleagues' is a better way of acquiring knowledge and skills in relation to entrepreneurship. He learned to establish connections or networks from the experiences in the market. What things do other people do? Gopal's thoughts and practices are shaped by the practices popular in the markets. For example, the practice of pricing at different levels is a popular way using by the business people. We cannot say that all of the entrepreneurs of SMEs have already known about it. But, Binod knows about the pricing at different levels and utilizing this strategy in his business.

Gopal explained another way of gaining orientation and ideas during his business life. He focuses on 'listening to customers' as an essential and valuable way to add and update the quality of products and other dealings with them. He said:

In 2005, I could not sell 1730 bottles of gooseberry juice because of the combination of the ingredients that could not fit the interest of customers. I lost around 173 thousand rupees at that time. The customers of juice items always provided suggestions, feedback, and rejections also. From those events, the customers taught me to make marketable products, shapes, sizes, and other features. They offer different product types and I learned about these product types and techniques. The wholesalers and retailers order the products which are popular in the markets. (Gopal, Transcript, 30 September 2016)

The entrepreneurs might be unknown about the rule of the game, the tastes of the audiences, and exhibiting lower performance in the platform – these incidents are obvious but provide a space of realization and learning. Gopal's experience showed this reality of a continuous learning process from the market. Culture is the market. All of the demands are cultural. The customers always explain their culture of 'like' and 'dislike', using patterns, colors, sizes, tastes, seasons and so on. The entrepreneurs continue the culture of their customers, supply the cultural needs, and reproduce the culture.

Gopal learned many ideas from the feedback and suggestions of customers. The customers are ultimately not only the end-users but also wholesalers and retailers who sell the different products of different entrepreneurs in the market. The customers always speak the voices of the market. Gopal learned much about the marketproducts, shapes and other qualities popular in the market. He valued listening to customers as one of the major ways of acquiring knowledge and skills which makes an entrepreneur 'fit' in the market context.

### Santosh's Becoming – Training Made Him an Entrepreneur

Santosh was born in 1978 in Sunkoshi Rural Municipality, Sindhuli district. He came to Kathmandu in 1995 for further study after his SLC. He studied for two years at the certificate level. He became employed in CSIDB for some months as a trainer. But, he left this job and started an enterprise of natural fiber in Kathmandu. He was inspired by the suggestion of Shyam Prasad Giri to initiate the enterprise of natural fiber. Shyam Prasad Giri was a popular entrepreneur of cloth items of natural fiber and Vice-Chairman of FNCSI. Santosh is, now, a successful entrepreneur of natural fiber at Thamel, He shared the story of his entrepreneurship life focusing on how he became an entrepreneur.

### Santosh's Sources of Orientation and Skills

Santosh was inspired by the suggestion of Shyam Prasad Giri who was working as an entrepreneur of natural fiber. He was also working as the vice-chair of FNCSI. He helped him to find the opportunity for skill training. Shyam Prasad Giri was a role model for him to be an entrepreneur.

Shyam Prasad Giri, who was the senior vice-chair of FNCSI promoted me to be an entrepreneur. He is a partner of this business. Firstly, I got an opportunity to participate in the training and I went to Rolpa for this purpose. After coming back to Kathmandu, I started to do this business. My family members were not that type of entrepreneur. I became committed to starting my own business. My parents were encouraging me to search for a government job.

Santosh was searching for a salaried-job when he was a college student of intermediate level in Kathmandu. He contacted his relatives for helping him to manage a job. Living in Kathmandu was not easy without a job or any kind of income-generating activities. He participated in a skill training of natural fiber. He knew about the potentiality of the raw materials and markets of the fiber items in Nepal. He became ready to start an enterprise of the natural fiber after collecting the knowledge and skills from the training. He added:

After completing the final exams of grade XII in 1998, I got an opportunity to work at the Cottage and Small Industry Board (CSIDB). I took a skill training of knot-craft from this organization. I was appointed as a skill trainer for six months. I was interested in starting this enterprise rather than working as an employee. After six months, I left the job of trainer and started an enterprise of natural fiber in Kathmandu. This training made me an entrepreneur. I knew about natural fiber and its availability during the job. Then, I got excited to use these materials for making the products. (Santosh, Transcript, 16 February 2016)

Santosh was young when he started the enterprise in 2001. In the beginning, he was not interested to be an entrepreneur due to the lack of knowledge. He was also mediated by the orientation and regular pressure of his parents to search for a government job or other job of the same nature. When he participated in a training of natural fiber processing and worked as a trainer for six months appointed by CSIDB, he knew about the potentiality of this enterprise in Nepal. The training package of knot-craft made him motivated to start an enterprise of natural fiber.

The job of CSIDB also gave him the idea of starting the enterprise of natural fiber. Santosh's job experience encouraged him to be an entrepreneur. The story of Santosh informed that the training package and job experience of related sectors promote and motivate an individual to shape his/her future career/profession. Providing skill training is a tradition of the government of Nepal, particularly CSIDB/DCSI. Another side is that the enterprises of the natural fiber were in existence from ancient times in Nepal. In the historical time, the professions were taken as per the availabilities of the natural resources and livelihood opportunities. The enterprise of natural fiber is based on the cultural practice of the Nepali society.

Santosh added the experience of his family and social background to elaborate on the context-relevance to his enterprise.

I am from a Brahmin family. In the past, the Brahmins' professions were related to reading and writing. The Brahmins were engaged in government jobs, different companies and farming in the villages. My parents were also encouraging me to search for a government job. After listening to my idea of entrepreneurship, my mother and other family members were not happy. However, I convinced them and continued my enterprise. (Santosh, Transcript, 16 February 2016)

Santosh explained the context when he initiated his enterprise. He started the enterprise of natural fiber which was against his family profession. He was oriented from formal training of CSIDB and job experience in the similar field. But, the family members were completely against his enterprise during the initial days. His family members did not accept and encourage him to start a business because of their cultural professions. He was in the condition of 'standing out' of his cultural profession at the beginning. Belonging to a Brahmin family, he was supposed to perform the traditional professions like reading, writing, and government jobs. Santosh's parents did not accept him to be an entrepreneur because their habitus was shaped differently with different enterprising activities by their early experiences and daily practices. But, modern society and formal education affect the habitus of individuals. The changing situation and potential opportunities in the market shaped him to be an entrepreneur of natural fiber.

Santosh noted the reality of the social understandings as:

Nepali people/society prefer salary-based jobs at first. When they become a failure in other sectors, and then come to do business. Due to the biased understanding and limited economic means and lack of skills, people go to search for jobs. (Santosh, Transcript, 16 February 2016)

Another reality is that Nepali people give high priority to the salaried-jobs and the least priority is given to the enterprising activities due to their cultural practices. Nepali culture prefers to the salary-jobs and gives less priority to the enterprises. They take the enterprise as the last option of their career after becoming a failure in all potential opportunities. Likewise, they search for the jobs first because of the stereotypical thinking and understanding, cash limitations and lack of skills. On the other side, a majority of Nepali people have their parental profession of subsistence farming and traditional businesses. The entrepreneurs are also embodied by those cultural thoughts.

Santosh valued educational qualification as a major means to understand business and creative ideas. He added to his story:

When I completed a Bachelor's degree in Arts, I felt, I became more capable of understanding things, reading the literature and writing things at a level of dealing with others what I wanted. My educational skills help me now in public dealing, talking about my business and products. I am able to search for information from Google, visit websites, read the business documents, and keep business records because of my education. (Santosh, Transcript, 16 February 2016)

Santosh realized the utility of educational qualification in the sector of public dealing, record-keeping, study of reading materials, using the websites and other electronic media. Santosh's experience shows that the formal education contributed to add the learnings of others, keeping prepared and documented, shaping and enriching the habitus. The formal education enhanced the speed of shaping, reshaping, modifying and updating the habitus. It helps for faster adjustment to the changing cultural situation of society and markets.

Santosh learned about different ideas and skills through the experiences of the early days. He further added:

The experiences taught me to understand the essential works of an enterprise. For example, I established my business in Old Baneshwor and started to produce the cloths and readymade items. But, the customers could not reach there easily. I became detached from foreign customers. The products were stocked for a long time. This condition taught me to search for the other ideas of reaching to the customers easily. From the starting time to this date, I have come across many changes in my working methods and thoughts because the everyday experiences made me gradually more qualified and knowledgeable in my enterprising activities. It is impossible to get success without searching for popular designs and markets.

I remembered a Nepali proverb "ki padhera janinchha ki parera janinchha". It means we know about the world through reading or realizing it. From the ups and downs, problems and challenges, Santosh gained knowledge and skills in his business. It was a process of realization. He emphasized the experience as a source of learning and becoming a more skilled and knowledgeable entrepreneur in the market. His past experience reveals that the search for popular design and the market is a vital idea for market success.

### Santosh's Ways of Acquiring Orientation and Skills

Santosh continued his story and started to share about his ways of acquiring the knowledge and skills of enterprising activities. He believed in the observation of others' practices as a way of acquiring orientation and skills. He added to his story:

Major things of business today include the decoration of the showrooms, quality products, and designs. I imitated some designs from others, and some of them we developed ourselves. I visit regularly to other enterprises and their retail shops. I collect these techniques from the observations and business workshops. (Santosh, Transcript, 16 February 2016) Santosh valued the practices of visiting others' enterprises, collecting new and appropriate ideas, and creating modified designs or new designs. Santosh seemed aware of observing others' practices' for collecting or acquiring knowledge and skills. He highlighted the importance and utility of the observation of others' practices in the entrepreneurship career as an inseparable action to be continued for the success of the business. Learning from others is a reality and a never-ending process in the life of human beings. Santosh valued the observation and imitation of the others' practices as a way of learning for updating their habitus.

Santosh added again:

I coordinate and interact with various business colleagues, and participate in business exhibitions. I took the membership of FNCSI since 2009 connecting to the members for sharing the business issues and creating mutual support. I go to the market and search for the products of others. When I see their products, I ensure their strengths and weaknesses. I see the quality, shapes, designs and price differences. (Santosh, Transcript, 25 May 2016)

Santosh coordinates and interacts with the business colleagues participating in the business fair and visiting the market searching for their products. From Santosh's practice also, the action of coordinating and interacting with business peers and other parties seems to be a way of acquiring knowledge and skills. The activities of coordination and interaction energize to form the formal/informal networks automatically. He valued participating in business exhibitions for collecting new and better ideas, knowledge and skills for improving the enterprise. Santosh was found conscious of observing others' business practices and collecting new ideas.

Santosh is aware of collecting feedback and suggestions from the customers for the better improvement of the business. He explained:

I always pay attention to the customers' responses because they are the final decision-makers for buying my products. Today's customers are well-informed about the market and able to understand quality, price, durability and other things. So, I always try to understand the customers' interest and their demands. I heartily welcome the feedback and suggestions of the customers. (Santosh, Transcript, 25 May 2016)

From the above storylines, it is clear that Santosh valued listening to customers' feedback and suggestions as a way of acquiring knowledge and skills. He knows that today's customers have enough knowledge and expectations in terms of quality, price, durability, taste, and other things. He expressed his practice of welcoming and utilizing the customers' feedback and suggestions to his business. He learned to collect and utilize the customers' feedback from the market where he has been struggling for the existence of his enterprise.

Santosh valued the training package, educational qualification, and life experiences as the major sources of entrepreneurial orientation and skills. He could not get positive support and motivation from his family and social context at the starting phase because he owned the enterprise out of their family tradition. It shows that the family and cultural traditions do not always lead the individuals to select and adopt the enterprising activities. However, he initiated and continued his enterprise with the courage gathered from the training packages, educational qualification, and early experiences.

Likewise, Santosh valued various ways of acquiring entrepreneurial knowledge and skills. He mentioned that observation of the products and processes of other enterprises, participating in the business events and collecting feedback and suggestions from the customers are the main ways of collecting the knowledge and skills. These are the ways of entrepreneurial becoming from the experience of Santosh in the context of Nepal.

### **Binod's Becoming: Inspired by Similar Experience**

Binod, an entrepreneur of medium scale, operates his enterprise of metal utensils made up of copper and brass. Binod has been working for 15 years in his enterprise established in Kathmandu, the capital city of Nepal. He became inspired to start the enterprise of metal utensils from a similar experience gained when he was an accountant in the enterprise of metal utensils. He started his story from the beginning phase of his enterprise.

I came to Kathmandu for higher education in 1989 from Jhangajholi, Sindhuli. I worked as an accountant at a traditional enterprise of Tama<sup>3</sup> and Pittal<sup>4</sup> in Patan, Lalitpur. I knew much about this work and enterprise. I made a commitment to do this business because I thought I should do something for my family. Today, I am able to earn some money for my family. I am fully engaged from 5.00 am to 8.00 pm daily. I should be engaged with my staff all day long. (Santosh, Transcript, 27 February 2016)

Binod left the job of an accountant and started his enterprise with two workers at the beginning. It was a compulsion of adopting a kind of business or job for living in Kathmandu. The experience of a similar job motivated him to initiate the enterprise.

# **Binod's Sources of Orientation and Skills**

Binod came to Kathmandu from his village for getting enrolled at a college for higher education which was a tradition in Nepal. He worked as an accountant in the

<sup>&</sup>lt;sup>3</sup> Nepali name 'Tama' means copper - a chemical element with the symbol Cu which is a soft, malleable, and ductile metal with very high thermal and electrical conductivity.

<sup>4</sup> Nepali name 'Pittal' means brass - an alloy of copper and zinc.

enterprise of metal utensils of copper and brass in Patan, Lalitpur for his survival. He learned about that enterprise. He added to his story:

During the time of my job as an accountant, I knew about all of the raw materials, sources and locations. I learned about the sources of materials, quality of the brass and copper sheets and usage of these materials. I was familiar with the skilled workers of this enterprise during my job. I knew about the types and availability of skilled human resources. (Binod,

Transcript, 27 February 2016)

Binod learned many things regarding the enterprise of metal utensils like raw materials, skilled laborers, markets, technologies, and other legal provisions. He learned the methods the entrepreneurs of metal utensils were used to their business. This was a kind of culture established in the field of Nepali enterprises. Binod followed the footsteps of the entrepreneurs of metal utensils where he worked. He started a similar enterprise of metal utensils from copper and brass based on his experiences.

Binod became capable of understanding the raw materials, qualities available in the market, manufacturing methods and potential markets of the products because of his experiences. He also had a connection with the skilled workers and customers when he was working at his job. For Binod, his experience was a major source of entrepreneurial orientation and skills. In relation to his qualification, Binod said:

I have completed the Proficiency Certificate Level in humanities, not business studies. I understand the business transactions and calculations of the costs and benefits. My qualifications helped me to make a plan for starting this business. All of the business stakeholders and partners trust me regarding the transactions. My educational qualification has been supporting to do business up to this date. (Binod, Transcript, 17 May 2016)

Binod's educational qualification is not related to entrepreneurship knowledge and skills. But, education helped him to be more confident in the business. He valued his educational qualification as a foundation of literacy. He literally understands the transactions, makes plans, and formal dealing with others. The educational qualification became a source of skills in doing business, the ability to understand and learn new ideas and skills, searching for the markets and so on. In Nepal, the society respects the educated people.

Binod did not participate in the training activities. He did not value such training as the source of entrepreneurial orientation and skills. He stated:

I have not taken any formal training. I worked with skilled artisans, shared and received better ideas. They had lots of skills and experiences because they had been doing this work for a long time. When an individual is curious and dedicated, s/he does not need formal training. (Binod, Transcript, 27 February 2016)

Binod did not take training as a mandatory requirement for acquiring business orientation, knowledge, and skills. He never participated in the training packages regarding his enterprise. He believes that if a person is curious and dedicated, he or she can learn from different sources. Binod's experience shows that the formal training package is only one of the sources of learning skills. Working with skilled artisans is a kind of training. The training might be formal and informal. Sitting with the skilled master, and doing with him is also a type of training which is informal. The training either formal or informal helps to collect, practice, realize and be embodied in the particular type of lifestyles or way of life in entrepreneurship. His belief in learning skills was influenced by the practices of Nepali entrepreneurs of metal utensils. In Nepali entrepreneurs, the culture of informal training is continuing from the very beginning but formal training has been providing by the government agencies and development projects guided by the organizational theory and culture imported from the western economy.

# **Binod's Ways of Acquiring Orientation and Skills**

He continued his story and entered another part regarding the ways of acquiring business orientation and skills. He said that he collected the ideas and skills related to the business by observing the other business persons in his surroundings. In this regard, he stated:

It is necessary to understand the market situation and the daily transaction of my business. I always see the products of others when I am in the market. I compare these products with mine. I go to other's factories, interact about the manufacturing issues, collect new ideas, and share them as needed. (Binod, Transcript, 27 February 2016)

Binod has a habit of observing the products and methods of other producers in the markets. He showed his practice of observation of the products and methods in two different ways. First, he compares the products of others in terms of price, quality, sizes, and designs. Second, he goes to the factories of other colleagues, interacts with them about the processing techniques used by them, the problems and issues they have been facing. In this connection, he said:

I always compare my products with the products of other enterprises. If I find new products and become satisfied, I take photos of these products or buy these products and implement them in my factory. (Binod, Transcript, 27 February 2016) Binod believes in the observation as a way of learning and collecting entrepreneurship orientation and skills. He knows many things about the products, machines, and methods through the observation of the markets and other factories. As a result, he is able to launch a number of new designs, better methods, and appropriate machines. He compares his products with others. He follows the better ways of performing business which he comes across in the market. The processes of social observation and interaction are ongoing or everlasting in both business and nonbusiness fields. The entrepreneurs of SMEs have the practices of social observation and interaction for knowing new and better business ideas. The market provides the space of observation and interaction to the entrepreneurs, makes them aware of observing and interacting because of the existence of a competitive situation.

Social observation is also a way of acquiring knowledge and skills from others' practices which is popular in the market. It is also a socio-cultural practice of acquiring the knowledge and skills from the society. Learning from others is not new but how actively they have been learning is more important. Binod emphasized the interaction and connection with business colleagues as a source of entrepreneurship orientation and skills. He recalled:

I have a connection with multiple business colleagues. I searched for better sources for my enterprise. I knew about the banks and cooperatives and established a linkage with them. I used money from my colleagues many times. (Binod, Transcript, 2 March 2016)

Binod has established networks with other business persons. He established the connections with the banks and cooperatives also so that he would get loans easily. Binod's perception and practices were not out of the process of socialization. Social kinship or friendship plays a vital role in accessing social resources. Nepali society permits and accepts social networks in social activities. The organizational culture also believes in the social networks for ensuring the success of the organizational activities.

Binod explained to the customers of his products. In this regard, he said: The Nepali, Indian and Chinese people of Hindu and Buddhist religions are my main customers. In Nepal and India, the customers buy these items, especially for wedding ceremonies and other cultural events. Chinese people buy these products for their Lochchhar and other cultural ceremonies. The wholesalers and retailers request marketable designs and items. (Binod, Transcript, 27 February 2016)

Hindu and Buddhist religions demand metal utensils. They have been using those products in the cultural events. It shows that the culture is market and it creates enterprises. Gopal learns about the customers, their needs and expectations, and buying seasons guided by the local cultures. The cultural customers provide feedback and suggestions which is another source of entrepreneurial knowledge and skills. He added to his storylines:

I have always been learning from customers. I always request them to give the sample pieces or the photos of the products they have ordered. We are fully dependent on the customers and be ready to make the products as they wish. I search for new designs on the internet and show him/her for final consent. (Binod, Transcript, 27 February 2016)

Binod is conscious and committed to acknowledging the needs and wishes of the customers. His experience showed that 'listening to the customers' is one of the major ways of acquiring business knowledge and skills. He valued the activities of collecting feedback and suggestions from the customers and incorporate them into the enterprise. It is found as a common practice by the SMEs. Nowadays, entrepreneurs have the practice of searching for designs from the internet. It is the effect of modern information technology and globalization. Formal education also helps them to have access to those technologies.

### Madan's Becoming: Guided by Parental Profession

Madan is a successful entrepreneur in Banepa, Kavrepalanchok working for more than 14 years. He had the family profession of making leather goods like shoes, slippers, bags, belts, etc. He continued this enterprise and got it registered to the Office of Cottage and Small Enterprise, Dhulikhel. He started this enterprise with his relatives and members of the social group in their village. Hence, their enterprise is a partnership or group business and all of the members invested in it.

# Madan's Sources of Orientation and Skills

Madan is literate of grade eight, from the 'Sarki' family. Sarki is one of the castes under the so-called untouchable from the historical time. The Sarki people have been continuing their family enterprise of leather items. Madan was also engaged in his family business of leather footwear taken for granted by his parents. He had no experience of formal enterprise. He started his storylines:

We started this business in 2007. Before that date, I was engaged in this profession with traditional skills and technologies. It was my taken-for-granted profession. With the support of MEDEP (a development initiative), we updated the skills and technologies. (Madan, Transcript, 13 March 2016)

Madan shared his history of being an entrepreneur of leather footwear. Leatherwork was their family occupation transferred from their parents. This was transmitted with full of the indigenous knowledge system of leather workers (Sarkis in Nepal). They (group members) planned to establish an enterprise of leather footwear because they saw wider markets for these items. They started the enterprise with their indigenous methods and weapons.

Madan added again:

We learned about the process of formal business. MEDEP provided multiple types of training like business initiation, business planning, and accounting, technology, and market networks. After that, our group members were empowered to initiate a formal enterprise of making shoes and slippers. As a result, we established this enterprise getting it registered in the Office of Small and Cottage Industry, Kavrepalanchok. (Madan, Transcript, 13 March 2016)

Madan valued the training packages as the source of entrepreneurial orientation and skills. Madan and his team members participated in different training packages before and after starting their enterprise. Those training packages made them capable of establishing their enterprise and maintain continuity and growth. They got then the knowledge of registering the enterprise in the government office to make it legal and formal.

Madan's story depicts the *family profession* and *training package* as the major sources of entrepreneurial orientation and skills. The family profession represents the taken for granted or cultured source of entrepreneurial habitus. On the other hand, the training represents the formal ways designed by the government of Nepal or development agencies for preparing the successful entrepreneurs and transferring the knowledge and skills in a scheduled time and methods. Madan's team learned the process of formal business, business plan, modern accounting system, technology, and market networks from the formal training activities. The training events help to enrich the professional habitus of entrepreneurs. Their ways of understanding and thoughts transformed gradually and improved their game skills in the markets. The training packages help to the regulated improvisation of the habitus of the individuals (Bourdieu, 1977).

### Madan's Ways of Acquiring Orientation and Skills

Madan acquired the entrepreneurial orientation and skills by observing the business products and methods of other business persons in the market. In this regard, he said:

We always try to sell our products as much as possible. We regularly visit the markets and shops. When we get new designs, we develop these designs in our enterprise. The demand of the products depends on the seasons like party shoes for the wedding ceremonies, office, and school shoes in April and May and the boots in the winter season. (Madan, Transcript, 13 March 2016)

The competitive environment of markets creates a compulsion of searching for better skills, methods, and products. Madan has a habit of searching for new and better designs of the shoes and slippers in the market. He visits the markets and observed the products of others, their prices, and other features. From the observation of the market, Madan and his team learned about the appropriate season and occasion for selling more products. The market and customers taught them about the seasons of product demands in the market. From the experience of Madan's team, observation of other products is one of the ways of acquiring knowledge and skills regarding the enterprising activities.

Likewise, Madan added to his storylines regarding the collection and implementation of the customers' feedback and suggestions. He recalled:

Obviously, customers always teach us about making better and suitable products. We have been learning about the quality, permanence and other complaints from the customers. We get the chance of improving our products from the feedback and suggestions of the customers. (Madan, Transcript, 16 August 2016)

Madan valued with high priority to the suggestions and feedback of the customers. He believes customers as the source of knowledge and collects the feedback provided by them. As per the feedback of customers, Madan and team members continue, improve or stop the supply of products in the market. They established a culture of collecting feedback and suggestions from the customers and implementing them to their process of product-making. They gave enough proof of taking the 'listening to the customers' as one of the major ways of acquiring entrepreneurial orientation and skills. The values or beliefs of Madan's team were found influenced by the market environments, practices of other colleagues and customers' responses to their products. The customers' requirements and responses are based on their culture and fashions ever-changing due to the effects of the internationalization.

Madan has the practice of looking at the products, designs, and methods of the competitors and colleagues of the same line. He explained:

We regularly search for and evaluate the products of others. There are many things to know about them such as the ways of producing products, types of products and price rates of those products, and the skills of selling in the markets. We visited the bigger shoe factories and observed the types of machines and their capacity for production and collected information about these machines. (Madan, Transcript, 16 August 2016)

Madan's team is conscious of learning from the competitors and the colleagues of the same line. Searching for the better ideas of other entrepreneurs is found one of the ways of becoming. Visiting others' enterprises, bigger factories, and

markets, observing the products of other entrepreneurs, selecting better items, collecting them to implement to their own enterprises are their regular practices. They are aware of looking at the products, machines, the prices of the products, selling styles, manufacturing methods and so on. They utilize the concept of 'looking to the competitors'. The process of social observation is here utilizing by the Madan's team for improving their products in the market. They knew multiple techniques of collecting knowledge from the interaction with markets, business colleagues and participating in training events.

From Madan's story, it depicts that he valued observation of others' practices, listening to the customers and looking at the competitors as the ways of acquiring entrepreneurial knowledge and skills.

### Roshani's Becoming: Inspired by Key Personality

Roshani is a successful entrepreneur of woolen handicraft in Banepa working for 17 years. She completed a Master's degree in education. She did not search for the service as per her educational degree. She started the enterprise, enjoyed it and is satisfied with her business. Roshani was impressed and inspired to be an entrepreneur from an example of Mausami Upadhyaya who was a popular entrepreneur of handicraft in Kavrepalanchok and a role model for Roshani's entry to entrepreneurship. Roshani's educational qualification was related to the teaching profession but she became an entrepreneur. Formal education could not motivate her to become a teacher. She became an entrepreneur of cloth-handicrafts. She started her story from the beginning of her business life.

# **Roshani's Sources of Orientation and Skills**

Roshani started her story from the sources of orientation and skills she valued during her career. She recalled:

Informally, I have been working for 17 years. I have got my enterprise registered in 2014. I have completed M. Ed. I might be a teacher but from my childhood, I was interested in weaving and handicraft items. I became an entrepreneur realizing the opportunities in the sector of handicraft items. I was inspired by the success of Ms. Mausami Upadhyaya. She motivated me to be an entrepreneur and got affiliated with the networks of entrepreneurs so that it would be easy to be a successful entrepreneur. (Roshani, Transcript, 21 March 2016)

From Roshani's anecdotes, the inspiration for being an entrepreneur comes from reading, listening or looking at the recognized personalities of others. She saw the successful personality of Ms. Mausami Upadhyaya and was impressed by her thought about starting an enterprise and became successful in her handicraft business. She mentioned that a successful person as a source of inspiration in her journey of the enterprise. She also noticed the local opportunities of handicraft enterprises.

Roshani is an experienced entrepreneur with a higher qualification. She talked about education and training as the sources of entrepreneurship orientation and skills. She explained:

I have completed a Master's degree in education. Being educated, I am able to understand all legal provisions, business information, and receive the facilities provided by the government in the sector of enterprise development. I started my business after the basic skill training for three months. This training made me an entrepreneur. (Roshani, Transcript, 21 March 2016)

Roshani understood the legal provisions, business skills, and the facilities provided by the government because of her education. She valued education as the most essential asset for entrepreneurs and a source of orientation and skills. Education is a secondary source of habitus and general education does not directly initiate the enterprising mindsets. Training is a particular type of educational process which focuses on the direct orientation and shares the methods or skills which directly enforce to become an entrepreneur. She further added to her story:

I started my business after receiving the basic skill training of three months. That training motivated me to be an entrepreneur. I cannot imagine the success of a business without training of some kind of learning in this sector because it is fully artistic and we should create the demand after production. (Roshani, Transcript, 21 March 2016)

Roshani unpacked her experience of starting her enterprise only after participating in the basic skills training for three months. The training provided her the fundamental skills of the handicrafts, especially the weaving of woolen items. The training influenced her to initiate the enterprise and enforced her to search for the knowledge and skills relating to her enterprising activities. She added her storyline to the training as the source of learning:

The training packages taught us to search for new designs and techniques for making quality and marketable products. Moreover, the training taught us to search for better marketing techniques. We have to publicize our products by using ourselves. If I develop a new design of the costume, I should wear myself and communicate with others. (Roshani, Transcript, 21 March 2016)

Roshani believes in training as a source of business motivation and skills.

Training is one of the man-made processes of learning which helps to the social construction of the body based on the immanent necessity of the field. She became aware of searching for new designs, techniques, making more popular products, marketing techniques, publicizing the products, etc. when she participated in the

training packages. Likewise, Roshani gave high value to the early experiences of business life. She recalled:

I faced multiple ups and downs during my business career. I faced different issues and problems of materials collection, processing stages, and selling of these products. Sometimes, I earned enough profit and sometimes, I got a heavy loss. These events taught me many things and techniques to come out of these setbacks. (Roshani, Transcript, 21 March 2016)

Roshani collected many practical techniques from the experiences of the early years. Those were useful to continue the business and come out from the eventual problems. She learned those skills from the experiences of enterprising activities. Hence, Roshani valued her experiences as a major source of collecting entrepreneurial knowledge and skills. The previous experiences influenced her practices and in a broader sense, contributed to her habitus system. Habitus is an active presence of past experiences that is instilled in an organism through thought, perception, and action (Bourdieu, 1977). Roshani became more skilled and knowledgeable from the experiences and managed her daily business with those skills and knowledge.

# **Roshani's Ways of Acquiring Orientation and Skills**

Roshani continued her story and recalled her views while acquiring business orientation and skills during her career. In this regard, she said:

I always attempt to make different and new products so that they will be sold easily and without any competition. I have been collecting these ideas from my business teachers and colleagues. I collect these techniques from the markets and business exhibitions too. (Roshani, Transcript, 18 June 2016)

Roshani has the practice of collecting the creative ideas of new products and designs from trainers and colleagues. She visits regularly to business exhibitions and

markets, observes, and collects the designs and methods. Her practice showed that the business connection and idea-sharing help to enhance the entrepreneurial knowledge and skills. Likewise, participation in business exhibitions is another way of collecting the entrepreneurial knowledge and skills.

Roshani added another way of acquiring entrepreneurial knowledge and skills. She stated:

The customers provide feedback on the quality, color, and designs. They suggest adding some features to their special orders. I have been attempting to implement fully their feedback and suggestions but it is not possible to incorporate all due to various limitations. As per the suggestions and feedback of customers, we make quality products. (Roshani, Transcript, 18 June 2016)

Roshani valued 'listening to the customers' as a way of acquiring the knowledge and latest ideas. The feedback and suggestions include quality, color, design, taste, and other features. Sometimes, it becomes impossible to incorporate all the suggestions. In reality, customers are the representatives of the field who have the power of accepting and rejecting the products. They inform the product suppliers about the rules and code of games to follow otherwise reject. The pace of time might be fast or slow of acceptance or rejection but the effect appears to the players.

Roshani was found aware of collecting the ideas used by the competitors or other entrepreneurs of the same product lines. She recalled:

I give the highest priority to know about the products and designs introduced by the competitors. I go to their enterprises and collect their techniques. We observe the market and identify the designs which are new and attractive in the market and then we search for the producers and observe their industries/enterprises. (Roshani, Transcript, 18 June 2016) Roshani prioritized to see the products and designs of the competitors. She valued 'looking at the competitors' as one of the better ways of collecting the entrepreneurial knowledge and skills. Roshani showed her creative nature in her entrepreneurial practices. She indicates two places - market and factory spot to observe their products. She always goes to those places for looking at the competitors' practices. She learned these ideas from the market. The entrepreneurs have been following the rules accepted by the market.

### Shila's Becoming: Inspired by Parental Profession

Shila, a popular entrepreneur of natural fiber, has been working in Jajarkot, a remote district situated in Karnali province of Nepal. She started her business journey from Dhankuta, a hilly district of eastern Nepal. She has been working with the handicraft enterprise of natural fiber. Shila was born in a family of Damai<sup>5</sup> caste of Nepal. Shila's parental professions were tailoring and playing music but in a traditional way. The people of Damai caste were working in the villages not for money but for the grains (maize, paddy, millet, etc.). It was a culture of barter system and has a long history in the Nepali society.

Shila's childhood was oriented by her family profession of tailoring and was mentally ready to earn money by doing some business or job. Shila was also partially impressed by the suggestions of FWEAN member, Yagya Shova Gurung. Shila's primary habitus was shaped in the profession of tailoring. She interacted with the business people, became ready and started her enterprise. The following paragraphs will explain the narratives relating to the sources and ways of becoming, experienced by Shila.

<sup>&</sup>lt;sup>5</sup> Damai – a Nepali caste of tailoring profession

### Shila's Sources of Orientation and Skills

I asked Shila to tell her story of how she became an entrepreneur and learned about the entrepreneurial knowledge and skills. She shared her story from how she could acquire entrepreneurial orientation and skills and how she became successful in her entrepreneurial career. Shila started sharing her story from the time when she was living in Dhankuta, the eastern district of Nepal.

I was searching for a business to earn money for my life and family rather than depending on the earning of my husband. When I passed grade eight, I wanted to be a nurse, serve the patients and earn some money. But, Due to the poverty of my parents, my desire could not be fulfilled. I could not join the nursing college. FWEAN had a branch office at Dhankuta. I was staying at Dhankuta with my husband at that time. There was a member of FWEAN, Yagya Shova Gurung doing a small tea-shop at the bus park of Dhankuta. She encouraged me to start an enterprise. She helped me with an opportunity of participating in the training of New Business Creation for one month. I got the chance of participating in a skill training of 45 days. I was thinking about the potentiality of products from the raw materials locally available in Nepal and local territories. (Shila, Transcript, 2 April 2016)

Shila was living with her husband at Dhankuta as a housewife. Her husband was a jobholder of an organization. Before starting her enterprise, she was thinking of doing something in the future. She was also looking for opportunities to start an enterprise. She met the members of FWEAN and connected with them. She became motivated to initiate an enterprise after receiving the suggestion of FWEAN member, Yagya Shova Gurung. She suggested and supported her to participate in the training of business initiation and basic skills. Shila got connected with FWEAN members who were established entrepreneurs in Dhankuta. She is an executive member of FNCSI, FWEAN, and local cooperatives.

The 'training on new business creation' made her confident to think about the enterprise and its potential location, nature of the business, raw materials and potential customers to make a business successful. Shila started an enterprise of natural fiber. She added early experiences of doing business:

When I participated in training on entrepreneurship development in 2062 provided by CSIDB, I learned about creative thinking regarding the new products and methods. They provided the skills of market intervention, product quality, and other many things. From this training, I learned that an entrepreneur is a creative person who should think about new things, vision and designs. (Shila, Transcript, 2 April 2016)

From Shila's experience, the training packages provided her the entrepreneurial orientation, motivation, literacy, and skills. The training contents influenced and made her entrepreneur. She selected the enterprises of natural fiber and gems-stone after participating in the skill-trainings of these products. She selected the enterprises different from her family profession because of the influence of training and the suggestions of the role models. Thus, Shila valued the training as the sources of entrepreneurial knowledge and skills.

### Shila's Ways of Acquiring Orientation and Skills

Shila explained how she acquired entrepreneurial orientation and skills. She remembered the ways she valued as important and proved from her practice. She observed others' practices, connections with the business colleagues, and participation in the business fair. She claimed 'observation' as one of the effective methods of acquiring ideas about businesses. In this regard, she stated: I learned these skills from observing the enterprises of others. I visited national and international places to observe the enterprises and their success factors. I have been regularly observing other activities and ideas to learn new things applicable to my enterprise. (Shila, Transcript, 2 April 2016)

From the above narrative, Shila identified the observation of others' works as a way of acquiring entrepreneurial knowledge and skills. She visited different places either national or international for searching for new ideas that might be applicable to her enterprise. They have the culture of observing the products, methods, and technologies of others. It is transmitted from the practices of social observation they have in their society and market. Shila's perception seemed to be influenced by the activities doing by other entrepreneurs in the market.

Shila added to her experience of participating in the business exhibitions. She participates in business exhibitions regularly. In this vein, she said:

I have been participating in the national and local business fairs regularly. I have been participating in business meetings, workshops, meetings of government agencies and other programs related to the enterprises. From these events, I have been collecting the latest information regarding the business ideas, environmental effects, changing contexts of legal provisions and others. (Shila, Transcript, 2 April 2016)

Shila shared the regular practice of participating in business exhibitions, business meetings, workshops, and other related programs. She valued the participation in these events as an essential way of collecting the latest business information. She found the information on different subjects, i.e. changing legal provisions, new business ideas and other factors affecting the enterprises. It is one of the ways of accessing the communication of consciousness. These activities are the forms of social movements directed from the consciousness or emotional unconsciousness inspired by the personal goal. The social movement is universal due to the conception of struggle.

Shila was very sincere to the customers. She recalled her practice: I have to make the designs, colors, volumes and other things as per their interests. I should deliver the products within the given timeframe. These are the requirements of my customers. The wholesalers and retailers have been giving the ideas of producing new designs and quality. (Shila, Transcript, 3 July 2016)

Shila seemed highly respectful to the customers. She makes the designs, colors, volumes and other things as per the demands of the customers. She takes the ideas, new designs and quality expectations from the customers. Thus, she valued 'listening to the customers' as a way of acquiring the entrepreneurial orientation, skills, and ideas which would be more practical and beneficial to the enterprise.

Likewise, Shila remembered the practice of looking at the competitors. She explained:

There are many products of the same quality in the markets. The entrepreneurs have been mostly making their products using single materials but I have been producing different designs using multiple materials. I continuously search, observe and compare the quality, design, price and other features of the competitors' product. (Shila, Transcript, 3 July 2016)

Shila is a conscious entrepreneur in terms of looking at the competitors. She tries to make something new and different from the competitors. She always searches for the competitors' products and features. She incorporates the popular designs introduced by other entrepreneurs. The activities of searching, observing, and comparing are also granted from the culture embedded in the field of Nepali entrepreneurship from the very beginning.

### **Chapter Essence**

The entrepreneurs of SMEs informed about the sources of becoming, i.e. early experiences, formal education classes, training packages, family professions, and socio-cultural practices. Likewise, the participants valued the ways of acquiring entrepreneurial orientation, knowledge, and skills. They have the practice of observing others' practices, connecting with business colleagues, participation in business events, and listening to customers. The entrepreneurs are oriented and provided with business skills from the sources stated above. They are able to build formal and informal networks through connections and participation. The habitus of the entrepreneurs is shaped knowingly or unknowingly with the inputs received from the above-stated sources and the ways they valued. Those sources are now identified in the socio-economic context of Nepal.

#### CHAPTER V

### ENTREPRENEURS' NARRATIVES: DOINGS ON STRATEGIC READINESS

In chapter IV, I presented and discussed the narratives of the participants regarding the sources and ways of acquiring entrepreneurial orientation and skills. In this chapter, I state the narratives of the research participants regarding the practices for their doings on *strategic readiness*. It is the second part of the stories concentrated on the second research question: how do the entrepreneurs of Nepali SMEs exhibit their 'doing' on strategic readiness? I present the stories of entrepreneurs of Nepali SMEs and interpret them for identifying and picking up the insights from those stories.

## **Strategic Readiness**

"Players elaborate *strategies* in order to reinforce their positions and their gains" (Bourdieu & Wacquant, 1992, p. 98). The *strategic readiness* denotes the actions of accumulating the resources, skills, ideas, and technologies for exhibiting the 'doing'. I picked up the stories regarding the practices of strategic readiness from their whole stories. I analyzed and interpreted the meanings, and dug out the insights. I have been using the lenses of *social practice* to look at the habitus of the entrepreneurs in this study. Thus, I supposed the entrepreneurship as a social game where the rules of the game are always relational, dynamic, ever-changing and dialectical (Bourdieu & Wacquant, 1992). Rules are not formalized but rather tacit in nature (Wacquant, 2011) and need to be internalized by the *agents* in order to demonstrate appropriate *practices* and *strategies* (Bourdieu, 1983). The strategic readiness is a course of preparing the game plan and utilizing those plans for the courses of doing.

## **Gopal's Practices on Strategic Readiness**

Gopal is an entrepreneur who wants to continue the local traditions of SMEs and local markets. Gopal has been targeting to utilize the local resources and markets, continuously working for supplying quality products to the local demands. Gopal is found creative in collecting better ideas for his enterprise. He is committed to continuing business up to his life. He showed his confidence in his enterprise with a clear vision of the opportunities of his business. He knows about the availability of raw materials and markets for his products. He added other visionary ideas as:

I am also a trainer for fruit juice. Another component that I have a business of agro-seeds as an alternative. The major business on juice will continue and I have managed the qualified staff and family members. The market demand has been increasing day by day. I have prepared trained workers for producing better seeds. It is the earning of my long experiences. (Gopal, Transcript, 11 February 2016)

From the formative experiences of the early days, Gopal started two enterprises. He is conscious of looking for the alternative. Hence, he added the enterprise of agro-seeds. It was one of the unique ideas essential for the strategic readiness of changing situations. It was also a contextual shaping of entrepreneurial practices. Gopal understands the market situation by engaging himself as a trainer in the markets.

Gopal had no practice of using the business plan for his enterprise. In practice, the culture of the business plan is mostly adopted by big and multinational companies. In this regard, he said:

I know about the business plan but I have not implemented it in my enterprise. I have been evaluating the transactions in the gap of a few months. I manage the products of regular demands and additional for events like exhibitions.

(Gopal, Transcript, 11 February 2016)

It appears to me that Gopal was influenced by the tradition of Nepali entrepreneurs of SMEs who have not been using the formal business plan. He knows the business plan but does not use it in his enterprise. He makes his products based on the experiences on the sale in previous years. The training events have been promoting the concept of modern business plans popular in the practices of big business houses with huge investments. The big companies have implemented the modern business plan successfully because they have their organizational culture established. But, the entrepreneurs of SMEs have a lower level of literacy and little knowledge of organizational culture in their practices.

Gopal continued his story of experience in organizing resources like men, money, material, methods and other things to his enterprise. He further added to his story:

For the money, we have established a cooperative. This cooperative provides me up to NRs 100 thousand at a time without a service charge. I have some friends; they provide some borrowings for investing in my business. I have hired my neighbors and villagers as employees. I have made the channels to collect the raw materials. I have been using locally available materials like rhododendron, beal<sup>6</sup>, and others. For agro-seeds, the seed-items are enough in my village. I collected the technologies from Kathmandu appropriate to my enterprise. (Gopal, Transcript, 11 February 2016)

Gopal has the practice of collecting money from the resources available in the local village. His practice of collecting money was mediated by the cultural practices

<sup>&</sup>lt;sup>6</sup> Beal fruit is like an apple with woody shells, grows on the tree which is one of the plants of medicinal and religious importance in South Asian countries.

established from historical times. The culture of cooperative is newly developed by the educated people for fulfilling the needs of money to the members associated with this institution. The concept of cooperative was initiated as the alternative of banks and financial institutions which have not been providing money to the poor people. Borrowing from the business or other colleagues is another source of money culturally accepted and popular in Nepali society. Gopal has the practice of using locally available labors and skills. Employing local labor and skills is also a compulsion and a sustainable way of fulfilling the needs of human resources. The use of local materials and local markets are easier for managing the materials and markets. He has been using the technologies from the markets near his factory location and it is easy to get the service of repair and maintenance. He further added:

I have been looking for new opportunities. I collected the juicer, refractor and other machines from Global Packaging, Kathmandu. I have applied several new ideas in skills and selling in the market. Regarding new technologies, I coordinated with the Department of Food Technology and Quality Control [DFTQC] of Nepal and identified the machines for quality control like the refractor and water filter machine. (Gopal, Transcript, 11 February 2016)

It appears to me that Gopal's approach was influenced by knowledge gained through the training which has provided the concepts of modern business culture; which is in the increasing trend due to globalization. He always looks for new opportunities and ideas for making his business better because the entrepreneurs have been struggling to win others. He focuses on coordinating with suppliers of the technologies, interacting and selecting and adopting the appropriate ones. The collection and utilization of better ideas are essential for strategic readiness. Gopal entered another chapter of product variety and designs to explain his experience. He recalled his practices and shared as:

First of all, I observed the purchasing power of the customers. As per the purchasing power, I defined types, shapes, sizes, and weights, etc. I added/changed around 200 designs from the beginning for creating the markets of new products. I started the grading of the raw materials and used the materials of first grade. I managed better factory arrangements with higher sensitivity and used filtered drinking water in the products. (Gopal, Transcript, 11 February 2016)

Gopal is creative and conscious of the product varieties and designs. His idea of observing the buying power of the customers, and making the products' quantities as per their capacity is appreciable. The grading of raw materials is another innovative action to make high-quality products. He unpacks his practice of maintaining sensitivity during the production processes. Searching for and implementing the activities of different product designs and varieties is a pre-stage of preparation to make the products and display in the markets. The awareness of searching for new products, designs, grading of the raw materials and other types of factory arrangements are embodied by the experiences of previous days.

Gopal is aware of using electronic media to promote his products in the market. He said, "I have not used email and the internet because I have no idea and human resources for managing it. I am searching for skilled human resources and planning to use these means". He is committed to using electronic means like the internet and social media to his enterprise; but, the use of the internet is not possible right now due to the lack of knowledge and skills on it. The internet facility is gradually increasing in Nepal but not accessible in all parts of the geographical

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territories due to remoteness. The SMEs have been working in their traditional ways based on their knowledge and skills. The practices of big business companies, SMEs of urban cities, and an increasing number of service providers of internet facilities have been influencing the entrepreneurs' awareness on the internet.

Being a small entrepreneur, Gopal unpacked a compulsion of bearing all of the responsibilities of his enterprise. He said:

I have been engaged in sectors like raw material, factory, skills, and labor, and monitoring, market, and capital arrangement. I am fully responsible for business decision making. The skilled and major employees are supporting to share their opinions and logic. (Gopal, Transcript, 11 February 2016)

Gopal explained the reality of entrepreneurs of small businesses of being "multitasking". He equally concentrates on all of the components of the enterprise like collecting raw materials, labor, skills, machines, and technologies, selling products and other duties. He is not getting enough time to think about new ideas, products, markets, and so on. The entrepreneurs of small businesses have no practices of departmentalization due to the mediation of our cultural practices. Father or mother is the head of our families and responsible to manage all kinds of family needs. The thoughts and habits embodied by the family practices exhibit in the enterprises also. The practice of multitasking is originated by the parent's role in a family, especially popular in the Nepali society.

Gopal always takes care of the staff to keep them motivated and committed to their duties. He said, "I always encourage all of the staff to be more qualified and skilled. Usually, I have been providing them extra cash benefits. The staff who go for marketing, receive additional payment as per sales volume". He provides the chances of skill training, cash, and other benefits to motivate them so that all of the regular activities of the enterprise are completed effectively. He further added:

Mainly, I have provided the training to the marketing staff in the processing and salesmanship. I have provided them different skill training, certification from CTEVT, exposure visits, participation in the business exhibitions and skill transfers. I provide training on new things like designs, processing techniques, etc. The skilled employees share their skills with the other staff. Skill transfer is a major method for making them skilled. 'Learning by doing' is appropriate for this sector. (Gopal, Transcript, 11 February 2016)

Gopal utilizes the innovative and appropriate ideas of employee motivation and skill enhancement. He provides various skill training and applies the skill-sharing culture within the enterprise. Gopal is found partially mediated by the concept of organizational and business theories gained through formal trainings. The activities of participating in business exhibitions and exposure visits are introduced and encouraged by the development agencies. Another practice, sharing the skills from the skilled person is an informal process of learning. It is a culture of learning in Nepali enterprises from the very beginning and still popular in the market.

Gopal added again on the employees' empowerment practice as: I always encourage them to think of new ideas in these areas and have interactions among them at an interval of 3 - 5 months. I provide the chance of learning from others in business exhibitions. Generally, my employees participate in 4/5 national or other exhibitions in a year. After completing the exhibitions, I manage the interaction/review meetings for sharing the experiences. (Gopal, Transcript, 11 February 2016) Gopal knows about keeping the employees empowered and motivated. He has the practice of encouraging the employees to think of new ideas, participate in the business fairs and other events so that they get a chance of learning about the new product types and methods. The competitive market encourages all of the entrepreneurs for being ready to deal better with the challenges and problems. The market always teaches them on making their staffs qualified and skilled, empowered and motivated in different ways. Gopal's practice is shaped by the practices available in the markets adopted by the business colleagues, thinking of similar ways to the market needs, and following the norms of the market.

Gopal knows the reality that the enterprise has always risks and challenges. He does not become confused and demotivated due to the challenges, mistakes and problems appeared during the tenure of his business. He expressed, "I faced the problems of raw materials, cash, laborers, market, and others during my business career. I tried to come out of those problems. I solved those problems after multiple attempts. Hence, I am now satisfied with my progress". He learned the methods, and ideas for solving the problems. He shows his courage to face the challenges and problems as he searches for and adopts the better ways of solving the problems.

### Santosh's Practices on Strategic Readiness

Santosh migrated his enterprise of cloth items of natural fiber from Baneshwor to Thamel where the foreign tourists always come and stay for some days, search for the traditional Nepali products and buy them. He targeted those customers and established his enterprise of manufacturing the cloth items from natural fiber (i.e. allo<sup>7</sup>, hemp, bamboo, sheep wool, and others). Santosh continued his story and entered into his experiences on the use of innovative ideas for strategic readiness.

<sup>&</sup>lt;sup>7</sup> Nepali name 'allo' denotes the fiber of stinging nettle plant.

Santosh told me about his practices of innovative 'doings' during his entrepreneurship career. Initially, he did not imagine the future success of his enterprise. He became hopeless many times due to different obstacles. But, he was able to create a hopeful situation in his business. In this regard, he said:

I did not imagine the success of my business in the future. It was a hopeless time and again for about three years. Gradually, I became able to cope with these problems and challenges. I motivated myself to continue this business. I had a hope of success and wanted to be a successful entrepreneur in the future. (Santosh, Transcript, 16 February 2016)

Santosh became confident after some years because of his experiences. Up to now, he has no concrete hope of the future but he is committed to doing better. The small enterprises do not have the culture of making a business plan but they have the culture of making the plans for everything. Santosh expressed in this regard as:

I know about the business plan but I am not prepared to implement it in my enterprise. I learned from the training activities organized by the government. But, I could not implement them in practice because I have no formal team to technically implement it. But, I have an informal way of making a plan and looking at the progress. Obviously, all of the entrepreneurs have their own style of calculating the possible sales, potential places, and other things but not well-organized like the format of a business plan (Santosh, Transcript, 16 February 2016)

Santosh is aware of the business plan. He participated in the training of the business plan. But, he has not implemented it in business due to the lack of qualified human resources. Santosh has his own style of maintaining the plan of product making, selling and looking at the progress. The entrepreneurs have their own styles of calculating the potential sales and product making for supplying the products. But, the small enterprises have not been preparing the business plan based on the modern concepts and implementing it in their enterprises due to their knowledge gaps on it.

The small enterprises do not have the culture of making a business plan but they have the culture of making plans for everything. The SMEs have a duality of localization and globalization. They are born in the local culture and move towards the modern organizational principles promoting by the government agencies, development partners and globalization of human cultures and consumption habits. The globalization of the modern business culture and increasing trend of legitimation by governments and customers create them to follow the ways indicated by the modern business theories.

Santosh added to his storylines about the collection of materials and machines. He utilizes the locally available materials in Nepal. He stated:

I collect the raw materials from the western districts of Nepal, i.e. Bajhang, Bajura, Rukum, Rolpa and Darchula; and the eastern districts like Sankhuwa-Sabha, Khotang, Panchthar, and others. I have hand-machines of the traditional type for cloth weaving available in Kathmandu. (Santosh, Transcript, 16 February 2016)

Santosh disclosed his business success in the sector of natural fiber which is available in the local places by using the hand-machines. He selected the enterprise of natural fibers like Allo, Hemp, Bamboo, sheep wool and others which are becoming popular in local and international markets because the people have been engrossed in nature-friendly life. He knows about the availability of natural fibers in Nepal and the potential markets and increasing craze of people to those products. Santosh's business seemed completely originated and based on the local culture and resources. He has been producing the items of natural fibers which are popular from ancient times. The clothes of multinational companies have replaced the real market of the cloths made up of natural fiber locally available in Nepal.

Santosh implemented some essential and creative ideas in the sector of manufacturing. He explained:

I installed a new washing machine in 2014 which was most essential for producing the finished cloth items. I divided the works as per the skills and experiences of the staff in the production sector. Likewise, I regularly visit the market for learning about the fashions and the demands of the customers. (Santosh, Transcript, 16 February 2016)

Santosh shows his practice of installing the new washing machines as per the changing needs and the concept of dividing the duties as per the skills and competencies of the employees. There are obviously new ideas for entrepreneurs and himself for the readiness of the strategic intervention. He is aware of searching for new ideas, fashions, methods, and markets. Santosh knew about the new technology of washing clothes after weaving in the looms. He has the practice of putting 'the right man in the right place' in his enterprise. Regular market observation is one of the basic activities to update strategic readiness. He is aware of searching and employing technological capital best for cultural needs. It is one of the fundamental preparedness for making quality products to the markets. It is also a result of the embodiment of the entrepreneurial knowledge and skills shaped by the market situation available in Nepal.

Santosh added to his storylines on the use of electronic media for selling the products. He stated:

I started to use the email for foreign customers. I have been using the website for providing the product designs and all of the related information of the business. As a result, I became able to supply the products to foreign countries because of the website. Now, I have been supplying the products to the USA, Japan, Australia, and Canada. (Santosh, Transcript, 16 February 2016)

From the above anecdotes, Santosh seemed to be capable of using the internet and websites to collect new ideas and sell the products to foreign markets. Because of using the internet and websites, he is successful to see the products to the customers of developed countries like the USA, Japan and so on. This is an indication of wider acceptance and recognition of the products. This recognition might obviously create additional demands in the markets.

The invention of the information and communication technologies created the context of using ICT because of the need for publicizing the products to wider markets or out of the boundaries of local markets. It is an externality that enforces to reshape the habitus of the individual in terms of understanding ICT, planning to use the ICT and utilizing it to the business. The habitus is ever-changing due to the changing context or the demands of the structure. Habitus, is "internalization of externality", to individuals to adapt and cope with social life (Bourdieu, 1977). Using ICT is a compulsion for communicating to the customers in distance. The foreign customers will be informed easily and promptly about the products through email, website, social media and other ways based on ICT.

Santosh knows the demands, presents the designs and reads about the response of the markets. He regularly observed the market to collect new ideas for products and others. Santosh is producing the products of new designs and fostering the market reach. He differentiates his products to around 100 types of different quality and price levels. He shared, "I try to understand the demand for the products in the market and presume the quantity and price levels. After that, I produce these items".

Santosh has the practice of sole decision making and said, "I decide about my business activities because my partners are passive. I collect information from staff and other sources before the decision". He adopted the sole decision-making process due to the passiveness of the partners. But, he made the decisions based on the information collected from the different sources so that it would be practical in the field.

Santosh disclosed his different ways of motivation to his employees like salary in time, additional payments at peak times and seasons, piece-based payments, etc. It shows Santosh's skills in the staff dealing and ways of motivating his employees to make them committed. He seemed emotional to the staff members and said, "I respect them because they have been contributing to the enterprise. I believe in teamwork. They all are team members". It is one of the ethics of respect for his employees. It might produce a conducive environment for all the employees/workers to perform their duties in an open and democratic climate. Santosh valued them as the team members who are equally important to achieve the purposes of the enterprise.

Santosh shared his storylines having experiences of the hardships and the struggles he faced during the early phases and also portrayed the picture of how he came across. He shared:

I came to this point after facing many pains and gains. I got different problems at different times. When I established my enterprise at Baneshwor, I got a problem to sell the products because it was not an appropriate place for handicraft business. Realizing this trouble, I changed the location of my showrooms and factory. I shifted my business location to Thamel for one year. Now, I have increased my investment and as a result, the sales of the products are highly encouraging. (Santosh, Transcript, 16 February 2016)

According to Santosh's anecdotes, business is a game of uncertainty – sometimes he gains and sometimes he bears the pain. He expressed his experience of the different problems and challenges he faced regarding the place of enterprise, market, and other related things. He struggled against the challenges and problems without being disturbed and found the alternatives, which thus, made him successful. He shows his patience during the time of hardships and problems which helped him to achieve success and satisfaction.

The experiences of past days made him knowledgeable and skilled in the ideas and activities of strategic readiness. Santosh changed his business location because of his experience of selling products from that spatial location. It is a process of 'standardization of the experience' or the 'incorporation of the history' which indicates the constitution of the habitus (Bourdieu, 1977). The entrepreneurs became strategically ready to manage the expected and unexpected situations because of their experiences and history.

## **Binod's Practices on Strategic Readiness**

Binod is a successful entrepreneur in Kathmandu with a long experience. His enterprise is completely based on the cultural markets of Hindu and Buddhist religions. He makes a plan of product making and selling as per the demands of the religious market space of Hindu and Buddhist culture. His perception was shaped by the experiences of working in a similar field available in Nepal, India, and China. He continued his story of entering the area of strategic readiness. He explained his practice of the collection of money as one of the major resources for the enterprise: In the beginning, I collected some money from my relatives and friends. I asked for money when I met any of my friends and my wife complained to me various times regarding borrowing money from others. I used to reply to her as it was only for the business, not for other purposes. But now, I can collect 10 - 20 lakhs from the market and the businessmen trust me. They have recognized me for a long time. I use the money from finance companies for a short time at the time of Dashain<sup>8</sup> and Tihar<sup>9</sup> because I should pay the salary to all of the staff and the collection does not meet to do so. (Binod, Transcript, 27 February 2016)

Binod started his enterprise with the money collected from his relatives and friends. The relatives and friends are traditional sources of collecting money or goods in Nepal which were a culture of solving the problem of money or goods from the historical time. He added new sources of collecting money for the business like businessmen and banks or cooperatives. It is the old custom of Nepali entrepreneurs to lend money from other businessmen and relatives. But, the business culture is gradually changing towards the formal, influenced by modern business theories, and ruled by governments.

The practices of identifying and collecting the resources, i.e. man, money, materials, and methods are contextual and culturally oriented ways. The strategic activities of collecting resources are mediated by local cultures and traditions. For example, Binod borrows the money from relatives and friends which might not be possible in other societies. The intervention of formal registration of enterprises, the establishment of cooperatives and banks, different training packages by the

<sup>&</sup>lt;sup>8</sup> Dashain – also known as Vijayadashami, Dasahara, Dusshera, Dasara, Dussehra or Dashain is a major Hindu festival celebrated at the end of Navratri every year.

<sup>&</sup>lt;sup>9</sup> Tihar - also known as Deepawali and Yama panchak or Swanti, is a five-day-long Hindu festival celebrated in Nepal and the Indian states of Assam and Sikkim including in Darjeeling district of West Bengal.

government and development agencies have been changing the context of strategic options and activities.

Binod added to his storylines regarding the design of the products. He explained:

It is ultimately handicraft and the major methods are the same. The handicraft products are better than machine-made. I know very well about the quality designs. I discuss with the technical employees (Kaligad) about the better designs and I explore the perfect designs to the market. It is one of the major strengths of my business success. (Binod, Transcript, 27 February 2016)

All of the products of Binod's enterprise are handmade. The customers of those products search for handmade items. Binod is not unfamiliar with the popular designs in the market. The market indicates the requirements for new products and designs. He always discusses with his artisans to create new designs. He claims that exploring the perfect design for the market is one of the strengths of his enterprise.

Binod was found curious in collecting and discovering new ideas and using them to his enterprise. He explained:

Collecting new and appropriate ideas is my major duty in this business. First of all, I produce the items in a small number and test them in the market; when it seems successful, I produce more as per the market demand. When I find a new feature or design, I collect the sample and orient the employees. The major culture of skill exchange has been established in my factory. (Binod, Transcript, 27 February 2016)

Binod has a way of employing new ideas in his enterprise learned from his own experiences. He introduces new items for testing market demands. After getting the feedback or responses from the market, he produces more volumes or stops making those items. He expresses the practice of providing orientation to the employees when he finds new designs, shapes, and features. He continues the culture of skill exchange with the employees so that all of the technical employees would be equally qualified. Binod introduces new designs and testing for the markets continuously. He is found capable of creating and launching new designs in the markets. It is also the result of his ongoing experiences, social observations, and interactions. It is also the process of internalization of the externalities and exhibition of the ever-shaping dispositions in the markets.

Binod encourages his employees to search for new and creative ideas. He added:

I have been searching for and launching the new designs collected after a joint evaluation by the skilled employees. I observe fine skills among my employees. When I find unique ideas from any of the staff, I share with others and apply them to the production process. (Binod, Transcript, 27 February 2016)

Binod always welcomes the creative ideas and new designs collected by his employees. Binod's practice of collecting creative ideas shows the capability of strategic readiness. He assesses the fine skills among the employees and managed to share with others. It is a better strategy to search for new ideas within the team. Searching better ideas is a kind of strategy and implementing these better ideas to the enterprise needs teamwork. It is a process of officializing better strategies. It ensures the production of regular practices in the enterprise.

Binod has a particular disposition in the employees' motivation and reward culture. He continued his storylines:

I respect my laborers and employees; I help them with their personal problems and pay the salary in time. I increase their salary in Baisakh every year on a regular basis. I see the market rate of the employees and provide them more than this. (Binod, Transcript, 27 February 2016)

Binod has been providing the incentives to his staff which produces better results in the quality of products and utilization of time. But, he has not developed any written policy and system for a rewarding culture. Binod pays the employees' salaries on time. He has been providing the annual salary increment more than the market rates and also provides the facility of rent-free residences. These are the best practices he implemented to motivate the workers. Binod's enterprise is an example to run more unofficially as a familial setting of operation.

Binod believes that the success of the enterprise is made possible with the skills and sincerity of empowered employees. So, Binod also expressed the practices of his experience of empowering his employees. He provides informal coaching and mentoring to his employees within the family environment. He has employed the culture of honor, following the seniors and caring for the juniors. In nutshell, he established a family culture in his enterprise.

Binod expressed his experiences regarding the problems faced during his career. He was ready to cope with the situation and maintained patience during those critical times. He explained:

After three years of establishment, I faced a shortage of money for investment. The payments from the retailers were not received on time. I invested all the money to purchase the plain sheets of copper and brass because there was a big scarcity of the sheets. I got a great problem to pay for the salary of my employees. I managed the basic food items for them in credit for four months. I collected some money from my relatives and solved the burning problems immediately. (Binod, Transcript, 27 February 2016)

During the crisis time stated above, Binod maintained his patience and did not stop his enterprise. He learned to maintain patience during the time crisis or problem from the experiences. He earned a kind of knowledge of keeping patience in the problem. He searched for the possible situations of crisis and identified the solutions. He earned the capacity of thinking about alternative ways of solving the problems. The experience appeared as the input of building habitus and made it possible to exhibit the particular types of strategic readiness to play the game better.

Binod added to his storylines to his communication practice as a component of strategic readiness. He knows the importance and strategy of communication. He stated:

I have asked my employees to communicate about progress and problems regularly. I have been using the telephone and email to communicate with employees and customers. The satisfied customers advertise my products and I obtain the market share in the local areas. (Binod, Transcript, 27 February 2016)

Binod's narrative shows his capability of valuing communication as a component of strategic readiness. He uses modern devices and technologies like telephone and email for communicating with others. Telephone and internet are the major means of communication these days. Using those modern technologies is possible through the intervention of multinational companies in the field of ICT. The telephone and internet are the latest and rapid means of socialization which create social networks and translate it into the capitals. Binod's factory is located at Baneshwor, at the heart of Kathmandu with the robust facility of the internet and others.

## **Madan's Practices on Strategic Readiness**

Madan and his team members became committed to starting the partnership enterprise and established their business accordingly in the village. They have been targeting the local markets of educational sessions and cultural events. The leather footwear is popular at the cultural events of all religious communities, i.e. Hindu, Buddhist, Christian, and others. Thus, leather items have worldwide markets. But, Madan's team has been supplying their products in the local markets only.

Madan's team got success in their products of leather footwear by employing local human resources as laborers. They have become successful in the market and still committed to continuing their business for a long time. Madan explained the practices of resource mobilization, which he realized during his/her entrepreneurial career. He gave emphasis on the collection of money, raw materials, and machines. Madan's team employed an idea of collecting the money for the initial investment. They collected money from each of the partners and other sources. They knew about the sources of money and methods of using those sources. He added again:

The first idea was we searched for increasing our earnings. We focused on quality products. The third thing was the new market search. We searched and coordinated with Tukucha Saving and Credit cooperative in our village. We took a loan of NRs 50 thousand for six months. After six months, we paid for this loan. After that, we again took a loan of one lakh and we again invested in our business. Now we have the loan of NRs 5 lakhs. The cooperative has been providing the loan at 9 percent interest rate. We have not accessed the bank loan because we have not collateral appropriate to the banks. We are not looking for other banks because the cooperative has been providing the loan as per our needs. (Madan, Transcript, 13 March 2016)

Madan's team is involved in different cooperatives as a member. They utilized the loan from cooperatives because the loan process is easier than the commercial banks. The cooperatives of the local villages had been supporting much to the smallsized enterprises and fulfilling the gaps of the financial services in the rural and remote places of Nepal. The cooperative of Madan's village has organized the members of his relatives and villagers. They have been feeling easier to do saving and loan transactions and accepted their ownership in this cooperative. Madan's team feels it easier to do loan transactions with cooperatives because the loan process is compatible with them and accessible without collaterals. On the other hand, the commercial banks have completely formal processes and not conducive to the SMEs.

The local cooperative represents a social or community organization with socio-cultural values and norms. The members continue their cultural functions, festivals, rituals and ultimately contribute as an agency of cultural reproduction. Hence, they are socially obliged to the membership of this cooperative and receive the loan facilities more easily.

Madan added to his story regarding the collection of materials:

We always visit the market for raw materials and other opportunities. It is not compulsory to purchase the materials from the same shops or suppliers. Maybe, he gives materials of high quality at a higher price than others' offers. We compare and choose the quality materials and at a reasonable price. We always search for the materials of high quality at a lower price. (Madan, Transcript, 13 March 2016) Madan's experiences shaped himself for visiting regularly to the markets for finding better opportunities for raw materials, methods, product selling, and other things. He knows to compare the prices, quality, and quantity because of his experiences of past days. Madan and his team members are found knowledgeable of collecting the raw materials from the markets. They always compare the qualities and prices of the materials available in the market. They search for the materials of high quality at a lower price. This technique of collecting the materials is found unique which is helping them to reduce the cost of product-making and being highly competitive with other enterprises.

Madan remembers the practice of updating the machines. He stated: We searched for new and more efficient machines and technologies. We have replaced our machines and other equipment after we found better and more effective ones for making the products with improvised quality. As per the needs of the market, we sold the traditional and outdated machines and installed new with modern technologies. We brought two machines from India and one from China through agencies. (Madan, Transcript, 13 March 2016)

Madan and his team members have established a culture of searching for better and more productive machines and technologies for their enterprise. Madan's team replaced new and modern machines for quality products in the markets. This is one of the tasks of strategic readiness for better product-making. In the case of the enterprise of leather footwear, a number of multinational companies have been trading in the world. On the other hand, traditional castes have also been working in their own enterprises. Thus, it is not the item of niche products like natural fiber and handicraft items. The market of leather footwear is more complex than other niche products because the enterprises of all scales have been working on it. The leather footwear has a global market and not limited to the local or a particular culture. Thus, searching for the new machines and replacing the old ones is a compulsion for this enterprise. Madan's team knows about the inevitable strategy of changing machines and technologies.

Madan's team has a culture of planning in a traditional way. He stated in this regard as:

We plan our tasks in order to address requirements as per the season like winter and the big festivals of our locality when they occur. We then investigate the demand-driven fashions and designs according to the situations and finally, we make a plan for production. It depends on the season, for example, party shoes for the wedding ceremonies and school shoes in April and May for the students and the boots in the winter season. We have explored the numbers of new designs and developed them successfully. (Madan, Transcript, 13 March 2016)

Madan's team makes the plans of production and selling in their own ways. They understand the seasonal demands and fashions of the markets. They have been selling their products to school children, officials, and the members participating in their cultural rituals.

Madan's team makes their plan based on their selling experience of previous years. They work on their strategic readiness based on their experience. The market of leather footwear is not completely based on the local cultures but depends on the changing fashions in the markets. The market for leather footwear is similar to the market of electronic devices. Leather footwear is popular in the world. Thus, Madan's enterprise has a wider challenge than the enterprise of natural fiber and handicrafts.

Madan unpacked the practice of organizational culture established in his enterprise.

We have an executive committee for making the final decision and controlling overall management. The meetings are held regularly on a monthly basis and the major decisions are made. Moreover, all the board members are actively participating in decision making and other activities as if they are paid employees of this enterprise. Hence, it is easy to decide the issues unanimously in order to make them all responsible to improve the business. (Madan, Transcript, 13 March 2016)

Madan's team shows a different practice of formal organizational culture. The team has an executive committee as per the rule of the enterprise. The executive committee is responsible and authorized to make the final decisions of the entrepreneurial activities. On the other hand, the executive members have also been actively participating in the activities of the enterprise. All of the decisions are documented and each of the duties is assigned to the capable members. It was unique and different from the sole enterprises.

Madan's team has a compulsion of formal decision making and implementation because of their partnership business. They started their enterprise with the technical support of MEDEP, a government initiative. I know about MEDEP, which had initiated and supported to implement the organizational culture to the enterprises. Madan's team has been implementing formal organizational culture because of the orientation received from MEDEP, a development initiative. They have been working in a partnership model; hence, they have been following the organizational culture for maintaining unbiased decisions and transparency.

Madan unveiled his story of the practice of dealing with the employees in their enterprise. All of the employees were shareholders or partners. They established a particular culture of motivation and reward. He stated:

We have implemented a piece-based system of wages. Moreover, we pay higher to more qualified employees. The staff who cannot make quality items, we support them to be qualified. We have managed the Dashain bonus and overtime payment to the employees. (Madan, Transcript, 13 March 2016)

Madan's team has implemented the quantity/product-based payment together with the quality of produced items. The performance-based payment method automatically controls the workers and reduces the loss of time. The higher payment to more quality products is also another technique to control the quality. The culture of supporting the weaker employees is another idea for establishing the products of high quality. Those innovative ideas are highly contributive to the strategic readiness of the enterprise. Likewise, the practice of providing bonuses during 'Dashain' and overtime payments system was found unique to motivate their employees.

Madan's team identified those techniques of staff motivation because of their experiences in mobilizing their staff. Based on their experience, they valued those better and effective ways of motivating staff. They have established a culture of mobilizing their employees through these methods.

Madan's team has learned multiple techniques of employee empowerment from the markets. They manage skill training and participation in business exhibitions to empower their staff. Madan stated: We have been coordinating with other organizations for the training packages and sending our workers to participate in those training events. We have also been sending them to the business exhibitions so that they can observe the products and selling skills of others. (Madan, Transcript, 13 March 2016)

Madan's team believes that empowered employees can contribute more to the enterprise. They had the culture of providing the chances of participating in the training packages and business exhibitions to make them more skilled and qualified. Skilled and qualified employees can obviously contribute to the strategic readiness of enterprises.

Madan also talked about the experiences of facing the challenges and the problems in the early days of his career. Madan's team learned many things from the mistakes they did. Madan's team learned about the possible areas of mistakes and ways of solving or improving those areas from their everyday experiences. He recalled:

We maintained patience during the problems. There might be many points of mistakes like sewing, pasting, finishing or in the quality of the leather and other materials. The performance of the machines might be weaker. The sewing with thread might be very tight or loose. There are many technical parts to be controlled during processing. We investigated and removed those mistakes and made ourselves more competent. (Madan, Transcript, 13 March 2016)

Madan's team experienced many types of technical problems during the process of production. In the case of making shoes and slippers, they experienced the mistakes of cutting, sewing, pasting, finishing, packaging and so on. Now, they were sincere in these activities. Madan shows the experience of maintaining patience during the mistakes, problems and some other kinds of challenges. He shows high sensitivity at each and every step of the enterprising phases to minimize the mistakes and avoid the problems. Being careful about avoiding the possible mistakes in the product-making or product selling was found as a vital way of strategic readiness.

Madan's team looks for the opportunity of cultural markets. Dashain, Tihar, wedding seasons are all cultural markets. They make their plan of product-making and selling based on those seasonal markets. Madan added:

Every year, we have to wait for the time of Nepali festivals like Dashain, Tihar, wedding seasons, starting of the academic session, etc. We always make the products and keep the stock for these seasons and days of selling. In the early years, we got the problem of overstocking of the shoes and slippers to wait for the season. Nowadays, we make the annual schedule of production after analyzing these seasonal events. Thus, we have already solved the problem of overstocking. (Madan, Transcript, 13 March 2016)

The beliefs and worldviews of Madan's team were shaped by their everyday experiences for a long time within the cultural markets of Nepal. Madan's team has the practice of strategic readiness, i.e. waiting for Nepali festivals and time or seasons of wedding ceremonies. Those are like a 'rule-governed behavior' or a compulsion of adopting this strategy in the market.

## **Roshani's Practices on Strategic Readiness**

Roshani became committed to continuing this handicraft enterprise of producing woolen caps, sweaters, socks, dolls, cushion cover, and other decorative items after the experience of more than a decade. She has been targeting the local markets of Kathmandu and Banepa. She has been selling her products to the customers available to those locations. She produces the handicraft items which have the culture of using them in their daily lives. She planned for 10 years of her active age to do something creative and to continue her enterprise. She became committed to continuing the business for her life. She implemented some visionary works that supporting to improve her business.

I know about the business plan but I have not implemented it because my enterprise is informal and small. I have an informal type of planning and evaluation of progress. I know about the seasons of more sales of the products and make those products as per the seasons. I evaluate the progress on the sales and profits as lump-sum (Roshani, Transcript, 21 March 2016)

Roshani has knowledge about the business plan but she has not implemented the modern type of business plan. She has the plan of her particular style in an informal way. She makes the plan for the seasons of sale and product-making. She assumes tentative volumes and manages the resources for making the products. She evaluates the progress of the product selling and profits in her particular ways. But, she has not made the plan as per the modern methods and she has not implemented it in her business. The majority of traditional SMEs do not know the term 'business plan' but they have their own types of strategies tested from the very beginning. Roshani is found aware of the business plan because she has participated in the training packages organized by modern business concepts. However, the business plan for literate entrepreneurs obviously contributes to strategic readiness.

Roshani added to her story on the experiences of collecting and utilizing the resources to her enterprise. She recalled:

I have collected money from the loans and earnings from my business. I collected it from cooperatives and business colleagues. I have taken the soft

loan from the government's fund for enterprise development. (Roshani, Transcript, 21 March 2016)

Roshani has the practice of collecting money from cooperative and business colleagues. She has also taken a soft loan from the government's fund. She shows her capacity to access the government's fund established in the center, especially for SMEs. The cooperatives and business colleagues are found the common sources of money in the cases of SMEs. Those sources have been contributing much to provide or supply money in the field of SMEs.

Roshani added to her story on the practice of using technologies and human labor. She expressed the need for skilled human resources only to create artistic products. She has been facing the problem of skilled labors for her enterprise. She added:

All of the items are made by hand in my enterprise. Hence, there is no need for machines and technologies. I use only the hand skills and I need only the skilled human resources. I have been facing the problem of finding skilled human resources in the market. (Roshani, Transcript, 21 March 2016)

Roshani expressed her experience of collecting raw materials. She is wise enough to collect the raw materials either from local villages or from different marketplaces. She said regarding the raw materials, "Except the materials of the doll, all are available in the local markets and villages. There is no scarcity of raw materials which are available in the local villages". Roshani has been using only the handtechnology which is popular from the historical time in the Nepali society. Her enterprise is completely based on the hand-skills being always unique in the market.

Roshani's enterprising worldview is completely shaped by the gendered society of Nepal. She selected the enterprise of handicraft but her formal education

was for the teaching profession. Majority of the Nepali women have been working in the handicraft enterprises from the very beginning. This 'doxa' created an influence on the embodiment of Roshani's habitus too.

Roshani's enterprise is creative in itself and every item represents the creative articulation of the products. She recalled it:

I have introduced three new designs. One is knot-craft item 'tea mat' which is different from the products of others. Another is sofa-cover which is also different from the products that are normally sold in the market. The third item is Jhula<sup>10</sup> which is used for taking rest by hanging sits. The market for this item is limited but has a high margin. We made only one piece and demonstrated it in our showroom and was sold immediately at an attractive price. After that, we started making these items and supplying them to the big hotels. (Roshani, Transcript, 21 March 2016)

Roshani is very smart in creating new items or designs in the market. From her anecdotes above, she has launched three items of handicrafts in the market. They saw those items such as tea-mat of knot craft had a high demand in the Nepali market especially in the high-class families who love the cultural products. It is like a souvenir item, easy to sell at a high rate. The second, sofa-cover with some artistic boutiques is also the same. They are not normally available in the markets. The third was jhula popular in urban people. The demand for jhula is limited and at the same time, the margin is better than others. Tea-mat, sofa-cover, and jhula are cultural items in Nepal and other countries. Roshani thinks about the new items, designs, and other things but within the boundary of cultural thoughts and markets.

<sup>&</sup>lt;sup>10</sup> This is a seat woven by threads and hung on a stand for taking rest. The rich people put it in their house and enjoy it.

Roshani continued her story and moved to the practice of the organizational culture of her enterprise. She has two enterprises. Handicraft is the sole enterprise informally operated as the family business. She has no rules and norms established in the written forms. She has only maintained the legal documents and bills as per the rules of the government of Nepal. She has not created formal positions and formally appointed employees. Another partnership enterprise of tailoring was semi-formal. She has a practice of writing the minutes of the meetings and decisions. But, other activities are being performed informally.

Roshani came to the topic of employee dealing. She recalled on the employees dealing as:

We are paying the employees regularly on a monthly basis. We contribute some amount to the personal savings of the employees. They are highly motivated and doing well in their duties. We provide a set of clothes for all of the employees at the Dashain festival. We provide opportunities to participate in business exhibitions and other cultural events to sell the products and observe to learn new products and ideas. (Roshani, Transcript, 21 March 2016)

Roshani is also mediated by the practices doing by other entrepreneurs of SMEs. It was found as a doxa effect transmitted to Roshani's habitus. Roshani's team has multiple techniques for dealing with employees. Timely payment of the monthly salary is one of the major techniques that motivate the employees. They have implemented the program of personal savings for employees. Other motivational packages like cloth distribution, providing the chance of participating in business exhibitions and cultural events are examples of creative dealing with the employees. Likewise, Roshani has been empowering her employees in many ways. She added:

We send them to the training programs for making them skilled. We have sent them to the different contents of training like tailoring skills, fashion design, and leadership training. They are skilled in making clothes and preparing quality products. (Roshani, Transcript, 21 March 2016)

Roshani's team has the practice of sending their employees to different training packages for making them more skilled and empowered. She made her employees skilled and qualified. Qualified and empowered employees obviously contribute to the strategic readiness of an enterprise. Roshani shows her passion and capability of managing strategic readiness.

Roshani believes that business-success depends on empowered and skilled employees. No one can ignore this reality if the situation is normal. She has been providing the chances of participating in different skill-trainings for making them skilled. Empowerment is a process of transforming the habitus of the entrepreneurs or any of the individuals. The activities formally organized for scheduled learning are secondary sources of habitus. It is possible to change in perception; thus, it contributes to the improvisation of the habitus.

Roshani learned many ideas, methods and other things from the mistakes happened in the previous days. This is a part of the experience. Roshani has her lived experience of around 15 years. For the preparation of strategic readiness, the lived experience of the entrepreneur plays a crucial role. Roshani added to the storylines on the issue of maintaining the patience to deal with problems and challenges. She explained: During the career of one and a half decades, we faced many problems due to two reasons; first, we made mistake while making decisions and second we were not competent enough in terms of working techniques and providing services to the customers. (Roshani, Transcript, 21 March 2016)

Roshani's team has experience in making mistakes. As it is said, 'No pain, no gain' Roshani, and her team learned lessons from their own experiences and developed their strategies for the long-run profit in the business as well as a problem solving within a team through mutual understanding. The success of Roshani lied in the teamwork, dedication, and determination to promote her enterprise together.

The lived experience makes it possible for improvising the habitus. The habitus dictates the practice or strategy of the individuals. Thus, nature and types of strategic readiness depend on the learning from the lived experiences of the entrepreneurs.

## Shila's Practices on Strategic Readiness

Shila has been producing the cultural products based on the local resources, i.e. raw materials, skilled laborers, local and traditional technologies but targeting foreign customers. Her enterprise is in Jajarkot, a remote district of Nepal, and selling these products in Ashan and Thamel of Kathmandu. Ashan and Thamel are popular for foreign tourists to buy souvenir items. The handicraft items are used for the souvenir, niche products, limited in volume and represents the cultural lifestyles. The foreign customers search for those products as the souvenir, thus, the enterprises of those cultural products targeting them.

Shila is creative and committed from the beginning of her life. The experience of a tea shop made her more confident to move on to other big businesses. She was motivated to start the enterprise of the natural fiber after taking the training on it. She found enough raw materials of the natural fiber in the local places. She started her enterprise and invited other colleagues and made them entrepreneurs too. Shila started her story from the practice of resource collection. She recalled:

I invested my money into the business and added the needed amount from the bank and cooperative. I take out the loan from the Agricultural Development Bank. We have a saving and credit cooperative in Khalanga, our district headquarters. (Shila, Transcript, 2 April 2016)

Shila collects the money from the bank and cooperative. I found it similar to other entrepreneurs of SMEs. She has been transacting with the Agricultural Development Bank Ltd. of Nepal. This bank provides the loan to agro-enterprises in Nepal. But, it is not accessible to the non-agro-enterprises and without collaterals. She has been collecting the financial capital from two traditional sources, i.e. cooperative and agricultural development bank which are popular with the SMEs and traditional farmers of Nepal.

Shila has been using the local materials to her enterprise. She knows about the plants of natural fiber from her childhood. It appears to me that Shila's approach was totally guided by the traditional enterprises of the Nepali society. She made other village women skilled in the processing of fiber and making products in traditional ways. She added her storylines:

I am not purchasing the raw materials from outside because they are available in the village. We collect them from the neighbors and jungles. I got around 100 women trained in Jajarkot. They are skilled in processing natural fiber and making the products. (Shila, Transcript, 2 April 2016)

I found the enterprising practice of Shila being influenced by the livelihood culture of the Nepali society. She has been searching for the opportunity in the Nepali culture where she was born. Her cultured eyes saw the opportunity of selling the products of natural fiber which is familiar in the Nepali market as the source of costume from the historical time.

Shila is a creative entrepreneur who always searches for the potential local resources, combine them and make them productive. She uses the corn-straw, turmeric leaf, banana fiber and other fiber plants for her products. She collects important materials from other districts too. She always interacts and consults her entrepreneurs about the new designs and methods and manages the opportunity of sharing the skills with her entrepreneurs.

Shila added the experience of her creative practices again. She stated: When I was at Dhankuta, I used Alainchi fiber and produced the items. Now I am in Jajarkot; I searched for other materials available in the local place. I have been using turmeric fiber, bhorla, banana, maize and produce different items as per the market demands. (Shila, Transcript, 2 April 2016)

Shila's ideas of strategic readiness on managing the raw materials is based on her learnings from the local living. She searches for the materials familiar in the local places and people. Shila always searches for the raw materials available in the local places. It is one of the strongest proofs of her creative and knowledge-driven practices. For example, she identified and used the Alainchi fiber for making products like table mats and others when she was in Dhankuta. After migrating to Jajarkot, she searched for the fiber plants available in this area. She started to use fiber items like turmeric plant, banana fiber, and other fiber plants.

Shila utilizes her creative ideas of searching for raw materials, money for investment and employees to her enterprise. Shila added to her storylines on the practice of discovering and developing new designs. She explained: We are always asking our workers to make better designs and qualities. I have been managing additional training for my entrepreneurs, providing skill training to other people, managing their visits to other enterprises, and sending them to business exhibitions. (Shila, Transcript, 2 April 2016)

Shila is quite conscious of the taste of the consumers and how they look for something new all the time. Hence, she is always a step ahead in providing a new design and upgrading quality. She has been managing the training packages to other entrepreneurs, managing the exposure visits, sending them to the business exhibitions. She had also provided her human resources a feasible space of learning and exchanging their new and innovative ideas, designs, and methods that would promote her enterprise in the long-run. She also emphasized the teamwork for innovative creation and distribution. Shila has been mixing the fibers of different plants and make the products with new features to ensure enough space in the market. She changes the designs rapidly in the market for creating a single share of the market. As a result, she has become successful in the market.

The training culture has been promoting by the government and development initiatives in Nepal and contributing to skill transmission and improvisation. The culture of exposure visits and participation in the business exhibition are also initiated by the government, private sector organizations and development programs. The entrepreneurs of SMEs have been respecting the norms of localization and globalization both in their business.

I asked Shila to share her practices on the organizational structure of her enterprise. She established the factory in Karki Gaun and the business office is at Khalanga. She hired five employees for managing the products, accounting, and marketing. Another practice I found from the anecdotes of Shilawas semi-formal organizational structure. She hires partial employees on a regular basis and other skilled human resources are not appointed as employees but treated as partners or colleagues. She was providing the quota of production to each of her entrepreneurs. She has established a formal office for major activities of decision making and marketing. But, she deals with her entrepreneurs in informal ways. They jointly produce different items as per the demands collected by her; she pays them as per the volumes they produce. She has established her enterprise as a collection center after promoting and creating a number of entrepreneurs. She had given freedom of producing the products either at their home or the factory spot.

Shila continued her storylines on dealing with employees and entrepreneurs. Shila has been working on her enterprise based on her perception and knowledge learned from her family and community. She does not follow the norms of organizational culture because she is not familiar with this culture. She had no skilled employees but she has skilled entrepreneurs associated with her enterprise. Shila recalled:

I respect my employees equally. I made the women trained and they have been working with me. They make the products either in their house or at the factory of my business. We have provided a family environment to all of the staff and entrepreneurs working with me. (Shila, Transcript, 2 April 2016)

Shila's beliefs were shaped by her family and community. She learned the culture of dealing with colleagues and relatives from her family and society. This is very different from the organizational culture developed by the industrialization and modern business theories.

Shila was found aware of collecting the information on the performances of the employees and their dissatisfactions because she learned from her experiences.

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She organizes the monthly meetings which are carried from the organizational culture. She has been working continuously on the strategic readiness of making the employees motivated. She recalled the practice of handling the dissatisfactions and the gaps in performances:

I search for the reason regarding dissatisfaction and interact with them. I try to fulfill their expectations and motivate them to do the work. We organize monthly meetings to review all of the progress, performance gaps and make a plan for the next month. We also put the agenda of dissatisfactions and other issues. (Shila, Transcript, 2 April 2016)

Shila learned about the concept of the monthly meeting from the formal training provided by the government and development projects. She prefers to maintain harmony and a conducive environment with her employees and entrepreneurs. She solves the problems through good communication with her staff and moreover, is found aware of understanding their dissatisfaction and expectations. She searches for the reasons, interacts with them and acts for fulfilling their needs. She has established a culture of a monthly meeting with the agenda of progress review, to identify the gaps, and make an action plan.

Shila moved to her experience on the challenges she faced during her entrepreneurial career. Shila faced multiple problems during her business life. She became capable of dealing with those problems because of her experiences. She recalled:

Sometimes, I faced the problem of cash, sometimes, the problem of market, sometimes, the problem of entrepreneurs and workers and so on. Now I have been facing the problem of market accessibility which has created complications in the delivery of products to potential markets like Kathmandu and other places. Since I have identified the problem, I am looking for a solution as well. (Shila, Transcript, 2 April 2016)

Shila accepts her entrepreneurial career as a journey with challenges and problems. The early experiences play a vital role in the life of Shila to deal with all kinds of business activities. But, she takes the problems and challenges as the inseparable things to her business life. She is found capable and confident to deal with the challenges and problems of her enterprise.

Shila added to her storylines on the experience of communication within and without her enterprise. Shila has regular communication with her employees to know the present status and finding new ideas. She has been connecting with the business colleagues through networks like FNCSI to find new opportunities. She kept to the communication at a higher priority and stated:

I have been talking with the employees and partners regularly for creating new products and searching for the best processing techniques. I have been coordinating with the business colleagues through FNCSI and collecting business opportunities and government facilities. (Shila, Transcript, 2 April 2016)

Shila was aware of maintaining regular communication with the staff and business colleagues. She learned about the importance and ways of communicating or connecting with them from her experiences. She maintains communication within the enterprise and the market. Shila communicates about her business opportunities and government facilities. Thus, she performs the communication activities effectively and utilizes much for the better improvement of the enterprise.

#### **Chapter Essence**

From the analysis of participants' narratives, the participants are found conscious of searching, initiating and implementing innovative ideas for strategic readiness. The participants are aware of looking and establishing other enterprises as the alternative for the contextual changes. The entrepreneurs are found known to the concept of a business plan but not in the practice of small enterprises of Nepal. The entrepreneurs value the subject of collection and utilization of the resources like man, money, materials, and methods. They identify and connect to the multiple sources of those resources. They use the local sources of raw materials, local technologies, local workers, and produce local markets. The entrepreneurs learned about new varieties, values, and designs relevant to the markets and made attempts to fulfill them. Another reality of the entrepreneurs of SMEs is 'multitasking'. They have implemented different methods of motivating, empowering, and making employees skilled and qualified. But, these packages or methods are informal and not formally written and documented. I found another theme of patience while dealing with the problems. They defined entrepreneurship as a game of living with problems. The entrepreneurs are maintaining their strategic readiness as per their capacities, knowledge, and skills they acquired from the sources and ways around them.

#### CHAPTER VI

# ENTREPRENEURS' NARRATIVES: DOINGS ON PRODUCT-MAKING AND PRODUCT-SELLING

In chapter V, I analyzed and interpreted the narratives of the participants regarding the doing on strategic readiness. This chapter discusses the third research question: How do the entrepreneurs of Nepali SMEs exhibit their 'doing' on productmaking and product-selling? The narratives of the six participants offer insights into their perceptions of the experiences on product-making and product-selling over the course of their business career. The participants have expressed about the construction of their perceptions and thoughts, and the actions they are exhibiting in the field of product-making and product-selling as the game in the field of business.

#### **Courses of Doing**

According to the business school's point of view, the practices on productmaking indicate the production/manufacturing capability. It is also called manufacturing responsiveness which refers to the speed with which action is taken in response to changing customer needs. Likewise, "the practices of product-selling indicate the marketing capability which involves the integration of all market-related activities of a firm using superior market knowledge from customers and competitions" (Nath, Nachiappan, & Ramanathan, 2010, p. 319).

I have taken the entrepreneurs of the manufacturing sector who have the experiences of both product-making and product-selling. But, it is not compulsory that all of the entrepreneurs have their experiences in both sectors. The entrepreneurs may have experiences on the product-selling only. Through the sociological perspective, product-making and selling are the purposeful exhibitions of the embodied practices by the entrepreneurs as a part of their habitus (Clercq & Voronov, 2009). The entrepreneurs always exhibit their dispositions as embodied in their practices for the purpose of participating in the game. The game is for securing the position expected by the players. It is the game of existence and growth. The existence will be ensured when the player wins over the competitors. The entrepreneurs play their game or do struggles within the 'market' which is the 'field' in Bourdieu's perspective. The entrepreneurs exhibit their dispositions either on product-making or product-selling or both of them in the market. I have presented the narratives of the entrepreneurs regarding the product-making and selling, and then analyzed and extracted the insights in individual layers of the participants.

I was curious to know how the entrepreneurs of Nepali SMEs have been working in the sectors of product-making and product-selling. I have the experience of more than one decade in the promotional initiatives of SMEs. Hence, I had some pre-dispositions for focusing on the areas I know and search for additional areas of consideration during the journey of interviews for listening to the stories. In the sector of product-making, I focused on technology tradition, cost control, quality, delivery and flexibility in responding to the demands. I learned about those areas of productmaking from the literature and experiences, then conceptualized into my mind. Likewise, I encouraged to shape the stories of entrepreneurs in terms of productselling within the areas of product fitness, pricing, sales and distribution, market communication, and market plan. Generally, the entrepreneurs have been working in the field of selling their products better than others. The business theories recommend these components as the fundamental areas of strategic actions. Among them, what type of actions have they been displaying in the duties of productmaking and product-selling and why? Are there other components, especially in the practice of SMEs? I tried to know how the entrepreneurs of SMEs have been exhibiting their entrepreneurial dispositions in the competitive markets and being a part of their habitus.

### **Gopal's Narratives: Courses of Doing**

Gopal produces the juice items of the fruits and herbal plants available in the local places. He collects the raw materials from the villages and forests near the factory location. He uses the technologies available in the local markets. Gopal has been working on multiple sectors of his business. He has been collecting raw materials, doing factory works, and also going to the market for supplying and selling the products. He has the condition of multitasking. I asked him to tell the experiences of product-making and selling. I have presented his narratives with my interpretation in the following paragraphs.

## **Gopal's Practices on Product-Making**

Gopal is a player of small-scale in the field of entrepreneurship, especially playing in the market places of Kathmandu, Banepa, Dhulikhel, and sometimes, other places of Nepal. He displays his entrepreneurial habitus with the products of fruitjuice and grain-seeds popular in the local markets. He displays his strategic actions limited to these items for his existence and growth. I have taken product-making as a vital part of SMEs informed by the research participants and also borrowed from the literature. I asked him to share the experiences of the actions on product-making. He tried to remember his strategies and exhibited actions, processes, and learnings in product-making.

Gopal produces juice items of different fruits and herbals like Amla, Ginger, and Rhododendron, etc. Gopal explained to his storylines to the area of productmaking. He explained about his processing machines and technology: I have installed the juicer machines purchased from Global Packaging and Total Supplier, Kathmandu. I replaced the juicer machine with high capacity and better technology. I have both types of machines; hand-operating and electricity. I took the ideas from concerned suppliers and the Department of Food Technology & Quality Control (DFTQC) and selected these machines as my requirements. (Gopal, Transcript, 3 June 2016)

Gopal gained knowledge about the appropriate technologies through formal trainings and interaction with other colleagues and market actors. He knows about the suppliers of machines and processing technologies. Gopal shows his practice of managing the machines and technologies coordinating with honest suppliers in the market. He also knows about the DFTQC which is the government agency for quality control of the food items. He coordinates and establishes regular contact with DFTQC and supports his production technologies. It is mandatory for food processing enterprises but not implemented by the SMEs in Nepal. Gopal's practice indicates his sensitivity to the process of product-making.

From the experiences of everyday practices, Gopal became aware of searching for new methods and technologies. He has been replacing modern technologies because of the requirements created by the modern markets. It appears to me that Gopal's approach of searching for new technologies and methods was shaped by both the traditional approach and modern business concepts. He became aware of contacting the suppliers of the modern machines after participating in the training packages provided by the development projects. Likewise, he learned about the rules and compulsion of DFTQC to be obeyed by the entrepreneurs of food items. Generally, the food enterprises of small-scale may not know about the rules and obligations. The government of Nepal has not enacted effectively these rules in the practice.

Gopal explained his storylines about the cost controlling of his products. He looks through the eyes of the modern business concept because he has been participating in formal training programs, business meetings. But, he is not completely trained on modern practices. He values the subject of cost control as an important component in the process of product-making. He recalled:

The cost reduction is not possible due to the increment in the prices of raw materials, labor and others. However, I purchase the materials in a big volume available nearby my factory. I have implemented piece-based payment to the employees. I have been looking for other sources of raw materials and keeping the records of all expenses of purchasing. (Gopal, Transcript, 3 June 2016)

Gopal expressed about his practices as the products of his embodied dispositions in the market (field). From Gopal's experience, cost control is one of the difficult tasks due to the increasing prices of raw materials and labor in the market. Gopal has implemented different strategic actions to his enterprise for managing and controlling the costs of the products, i.e. purchasing a block, using local markets, employing the piece-based payment system, searching for alternative sources of materials and record-keeping of all the purchases. These are the innovative ideas implemented to minimize the costs of the products. He is somehow oriented by the modern business concept and initiated multiple ideas of cost controlling but not came into a complete practice because he spent his previous days in cultural thoughts of subsistence farming. The market has been taught him gradually about the ideas of cost controlling in a competitive situation. Gopal is knowingly or unknowingly focuses on the quality of the products as an area of product-making. He is aware of maintaining the quality learned from the competitive markets. By looking at others' practices in quality maintenance, he performs multiple steps that can ensure the quality products. He added his experience of maintaining the quality of the products which is also accepted as a highly sensitive matter in the manufacturing enterprises. He explained:

I have been giving emphasis on quality. I try to make a better and different quality of my products. Quality checking is my duty. I have a testing machine. After checking the quality, the products are distributed to the market. I follow the formula and standard of DFTQC. However, I have not been able to produce quality products like multinational companies due to the lack of modern technologies and capacity for investment. (Gopal, Transcript, 3 June 2016)

The market is a social field where the actors can observe, perceive and learn about the things, methods, technologies and their areas of intervention. Gopal is found knowledgeable and sincere and attempts continuously to maintain better quality in the market. He learned the skills of quality control by observing the practices of other entrepreneurs and participating in the training events. It shows that secondary habitus plays a vital role in the cases of entrepreneurship. The setting up of the quality testing machine for food items, supplying quality-tested products to the market, and following the norms of DFTQC are the ongoing practices. Gopal informed that SMEs have not been able to produce quality products like multinational companies because they have a limited capacity for installing modern machines and technologies. They have the compulsion of living with traditional technologies due to the limited capitals they have owned.

#### **Gopal's Practices on Product-Selling**

After completing the story up to the phase of preparing the products, Gopal moved to the sale of the products. He previously shared some statements relating to the market but did not focus on the detail about it. I asked him to share his practices in the sale of products. He focused on the activities related to the sales of the fruit juice. First of all, he focused on the nature and quality of the products for the market. He is aware of identifying the products required by the market. He added a piece of the story on products fitness for the market:

First, I examine the needs of customers like their family sizes, their affordability, and their usual consumption rates. For example, in the case of juice items, a person generally takes 1 to 2 glasses at a time. The average family size is from 5 to 6 members in Nepal. We should make a pack either for an individual or a family for a time. It is better to make the packaging container of 500 to 750 ml in Nepal. (Gopal, Transcript, 30 September 2016)

Gopal is aware of understanding the needs, interests, and capacities of the customers in the markets. He knows how to measure and respond to their requirements. His approach is shaped by the past experiences of struggling in the markets. He shared about the practice of examining the market before making the products. The understanding of the market does not only assume the volume of the possible sale but also sees the nature and demands of the potential customers. He expresses the reason for defining the quantity of juice to 500 - 750 ML to a bottle in the context of Nepal. The ideas implementing by Gopal are the basic norms created in the field (market) that the entrepreneurs are expected to know and follow them. But, all of the entrepreneurs are not equally knowledgeable and good players in the field.

Gopal gives equal priority to the price of the products because he learned that from the market. It is obviously important for selling the products to the customers. The price might lead to sales in the market because there might be a number of entrepreneurs supplying the same products at different prices. He added to his story:

I usually calculate the total costs of production and add the profit of my expectations. I compare the price of my products with others. Some products of other entrepreneurs/producers have high and some of the producers have lower prices. The quality of products also determines the price level. (Gopal, Transcript, 30 September 2016)

From the above anecdotes, Gopal seems to be quite knowledgeable of the process of estimating the prices of the products. The calculation of the total cost invested in making the products together with the addition of the expected amount of the return or profit is normally the same for all of the entrepreneurs. Comparing the prices with others' products is a better technique for marketing. He expressed another reality of the markets. There are the same types of products at different prices; some of them have higher prices and some have lower prices than his products.

There is a Nepali proverb "Bazar ki hazar" which means "market is a gathering of the diverse products and prices". Gopal indicates the situation of the uncertainties and diversity of the products and prices in the markets. He indicated the unlimited rules of the market existing in the real field. He is sincere in accepting both situations of the pricing of the products. His practice on pricing is based on the past experiences of the markets. He informed that internal cost calculation and the situation of the market, both determines the final price. Both conditions shaped his understanding of the pricing of products.

I again asked Gopal to share experiences on the sales and delivery of the products to markets. He knows about how to deliver the products to the customers. Due to the smallness of the enterprise, he sells mostly his products directly and through wholesalers and retailers in the markets. He has no big dealers to sell the products. He added to the storylines:

I have been supplying the products through wholesalers, retailers and directly by the employees. Being a small entrepreneur, mostly, I have been selling the products through retailers. I have been selling the products directly on the occasion of business exhibitions and particular festivals. (Gopal, Transcript, 30 September 2016)

Gopal works what he knows, he knows and learned from the field. He has the practice of product delivery and selling to the customers in three ways, i.e. wholesalers, retailers, and oneself. This is a display of disposition in terms of productselling embodied by the multiple sources and ways. These are popular ways for other entrepreneurs as well. He sells his products mostly through retailers and directly supplies the products during the events of festivals and business exhibitions. He sold them directly in the cultural festivals and business exhibitions which was a creative method of selling the products and understanding about the end-customers. The market taught him how the products should be sold. The big enterprises or industries sell the products through different channels like wholesalers, dealers, and retailers. But, SMEs have the products of small volume and are enough to contact the wholesalers and/or retailers for selling their products.

Gopal added the experience of communicating with the customers to his story. He values communication with the customers as one of the major areas of using innovative ideas. He stated: I have been promoting the products through advertisements on FM radio. From the participation in different exhibitions, I learned about the opportunity of contact with new businessmen/customers. I have enlarged the market for my products through these exhibitions. I have been distributing promotional materials like leaflets, visiting cards and sample products to the customers. The leaflets have information on raw materials, processing techniques, and ingredients. The information of quality test and other messages are also included in these materials. I know that the promotion through the internet, websites, and televisions is more effective but I have no capacity to use them. (Gopal, Transcript, 30 September 2016)

Gopal's approach to promoting the products is mediated by the skills obtained from the formal training activities and past experiences of the markets. He has been following different ways of promotion of the products. He uses radio FM, exhibitions, and promotional materials like leaflets, visiting cards, and sample products. He learned these techniques of communication from the training programs and markets. Some people used radio FM; many people had the practice of participating in the business fair and exhibitions with their products; some people distributed their leaflets. From those activities of other entrepreneurs, Gopal learned to do so, then embodied and now displays in the field. We can see that the big industries have been publicizing their products through websites and televisions. He has not used websites and televisions due to more expensive than the capacity of his enterprise.

Gopal has been attempting to follow the requirements or rules of the market as much as possible. The learning from formal training events and past experiences of the markets led him to determine the techniques and medium of product promotion. The market culture made him ready to identify the appropriate means of fostering his products in the market. He was aware of using the internet and televisions for this purpose but was unable to use them due to his small capacity.

## Santosh's Narratives: Courses of Doing

Santosh collects the natural fibers like Allo, Hemp, Bamboo fiber, Banana fiber, etc. and makes the clothes and readymade items like bags, wallets, ladies shawl, gent's coats, east-coast, etc. He prepares the products from his own factory located at Thamel, Kathmandu and sells the products to the foreign tourists at the same place. His major focus is to sell quality products to foreign customers. He shared his storylines regarding the practices of product-making and selling.

## Santosh's Practices on Product-Making

Santosh has been producing his products of natural fiber since 2011. The use of natural fiber for clothing is traditional as taken for granted from ancient Nepali culture. Generally, Nepali people do not use the clothes of natural fiber because foreign clothes are relatively cheap and good. It is used for souvenir items but not for daily use. Santosh knows about this reality and potential customers of these products.

Santosh displays his dispositions of what he embodied due to multiple sources and interactions and learning activities participated. He collects the raw fibers of different plants available in Nepal. He knows about the fiber plant from the interactions with the market actors and competitors in the market. He knows about allo (stinging nettle plant), hemp, ketuki (elephant fence), and banana fibers that are available in different districts of Nepal. In addition, he collects the fiber of bamboo from China. In the subject of product-making, he values the technology used to his enterprise. He recalled:

I have installed the sewing machines with an electric system that is appropriate for my enterprise. I am using looms for producing the clothes, sewing machines for making readymade items and Charkha for making the threads. They are available in the local markets. We have not used the advanced machines due to our limited capital. (Santosh, Transcript, 25 May 2016)

Santosh's disposition is mediated by the traditional enterprising culture of Nepal and modern industrial culture developed in western communities. He has the freedom and also the limitations for preparing his mentality to use either traditional technologies or modern technologies or blending both of them. Santosh uses the technology of traditional types like hand-looms and Charkha. The hand-looms and Charkha are the traditional technologies used by Nepali entrepreneurs from the very beginning. The culture of using hand-looms and Charkha has been connected to the enterprise of natural fiber from the historical time. Many of the entrepreneurs of natural fiber, who are producing clothes, have been using hand-looms and Charkha.

On the other hand, Santosh participated in different skill-trainings provided by the Government of Nepal and development initiatives. He learned to use modern methods and technologies to win over the competitors. Thus, he knows and uses sewing machines with the electric system which is more suitable and has the capacity of performing faster than the traditional machine. Santosh is aware of using those technologies for weaving clothes and making the readymade wearing costumes. Santosh uses both types of technologies, i.e. modern and traditional.

Santosh has not installed completely modern technologies because his enterprise was started with traditional technologies like hand-looms and Charkha. On the other hand, modern and sophisticated technologies are expensive and unaffordable by the SMEs. In the technology tradition, the market shapes the mentality of the entrepreneurs because of the pressure of competitiveness. Santosh has a compulsion to use traditional technologies due to his small investment. The market demands quality products, huge volume, and fast production for competing with others. On the other hand, entrepreneurs have the limitations of knowledge, skills, and capital. Santosh blended both types of technologies due to the two-edged challenges in the market. He knows about the requirements of the competitive markets but plays with his own capacity.

Santosh's approach is guided by traditional enterprising practices and limited to cultural technologies due to the small capitals. He added again:

I have a spinning machine and a press machine and both of them are old. I have not installed and added the machine with the latest technology. These machines are labor-intensive. I have no money for installing the machines with the electric system. I have managed the processing of the raw fibers by linkage. There are processing machines installed by other entrepreneurs who are making the threads to carpet industries. (Santosh, Transcript, 25 May 2016)

Santosh installed some new machines for processing but not as he needed due to lack of investment. Those machines were traditional and labor-intensive. Thus, the parts of processing like thread making and others have been done through the linkage with other enterprises. For the entrepreneurs of SMEs, the linkage on using technologies is found appropriate due to limited investment in their enterprises. From the story of Santosh, I found the innovative practice of combining technologies to traditional and modern both.

Another practice is technology linkage with other entrepreneurs, i.e. carpet entrepreneurs. Santosh uses traditional technologies to his enterprise because of the importance and demands of the products from those technologies that have greater space in the market. Mass production is not possible from those technologies but foreign customers demand those products who love nature. Thus, it is a niche product in reality. Understanding the demand for natural products from traditional technologies is one of the creative ideas to exist in the market.

Santosh valued the 'managing the cost of the products' as another vital component of product-making. He has been working continuously to manage the cost of the products. He has long and lived experience on the costing of the products, challenges, problems, opportunities, and techniques for better costing. He stated his experiences of guiding and controlling the costs, "I have been making various attempts, i.e. increase the product quantity, reduce wastage, improve the machine performance, monitor the production process and motivate the employees". He is sincere and skilled to manage the manufacturing of the products so that the costs of the production would be minimized, maintained and controlled.

From Santosh's practices, I found various attempts of controlling the cost like the attempts of improving the quality of the products, reducing the wastage, updating the machine performance, process monitoring, and motivating the employees. He views the cost maintenance related to these things. I found his creative idea on cost controlling and maintenance strategy as a result of the whole process. Santosh's approach is influenced by his experiences of struggle in the market. The market informed him about the techniques of managing and controlling the cost. He has been displaying multiple ideas of controlling the costs of the products so that the expected position will be secured.

Santosh emphasized the quality of the products as a requisite of cost controlling but also a component with the sole importance in the process of productmaking. Santosh's practice is shaped by his experiences in the markets. Customers demand quality products. This is a compulsion for all of the entrepreneurs for their survival. Regarding the quality maintenance, he said, "I have been searching for producing high-quality products, quality materials, and more skilled employees. I try to improve the quality of the products as per their suggestions and feedback". He has particular concepts to increase the quality of the products. He focuses on the search and collection of the selected materials and more skilled workers. Santosh shows his capability of identifying the multiple factors to be seen and deal with them for maintaining the expected quality. He takes the suggestions and feedback from the customers to make the quality relevant to the market demands.

From Santosh's experiences, I found multiple practices of employing quality materials, quality employees, quality technologies and quality methods that produced quality products. It is the process of internalization of the externalities which is common to other entrepreneurs of SMEs. He learned these techniques of maintaining the quality from the sources available in the local markets.

Regarding the product-making, Santosh values the product supply and delivery as an essential part because he has been working on it. All of the manufacturing enterprises have to deliver their products to the market or customers. Gopal showed his skills in product delivery to the customers learned from the markets. He explained:

I have been selling my products to Japan, America, Australia, UK, and Canada. I take enough time for preparing the products and delivery time. I mostly use courier services for sending products to foreign customers. (Santosh, Transcript, 25 May 2016)

Market teaches the entrepreneurs, customers and other actors working in the field. Regarding the delivery of the products, Santosh is knowledgeable about

managing the supply and delivery of the products. He learned some innovative methods on supply and delivery of the products, i.e. taking the lead time of delivery, use of better means of delivery, and hiring the employees as per the load of the work. His approach to product delivery is shaped by the practices popular in the market. Santosh gives emphasis on maintaining the quantity in the given time. He tries his best for maintaining the flexibility of the product-making and delivery of those products.

In the case of handicraft items, the demand for the products seems always uncertain in my experience. It is not like the products of basic needs, i.e. food, clothes, and shelter. Thus, the market for handicrafts is always flexible. Santosh knows about the market and demand flexibility. Santosh has the experience of dealing with additional demands. He has minimal preparedness to respond immediately to all of the demands. He added to the storylines on the process of flexibility because he has experience in it. He explained:

At the normal time, we make the items in the volume normally salable in the market. When the additional demands and orders come from the customers, we focus on these products. The regular items are in simple designs. My enterprise produces various designs, shapes, and others. I can change the designs of the products as per the market demands but it will take time for preparation. I have four skilled design-masters for making new designs. (Santosh, Transcript, 25 May 2016)

Santosh learned about the ideas to deal with the demand flexibility in the market from the regular interaction with the market. His approach is shaped by the culture of the contemporary behavior of the market but not from the family culture. Santosh is found capable of managing the process flexibility to maintain different types of designs, shapes, and sizes. From his experience, the design of the regular products remained the same. Creating new designs, shapes, and sizes obviously took some time for preparation.

Santosh showed his innovative practice of keeping the design masters for maintaining the flexibility in design and process as per the changing market demands. Another reality is that an enterprise cannot fulfill the demands of all customers. Thus, a number of entrepreneurs have been working for the demands of customers. The entrepreneurs are also the customers of their enterprises. Santosh knows this reality and makes attempts as per the capacity of his enterprise. The market informs him to deal and respond to the customers. The SMEs have a limited capacity of product making and supplying to the market. Santosh is in the same condition and deals with limited designs, product types, and volumes.

# Santosh's Practices on Product-Selling

Necessity is the mother of invention. Santosh interacted with market actors and customers. He learned about the wants and needs of the customers in the market. He has been updating and exhibiting his dispositions through his actions regarding the product fitness for the customers. Santosh sells more of his products at Thamel, a central market for the handicraft items. The foreigners like the handicraft items of natural fiber. Thamel is a popular place for foreign tourists for shopping Nepali products. He produces goods as per the demands of them. He has kept a shop of his products in Thamel. I asked him to add the storylines regarding the marketplace experiences. He values the *product fitness to the market* and explained his experience:

I have developed many of the designs of the clothes and readymade items. I have hired the design masters. Initially, we produced and sold only clothes. But now, I have added shawl, caps, coats, wallets/purses, cloth-shoes/slippers after assessing the demands of the markets. (Santosh, Transcript, 22 September 2016)

Santosh knows about the necessity of inventing new designs working on it continuously. He has developed many designs and executed them in the markets. Santosh is found aware of understanding about the market and producing the items as per the demand of the markets. The creation and development of new designs are related to market demands. He produces different types and designs of the readymade items on clothing after assessing the markets. The increment in the designs matching to the market is one of the better practices of capturing the big market share.

Santosh was guided by the market demands and cultures to produce different designs because the customers always expose their interests in the market and buy those products which are best for their choices. The changing fashions of the customers lead to the enterprises to make those items. Likewise, the traders have a compulsion to collect those items from the enterprises. The market demands and changing cultures always influence the habitus of individual entrepreneurs. The entrepreneurs cannot stay in the position of 'standing out'; thus, they have a compulsion to obey the rules of the business game everlasting in the market.

Santosh values the 'pricing' of the products as a main component of productselling because he has been working in this component from the starting of his enterprise. His approach of pricing is guided by the methods popular in the market and also used by the big industries. It is also a compulsion to make the prices at different levels for better selling. The wholesalers sell the products to the retailers in the markets. The retailers sell their products to the end-customers. He explained:

I determine the different levels of price to wholesalers, retailers and other customers. We should keep the margin to wholesalers or retailers. We have

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some customers of particular types. As per the type of customers, sometimes, we should deal differently with the market and provide a special package of discounts for promoting the products. (Santosh, Transcript, 22 September 2016)

As per the anecdotes, Santosh has the practice of determining the price summing the costs of the production and his expected amount of profit. He gives the fixed or negotiated amount of the profit to wholesalers and retailers or the rate would be determined based on the market rate. It is a common rule but compulsory in the business because the wholesalers and retailers are also doing their jobs for earning money. He also provides a special package of discounts to particular customers for promoting the products in the markets. Pricing on different levels of wholesalers, dealers, and retailers is a common culture in the markets because all of them have established their enterprises or business for monetary profits. Santosh's knowledge and skills in pricing are embodied by the practices existing in the market. Thus, Santosh's approach to pricing is totally guided by market culture.

Santosh has been using televisions and the internet as an additional means for advertising his products. He has been using the internet for accessing international customers because the products of natural fiber are popular with them. He kept his retail shop in Thamel of Kathmandu which is an appropriate market for the products of natural fiber. He added to the storylines regarding the product publicity:

I used TV, FM radio, and the internet as the medium of advertisement in the starting phase. I have been using email and Facebook for giving information to international customers. I participate in business exhibitions and personal dealing with customers. Thamel is enough to sell my products and there is no need for extra publicity up to this date. It is one of the major marketplaces of foreign tourists in Kathmandu. (Santosh, Transcript, 22 September 2016)

Santosh uses email and Facebook for exploring the information about his products. Santosh's experience shows that the nature of products leads partially to the types of promotional activities. He has a compulsion to use email, Facebook or website for reaching international customers. The market taught him to select the means of promotion and he employed it to his enterprise. He participates regularly in the business exhibitions and trade fairs to display his products and establish a connection with customers. His experience shows that business location plays a vital role in product sales. SMEs can sell enough products if the location is appropriate. For example, Santosh has been utilizing the total capacity for product-making and product-selling when he established his factory and showroom at Thamel.

# **Binod's Narratives: Courses of Doing**

Binod makes the metal utensils from copper and brass. In reality, it is the profession of metal art assigned to a family of *Newar* caste and also called 'Tamrakar'. Binod is from the Brahmin family. His parental profession was agriculture. The Hindu religion established the caste system based on their profession. The Brahmins were literate and specially assigned the work of the priest, public servants, and other brain-based duties. But, they were basically engaged in the profession of agriculture from ancient times. On the contrary, Binod started the enterprise of metal utensils in Kathmandu city and became successful. He was motivated to start the enterprise from the learnings and experience of the same enterprise. Binod's ideas and skills of metal utensils were embodied from the experience of working at a similar enterprise in Kathmandu. Nowadays, he is working with 30 regular employees in his factory. The processing technologies and methods are totally hand-operating and labor-intensive.

#### **Binod's Practices on Product-Making**

Binod talked about the technology and methods of production. All of his products are handmade. He also uses some small-sized hand-operating machines for heating and spinning. Small weapons like cutting scissors, hammers, and others are being used as the processing technologies. He does not use big machines with modern technologies. He does not use electricity for the processing of the products. He added to his experience:

I have a machine for heating and spinning. Other works have been done by hand. It is compulsory for this factory. In the beginning, I did not use these machines. After some years, I bought these from India because they were not available in Nepal. Even if they were available, they would be expensive. I found these machines through the coordination of my colleagues. (Binod, Transcript, 17 May 2016)

The nature of the business demands its method and technologies. Similar types of enterprises have been operating from the very beginning. These enterprises have established the culture of methods and technologies as a 'doxa'. Those technologies are available in the markets also. The enterprise of metal utensils is not new but it is in existence from the very beginning. Binod's approach was mediated by the traditional skills and technologies used by other similar enterprises.

For this enterprise, the heating and spinning machines are hand-operating, very essential for the processing of metal items like copper, brass, iron, and others. Binod knows how to select and take better machines and technologies. He is aware of searching for sources and places to find the appropriate machines and technologies for his enterprise. The modern technologies have not replaced the traditional methods and technologies due to the small capacity of investments. Thus, living with local and traditional technologies is one of the compulsions of SMEs.

Binod values 'cost control' as another component in the area of the productmaking or production process. He has acquired the knowledge of the cost control from his experience of many years. In product-making, Binod knows about the sincere area of cost control. He cares about all steps and areas for minimizing or controlling the costs based on his experiences. He stated about his practice:

Yes, I have always been engaged in reducing the cost of production. I make sure that no materials are being used carelessly and also keep my eyes on the methods of sheet cuttings, utilization of the small and additional pieces, and staff mobilization techniques. It is better to use at appropriate places than selling to wastage collectors. (Binod, Transcript, 17 May 2016)

Binod learned about the areas of cost controlling and ideas of managing the cost. The market taught him about the idea of minimizing the cost of products. Hence, he displays the embodied skills and techniques for controlling the cost. He always manages the proper use of the materials, reuse of the wastage, monitoring of the methods of sheet cuttings and others so that the cost would be controlled. It is the process of 'learning by doing' and the market always teaches to the entrepreneurs and customers both.

Binod has been working in the area of quality of the products. What type of products, shapes, sizes, tastes, colors, durability or life, and other features, are the customers searching for in the market? The customers like or dislike, accept or reject the products. The entrepreneurs always try to match the products with the needs and interests of the customers. Binod expressed the practices of maintaining the quality of the products. He recalled:

All technical employees have understood that low-quality products will not be sold in the markets. We were at loss many times due to poor quality goods. The customers rejected our products. All employees are aware of the processing stages. Hence, quality is maintained by all of the employees. Finally, I check the quality of the products before sending them to the market. They have understood that regular orders give them regular employment. (Binod, Transcript, 17 May 2016)

Binod expressed his strong belief in maintaining the quality of his products. He learned from the acceptance or rejections of the products by the customers. He received the complaints and suggestions from the customers. The knowledge and skills in managing the quality of the products have been embodied within him because of those learning events. As his dispositions, he believes in teamwork and only their sincere efforts to maintain quality will only be able to produce quality goods in the long-run. He is sincere in doing the final check of the quality of the products before the delivery to the market or customers. The field provides the rules of the game that must be obeyed for survival. Binod has also the same condition for the survival and progress of his enterprise. Hence, he knows about the importance of quality and makes his employees know about it. He added again:

I order the metal sheets of better quality. I am responsible to check the final products. The problem is there with the suppliers of raw materials and there are a limited number of suppliers in Nepal. Sometimes, they provide lowquality materials. On the other side, we should produce regularly for our business. The availability of low-quality materials in the markets hampers our regular production. (Binod, Transcript, 17 May 2016)

Based on the learnings from the markets, Binod knows that the raw materials should be best in the quality. The selection of better suppliers and checking the quality of the raw materials before purchasing are the main ideas of maintaining the quality of raw materials. Binod executes those activities knowingly or unknowingly because those perceptions are embodied within him. However, it is very difficult to maintain the quality of the product because of sudden problems in the market and other environmental factors, such as the supply of low-quality materials is an example of a sudden problem in the market. The environmental factors play a vital role in the availability of quality materials for the enterprises. Anyway, Binod has been attempting to make quality products with his knowledge and skills learned from the markets.

Binod has been supplying his products to the markets or customers as per his knowledge and skills. He has been cultured from the markets through different sources and ways. He supplies or delivers the products through the means and methods locally available in the market. Binod added to the storylines and moved to the practice of delivery of the products to the markets or customers. He explained:

I deliver the products by hired vehicles within Kathmandu valley. I send the products to various places outside of Kathmandu valley and to the foreign countries through the transport services and cargo/courier services respectively. In the production process, I give the targets and deadlines to my employees and manage the overtime payments if necessary. (Binod, Transcript, 17 May 2016) Binod knows about maintaining the better delivery of the products within the given time. For managing the best, he has been cultured to execute different ideas. He manages the delivery time from the customers and gives targets to the employees with enough motivational packages like overtime and other facilities. He showed his innovative dealing with the customers like negotiating the time of delivery and mobilizing the employees to the committed demands. He uses different means of transportation available in the markets and suitable for the products. Binod follows the norms available and acceptable in the markets and selects the better ideas of maintaining the committed deadlines.

Binod maintains the flexibility in terms of product types, designs and the volumes of demand as per the capacity of his enterprise. Sometimes, the customers place the demands of additional volumes, product types, and designs which will be a challenge for the entrepreneur to fulfill them. He added to the storylines on the practice of maintaining the additional demands:

I manage the additional demand for limited volumes and designs. I try to meet the demands of the customers. I assign additional time to the workers for making additional volumes. I consult my artisans to make the designs expected by the customers. However, it is not possible to fulfill a huge volume of additional demands. I have often rejected the demand for additional products in terms of volume and types. (Binod, Transcript, 17 May 2016)

The demand of the market and customers would not be the same as we expected. The business is always under uncertainty due to the changing fashions, flow of the cultural activities and the market situation in terms of product supply by other entrepreneurs. Binod believes that dealing with uncertainty is the main job of an entrepreneur. He named the 'flexibility' which means the capacity of making different designs, quality and quantity in the given time. The additional demands are not possible to fulfill in the given time. An important thing is that Binod executes the possible attempts for maintaining the demands of additional volumes as per the capacity of his enterprise. This might be the same situation for entrepreneurs also because the nature of the market has always liquidity due to the changing rates of customers' demands. This liquid situation leads to flexibility in the volumes of demand, designs, and types of products.

## **Binod's Practices on Product-Selling**

Binod has been selling his products in the Kathmandu valley and Tibet. His products are based on Nepali, Indian and Chinese cultures based on Hindu and Buddhist religions. His products have been sold more during the cultural events like festivals, wedding ceremonies and Lochchhar of Buddhists. I asked him to state the experiences of selling his products. What are the main components you have been practicing for the better selling of your products? How have you been dealing with the issues of product-selling? He valued the determination of the price of the products as one of the components of the product-selling or marketing. Binod's approach of pricing is similar to other entrepreneurs in terms of internal calculation and adjustment to the market prices of similar products. He explained his experience on the pricing of the products:

I calculate carefully to all of the costs. I have been paying at least NRs 1000 to the skilled employees for producing the products. I add this to the product cost. I consider two bases like the production cost and margin and on the other side, the market price of similar products by others. Sometimes, I got the losses in particular items. (Binod, Transcript, 2 September 2016) Basically, Binod includes the production cost and expected profit to the price of a product. He was found aware of looking at the market prices of the same products as other enterprises. He has the better practice of regular market observation and investigation of pricing techniques of others for determining the price of the products. Binod's approach of pricing is shaped by the culture of pricing popular in the Nepali market. The internal calculation of price does not lead to the market but the market prices lead to individual products. These ideas and skills of pricing are influenced by the practices exhibited by the other entrepreneurs in the markets. Binod follows the norms executed by the markets for all of the entrepreneurial players.

Binod produces the items of multiple types and designs appropriate to the market demands. The market orders the entrepreneurs as to what kind of products will be purchased by the customers? His enterprise is completely based on Hindu, Buddhist and other local religions and cultures of Nepal, India, and China. He has been producing the items already popular in these cultures. He talked about the fitness of products to the markets. He shared:

I have been producing around 50 different items. These products reflect differently. The items and designs are already defined and available in the markets. We can play only in the quantity, sizes and slight modifications of the designs. (Binod, Transcript, 2 September 2016)

Cultural enterprises are completely based on cultural demands. Binod's approach of defining designs and product types are influenced by the demands of cultural customers. The products, Binod has been producing for 15 years, has a long history in Nepal, India, and China because those products are totally linked to those societies and cultures. The items and designs are already defined and available in the markets. Thus, the products are already fitted to the customers. He has the knowledge of the space of playing only in the quantity, sizes and slight modification of the designs. This knowledge or awareness is an important capital he earned from the market that has been leading him to identify the areas of competition in the market.

# Madan's Narratives: Courses of Doing

Madan produces the items of shoes and slippers in Banepa near the Kathmandu valley. Geographically, the location of Madan's enterprise is easily accessible for collecting the raw materials and supplying the products in the market. He does not have the problem of getting the market to sell his goods. Madan's team collects the raw materials from Kathmandu and sells his shoes-items to Banepa, Dhulikhel, Kathmandu and other places of Nepal. He has been collecting the fine leathers imported from the foreign producers because there is no availability of the fine leather produced by the local enterprises or business companies. The industries and enterprises stopped using the rough leather produced from local technologies. Madan has been using local and imported technologies for producing leather footwear because the enterprises of leather footwear have more competitive markets due to globalization. The leather footwear has been produced and supplied by the bigger and multinational companies as well. He continues his story pertaining to his experiences on the product-making and selling for exploring the practices of the entrepreneurs of Nepali SMEs in the context of Nepal.

# **Madan's Practices on Product-Making**

Madan started his enterprise with the traditional technologies granted by his parents. He has also learned about the modern technologies from the formal training program and interaction with the wider markets through business networks he participated in. He learned about the modern technologies and methods by observing the technologies and products in business exhibitions and the factories of others' factories. Based on the learning from the training programs, observation and interactions in the markets, Madan employed multiple techniques in the process of product making. He has divided the tasks based on the competency of the staff. Unknowingly, he has a practice of labor division and 'right man in the right place'. The idea of 'dividing tasks' is a unique intervention different from other participants but not new for the bigger companies.

Madan explained about the process of product-making:

We have divided the tasks as per the skills of our staff. For example, design, cutting, sewing, pasting, lasting and final finishing are the major steps of shoemaking. These works are mostly hand-operating. We have installed 10 machines for sewing and pasting. We visited the bigger shoe factories, observed the types of machines, and collected information about these machines. (Madan, Transcript, 10 June 2016)

Madan's team has been using mostly traditional and hand-operating processing methods. The team has established a practice of labor division unknowingly which is highly popular and fundamental to the big and multinational companies. Dividing the tasks based on the skills and competencies of the staff, and searching for the new and appropriate technologies are the awareness collected from the market by Madan's team. They became aware of installing the appropriate technologies for their factory after visiting and observing the big factories of shoemaking.

Madan's team searched and installed new technologies affordable and available in the market. They have been mixing new ideas with their traditional ones. Madan stated experience of using new pasting technology after installing the machine: In the past, we worked the task of pasting by hands and took around 25 minutes. But now, this new machine completes the pasting of a pair within 10 seconds. We are pasting 10 pairs of shoes in 25 minutes. In the period of seven years, we added the new technology three times selecting affordable ones. (Madan, Transcript, 10 June 2016)

In the period of seven years, Madan's team changed and added the appropriate technologies for three times. The globalization in business sectors has been serving to supply better technologies in the local markets and providing multiple alternatives in terms of price, capacity and other features. Madan has been replacing the traditional and less-competent technologies by the better ones. Hence, I found them aware of updating the technologies as per their capacity and availability in the local markets. The changing market opportunities have been reshaping and transforming the traditional habitus of Madan's team in terms of working styles and utilization of better and more appropriate technologies.

The entrepreneurs expressed that 'cost control' is one of the vital parts of product-making. Madan's team also gave emphasis on the sector of cost controlling in the process of product-making. They know about the ways of controlling the cost of products. They have been employing multiple ways and techniques for controlling the cost. He recalled their practice on managing the reasonable cost of the productmaking:

We are mainly controlling the use of the materials and increasing the working speed. We have installed the electric machines for sewing and pasting. There are different types of materials available in the market and vendors also. We choose the better from them and purchase better materials at a cheaper rate. (Madan, Transcript, 10 June 2016) The cost-controlling is a compulsion created by the competitive markets. Madan knows about it and continues the attempts of searching and employing multiple methods, machines and other means of product-making. They have implemented some better ideas of cost-saving and controlling selecting from the multiple ideas available in the markets. They have installed some electric machines to ensure high-speed production. They always attempted to search for better quality materials at cheaper rates. Madan's team understands that cost controlling is possible by combining selected methods and technologies which they were accustomed to learning from the market.

Madan informed about the quality of the products as another vital part of product-making. Madan's team learned about the importance of product quality from their customers and business networks. Madan was sensitive and giving emphasis on quality. I found other entrepreneurs who were also thoughtful and executing multiple ideas and attempts to maintain better quality. The competitive situation in the market taught them to be sincere in this matter. Mainly, the dislike and rejection of the products by the customers make them sincere to quality matters.

Madan's team is sincere in presenting better quality in the markets. They know about the knots and necks of the quality issues. Madan added to his storylines the practice of maintaining the quality of the products:

We use the materials of better quality available in the markets. We search for better suppliers of raw materials like leather, soles, paste materials, and threads. We regularly collect suggestions, and feedback from our customers to improve our products. (Madan, Transcript, 10 June 2016)

Madan's team has three major techniques for maintaining the quality of the products. First, they use the materials of better quality after searching, comparing and selecting the best. Second, they search for the suppliers and deal with them for a long time. Third, they have the culture of collecting feedback and suggestions, immediately incorporating the process. The customers of competitive markets search for the quality products, compare through multiple ways, consult other customers, and decide on buying the selected products. The customers are clever and capable of buying the appropriate goods or services to satisfy their requirements. In this situation, Madan's team is thoughtful for implementing multiple ideas of supplying better quality to the customers. They have been accustomed to collect the raw materials of better quality, deal with trustful suppliers for a long time, collect and incorporate the feedback and suggestions of the customers.

Madan gave emphasis on the activities of product delivery to the customers. Gopal and Santosh have also focused on the component of product delivery and shared their experiences in utilizing multiple techniques. Madan's team values the delivery channels as a vital component for selling the product. But, they have no ideas different from the other participants regarding the product-selling channels. Madan shared about his storylines on the practice of product delivery:

We have around 15 retail shops in Kavrepalanchok, Sindhupalchok, Bhaktapur, Lalitpur, Kathmandu, Pokhara and Dang. The shoe items are durable items; hence, nowadays, overstocking is not a problem in our factory. But, we see the past records and define the quantity for the current year. The retailers inform us to prepare the products and they come to the showroom for receiving them. Sometimes, we deliver the products to their shops. (Madan, Transcript, 10 June 2016)

It appears to me that the approach of Madan's team is shaped by the rules established in the markets. The concept of selling products through wholesalers and retailers is introduced and employed by bigger manufacturers. This idea seemed appropriate for the enterprise of leather footwear. Madan's team established the culture of product delivery through the retailers because of the limited volume of their products. They have retail shops in major cities of Nepal. The team estimates the annual quantity and geographical marketplaces. Based on the estimation, they produce goods and manage their timely delivery. On the other hand, they request the retailers to inform in advance to maintain the timely delivery of the products.

Madan values the practice of maintaining the flexibility which is essential for the manufacturing enterprises. He remembered the practices they have been doing, "We are producing many different items but we are not able to make them as foreign products. We are not able to change designs rapidly and compete with the big and multinational companies due to our smaller investments". Madan's team has been producing many of the items and designs and selling them to the markets. But, in the sector of leather footwear, they are not capable of competing with the big and multinational companies. In this sector, a huge number of big and multinational companies have been supplying the shoes and slippers. Those companies have been producing their goods in mass volume. But, Madan's team is dealing only with the local markets of Nepal.

Madan's team knows about their capacity of accessing the markets and volume of customers. Being the entrepreneur of a small-scale enterprise, they have been imitating the good practices of bigger and multinational companies and serving the local customers as per their capacity. They use imported leathers and other materials, blending the technologies both traditional and modern available in the local markets, attempting to satisfy the needs of local customers. They have established a particular culture in product-making embodied by the practices available in the local markets of Nepal.

# **Madan's Practices on Product-Selling**

Madan's team focuses on the local customers of Nepal. They make the products as per the purchasing capacity of Nepali customers. I asked Madan to tell about the practices of product-selling. In your experience, what are the components in the sector of product-selling, in which you have been working and how? Madan gave emphasis on the pricing technique they have been using. Their approach of pricing was also similar to other entrepreneurs of SME. He considers both sides of pricing, i.e. international calculation of price and comparing it to the market price of others' products.

Madan recalled the practice of pricing of the products:

Normally, we determine the price of the products by calculating the cost. But, we should compare the price of others. The margin might be different. The cost calculation method is the same for all entrepreneurs. But, the matching of price and quality of the products is highly sensitive because the other producers might be more prepared than us. (Madan, Transcript, 16 August 2016)

Madan's team was found skilled in the pricing of the products. They know how to compare the prices with others and adjust to the market price. The pricing culture of the Nepali markets affected and shaped the attitude of Madan's team. Hence, he looks at these two sides for finalizing the price. In the competitive situation of the market, price determination and presentation is a highly sensitive matter because the sale of the products mostly depends on the matching of the price and quality in the continuous comparison with the products of other enterprises. Madan's team has been performing different activities for making its products popular in the markets because they have to sell the products made in their enterprise. The activities of publicizing the products have been performed by all enterprises. Madan's team has been attempting to obey the rule of the market and imitating the techniques used by others. The concern is how they have been performing their strategic activities for promoting their products. Madan's approach to product promotion is similar to Gopal's practices. He distributes brochures, information cards, and sample products. He also advertises through radio FM and newspapers. In addition, he uses the labeling and packaging of the products.

Madan added to his storylines:

We are using better labeling and packaging methods. We have been distributing the sample to the shops, wholesalers, and retail shops. We have been distributing the brochures and information cards, and we are advertising through the different Media; radio-aid, local FMs, and newspapers to the potential customers. (Madan, Transcript, 16 August 2016)

Madan learned the skills of promoting his products in the market. His attitude is influenced and guided by the culture of market promotion popular in Nepali markets. They have been using labeling and packaging materials for quality products. They use the public media for publicizing the products in the market because their products should compete with the products of big and multinational companies. They distribute the sample pieces to the shopping outlets and promotional materials for encouraging the sale of the products. Santosh and Binod are not distributing the sample pieces to the customers and shopkeepers. The entrepreneurs use the means and methods of promotion differently based on the learning they have perceived. Madan's team has been using the packaging bags with product information different from other entrepreneurs participating in this research. The practice of using packaging bags with product information is more popular among big enterprises and selling enterprises. This is a way of market promotion and retaining them again.

Madan added again:

We always search for new ideas for better selling. We make the packaging bags with the name of our enterprise and all other information. We found these practices done by other entrepreneurs. If we provide the bag with information about our enterprise, the customers will search, and contact for the next time as well. (Madan, Transcript, 16 August 2016)

The market is a field for entrepreneurs where all of the sources of knowledge and skills are available. Different entrepreneurs earn that knowledge and skills similarly or differently. Madan's team always tries to improve the quality of the products. They have made the shopping bag for the customers with some information about the products, addresses and contact numbers; imitated from the practice of others. It is a creative idea learned from other's practice and more beneficial to make the customers for the long-run.

Madan's team prepares the plan of product-selling based on their experiences of previous years. They know about the selling seasons and potential places of better sale of the products. Madan shared the practice of making the plan of product-selling:

We make the plan based on the seasons of big festivals, weddings, and other cultural rituals, new admission at schools, winter and summer periods, etc. We have also identified the locations of more potential markets as per the plan. (Madan, Transcript, 16 August 2016) Madan's team makes the plans of product-making and product-selling. They implement the planned activities in their enterprise. They have made a plan of production as per the festivals, wedding seasons, starting of the educational session, and during summer and winter. They know about the potential locations for selling products. Thus, they estimate the volume of production based on the locations and selling seasons. The idea of making plans considering the places and seasons seems more practical for the success of the business. They have been cultured on it because of their regular interaction with the customers and market actors.

# **Roshani's Narratives: Courses of Doing**

Roshani produces her handicraft items at Banepa and sells them to the markets of Banepa and Kathmandu. She has been producing woolen caps, sweaters, socks, dolls, cushion cover, Jhula, and other gift items that are completely made by hand. She uses materials like threads and clothes available in the local markets but they are not locally made. She continued the story of her experiences in product-making and selling.

## **Roshani's Practices on Product-Making**

Roshani started her enterprise when she was impressed by the success of Maushami Upadhyaya. Roshani consulted her and participated in the skills-trainings of handicraft items. The majority of women entrepreneurs are engaged in the handicrafts of soft types in Nepal. Roshani was influenced by the practices of women entrepreneurs in Nepal. Her enterprise is completely based on the hand-skills and targeting the local customers. Nepali people have the habits of using woolen caps, sweaters, socks, dolls, cushion cover, and other hand-made items from the historical time. Knowing this opportunity, Roshani initiated her enterprise and now she is satisfied with her achievements. She learned the skills from the training programs and markets. I asked her to tell the experiences and practices in the sector of productmaking.

Roshani recalled the practice of process and technology used in their enterprise:

Making dolls is possible from the sewing machine but the knot items are only possible by using hands. We are using the sewing machine with the paddle because the electric machine does not work to make better designs. Most of the items, we have been making by our hands. (Roshani, Transcript, 18 June 2016)

In Nepali markets, there is a very good identity of handicrafts of cloths, natural fibers and other bigger items like furniture, metal utensils, and others. Those enterprises are in existence because of the culture of using those handicraft items from the very beginning. The items of woolen handicraft, i.e. dolls, pillow cover, sofacover, etc. are based on cultural demands. Roshani's enterprise is based on the handskills and not possible by the machines. She installed only the sewing machines with the paddle for the tasks of sewing. Roshani uses only the hand technology to make the products. She is found aware of identifying the better technologies and use of them in the processing of the products.

I expressed my curiosity to know the practices of cost-control. I asked Roshani to share the practices of cost-control techniques. Her approach to controlling the cost was similar to that of other participants. She is sincere and tries her best. She stated:

Regarding the knot-craft, it is not easy to reduce the cost due to handprocessing and manufacturing. We can control the wastage and working hours. We have been motivating the employees to do better and more volume. (Roshani, Transcript, 18 June 2016) I found a common type of idea for controlling the cost in Roshani's practice. Roshani's approach to managing the costs of the products was influenced by the practices available in the market and utilized by other entrepreneurs. She unpacked the difficulties of reducing the cost of handicraft items because of the hand-processing techniques. Hand-processing is obviously labor-intensive and time-consuming. However, she noted the area of cost-control so that the cost would be minimized. She shared her ideas of cost controlling like the control of the wastage, maintaining the working hours, and staff motivation packages. She has been using those innovative ideas for minimizing, controlling and maintaining the cost of the products.

Roshani continued her storylines. I encouraged her to tell about the practice of managing the quality of the products because I wanted to compare the practices among the participants. She added her storylines:

We always try to ensure the better quality of the products. I motivate my staff by providing additional facilities for wages and other benefits. I try to collect better materials to ensure better quality. I have been using cotton threads. The quality of cotton threads and other materials have decreased these days. Therefore, we have been experiencing the challenges of ensuring the purity of the products because our enterprise is based on secondary products. (Roshani, Transcript, 18 June 2016)

Roshani has been working on quality control of the products. She employs multiple ideas of controlling the cost. Roshani's approach to cost control was shaped by the lived experiences of the existing market practices. She has the compulsion of using raw materials like cotton threads from the market. The quality of the threads has been declining. Therefore, Roshani expressed her experience of facing the challenges of maintaining the quality of the products. Her experience showed that the issue of quality is not only controllable by the entrepreneur. Roshani's experience showed that the quality of products depends on the quality of raw materials. Roshani always tries to maintain the quality but achieves the partial success because of the market situations.

Roshani continued her story and added the experience of the delivery of products. She informed me that the enterprise of handicraft has a challenge of product delivery in time. But, the sincere attempts on managing the materials and processes may solve the problems. She recalled:

It is not easy to maintain the delivery of the products in the given time because we are producing hand-made items. We are making our better attempt. For maintaining effective delivery, I must always be ready to manage the raw materials, human and monetary resources quickly so that the demanded products would be prepared on time. (Roshani, Transcript, 18 June 2016)

Roshani has a different experience of maintaining on-time delivery of the products because they have been producing hand-made items. It was important to learn from the market. She has been attempting her best. Roshani's experience showed that the enterprises of woolen or other handicraft should have longer lead time and sincere arrangement of the resources. She is aware of managing resources like raw materials, employees, and money quickly to deliver the product on time.

Roshani has been dealing with the demands of multiple product-types and designs. She added her storylines on it:

It is not possible to develop and supply all of the designs, shapes, and volumes they demand. But, we have been attempting to provide the product items as per our capacity. We motivate them by showing the designs available to our enterprise. In the case of additional demands, we collect the required materials and human resources to make the products and deliver them on time.

(Roshani, Transcript, 18 June 2016)

Roshani's approach is shaped by the experiences of the markets. Her experience showed that the demands of all types and designs are not possible to fulfill. As per the capacity of the enterprise, the demands of some products might be fulfilled on time. Roshani tries to sell the products available in her enterprise. She manages the products for additional demands based on the capacity of the enterprise.

# **Roshani's Practices on Product-Selling**

I was searching for the common and contrasting practices among the research participants on product selling. In product-selling, I asked Roshani to tell her experiences on pricing, product fitness, selling, distribution and other activities she has been practicing. How has Roshani been dealing with the market (field)? What are the main skills and actions she values in the market? How has she been working on them?

Roshani keeps interacting with markets of Banepa, Dhulikhel, Kathmandu and other places of Nepal. She has been making the products as per the demand of markets. Her handicraft products are niche items and are not produced by big and multinational companies. Hence, she has the markets of local customers of Nepal. Roshani's approach of assessing the opportunities, selecting enterprise, skills, and technologies of product-making, and the practices of product-selling was shaped by the cosmologies of local practices where she was born. She has not looked for international opportunities for her products.

Roshani continued her story on the experiences of product-pricing. She believes that the market price always leads to the prices of the products. She expressed her experiences on the pricing: Sometimes, we have to sell our products at wholesale rates because of the competitive market. Sometimes, we can get a loss as we have to sell on time. If the market rate is lower than our determined price, we try to sell these products to retailers so that we can get more margins. (Roshani, Transcript, 26 August 2016)

Roshani's view on pricing is somehow different from others. She gives emphasis on the market prices of similar products at first. She is found more capable of playing with the prices of different levels according to the situation of the market. She believes that the market determines the price of the product and entrepreneurs should be aware of taking the benefits of it. She has the practices of selling the products either at the rate of retailer or wholesaler as per the condition of the market.

Roshani is knowledgeable about the demands of handicrafts (woolen and natural fiber) because she has been learning continuously from the markets. She added to her storylines on the innovative intervention to the markets and customers. She recalled:

I have a plan to add two ideas now, i.e. small gift items, flowers within glassbox, and small bags and round-mats from corn-straw in the modified designs. The first will be unique and the second will be our cultural products which are disappearing. Nowadays, more customers are searching for traditional items. My enterprise will support to preserve these traditional items. (Roshani, Transcript, 26 August 2016)

Roshani always takes the market as a game-spot where the players should be ready with the innovation champions. She has a plan made for launching new items of handicrafts like small gift-items, and round mats from the local material such as cornstraw. She strategically focuses on the uniqueness of the products and cultureattached. She knows about the increasing tendency of the customers to the products of traditional culture. She is also aware of taking cultural sympathy from the customers.

Roshani learned the techniques of selling the products of handicrafts in local markets. There are many entrepreneurs in Nepal working on handicrafts from the very beginning. They have been sharing their knowledge system and learning the methods of enterprising activities through their everyday interactions. Roshani added to her storylines how she has been selling her products. She recalled:

I sell the products through wholesalers, retailers, and end-customers. I have been selling the products directly in the trade fairs and cultural events like Maha-Shivaratri<sup>11</sup>, Dashain and Tihar bazars in the local places, especially in Kathmandu and Banepa. Moreover, we are selling gift items, dolls, small bags and wallets in these markets as per demanded designs and sizes. (Roshani, Transcript, 26 August 2016)

Roshani has been selling her products through wholesalers, retailers and directly to the end-users. The products have been mostly supplied to the local traders of Banepa, Kathmandu, and Pokhara. Her products are related to gifts and souvenir items. Those items are more appropriate to the tourist and cultural markets. She has been supplying her products to these markets. The local cultures provide the market and opportunities to play the business game. Roshani is knowledgeable to understand these opportunities and selling her products to the cultural markets.

### Shila's Narratives: Courses of Doing

Shila was influenced by her parental profession of tailoring and impressed by the key personality for initiating her enterprise of natural fiber. She has been producing the goods made up of natural fiber such as allo, hemp, ketuki, and others.

<sup>&</sup>lt;sup>11</sup> Maha Shivaratri is a Hindu festival celebrated annually in honor of Lord Shiva, and in particular, marks the day of the consummation of marriage of Shiva.

She makes the products from the knots of corn-straw, cardamom, and banana available in the village and forests nearby her factory. She sells her products in Kathmandu, Nepalgunj and other cities of Nepal. Shila gained knowledge and skills regarding the enterprise of natural fiber from multiple sources and ways. The following paragraphs will explain about her practices on product-making and productselling.

## **Shila's Practices on Product-Making**

Shila continued her storylines and moved to the area of product-making. Her products are handicraft items made up of natural fibers available in the local firmfields and forests. She has another enterprise of gemstone established in Kathmandu. Shila has been using the traditional handlooms appropriate for the natural-fiber products. The products have been made with the hands. Shila bought two machines with the latest technology for cutting and finishing the gemstone. She is found capable of searching, selecting and utilizing the technologies appropriate for the products and enterprise.

Shila expressed her experience of maintaining and controlling the cost of the product-making and other processes. Her approach to controlling the cost is shaped by her experiences of a long time. She has the practice of using raw materials from local villages and jungles. It was a unique idea of minimizing the cost. Her ideas of piece-based payment to labors seems also an effective but common to other participants. She recalled:

I have been paying the labor cost on piece-basis, utilizing the raw materials available in the village and nearby jungles which are free of cost. I always supervise the products and control the quality of the products. (Shila, Transcript, 3 July 2016) The entrepreneurs always attempt to minimize the cost and maximize the profit. This is a major psychological stand of the entrepreneurs of all levels. This orientation is un/knowingly implemented from the very beginning and also strengthened by modern business theories. Shila deals with cost as a part of her entrepreneurship. She has established a method of paying the labor cost on piece-base. She shows her innovative idea of using the materials locally available and many of them are free of cost. Her practice of regular supervision to the processes, time and quality of the products is found contributive because the cost is directly linked to the quality and time.

Shila values the practice of 'quality maintenance' of the products. Her approach to maintaining the quality of products is guided somehow by the modern business theory because she has participated in the formal training packages. She has utilized the techniques and skills learned in the training. She explained:

I have given different skill-trainings to my entrepreneurs. I have trained them to put the finished products in a dry and safe place. I have a storeroom for the final products to keep safely. I have used better fibers. (Shila, Transcript, 3 July 2016)

Shila knows how to manage the quality of products. She has been providing various skills training to the entrepreneurs. She has made them aware of keeping the products in safe places and even for the task of packaging, etc. She is aware of using better quality of the raw materials and skills of processing and manufacturing.

Shila knows about the additional and casual demands of the markets. Based on the previous learning, she tries to maintain the demands as per the capacity of her enterprise. She contacts the entrepreneurs of other districts for making the products as per the demands. Shila explained her experience of responses to multiple products, designs, quality, and quantity. She stated:

I have been trying to fulfill the additional demands. It is not possible to fulfill all types of additional demands because of handmade items. When additional demands are made, I coordinate with other entrepreneurs for this because I have trained many of the entrepreneurs of other districts. I contact them in case of extra demands come from the customers. (Shila, Transcript, 3 July 2016)

The market taught Shila about the probable demands and to be ready to respond to the customers. She is not much confident to fulfill the demands of all types of customers because of inadequate handmade items. But, she expressed an idea of fulfilling the additional demands. She has a network of entrepreneurs from other districts/places because she trained them and they have become professional. Because of the small production units, the SMEs have the common problem of maintaining the process of flexibility and capturing the limited and niche markets only.

#### Shila's Practices on Product-Selling

Shila sells her products in Thamel and Ashan of Kathmandu and Bharatpur of Chitawan mainly to the tourist markets and also in other cities of Nepal but not regularly. She produces the cultural products of natural fibers and local materials fiber-related plants like corn-straw, Alainchi fiber, Banana and other fibers. She continued her story and entered the experience of product-selling. She started again with the practice of pricing.

In this regard, Shila shared:

I include all of the expenses invested in the products. I include the margins of 25 to 30 percent to determine the price of the products. Normally, other

entrepreneurs add 30 - 40 percent margin to the cost. We have been supplying our products at the lower rates in the market. We should be aware of understanding the price flow in the marketplace. (Shila, Transcript, 13 September 2016)

Shila has employed a technique of determining the price by calculating all of the cost and expected profit margin. It is a common formula for all the entrepreneurs and traders. She determines the price of products at lower rates than others. It is a creative idea of capturing more customers in the markets. She knows the ideas of assessing the flow of the prices in the different marketplaces. It gives the ideas of determining the price appropriate to the markets. Shila sells her products through wholesalers and retailers. She ensures the better delivery of the products. She has the prime responsibility for selling the products. She has made the networks of selling the products. Shila is capable of dealing with the markets and supplying her products to the customers.

Shila talked about the business plan for better selling the products. She learned about the business plan from the training provided by different development agencies. She is aware of the necessity of the business plan in the enterprises. She recalled:

Without a business plan, the entrepreneur will be in the confusion about the business activities like collecting raw materials, processing activities, potential markets and marketing activities, and the periodic targets. But, I have been making the business plan in my ways. I do not have the capacity of making the business plan in a good way. (Shila, Transcript, 13 September 2016)

Shila described the importance and utilization of the business plan in her enterprise. She informed that the business plan gives directions to manage the raw materials and other resources, processing techniques and methods, identification of potential markets and better activities for product-selling with periodic targets. She makes her business plan in a traditional way without following the modern style of business plan learned from the training. Shila's approach to making the business plan was influenced by the traditional practices working by the other entrepreneurs in Nepali markets. She informed me that she does not have the capacity of making the business plan in a professional way as used by big and multinational companies.

# **Chapter Essence**

The approaches of product-making and product-selling are influenced by the local cultures, family or parental professions, and the practices of local entrepreneurs. The entrepreneurs of SMEs have been blending the methods and technologies as per the nature of the business. The entrepreneurs of natural fiber and leather shoes/slippers have started to blend the modern technologies but the enterprises of metal utensils and woolen or fiber-based handicrafts use the hand-skills only.

In another theme of product-selling, the entrepreneurs informed the components like product fitness to the market, pricing techniques, sales and delivery, marketing communication, and business plan. They are influenced by the practices of similar entrepreneurs in the market. The entrepreneurs know about the pricing, sales, and delivery, communication to the customers, etc. They have been making their business plan in their traditional ways. But, they have not documented the plan in a form prescribed by the business school theories and working to their enterprises based on the experiences of previous seasons.

#### CHAPTER VII

# THEORIZING THE INSIGHTS: THE COURSE OF 'BECOMING'

In chapters IV, V and VI, I collected the participants' stories individually. I analyzed the narratives, identified themes and sub-themes practiced and experienced by the entrepreneurs. I interpreted the meaning and extracted insights as a layer of the researcher's understanding and established a foundation for the further discourse of theorizing the practices. In this chapter, I collect the insights under the themes identified and discussed through the *practice perspective* for theorizing the insights under the first research questions; How do the entrepreneurs of SMEs value the sources and ways of their 'becoming'? I analyze the sources and ways of 'becoming' as the course of the entrepreneurial habitus of the entrepreneurs of Nepali SMEs.

#### Sources of 'Becoming'

In this study, the source of becoming is taken as the source of the entrepreneurial habitus of the entrepreneurs of Nepali SMEs. Habitus is a product of history; it produces individual and collective practice in accordance with the schemes generated by history (Bourdieu, 1977). It is also the internalization of externalities. The entrepreneurs informed on the sources of entrepreneurial orientation and skills based on their experiences. They became motivated to start their particular enterprises differently because those sources were contextual. From the analysis of the participants' narratives, I found three themes on the 'sources of becoming' valued by the participants. Among the participants, Gopal and Madan were inspired by their parental professions. Santosh and Roshani adopted their enterprises because of the inspiration of key personalities. Binod initiated his enterprise of metal utensils based on his similar experience. Shila was guided by her parental profession of tailoring and was also inspired by the key personality for adopting her enterprise. I searched for the sociological themes which are playing the role to shape the entrepreneurial dispositions in the experiences of the participants. These are; family and culture, education and training and similar experiences. I went through the themes (emerged sources from the data) for theorizing these insights in the context of Nepali SMEs.

# **Family and Culture**

The entrepreneurs of SMEs have initiated their enterprises based on the availability of man, money, methods and materials in the local markets or market channels locally available. The entrepreneurs of all scales deal with the resources available around their locations. The entrepreneurs see those resources through their cultural eyes where they have been living and learning from their childhood. Gopal one of the research participants, whose approach of entrepreneurship was motivated, founded and shaped by his parent's profession of farming. Likewise, Madan followed his family profession of leather footwear. Gopal and Madan, both are continuing their enterprises in their own villages. Shila was also motivated by her family profession of tailoring. Based on the family profession, she initiated the enterprise of natural fiber at first. But, when she came to the wider market, she became capable of understanding multiple opportunities available in the market and compare the profitability. She started another enterprise of gems-stone and did not stay within her traditional concepts. This is the process of self-improvement and the human nature of development and transformation.

The entrepreneurs valued the family and culture as one of the sources of capabilities and also the phenomena which have been playing a role in favor or against their enterprising activities. The habitus is acquired during primary and secondary socialization (Walther, 2014). As the primary socialization, Bourdieu

insists on the view that the dispositions which we acquire during childhood in the field of the family, and which 'implanted' a primary habitus in us, are 'long-lasting' and more decisive (Asimaki & Koustourakis, 2014). Likewise, the secondary socialization is built on the primary habitus as the results of formal education in school and university, and other life experiences (Walther, 2014). From the analysis of the narratives, the entrepreneurs are exhibiting their cultured behaviors in the markets. They receive the entrepreneurial orientations either from their family professions or similar experiences within the culture.

One the other hand, Santosh, Binod, and Roshani have started their enterprises different from their family professions. They are not guided by the educational orientations also. The entrepreneurs could not stay with their family professions because of the plenty of alternatives available in the markets and have the freedom to adopt the enterprises based on their choices. But, they are working with their enterprises within their cultural norms. Bourdieu's theory suggests that they would be always affected by this cultural value and it will be absorbed into their habitus (Beames & Telford, 2013). They have the challenge of 'fit in' to the existing cultural demands in the market. All of the families are cultured. Thus, the family and the community shape the way of life of an individual including the entrepreneurial orientation. Cultural diversity exists here in society. The diversity of the culture provides the chance of learning diversified or different ways of life, their needs, and priorities. Those needs and priorities create the market and enterprises. Hence, individuals cannot stay with only their family and a single culture. They learn from a wider market where all of the cultures and potentialities exist.

Subedi (2017) concluded that entrepreneurship is not only a construct of a deep mental belief but also a construct of socio-cultural beliefs. Madan's team started

the enterprise of leather footwear following their parents' occupation. They are from the *Sarki* family, a traditional caste engaged in leatherworks. From the historical time, the socio-economic and political system of Nepal has been continuing with the norms of Hindu philosophy that assigns the work divisions based on sex, caste, and class differences. "*Brahmin* people were assigned the work of instructor as the priest (Pandit in Nepali), *Chhetri* people as warrior and administrator, *Baishya* people as traders and agricultural workers, *Shudra* people as the workers or servants serving the upper caste people" (Aryal, 2016, p.151). Pant (2013) also concluded that Nepali entrepreneurs choose entrepreneurship based on their ethnic background. But, the finding of this research showed that the traditional mentality is changing due to the urbanization and modern education system. Binod, from the Brahmin family, adopted the enterprise of metal utensils. Roshani, also from the Brahmin family, followed the enterprise of handicrafts of cloth and fiber. The caste-based division of creative enterprises like ironworks, gold, and silver, tailoring, leatherwork, trading, etc. has been gradually changing and adopting by the people of all caste-communities.

The narratives of the research participants have presented evidence of the changing scenario of the effects of family and cultural traditions. The family norms and cultural traditions have been playing the role partially in selecting or following the enterprise because of the influences of other sources. In this research, the family professions were the sources of learning in the cases of Gopal and Madan but Santosh, Binod, and Roshani do not follow their parent's professions. The entrepreneurs of SME have their particular types of perceptions, thoughts and traditional habits of working in their enterprises. Those habitual activities are influenced by the context of their local traditions and the waves of globalization. The

family and culture of the entrepreneurs of SMEs have also been influencing by this duality of local traditions and globalization.

Likewise, the labor is divided on the basis of gender; the male is normally assigned the outdoor hard works and female is assigned on the kitchen and caring for children. Now the context has been changing rapidly due to the expansion of formal education, political campaigns, advocacy groups' activities and the interventions of NGOs, development partners, and the effects of globalization. However, the traditional conceptions regarding the family enterprises and professions have been continued by the majority of the aging (old aged) people in Nepal. Shila and Roshani adopted the enterprise of handicraft. This is a tradition of selecting the business of soft categories by the women in the Nepali society. Binod adopted the enterprise of metal utensils. Likewise, Madan has initiated the enterprise of leather footwear. In general, the enterprises of metal utensils and leather works have been adopted by the man entrepreneurs in the Nepali culture.

The mindsets of the individuals have been moving towards the open market and enterprises as per the interest of the individuals. The primary and secondary habitus are durable but adopt the changing norms perceived by the individuals as the result of their life experiences for giving them dynamic quality (Chudsikowski & Mayrhofer, 2011). For example, Gopal from the Brahmin family has started the enterprises of iron and metal crafts and their family and neighbors have accepted their enterprises. Santosh from the Kshetri family established the enterprise of natural fiber. This situation provides chances of selecting the best one from the open space of entrepreneurship and fosters innovative enterprises. Thus, the family and cultural traditions make them ready to 'fit in' and 'stand out' with their enterprises. In reality, the entrepreneurs have been dealing with the duality of localization and globalization. The entrepreneurs are initiating and serving the local needs, resources and cultures. These enterprises are using local materials for producing cultural products. They are blending the local and imported methods and machines for making them better quality products among the customers. The entrepreneurs have the practices of mixing the methods and materials of local and imported from outside. The entrepreneurs are collecting and blending these ideas, methods, and materials as per the requirements of markets for their sustainability. The family and socio-cultural values are updating as per the mixing knowledge of individuals and are affecting the enterprising habitus as well.

#### **Education and Training**

The entrepreneurs indicated the in/formal education as the sources for their entrepreneurial orientation and skills. Bourdieu (1984) indicated education, training packages and life experiences as the sources of secondary habitus. The entrepreneurial orientation and skills are the cultural capital transferred by family and education and maybe institutionalized in the forms of educational qualifications (Walther, 2014). The entrepreneurs were skilled and successful who had a higher level of educational qualifications and participated in the training events. But, I found some cases of the entrepreneurs being successful without taking the training packages of any type. The experience of Binod – the entrepreneur of metal crafts from copper and brass – proved a training is as an alternative to excel in business. However, an entrepreneur may learn from other sources too. The entrepreneurs indicated that the formal education system has been providing basic literacy skills but not creating the entrepreneurial mindsets directly. On the other hand, Roshani's educational qualification was related to the teaching profession but she became an entrepreneur. Formal education could not motivate her to become a teacher. She became an entrepreneur of cloth-handicrafts. Likewise, the entrepreneurs with the basic level of literacy are highly successful with creative products because they have participated in the training packages. The entrepreneurs are successful and efficient within their fields who are either formally literate and/or participated in training packages. Shrestha (2015) also stated that the Nepali entrepreneurs considered knowledge gained in formal academic education and non-academic training programs as also useful resources. The entrepreneurs value the educational learning and training packages as the sources of entrepreneurial orientation and skills in the context of Nepal. But, Pant (2013) did not find the relation between the educational background of the respondents and the type of enterprises they were running.

Subedi (2017) concluded that educational qualification is a driving force to be oriented towards entrepreneurship. But, from the analysis of the entrepreneurs' perception, the educational qualification only supported the literacy skills. Because of the literacy skills, the entrepreneurs with higher educational qualifications became successful because they could learn and understand widely; deal with customers, suppliers and other stakeholders. A highly educated entrepreneur results in better capabilities and performances for the firms (Parker & Praag, 2006). But, the entrepreneurs are not happy with the formal education system of Nepal. They voiced that the education system produces skilled and capable human resources but not interested in entrepreneurship. The education institutions have been producing educated human resources but they have not been attached to the domestic enterprises and not indorsed the approach of entrepreneurship in teaching-learning processes (Rai, 2018a). The entrepreneurs show concern about the trends of outgoing citizens who are highly educated and skilled. They do not think about the enterprises in their local villages.

The education promotes new and innovative knowledge and skills that can be translated to the enterprising activities (Rai, 2018a). Educational learning and training are identified by Bourdieu (1986) as the source of intellectual qualification and human capital (Walther, 2014). It is widely accepted that education and training are the major components for initiating and developing professionalism to enterprising activities because education helps to enrich the knowledge base, upgrades the specific skills, competence and attitudes for making a future career. The countries of the world have implemented the campaign of 'Education for All' for fighting against the multifaceted poverty. It is one of the constituents of making more enterprising capabilities (*capital*) which might support to start and continue the enterprising activities. But, the education system of Nepal and south Asian countries rarely establish the linkage between modern education and the local knowledge system (Rai, 2018a). The education system of Nepal is influenced by the culture of lecture methods and western reading materials. The contents of the formal education are detached from the local, indigenous or cultural entrepreneurs has become weaker than expected in practice. The education system has no provision of academic courses of metal-crafts, fibercrafts, leather works, and other local enterprises. There is a weak relationship between education and enterprise or industry in Nepal (Bhattarai & Shrestha, 2015).

Theoretically, the participation in the training is the process of secondary socialization or a way of secondary habitus. This is a kind of *transplantation* of the social norms established on the road of continuous restructuring (Accardo, 1991). The term 'continuous' for Bourdieu means if the positions and tendencies, in other words,

the dispositions, are likely to alter in the course of the social subjects' acquisition of experiences, they tend to be durable (Asimaki & Koustourakis, 2014). The following paragraphs describe the entrepreneurs' practices on the participation in the training packages as one of the ways of acquiring entrepreneurial orientation and skills.

Shila, the entrepreneur of natural fiber, started her enterprise after participating in the training of business creation. She learned about the new enterprises, business knowledge, and skills regarding enterprising activities, i.e. new designs, products, processing methods, and marketing activities, etc. She became a successful entrepreneur because of the learning from different pieces of training. Gopal started the enterprise after he participated in the skill training provided by the development initiatives, i.e. CSIDB and MEDEP. He valued the training as a way of acquiring entrepreneurial capabilities. Hence, he became successful and believed in the importance of training for achieving business success. Likewise, Santosh participated in skills training in fiber processing. He became motivated to start the enterprise of natural fiber and now, became successful. The training gave him the knowledge on the market potentialities and the resources available in the accessible markets.

The entrepreneurs have valued 'participation in training packages' as one of the major ways of acquiring entrepreneurial orientation and skills. From the perspective of social practice, it is a process of collecting secondary habitus that ensures all types of capital which is the primary cause for status and relative positions within a social field (Walther, 2014). The entrepreneurs searched for, and coordinated with the training providers, and participated in the different training packages for establishing themselves as dominant in the field of entrepreneurship. From their practices, they participated in two types of training programs. One type is technical skill training like Allo and Hemp processing, weaving and tailoring. The second is

training on the dealing and management of enterprises like SIYB, marketing chain, accounting, record-keeping, and so on. They participated in those training packages before or after starting their enterprises as they felt it necessary and got the availability of the packages.

### **Past Experiences**

The participants shared their real situations during the starting phase of their businesses. The entrepreneurs have started their business because of their previous experiences of similar jobs or trades. Gopal, an entrepreneur of fruit juice and agroseeds, became an entrepreneur because of the experience of farming from his childhood. Likewise, Binod, an entrepreneur of metal crafts (copper and brass), was inspired and decided to start his own enterprise as he was engaged in the job of an accountant in the same enterprise. He got to learn about the business transactions like the collection of raw materials, quality checking of brass and copper sheets, manufacturing procedures, labor supervision, and marketing activities.

The entrepreneurs valued the experiences of similar works as the source of entrepreneurial orientation and skills. In social practice, the experience is also the means of secondary habitus or dispositions. The dispositions are 'transferable' which means the agents acquire and possess through their experiences, socialization and generally the course of their life, influences, and acts effectively on other different contexts of experiences of their lives (Corcuff, 2007). The entrepreneurial knowledge and skills are also transferable; hence, the entrepreneurs can shape their entrepreneurial dispositions and exhibit the market for collecting the capitals and competing with others.

The relevant business knowledge develops an entrepreneurial mindset and the ability to recognize the problems and exploit the opportunities (Shrestha, 2015). The

entrepreneurs collected the relevant business knowledge from their early experiences so that they became capable of initiating the enterprise of the same line or other types but the same nature of transactions as their *career field* (Bourdieu, 1987). The experiences made them able to demonstrate appropriate *practices* and *strategies* in the field of entrepreneurship.

The entrepreneurs value the Nepali statement '*Kamle kam sikaunchha*'. The statement denotes the experiences of the early days as a source of entrepreneurial orientation and skills. The habitus is durable but evolving and is continually adjusted to the current context and reinforced by further experience (Mayrhofer et al., 2007). The insights from the SME's narratives show that the experiences of the early days updated the personal dispositions of the individuals. For opportunity recognition and evaluation of potential business opportunities, entrepreneurs need to be alert to notice the factors in their domain of experience (Ardichvili, Cardoza, & Ray, 2003). The experience does not indicate only a particular subject but the accumulation of the perceptions automatically collected from the multiple experiences. The entrepreneurs became informed, motivated and started the enterprises based on the experiences of previous days.

The entrepreneurs received the notion of 'right' and 'appropriate' to the enterprises they have initiated and became ingrained as instinctive patterns of thoughts and behavior (Beames & Telford, 2013). The learning from the experiences, perceiving, making the thoughts, and exhibiting the actions are never-ending practices of entrepreneurs in the market. As the product of our past and present experiences, the habitus seems to be a never-ending restructuring internal structure (Walther, 2014). The entrepreneurs always interact with the surrounding contexts, understand the rules, and obey the rules and norms established in the market. I found another sense of context and temporality during the shaping of knowledge from early experiences.

The entrepreneurs established particular types of enterprises as cultured behavior due to their previous experiences. After interacting with the market (field) for a long time, they adopted the appropriate technologies, changed some methods, and added new designs because of the changing contexts and temporal demands of the markets. The participants perceived the ideas and tactics differently and applied them in their business. They focused on looking at the situations and acting as per the particular situation. They are not able to implement all of the collected ideas and tactics due to the limited investment capacity of the enterprise. They learned from their experiences that the best quality and designs lead the market.

## Ways of 'Becoming'

The way of becoming indicates the process of constructing the entrepreneurial habitus. The insights from the narratives of the participants have indicated that the entrepreneurs follow the different ways of acquiring entrepreneurial orientation and skills. The entrepreneurs valued the ways like the observation of others' practices, joining the training, connecting with business colleagues, and listening to the customers. The ways of becoming are also the mechanical adoption of a previously determined program as Bourdieu (Walther, 2014). They perceived 'right' and made particular thoughts based on the sources they valued and followed the ways of becoming.

## **Observation of Others' Practices**

Gopal participates in the business exhibitions, visits regularly to the markets, and observes the products available in the markets. The participation in the business exhibitions and regular visits to the markets create the chances of interactions, building the networks, and learning better ideas and mutual benefits among the entrepreneurs. I found similar practices among the research participants of participating in the business fairs, cultural events, and regular visits to the markets. The entrepreneurs learned many things from other entrepreneurs on product items, processing methods, and selling skills. The entrepreneurs valued the practices of visiting the factories of other entrepreneurs, the business exhibitions and participating in business meetings and workshops. They selected, collected and imitated the best ideas from others' practices. It is also the action of 'looking at the competitors' how they have been presenting their products in the markets. They have the practice of utilizing these ideas and methods for developing quality products, rapidly changed their designs and product types to create niche markets.

The entrepreneurs' stories show that 'observation' is one of the major sources/ methods of collecting the entrepreneurial capabilities. It is the same as learning from others' practices. The entrepreneurs observe the innovative designs, qualities, and the prices of the competitors. The process of generating, learning and applying knowledge about competitors' products and strategies is critical (Lawson & Samson, 2001). They informed their practices of visiting the markets, business expos, cultural events and places to observe the market demands and the products. They observed the products of the competitors, compared between and among the products from different perspectives. Hence, in the case of the entrepreneurs of Nepali SMEs, the observation of markets and all things related to the products is one of the most popular ways of acquiring orientation and skills.

The research participants informed that social observation is one of the basic ways of learning about the ways of entrepreneurial life. The market is competitive either in the business or social fields. All of the social members try to be alive with the expected positions in society. They always struggle for securing the position and further growth. The entrepreneurs have been living in the same situation, searching for the opportunities of interaction, observation, imitation, and sale of popular products in the markets. The entrepreneurs of SMEs have similar practices of observing others' practices in the market. This is an established culture among them influenced by the social practices that transmitted from the older generations.

The participants informed that the 'observations' were utilized for two purposes, one was the observation of the customers' interests or demands and the second was the observation of the competitors' products and methods. In sociological terms, the entrepreneurs value the practices of the observation of the *social fields* existing around them. They collect market demands and better practices of other entrepreneurs. The second part of the observation was sincere interaction with the business colleagues on the products, methods, and technologies. They interact with the social fields which are based on a historically generated system of shared meaning (Iellatchitch, Mayrhofer, & Meyer, 2003). The entrepreneurs have a culture of observation of the fields like markets and enterprises of similar or other product-lines for collecting the skills and technologies appropriate for them.

## **Connecting to Networks**

The entrepreneurs expressed their practices on establishing the networks of relations and utilizing them to learn entrepreneurship knowledge and skills. Madan's team, the entrepreneurs of leather footwear, is associated with the District Micro-Entrepreneurs' Group Association (DMEGA), a district-level association of microentrepreneurs. I found them aware of organizing their entrepreneurs to the product organization or the occupational colleagues for sharing their business experiences and mutual cooperation. They are also associated with the cooperative of their village. They have been utilizing the loan facilities from their cooperative.

Likewise, Roshani was an executive member of the Federation of Nepalese Small and Cottage Industries (FNCSI). She was able to interact with the government officials of the Ministry of Industry and other Ministries on their issues. She utilized the loan facility from the Enterprise Development Fund of government because of her membership to FNCSI and personal relations made after being a member of this organization. She got connected with many business colleagues. Shila is an executive member of a cooperative in her village. She is also a member of FNCSI and FWEAN. She has been utilizing the money to her enterprise from the cooperative, selling the products and collecting the materials through the connections of the members of FNCSI or FWEAN. Another network they have the channels of product distribution to the markets, i.e. wholesalers, retailers, and other agencies.

The entrepreneurs have their social networks either formal or informal, continuing their connections, sharing the ideas and resources, working for shared initiatives, and creating mutual cooperation. They have been struggling to compete with others through creating social networks and mutual cooperation among them. Hence, entrepreneurship is also a social practice where networking acts as an organizing and governing mechanism to provide meaning, identity, and resources (Jack et al., 2008). The entrepreneurs believe in the networks of business peers and have the practices of interacting and sharing the skills and ideas among them.

The entrepreneurs had established different federal organizations like FNCCI, FNCSI, FWEAN, NMEFEN, and DMEGA. The entrepreneurs who have the relation and contact with the network's organizations can access to the government funds and facilities. The previous research suggests that one of the benefits of a collaborative network orientation is that it promotes a wider and larger range of network ties, which in turn reduces potential cost dependencies by enhancing resource options (Sorenson, Folker & Brigham, 2008). These organizations provide a wider space of connection with business colleagues, big business houses, and government authorities. The business issues can be settled from the coordination and linkage to these entities.

'Strategy as practice' forces our attention to the interconnections between the actors themselves; the practices that are shared routines of behavior with ways of thinking, acting and using things and what entrepreneurs actually do, with activity and social context being closely linked (Whittington, 2006). The entrepreneurs have established connections with the business actors around them, within the social contexts to fulfill the objectives of "synergistic benefits for resource exchange and knowledge sharing" in entrepreneurial networks (Tsai, 2000). They were sharing the skills, technologies, ideas, and establish mutual benefits in the competitive markets. During the practices of the network building, the entrepreneurs used two aspects, embodied within themselves, like taken for granted, and transferred from the practices emerged by the globalization. The informal connections with the entrepreneurs as the automatic socialization process have been in practice aside. On the other side, they have taken the membership of formal organizations like FNCCI, FNCSI, FWEAN, NMEFEN, DMEGA, and other entities that have been established from the learning of global/international practices.

The network with the other entrepreneurs, wholesalers, and retailers is one of the vital ways of becoming. As a space of *habitus* is socially created by the actors who engage in *networking* with others (Anderson, Dodd & Jack, 2010). The *networking* and *social capital formations* are mutually relational artifacts (Anderson & Jack, 2002). The network is a socially constructed 'strategic alliance' for instituting

the change, developing growth and creating future (Anderson, Dodd & Jack, 2010). The entrepreneurs value business networks as another way of acquiring entrepreneurial orientation and skills.

The entrepreneurs show their practices on entering the networks for making themselves capable of enacting their interventions successfully to the market – *business field*. Each *field* has its own specific logic, traditions of necessary behavior, and *networks of relations* that are created and maintained by both individuals and institutions (Beames & Telford, 2013). The entrepreneurs have been practicing within the social networks and securing their positions in the field of struggle. Their approach of dealing with social networks is influenced by the practices of the entrepreneurs of SMEs which have been continuing from the very beginning. In the context of Nepal, the entrepreneurs of SMEs have the practice of participating and utilizing social networks like cooperatives, federal organizations, and business stakeholders. They have been implementing their strategic activities through these networks, for both sides of collecting resources and supplying the products to the markets.

## **Using Customers' Feedback**

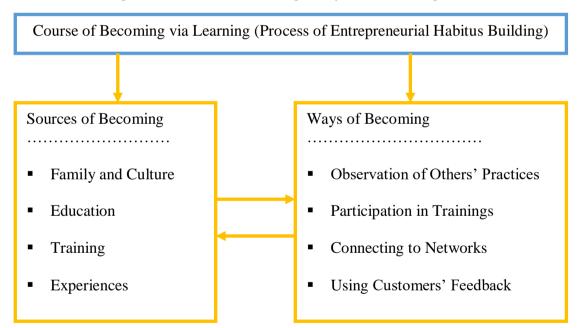
The entrepreneurs have practices of learning from their customers' responses. This is also a process of entrepreneurial socialization because individuals tend to maintain and perpetuate the dispositions 'acquired' through their socialization (Jourdain & Naulin, 2011). Hence, it is a way of shaping the habitus of the entrepreneurs on the entrepreneurial processes that incorporates the changing fashions, tastes, and interests of the society. The customers indicate the norms and rules regarding the products they expect and call about the 'codes of music' so that the entrepreneurs enact their strategies in favor of their signals. The entrepreneurs have different learning regarding their customers, their perceptions and dealings. The entrepreneurs give emphasis on a regular market visit to understand the customers. They collect feedback and apply them to their business. It is valued as the essential process of collecting creative actions for implementing their own business activities. The participants are found conscious of acknowledging the needs and demands of the customers, their suggestions/feedback, and potential customers. "Companies focus on their most demanding customers and attempt to innovate to solve their problems thereby creating a product or service which is likely to add value to the vast majority of customers with less stringent requirements" (Lawson & Samson, 2001, p. 392). The entrepreneurs interact regularly with their customers; collect the feedback and suggestions, and implement them in their enterprises. They are capable of utilizing the learning received from their customers. They are able to select better products, materials, designs, and methods to their locations as per the appropriateness of business nature.

Using customers' feedback is taken as one of two parts of organizational intelligence in the business school concept which is applicable to the study of innovation performance of an enterprising activity. Innovators create awareness of customers 'both internal and external' which extends throughout the organization. Employees are actively encouraged to search out customers' needs and problems, both known and hidden, in order to solve them in a value-adding manner (Lawson & Samson, 2001). At present, the customer-led approach to innovation is approved by different research studies. The entrepreneurs are also found conscious of the learning from the customers with an expectation of their own progress later.

## **Course of Becoming: A Synthesis of Insights**

The entrepreneurs informed their practices regarding the sources and ways of becoming via learning. They expressed their soulful experiences and insights about the ongoing process of learning during their entrepreneurial endeavor. It is also the process of building the entrepreneurial habitus which is a life-long journey. From the above discussion, a figure emerged in my mind in the course of becoming after accumulating the practices of all six research participants. It is not generalizable but provides a way of understanding in the course of becoming in terms of Nepali SMEs. The figure given as following provides a synthesized version of knowledge from the discussion of insights collected from the research participants.

Figure 3. Course of Becoming: A Synthesis of Insights



The entrepreneurs value different sources, i.e. family and culture, education and training, and experiences of early days. The entrepreneurs informed the source of the family and culture. It is obviously influential in the social life that shapes the personality of an individual. Likewise, they value education and training as a source of entrepreneurial orientation and skills. Today's knowledge-based economy requires

educational institutions to provide knowledge and motivations of entrepreneurial intentions to students (Bakar, Islam, & Lee, 2015). To compete within the knowledgebased markets, entrepreneurship is found necessary to link education and training in the context of Nepal. Regarding the sources, past experiences were also valued as a basic source of orientation and skills by the entrepreneurs. The term 'experience' is highly essential in the field of social actions and an inseparable component of social practice. Bourdieu (1990) suggests that through the experiences of everyday life particularly formative experiences of early days, the individuals unconsciously adopt the social patterns and norms that surround them.

During the courses of becoming, the suggestions of successful personalities work as a source of entrepreneurial orientation. Likewise, the geographical location was found as a leading factor in shaping business motives. For example, the enterprise of natural fiber processing was initiated in Jajarkot because of the availability of raw material (stinging nettle) in the local jungle. Gopal initiated the enterprise of fruit juice because of the availability of fruits in his village areas. Likewise, the gendered mindset leads to the business orientation in Nepal: Male entrepreneurs prefer to be involved in making shoes and slippers, metal utensils, whereas the female entrepreneurs get engaged in producing cloths, fibers, and handicraft items.

The entrepreneurs' practices show different ways of shaping the habitus in entrepreneurial lives. They value the observation of others' practices, participation in training packages, connecting to the networks, and using customers' feedback as the ways of entrepreneurs to acquire the entrepreneurial orientation and skills. The term 'observation' is not new in the literature and is heavily used in the learning sectors and research spectrum. The observation of the new designs, products, and other features created and produced by other entrepreneurs in the marketplaces, and business exhibitions are found continuously used by the entrepreneurs.

Likewise, connecting to the networks like producers' federations and other joint alliances is valued by the entrepreneurs and collect additional knowledge and skills. Networking extends the accessibility and abilities of an individual to capture resources that are held by others and so improve entrepreneurial effectiveness (Slotte-Kock & Coviello, 2010). Another way of 'learning to customers' is valued by the entrepreneurs and use in their practices for improving their products and methods. The big companies also focus on their most demanding customers and attempt to solve their problems (Lawson & Samson, 2001). It is not a new way used by entrepreneurs but they express as the fundamental to fit the products with the expectations and fashions of the customers.

I found some contextual realities on the ways of acquiring entrepreneurial orientation, knowledge, and skills. The entrepreneurs of SMEs of remote villages are facing the problem of accessing the markets easily. They have been facing the problems of participating massively in the market observation, meeting, and interactions with the business colleagues, connecting to the network organizations and members, participating in the business exhibitions, etc. But, the entrepreneurs of Kathmandu, Banepa – urban cities – have no problem in those activities. The SMEs of the remote villages are facing the problems of transportation and communication in the process of acquiring the knowledge and skills, and the continuation and growth of their enterprises. Another finding is that female entrepreneurs have been investing the limited time in the process of acquiring entrepreneurial knowledge and skills due to the cultural duties assigned by the gendered society in Nepal. Because of the

intervention of the formal education system in Nepal, the cultural traditions have been transforming in the new concepts and much influenced by the globalization.

#### **Chapter Essence**

This chapter discussed the sources and ways of 'becoming'. Regarding the sources of 'becoming', the participants valued early experiences, family and culture, education and training, and suggestions of key personalities as the sources of entrepreneurial orientation and skills in the context of Nepal. The sources of learning are similar and some differences among the participants are observed. The experiences of similar enterprises or jobs played a vital role in adopting enterprises. The family professions are the sources of learning in the cases of Gopal and Madan but Santosh, Binod, Roshani, and Shila do not follow their parents' professions. Roshani was influenced by the impression of the role model or the progress of a successful entrepreneur. Shila was motivated by the suggestions of a successful entrepreneur. In the cases of Santosh, Binod, Roshani, and Shila, the ethnic background could not play a role to select the enterprises.

The entrepreneurs of SMEs informed that the experiences of others' practices, participation in training, connecting to the networks, and listening to the customers as the ways of entrepreneurs to acquire the entrepreneurial orientation and skills. They are using the sources and the ways both emerged from the local traditions and modern business theories. Hence, the entrepreneurs are found mediated by the duality of localization and globalization in the process of valuing the sources and the ways of forming their habitus either as primary or secondary sources in their fields.

#### CHAPTER VIII

## THEORIZING THE INSIGHTS: DOING ON STRATEGIC READINESS

In chapter VII, I discussed the insights regarding the 'courses of becoming'. I collected the insights under the sub-themes identified during the phase of analysis and interpretation (chapter IV). This chapter collects the insights regarding the second research question; how do the entrepreneurs of Nepali SMEs exhibit their 'doing' on strategic readiness? I collect the insights and themes identified in the chapter and discuss the theoretical aspects to see their strategic readiness for the changing contexts.

#### **Strategic Readiness**

This section relates to theorizing the insights on the second research question; how do the entrepreneurs exhibit their practices for strategic readiness? I have collected the insights on the practices for strategic readiness as per the themes identified and discussed through the viewpoint of practice perspectives. The practices are the demonstration of the individual intellect and thoughts of the entrepreneurs. The set of categories of their intellect and thought, as well as the systems of perception, evaluation and assessment they have, are nothing other than products of the embodiment of social structures (Bourdieu & Chartier, 2010). The *strategic readiness*, for me, is the process of being prepared with all kinds of capital. Strategic use of new, appropriate and innovative ideas in the field like 'investing capitals to fight for capitals'. Strategic readiness is like preparation before taking any examination or playing games.

Among the participants, all six have been performing their enterprising activities based on local resources. They have been hiring employees from local people, financial resources from the cooperatives and banks, local raw materials like fruits, herbals, natural fibers, and others. The enterprises have leather footwear and metal utensils have been using raw materials like leather, copper, brass, etc. from the local markets but imported from the foreign markets from the historical time. Gopal, Binod, Madan, and Roshani have been focusing on their products for only the local customers; but, Santosh and Shila have been selling their products to foreign customers also. The following paragraphs will explain about their activities of strategic readiness to secure their position in the competitive markets and ensure their growth as expected.

## **Moving for Opportunities**

Santosh, an entrepreneur of natural fiber, saw the opportunity of local raw materials of natural fibers. He knew about the markets of natural fiber available in Nepal and other countries. Hence, he started that enterprise. He left New Baneshwor and went to Thamel. Thamel is a tourist market for natural fiber and cultural products in Kathmandu. The foreign tourists are major consumers of natural fibers and Nepali cultural products. He established a factory for making the products near the main market of Thamel and kept a showroom at the heart of Thamel. Santosh has been learning to form the markets for competing with others, searching for multiple strategic ideas and implementing them to his enterprise. His approach of searching for better and new opportunities has been influenced by the modern business culture popular in the practices of big and multinational companies.

Gopal knows the potentiality of the enterprise of agro-seed and herbalproducts because of the availability of the raw materials in his village and local markets. Therefore, he established the enterprises of those products and became successful. Roshani established another enterprise of tailoring and Shila established an enterprise of gemstone in Kathmandu. They are found capable of searching for new opportunities regarding their enterprising activities. They collected and utilized new knowledge and experiences in their business. The experiences of entrepreneurs informed that the entrepreneurs of SMEs always look for the potentialities of their business at the local places either the urban cities or the rural villages, confirmed to initiate their enterprise. I found them aware of learning about the demands of the customers and selecting the appropriate manufacturing options for their business success. In the field of knowledge drivenness, the entrepreneurs are applying for the multiple strategic works as stated above. These actions are waving the 'influences' to make better quality and new designs of the products that widen the *space of possibles* in the market.

The entrepreneurs of SMEs were committed to continuing their enterprise up to their lives. The entrepreneurs of SMEs are aware of searching for alternative enterprises of higher earnings. They were known about 'market is first' to get the expected growth in the business. "Successful innovation requires a clear articulation of a common vision and the firm expression of the strategic direction. This is a critical step in institutionalizing innovation. Without a strategy for innovation, interest and attention become too dispersed" (Lawson & Samson, 2001, p. 389). Nowadays, the entrepreneurs are participating in different training packages and business workshops; learning about the new strategic activities like vision setting, business plan, and implementation. They started to implement these skills and ideas into their enterprises.

'Moving for opportunities' is one of the actions displayed due to the habitus of the individuals. "The habitus is a system of lasting, transposable dispositions which integrate past experiences, functions at every moment as a matrix of perception, appreciations, and actions and makes possible the achievement of infinitely diversified tasks" (Bourdieu, 1977, p. 83). The entrepreneurs have learned to search for new opportunities, demands, geographical markets, product types, and other things. This is the process of knowing about the norms of the market (field) and making ready oneself knowledgeable and skilled to follow the rules. The habitus of the entrepreneurs of SMEs includes the strategic mentality and actions of searching better opportunities or understanding better about the rules of the market. They have been adopting to 'searching and moving for opportunities' as their habitual or routinized action.

# **Culture of Plan**

Santosh knows about the business plan but it is not implemented because of his incomplete awareness. He participated in the training of business plan but he could not implement it because he was not technically known and skilled. Santosh has an informal way of planning of potential sales and places. Madan's team has also been preparing the plan and implementing the activities for their business. The entrepreneurs of SMEs have their own ways of making the plan of their business, either they might be successful, or not. They have not followed the concept of the modern business plan because there is no culture of following the business plan in Nepali SMEs. The entrepreneurs of Nepali SMEs have not prioritized the use of the business plan. They have not made the business plan based on the modern business theories used by the big and multinational companies due to their capacity gaps and the influences of the traditional practices popular in the local places.

The entrepreneurs of SMEs learned about the business plan and its utilization in their enterprise with the actions of their best choices. The business school theories mention the 'strategy' to the actions of their business success. Lawson and Samson (2001) have stated, "Strategy determines the configuration of resources, products, processes and systems that firms adapt to deal with the uncertainty existing in their environment" (p. 389). The entrepreneurs have their traditional ways of thinking about the plan of moving their enterprises further. The entrepreneurs know about the modern business plan because of the educational literacy and participation in the training packages provided by the development initiatives. But, they have not prepared and implemented this type of plan in their practices. The entrepreneurs are gradually coming out of their traditional mindset and adopting the modern methods which had been used in the markets. Their business plans are very simple, but not formatted in the frame of the modern type of business plan. They were utilizing this plan to manage the resources as per the seasons.

## **Governing Capitals**

Bourdieu (1995) introduced the term 'capital' that an individual earns from the activities or collects for investing in the game in the field. There might be financial, social, technology and other types of capital. The business/entrepreneurship theories outline 'resource' as those capitals. The entrepreneurs indicate to 5M, i.e. man, money, machine, materials, and methods for business success. Entrepreneurs valued capital or resource management as one of the major components of strategic readiness. Those organizations will be able to secure the competitive advantage of the market, which can acquire and utilize valuable, scarce and inimitable resources (Barney, 1995). Innovative organizations are able to lever, combine and recombine knowledge and resources into disparate markets, technologies and products; a capability few firms have mastered (Lawson & Samson, 2001). The ability to manage the required resources is a requirement for ensuring the performance of innovation.

Adequate management of resources creates the energy for competing with the competitive environment of the business.

The entrepreneurs of SMEs manage their capitals (man, money, machine, materials, and methods) as per their knowledge and skills. Collecting and utilizing those forms of *capital* is for the continuum of struggles within the battlefield (Bourdieu, 2005). The entrepreneurs utilize local sources of capital. They use local human resources with traditional skills and capacities. Making the local people skilled was found as one of the major creative ideas. The use of local people to the enterprise was a signal of the long-run existence of the local enterprises. But, SMEs are facing a shortage of human resources because of the attraction of foreign employment and getting suffered from the lack of strategic preparedness. Likewise, they have invested small amounts of money and hand-operating machines. The raw materials are being collected from the local markets. The entrepreneurs are harvesting and using local materials for their enterprises. But, they are not aware of preserving and commercializing the materials. Particularly, the materials available at the local forests are endangered by the users.

SMEs are niche producers with a small capacity of market coverage. They are satisfied with their business progress with their limited capability on resource management. Lawson and Samson (2001) have focused on effective resource management for increasing the number of innovation initiatives and the improvement of the probability of stimulating innovation. Effective management denotes the sincere and wise implementation of enterprising decisions and activities. The effectiveness invites better practices regarding the collection of resources, utilizing those resources to make the products and better selling of the products.

The entrepreneurs of SMEs utilize the cooperatives and colleagues as the sources of financial capital. They have the practice of credit transactions as an alternative to the resources of money. It is commonly used in the market and symbol of honest business. They are unable to receive soft loans from commercial banks and financial institutions due to the lack of collaterals and conducive state policy. They are using limited funding sources and do not get the opportunity of selecting the best options to reduce the cost of financial capital.

The entrepreneurs are knowledgeable about gathering the resources available in their local markets. The entrepreneurs are ready to lever, combine and recombine the knowledge and resources for maximizing their business profits and sustainability. The entrepreneurs were attempting to be equipped with them enough (but not overstocking) storage of *capitals* to oppose the *dominant* in disciplined ways and within the regularities and establishing the *position in the field of forces*.

"The entrepreneurs with high innovative capability excellently lever, combine and recombine knowledge and resources into contrasting markets, technologies and products" (Lawson & Samson, 2001, p. 390). The entrepreneurs are using the money from the cooperatives and business colleagues for their enterprises. The money for investment which Bourdieu (2005) has said as *financial capital*. He has defined that "financial capital is the direct or indirect mastery (through access to the banks) of financial resources, which is the main condition (together with time) for the accumulation and conservation of other kinds of capital" (p. 194). They are using local employees and raw materials. They are using the technologies available in the local markets. They are mostly using their local resources. The resources are the *capitals* that we invest in the enterprising activities for maximizing the yield.

### **Innovation Leading**

The entrepreneurs express their practices in assessing new business opportunities, utilizing the appropriate methods and technologies. For example, Gopal was aware of searching for new product varieties and designs. His idea of observing the buying power of the customers, and making the products' quantities as per their capacity was appreciable. Grading of the raw materials before the stage of product making is a good step in ensuring the products' quality. High thoughtfulness in the factory arrangement was another part of the strategic step of ensuring quality products. Gopal collected the juicer, refractor and other machines from Global Packaging, Kathmandu. He coordinated with the Department of Food Technology and Quality Control [DFTQC] of Nepal and knew about the rules of food technology. Gopal showed him as a continuous researcher for the better improvement of the enterprise.

In another case, Shila searched for better ideas, collected from different channels like the Office of Cottage and Small Industry Board (CSIDB), FWEAN, several business colleagues. She collects the corn straw, turmeric leaf, banana fibers, stinging nettle and other fiber plants available in the local villages and jungles. She always searches for new designs and methods. She always shares better skills with all of her entrepreneurs. She employs her innovative ideas in production and marketing activities.

The entrepreneurs of Nepali SMEs have a culture of continuous searching for new and better opportunities. They have been attempting to continue their technological preparedness. The entrepreneurs have been searching for and installing modern machines together with traditional machines and methods. The entrepreneurs are found prepared with their technological capitals combined with the imported ones with the local or cultural contexts that they have been investing from the very beginning. The entrepreneurs have the practice of collection, combination, and mixing of cultural technologies to improved and modern ones. Therefore, they have been shifting gradually from the cultural tradition to scientific technologies. It is a case of technological mixing to the SMEs as the context of the duality of localization and globalization.

As stated by Lawson and Samson (2001), the collection and utilization of technological gatekeepers, business innovators and sponsors are essential for promoting the innovation champions for any of the successful business activities. According to Biolos (1996), innovation champions can rely on three fundamental competencies: they show that new products are connected to core competencies of the firm and at the same time related to market reality; these firms show flexibility and are able to react to the changing demands of potential clients and markets; these firms not only create but also develop and commercialize innovative outputs. Bourdieu (2005) has also stated the collaboration of technological capital to innovative skills and technologies. According to him, "Technological capital is the portfolio of scientific resources (research potential) or technical resources that can be deployed in the design and manufacture of products" (p. 194). The technical resources denote the procedures, attitudes, routines, unique and coherent know-how, capable of reducing expenditure in labor or capital or increasing its yield.

The entrepreneurs have two layers of functioning for their existence and sustainability. The first ranked firms adopt new technology and achieve greater market share. The second-ranked firms attack dominant firms (and other competitors), either directly by reducing the cost and price through technological innovations; or searching and filling the gaps left by the dominant firms. They occupy the niches or by turning the dominant firms' strategies back against it (Bourdieu, 2005). The SMEs are at the second layer of functioning due to their limited capabilities of innovations implemented in the markets.

## **Working Culture**

Gopal is operating his enterprise in informal ways and involving all duties. He is always engaged in the duties of the raw material arrangement, factory management, skills and labor management, and monitoring, market and capital arrangement. He is singly responsible for business decision making. He collects the suggestions and information from his senior employees. Gopal has not established the formal office, employees, and procedures. He has no policies, rules, regulations and other legal documents regarding his internal administration.

On the contrary, Shila has a semi-formal organizational structure and she has hired some paid employees on a regular basis. She does not hire skilled workers. She provided the skill training to around 100 women of her village and made them entrepreneurs. She gives the quota of production to each of her entrepreneurs. She has established a formal office for major activities of decision making and marketing. But, she deals informally with her entrepreneurs. They jointly produce different items as per the demands collected by her; she pays them on the basis of the volumes they produce.

Shila has established her enterprise as a collection center after promoting and creating a number of entrepreneurs. The entrepreneurs are making the products either at their home or the factory spot as per their convenience. Different from the above cases, Madan's team has a formal process of organizational management because their enterprise is a form of partnership. They have an executive committee as a toplevel of decision making provisioned into their bylaws. All executive members actively participate in enterprising activities. The decisions are documented in the minute book.

The SMEs of sole ownership have the practice of informal organizational structure guided by their family habitus, no written policies, and rules for employees, financial transactions, and other things. SMEs of the partnership have the executive committee, policy documents, regular meetings, and formal decision-making procedures and all of the administrative processes. But, the SMEs of all types are shifting gradually to the formal organizational culture to survive in the context created by globalization.

The entrepreneurs value the organizational culture as one of the themes of strategic readiness. They have different ways of operating their entrepreneurship organizations. The condition of the entrepreneurs of SMEs is multitasking. The entrepreneurs have the tradition of their decision making mostly in verbal forms because they have been operating their business as their family enterprise. The entrepreneurs are dealing informally with their employees, partners, customers, and other stakeholders. They have no formal offices; the proprietor is involved in all of the sectors of his/her business. Some enterprises cannot be found like business activity and are informal and limited to their houses. Hence, the subsistence mentality of the SMEs has not been contributing much to the household livelihoods and the national economy.

But, the practice of Madan's team exhibited an example of formal ways of organizational management. Their enterprise was a partnership business among 24 members. Hence, they established the culture of writing decisions in the minute book. They implemented the rule of formal attendance and recording systems. They review the progress on a monthly basis. They learned the skills of formal processes from the

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training provided by the service providers of development initiatives. They have also the compulsion of maintaining transparency among the partners. Thus, they have implemented the formal or organizational culture to their enterprise.

The working culture of the SMEs is not specialized, formalized by the rules and procedures. I found the informal practices of the SMEs on their working culture and organizational norms, more social and like of family structure. Being more informal, the SMEs of the partnership modality had implemented some formal processes like decision making through the executive committee, formal recordkeeping, daily attendance, periodic progress review, the duty division by the formal decision and so on. The organizational concept of SMEs is more humanistic than the rigid business theories and controlled system designated to maximize the profit margin imagined by the modern business theories.

## **Employee Motivation**

The entrepreneurs valued the employee motivation system as a vital segment of the strategic readiness. The motivated employees contribute their best effort to generate innovative ideas that lead to better business functionality and ensure the company's performance both financially and non-financially (Tze San, Theen, & Heng, 2012). The SMEs are managing the rewards differently in informal ways for motivating their employees.

Binod has implemented the reward system in his enterprise which is very impressive in both aspects, i.e. financial and non-financial. But, he has no written policy for regulating the employees. He respects the laborers and employees, helps them to solve their personal problems and pays the salary in time. He has a practice of annual increment in staff salary in the first month of every year on a regular basis. Likewise, Madan's team knows about the importance of staff motivation. They try to keep their staff satisfied and happy. They implemented the piece-based payment system, higher pay to better staff, technical support to low-skilled staff, distribution of Dashain (festival) bonus, and overtime allowance, etc. for motivating their staff.

The SMEs have executed the reward system from both financial and nonfinancial packages. They provide the family environment to their employees. The SMEs have also implemented the piece-based payment system and paid more money to excellent and honest employees. They are providing additional benefits to their overtime work. The lacking part is that they have not documented the systematic reward system. Due to a lack of documentation, the reward system could not motivate all the employees equally and increase their devotion.

Regarding staff empowerment, the entrepreneurs of SMEs are practicing unique tactics. They have the culture of informal coaching to their employees; following the seniors by juniors; providing them the chances of skill training; the practice of working together and skill sharing, coordination with the development initiatives for different pieces of training and other business activities like exhibitions, business meetings, and workshops etc.

The SMEs are encouraging their staff to gain creative knowledge and skills. They provide the chances of visiting the business expos and markets. They have established the culture of in-house sharing the best ideas generated by the employees. They have no written plans of empowerment but they have a trend of providing the chances of creating new ideas and designs and implements the best ones. The entrepreneurs are collecting ideas from other entrepreneurs (competitors) regarding the designs technologies and marketing. The practices are informal and unplanned. They are collecting marketable ideas and implementing but they do not make the plan of innovative idea collection and evaluation of the progress.

# **Ready for Gain or Pain**

The entrepreneurs valued 'ready for uncertainty' as a basic component for strategic readiness. The scholars of the business schools say it as 'tolerance of ambiguity'. The successful enterprising units tolerate ambiguity but seek to reduce it to manageable levels through effective information management and tight control over project milestones (Lawson & Samson, 2001). The innovative firms learn the lessons from the failure and mistakes and do not hide them from a corporate view. Various research studies have stated that patience during challenging situations has played a vital role in business success. Therefore, the level of tolerance of ambiguity determines the innovative performance of a business unit.

Santosh faced different problems at different times. When he established the enterprise at Baneshwor, he faced the problem of selling the products because it was not the place for handicraft sales. He changed the location of showrooms and factories. He increased his investment and sales of the products which encouraged him further. He experienced many mistakes and suffered from losses in the starting time. But, he continued his enterprise solving those problems and minimizing the mistakes.

In the second case, Binod faced a problem of investment after three years of business establishment. The retailers did not pay in time. He invested the amount of money to purchase the plain sheets of copper and brass because there was a big scarcity of the sheets. He got a great problem to pay for the salary of my employees. He managed the basic food items in credit for four months. He collected some money from relatives and solved the immediate problem.

The participants' narratives show that every entrepreneur of SME has the experience of the struggle with the challenges, problems, and mistakes. They evoke

their experiences of bitter moments of the bearing huge losses. However, they did not escape from their enterprises but they searched for the causes of losses and mistakes, collected, discussed within their team, implemented the remedial actions and control mechanisms. They became more innovative and sincere due to the mistakes and losses experienced during their business races.

# **Communication Practice**

The entrepreneurs of SMEs valued 'communication' as one of the vital components of strategic readiness. The business literature has also stated, "Communication makes knowledge sharing possible by combining a wide variety of experiences, opening dialogue, building on others' ideas and exploring issues relevant to innovation. Innovative firms reward cross-functional, cross-hierarchical, cross-cultural and cross-technological exchange of information and knowledge" (Lawson & Samson, 2001, p. 395). The competitive market is not possible to win without the well-managed communication and dialogue system. Hence, it is one of the key components under the culture and climate of the business units.

Communication is one of the foundations of initiating the innovativeness by exchanging knowledge and skills. The business school theories have witnessed the utilization of communication for discovering creative ideas, designs and other skills in the sector's production and marketing. It takes place among business entities, in market and marketplaces, within organizations and various groups of employees, owners, buyers, sellers, service providers, customers and all of the stakeholders.

Binod said, "I have requested my employees to communicate the progress and problems regularly". Gopal added, "I have established regular communication with my buyers and suppliers. We usually communicate through mobile phones regularly. Madan also expressed, "We communicate directly to our employees /partners verbally and over the telephone. Telephone communication has made it easy to establish business connections with suppliers of raw materials, wholesalers, retailers, and endcustomers". Likewise, Santosh also shared, "I am using telephone and email both. I am using the email for the customers, input service providers, and business partners".

The entrepreneurs were knowledgeable about establishing better culture on business communication for their individual successes. Gopal shared, "I have been taking all the information regarding market demands, production processes and progresses". Binod said, "The satisfied customers advertised my products and I obtained the market share in the local areas". The entrepreneurs are using public media for communicating with their customers. Likewise, Roshani has a culture of sharing meetings with partners and employees. She stated, "We have been interacting with our employees and partners regularly for creating new products and searching for the best processing techniques. I have been coordinating with the business colleagues through FNCSI and collecting business opportunities and government facilities".

The entrepreneurs explained about the utilization of email and the internet as a means of communication to foster markets as per the nature of their product types. The modern term is 'information and communication technology' (ICT). Metz (1998) stated that the use of ICT promotes the concept of e-business which has a huge scope for innovation to discard old processes, diffuse local innovation globally, remove constraints to innovation and create entirely new practices and models. Likewise, Lawson and Samson (2001) have stated, "product development could become an online process reducing the need for physical proximity, linking knowledge competencies worldwide, aiding process efficiencies and increasing speed to market" (p. 391). This is the age of e-business for creating a wider market of the products through highly sophisticated ways and understanding the changing moods of the customers. It is possible to update the knowledge of the latest innovations and introduce unique technologies to the marketplace.

Santosh, the entrepreneur of natural fiber, uses email for foreign customers. He has the practice of searching the websites for the product designs and all of the related information of the business. He supplies the products to the USA, Japan, Australia, and Canada. On the contrary, Gopal does not use ICT in his enterprise because he has no technical skills for using those technologies. He has a slight awareness of using ICT. He produces a small quantity of the fruit-juice and agroseeds only for the local marketplaces of Nepal, i. e. Kathmandu, Banepa, Dhulikhel, Chitawan, Pokhara, and Nepalgunj. He has been selling his items without using the internet to this date.

From the narratives, the entrepreneurs have minimal practices in using ICT for their enterprise due to their low awareness and working for only local markets. The entrepreneurs of natural fiber use email and websites because they have markets of international customers. The entrepreneurs of fruit juice, tailoring, leather footwear, and metal crafts are not using email, websites and other means of ICT because they have only the local markets.

The entrepreneurs have the practices of communicating with their staff and business stakeholders. They communicate face to face and over the telephone as a means of communication. They use public media like newspapers, FM radios, and televisions for communicating with their customers and stakeholders. The entrepreneurs focus on coordination with the business colleagues and stakeholders during the interview. They are affiliated with different advocacy organizations like FNCCI, CNCSI, WEAN, DMEGA, and NMEFEN. They learned the coordination skills from these organizations and utilized them in their enterprises. The

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entrepreneurs of urban cities are capable of using the internet and websites to collect new ideas and sell products to foreign markets. But, the entrepreneurs of remote villages of Nepal have no access to the ICT and e-business due to lack of facilities at all of the locations where they are working. They are shifting to the initial stage of ICT adoption. The business scholars have also recommended the e-business practices to enhance the innovation process (Lawson & Samson, 2001) which generates new knowledge and also find out the latest practices in business.

Hence, entrepreneurs are aware of the means of communication and utilization for the better achievement of the business. But, the SMEs of the remote villages are facing the problems of transportation and communication. They are continuing their enterprises in the absence of the internet, e-business facilities and the skill of using them. The entrepreneurs are found prepared with their technological capitals. They have combined traditional technologies with imported materials or local materials to imported technologies.

### Strategic Readiness: A Synthesis of Insights

The entrepreneurs informed about their practices regarding strategic readiness. This is one of the parts of the activities of collecting more capital (Bourdieu's capitals), utilizing them to earn additional capital for future investments. Every entrepreneur has their desire to be dominant in the markets by collecting and utilizing the capitals. They have two targets in reality; these are the subsistence continuity and business growth. They learned about the methods and skills of strategic readiness from the sources and ways available in the markets. They always interact with their business networks, customers, business colleagues, governments and development agencies. These activities are for preparing better before performing the activities in the product-making and product-selling. This is a stage before playing a game on the ground. From the above discussion, I have synthesized the insights in a figure about the practices on strategic readiness. The figure given below provides the practices the entrepreneurs of SMEs on strategic readiness in their business:

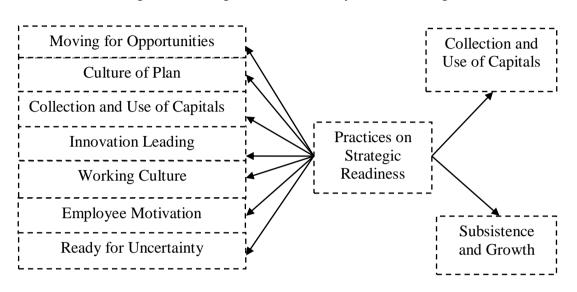


Figure 4. Strategic Readiness: A Synthesis of Insights

They have the practices of looking for the better and latest opportunities available in the markets, using plans of their own styles, collecting and using the resources available in their local places, easier to access and maintaining continuity. They have been searching for better products, designs, and ideas in the markets. They have established a working culture originally established in the SMEs' community in Nepal and slightly mixed the ideas of organizational culture also.

Regarding employee motivation, the entrepreneurs of SMEs have an informal style of providing rewards and punishment which are popular in the markets. They are ready for coping with the uncertainties because of their experiences of ups and downs in their business. The entrepreneurs of SMEs informed that they do all of the activities of strategic readiness focusing on the collection of more capital from the markets, better utilization of them and improving the status of their subsistence and growth in the competitive markets. The entrepreneurs know about the multiple sectors of preparation of business games from their everyday struggles in the markets. They have been doing all of their activities in the markets, learning new and better things from the markets, again they display their modified dispositions in the same markets.

They have been looking for small markets due to their small capacity of investment, oriented by the micro and small professions adopted by their parents. Basically, the majority of the Nepali citizens have their small household economy and adopting micro, small or medium-sized enterprises. But, they have their knowledge best for the activities of strategic readiness and not comparable with the practices of big and multinational companies.

# **Chapter Essence**

The entrepreneurs reported on various strategic behaviors and activities, i.e. moving for opportunities, use of traditional planning methods, capital management, innovation leading, organizational culture, employee motivation, ready for uncertainty, use of ICT, and communication practices. They invest their knowledge and skills to those components and maintain their capitals for market solutions. The strategic readiness of the entrepreneurs is completely influenced by the market conditions, not by sex and ethnic backgrounds. The market of the products is cultured by the local cultural needs but commonly influenced by globalization as well.

The actions on the strategic readiness are influenced by the territorial culture not limited to sex and ethnicity. The concepts of modern business have been influencing gradually because of the supply of formal training from the government agencies and development initiatives, and the formal culture enforced by the government. The changing market situation is shaping the mentality of the entrepreneurs for entering to the formal processes to be competitive. The ideas of strategic readiness are influenced by the ideas granted by the practices of traditional entrepreneurs.

## CHAPTER IX

# THEORIZING THE INSIGHTS: DOING ON PRODUCT-MAKING AND PRODUCT-SELLING

In chapter VIII, I presented the insights extracted in chapter V with the individual cases of the entrepreneurs of SMEs under the identified themes and discussed through the theoretical perspectives. In this chapter, I present the insights extracted in chapter VI under the themes identified and discussed for theorizing the insights under the third research question: how do the entrepreneurs of Nepali SMEs exhibit their 'doing' on product-making and product-selling? I analyze the practices in the field of product-making and selling as the exploration of the entrepreneurial habitus.

### **Doing on Product-Making and Product-Selling**

The third research question is about the practices in the courses of doing which includes the 'product-making' and 'product-selling'. The product-making and product-selling are the *game strategy* or *practice*, i.e. our unconscious behavior that is in conformity with our interests and that aims at achieving our objectives by investing capital and fighting for capital (Walther, 2014). The competitive context teaches the entrepreneurs about the skills and ideas of quality, cost, and delivery, etc. This is the manifestation of the embodied history of the entrepreneurs of Nepali SMEs to their system of thinking, feeling, perceiving and behaving to the markets. This is the stage of game playing in the ground that assures the actors' performance in accordance with their position on the field (*doxa*), which depends on their relative amount and structure of economic, cultural (and social) capital (Walther, 2014). I have discussed

the entrepreneurs' doxa in terms of product-making and product-selling that ensures their entrepreneurship growth and continuation.

Among the participants, Gopal, Santosh, Roshani, and Shila have been using local raw materials available in Nepal. Binod has been using the plain sheets of copper and brass available in local markets but imported from the foreign traders. Likewise, Madan has been using the fine leathers available in local markets but imported from the foreign traders. All of them have been using local human resources, blending technologies of local traditions and imported from foreign manufacturers. They have been focusing on either local or foreign customers based on the nature of their products. Santosh and Shila have been focusing on foreign customers where rest four entrepreneurs have been producing their products for the local customers. The following paragraphs will explain about the practices of the entrepreneurs of SMEs who have been displaying their activities regarding productmaking and product-selling in the competitive markets.

### **Product-Making**

The entrepreneurs valued the technology, cost, quality, and flexibility as major components to be dealt with in the sector of product-making. They learn from the market, use the knowledge and skills to the market. The market shapes their habitus, but differently as per their nature, size, and location, etc. of the business. The entrepreneurs display their habitus, earned from different sources and ways, in the area of product-making which they have been learning or being informed about the rules prevailing in the market (field). The manufacturing entrepreneurs perform their activities of making the particular types of products which are for the social needs of human beings and sell them in the market where the demands exist. This is a course of actions required by society and includes the practices of collecting multiple resources from the field and investing them to earn more capital. It is also a kind of game to earn more capital through the profits possible form the product-making and supplying to the customers.

From the viewpoint of business theory, the function of product-making is defined as production or manufacturing. It is also a capability to produce the products and functioning of this capacity to the process so that the products would be competitive in the markets. As per the business school theory, the production/ manufacturing capability indicates the excellent ideas implemented in the manufacturing part of the enterprise (Ward, Bickford, & Leong, 1996). The following paragraphs incorporate the discussion on the practices of entrepreneurs in the area of product-making.

# **Technology Tradition**

Gopal uses both traditional and modern types of technologies available in the local markets. Gopal searches the machines and technologies available in the markets. He knows about the technology suppliers in local markets. He buys the appropriate technologies as per the capacity of his enterprise. Santosh uses electric sewing machines, handlooms, and charkha. Electric sewing machine represents the modern technology in the context of Nepali entrepreneurs. Santosh's practice informed that SMEs have a compulsion of blending the technologies of both traditions i.e., traditional or cultural and modern or imported from the international markets. Another practice, Santosh coordinated with the big enterprises for making threads from the fibers. It is one of the ways of producing products with small investments.

Binod can search for the appropriate technologies for his enterprise. But, he has been using traditional technologies. The enterprises based on their product nature have the compulsion of using cultural technologies popular from ancient times. The Nepali enterprises of metal utensils have been using traditional technologies because cultural customers search these products. On the other hand, Madan's team is engaged in the enterprise of leather footwear which has the chance of replacing all of the technologies. Leather footwear have the global market, multiple sources of the raw materials, technologies, and numbers of entrepreneurs working in the world (Nepal & Dahal, 2017). SMEs of footwear have the challenges of competing with multinational companies and not only attached to the local cultures. Thus, advanced technologies have been employing by big companies. The SMEs have the compulsion of competing with them. But, Madan's team has been using the leather materials imported from the foreign markets and investing the traditional technologies and skills to product-making due to their limited capacity for technology adaptation.

The enterprises of handicrafts are based on the hand-arts and have different ideas of product-making. Roshani has been using the hand-skills for making the handicraft items. The sewing machine is also a kind of traditional technology used from the very beginning by the Nepali entrepreneurs. Shila has also been using more to the traditional technologies and methods for processing of the threads making and weaving. The approaches of using technologies are completely influenced by the cultural traditions of the entrepreneurs of Nepali SMEs and now, they have been transforming because of the learnings from the practices of big and multinational companies.

The entrepreneurs valued the technology tradition as a central component of product-making. The entrepreneurs were cultured in searching and using the best and appropriate technologies as per the needs and capacity of their enterprise. The technologies like Charkha, handlooms, and sewing machines have their greater

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importance and utility for the niche producers. They are using different technologies either traditional or modern types as appropriate to their enterprises.

The entrepreneurs of natural fiber use the handlooms and Charkha. The enterprises of leather footwear have installed modern machines and blending the methods with traditional technologies using from the very beginning. The entrepreneurs are capable of searching, collecting and utilizing appropriate technologies from the markets. They use both types of technologies with the latest features either traditional or imported from the foreign markets and blending them for gaining better performances. But, SMEs have limited money to invest. They do not use more expensive machines with large capacity due to their limited capital. They are suffering from the low productivity of the hand-operating machines.

SMEs are basically the niche differentiators having a job shop or small batch process which embodies its need for organizational simplicity and relatively low capital requirements (Ward et al., 1996). SMEs have the limitations of adopting flexible and advanced technologies due to the high cost and requirements of engineering and technical support. The approach of entrepreneurs of SMEs was initially shaped by the locally popular practices. The entrepreneurs started their enterprises with traditional and hand-operating technologies. The appropriate machines for small enterprises are available in the markets. Hence, SMEs have also installed modern machines of small sizes as per their capacities. They do not replace them but add to traditional technologies. I found it a combination of traditional and modern technologies which was a compulsion for SMEs. These attempts are creative actions of entrepreneurs for their better existence and growth of their enterprises.

They are niche producers or traders with limited investments having limited capacity of production, more traditional and labor-intensive processing and marketing

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techniques. Using older technologies is a compulsion due to the limited capacity of SMEs. One the other hand, they are influenced by the culture of traditional enterprises and not thinking more to replace the existing technologies. Niche producers always have the chance of making their enterprise successful. "The small firms can easily provide tailor-made houses, but this is more difficult for the huge, mass-producing firms" (Swedberg, 2011, p. 77). Like this, SMEs have particular spaces where they have been continuing their enterprises but the multinational companies cannot supply their products because of the uniqueness. But, the competitive situation of the markets is pushing them to do something new in the field of technology. Replacement of the traditional technologies is being a compulsion due to the interventional of globalized business situations.

## **Governing Cost**

Gopal has been exhibiting his actions in managing the costs of the products governed by the secondary habitus earned from different sources like schools, peer groups, business colleagues, media and others. Gopal's experience shows that the governing on the cost is one of the difficult tasks due to the increasing price of raw materials and labor in the market. But, he tries to reduce or maintain the reasonable costs of the products in each and every step of purchasing materials and processing. He purchases the materials in a big volume available near his factory. He has implemented piece-based payment to the employees. He always searches for multiple sources of raw materials and keeps the records of all expenses.

Madan showed another practice of cost reduction. He has the practice of work division in the production process. He divides the works based on nature like designing, cutting, sewing, pasting, lasting and final finishing as the major steps of shoemaking. The works are divided into the employees based on their capacity and skills. His team searches for the best quality materials at the cheapest rates in the market and purchases them. The entrepreneurs of SMEs know about the concept of 'task distribution' and 'right man in the right place' and employing their enterprise. These concepts are popular in the field of big businesses. They learned these ideas from formal training activities and market experiences.

The entrepreneurs are knowledgeable on cost reduction techniques and attempt to manage as their best. However, reduction or controlling costs is not an easy job. The entrepreneurs implement different tactical actions for reducing and controlling the costs. Material purchase in a big volume, labor division to the processing, piece-based payment to the employees, looking for alternative sources of raw materials, improvement of product quality, reduction of wastages and search of the better machines and technologies are their strategic actions of reducing the costs. The business scholars have also introduced different concepts of strategic cost management, i.e. value chain, strategic positioning and cost driver concept (Shank, 1989). The entrepreneurs are not aware of the concepts of strategic management. However, the entrepreneurs of SMEs are informed and innovative in managing the cost. They do not know about the concept of the value chain or cost driver but they are working on adding the utility of the product and cost control.

The entrepreneurs valued 'governing the cost' as a fundamental part of the product-making. The cost of product-making involves all the costs and expenses during the manufacturing processes that determine the competitive stand of the business unit. Hence, the business owners always continue the efforts for reducing these costs of their products adopting different strategies. Low cost, reducing material, labor, capital, and overhead cost (Badri, Davis, & Davis, 2000) and reducing inventory level and vendor's quality (Lynn, 2000) can be taken as examples. The

implementation of cost reduction tactics shows the entrepreneurs' capacity for controlling the costs of capital invested. They have been utilizing their knowledge and skills in the area of product making as per their capacity and maintaining their survival. It is one of the actions of strategic readiness for struggling in the competitive markets. The strategic actions will always be contextual and as the contemporary rules of the field. The market contexts inform the entrepreneurs about the possible alternative actions of managing the costs but all of the entrepreneurs will not be well informed due to their capacity differences. The entrepreneurs of SMEs have been knowing differently and dealing differently with the actions relating to the cost control.

# **Maintaining Quality**

The entrepreneurs valued the action of 'maintaining the quality' as a major part of the production function. The entrepreneurs have been maintaining the fitness of the products to the customers' needs and satisfaction. They produce several designs and supply them to the markets. They attempt to make their products more reliable and durable. For maintaining these features, the entrepreneurs are active in collecting the best ideas and methods and they utilize them to their enterprises.

For example, Santosh is sincere in maintaining the quality of the products. He has some ideas and techniques for quality maintenance learned from the practices available in the markets where he has been living. He checks the quality of products regularly. He searches for methods of making high-quality products, the best materials, and more skilled human resources. His enterprise has been attempting to improve the quality as per the suggestions and feedback of the customers. His approach to maintaining the quality of the products is influenced by learning from the competitive markets and training packages provided by organizations.

Likewise, Roshani knows the challenges of ensuring the purity of the products because her enterprise is based on secondary products. She has managed the storage appropriate for saving the quality of the products. She purchases the materials as per the demand of the products and supplies them to the market immediately after finishing it. She produces a larger volume during the trade-fairs and some items should have been stored after these events. Roshani informed that the maintaining quality of the products is not always possible because it depends on the quality of raw materials. The availability of quality raw materials is not always available in the markets.

Gopal is cultured himself in maintaining and controlling the quality of the products. He expressed a high priority for better quality and compare it with the quality of the competitors. He checks the quality regularly and follows the rules of the quality testing established by DFTQC by the enterprises of food-items. He learned this knowledge and skills from the training and other sources available in the markets. He is sincere in maintaining the quality of the products because of the competitive situation of the markets. He has been trying to maintain the market rules regarding the quality management of the products.

The entrepreneurs have the practice of assessing the customers' satisfaction and complaints, searching for the best materials and highly skilled human resources. But, SMEs are not able to produce the best quality products like multinational companies. They do not have the capacity of installing modern machines and technologies. The SMEs of handicraft have the complications of addressing the feedback and suggestions of customers because of the limitations on hand technologies, skills, and quality of basic raw materials. The SMEs of the products like leather shoes have a greater challenge of competing with big and multinational companies.

Tracey, Vonderembse, and Lim (1999) and Ward et al. (1996) have taken the 'quality' as fitness for use and include product performance, reliability, and durability. The entrepreneurs were continuously attempting to improve the quality of their products as per their capacity and knowledge. They always search for new ideas of maintaining the best quality because they learn the ideas and skills continuously from the sources available in the markets. They visit the markets regularly, interact with the customers and business colleagues for learning about the quality. They have particular types of practices manifested from their habitus system regarding quality management.

The entrepreneurs have shown interest in developing new and innovative designs, shapes and sizes as per the demand of the customers in the field of product management. They assess the market for the products they have been producing, consumption rates and unit prices. They have the practices of the regular visits of markets, interaction and meeting with the business colleagues, participation in the business exhibitions. They have the practice of coordination and contact with the customers, wholesalers, and retailers for their long-term business. But, they are not conscious of the concept of research and development (R&D). The R&D technologies are utilized by the professional and large-scale industries to all the sectors of their business. But, they have been entering gradually to modern business concepts and activities.

The practices on maintaining a better quality of the products are one of the main sectors of the entrepreneurial actions in product-making valued by the entrepreneurs and existing literature in the field of business and SME. The

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entrepreneurs of SMEs have been displaying their dispositions in managing the quality of their products as per their knowledge and capacities. The activities of entrepreneurs on quality control or management are shaped by the cultures of the SMEs available in the local markets. The activities of big and multinational companies in the local markets and the interventions of government programs have been providing additional ideas in the sector of cost control. The entrepreneurs of the SMEs have been learning about controlling the costs from different sources and social interactions. They have been attempting their best. They have multiple limitations on controlling the costs due to their smallness in investments and accessibility of the resources.

# **Maintaining Flexibility**

The market is always flexible in terms of product types, demand volumes, designs, fashions, prices, and other features. On the other hand, SMEs have a small capacity for investments and productions. They have always been facing the challenges to fulfill the uncertain demands of the products, designs, and prices, etc. The entrepreneurs of SMEs were informed about the market flexibility and ready to respond the flexible situations as per the capacity of his enterprise. The SMEs are categorized into niche differentiators and attempt to maintain flexibility in the manufacturing process to the changes in customers' demand and competitors' behavior. They learned the skills of maintaining the process-flexibility from the competitive markets which are always uncertain and uncontrollable.

By definition, flexibility is the ability to react to change in production, change in product mix, modification in design, fluctuation in materials, and change in sequence (Dangayach & Deshmukh, 2003). SMEs have a limited capacity of responding to the change in products and product mixes. The SMEs are niche producers with limited product types, production capacity, and product mixes. The entrepreneurs know about seasonal demands. They assume the volume of demand on the basis of the sold volume of the last years. They consult with other entrepreneurs and customers, estimate the possible demands and produce as per the capacity of their enterprises. Many of the SMEs in Nepal is based on the seasonal raw materials from agro-products, and forest products. They have the experiences of facing challenges of maintaining suitable materials and products due to the changing expectations of the customers. Maintaining an adequate volume of materials and products is a common problem in the field of business to all types of enterprises and trading companies.

The aspect of the manufacturing process does not indicate only the utilization of the machines and technologies but also the planned processing methods and optimum utilization of these technologies. It also indicates the flexibility maintained in the customers' demands and competitors' behaviors. The SMEs have plans for the manufacturing organization and practice as per their experiences. For example, Santosh has implemented various designs, shapes, and sizes as per the demand of customers. He is aware of changing the designs of the products based on market demands and changing fashions.

Regarding the process-flexibility, Anand and Ward (2004) stated, "Surviving in today's highly competitive and rapidly changing environments often require firms to develop strategies that provide the right kind of flexibility to succeed in their specific environments, thus achieving fit between the type of flexibility pursued and the demand placed by the environment" (p. 371). It is a reality that the SMEs have a limited capacity for innovation and production due to their limited investments. They are not able to capture the demand for wider markets and maintain all of the processing flexibility. But, another reality is that no enterprises/companies either very large or multinationals like Samsung, Apple, Dell, Adidas, and others have been maintaining more process flexibility than the SMEs. But, fulfilling the demands of changing interests and fashions is a greater challenge to those big and multinational companies because they have to invest a huge amount in the installation of the technologies. Hence, they are only able to maintain a relatively wider horizon of process or other flexibilities.

According to Ward et al. (1996), "Such flexibility is most often achieved by using general-purpose equipment and employing people with sufficient training and experience to adapt quickly to product changes" (p. 609). The flexible production is possible from the job shop or small-batch manufacturing which is consistent with the simple organizational structure including the skilled employees and general-purpose equipment. In reality, the SMEs have been managing the skilled employees to the manufacturing unit and managing them well. But, it will not be enough due to the nature of the flexibility of market demands. The customers are ever-changing; thus, the satiation of the market (field) is always in liquid situations. In this situation, SMEs have the capacity of producing tailor-made products for the changing demands but they can supply in a small volume only.

From the experiences of the entrepreneurs of SMEs, 'responding to the uncertain demands' was found as one of the components in the field of productmaking to be sincerely considered. They expressed their awareness of the management of process-flexibility based on their learnings. They approach of responding to the flexible demands was mediated by the culture established by the SMEs in Nepali markets. The entrepreneurs were not so much ambitious to deal with the additional demands of product types and other requirements because they have already learned that 'do what is possible?' The entrepreneurs of SMEs are ready to respond to the market flexibilities as per their capacities.

#### **Product-Making: A Synthesis of Insights**

From the above analysis, I synthesized the insights collected from the research participants regarding the product-making in terms of Nepali SMEs. Product-making is one of the parts of displaying the knowledge and skills which reflect the products. It is a part of the demonstration of the skills in the playground with the strategic preparations targeted to win the game. It is always concentrated on collecting the capitals (Bourdieu's capitals) and utilization of them in the sector of product-making. The ultimate goal of product making is to ensure subsistence continuity and business growth. The entrepreneurs informed the components stated in the following figure. They provide value to the technologies, controlling the costs, maintaining the quality, and maintaining the flexibilities in the product types, designs, volumes, and other things.

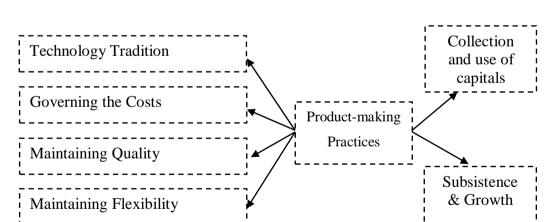


Figure 5. Product-making: A Synthesis of Insights

Regarding the technology tradition, the entrepreneurs are known to select the better and new technologies appropriate to their enterprises. Nowadays, they have been still continuing their traditional technologies and adding modern ones as per the appropriateness based on their business capacities. They have been blending the local and imported technologies in their product units. The entrepreneurs have been looking for better technologies and methods of product-making due to the compulsion of competitive markets and shifting trends of competitors.

Likewise, the entrepreneurs provide emphasis on the area of controlling the cost of the products. They are aware of searching for better ideas of controlling and minimizing the cost of making the products. They have been using a number of ideas of controlling the cost i.e., searching for the quality materials, work division, piece-based payment system, and other techniques. They learn these ideas of controlling the cost from the sources and ways available in the markets. On maintaining the quality of the products, the entrepreneurs are knowledgeable with regard to implement different techniques like comparing the quality of the similar products, examining the appropriate technologies, etc.

The entrepreneurs have also the practice of responding to the market flexibilities in terms of product types and volumes and changing fashions. They are aware of understanding the customers' needs on the markets and making the strategies for responding to them in time. But, due to their smallness, they have been experiencing the limitations of maintaining the flexibilities. However, the entrepreneurs of SMEs have been maintaining flexibility as per their business capacity. The reality is that no one is capable of maintaining flexibility as per the market demands.

## **Product-Selling**

The product-selling or marketing started before the creation of enterprises and went beyond the sale of the products or services. The activities on product-selling are the process of socialization within the customers or broadly a social interaction in the market. The entrepreneurs informed six different elements i.e. pricing, distribution, market communication, selling, and market plan for exploring their practices. The market is always competitive and the struggle of living and securing the expected positions is never-ending up to the existence of human society.

Obviously, these elements stated above are the major actions of enterprising activities in the competitive markets because they have been working on these sections to continue the marketing of the products. All of these activities are related to the value addition process and deliver the products or services at the hands of customers. The entrepreneurs learned about the knowledge and skills of selling the products from the sources and ways they have informed in the previous chapter. Those sources and ways of learning are available in the markets (field) but the entrepreneurs learn differently, decide differently and act differently in the markets.

The embodied culture on product-selling ensures the adequate marketing of the products as expected by the entrepreneur or vice versa. It is one of the main sectors of displaying the game-skills in markets (field) within the rules or norms established. As per the business school theory, the final entrepreneurial success would be achieved by the well-implementation of specialized marketing capabilities. Vorhies, Morgan, and Autry (2009) have also introduced the marketing activities such as marketing communications, personal selling, pricing, product development, and, in goods-based industries, distribution. These activities are related to selling products in the markets. The entrepreneurs display their knowledge and skills of product-selling to sell their products as expected.

# Valuing the Price

The entrepreneurs valued the 'pricing' as one of the major components of product-selling. It is the most critical and difficult thing for deciding the price levels

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(Kijewski & Yoon, 1990) which determines the success of a business unit. Pricing skills and systems should respond to market changes (Morgan et al., 2009). An excellent pricing strategy leads the market and captures the competitive benefits.

Gopal followed the price calculation based on unit cost and margin level. He compared the price of my products with others. But in practice, he could not determine the same level of prices to the same quantity of products due to various reasons. He found the products of other entrepreneurs/ producers at different levels, i.e. same or lower or higher in comparison with his products. The entrepreneurs' narratives informed that the quality of the products played a partial role in determining the prices.

Another entrepreneur, Santosh shared an important technique of pricing at different levels like wholesalers, retailers, and end-customers. These techniques are utilized by the big industries as a better way of managing the same price level to the end customers. Santosh gives emphasis on the production technologies and raw materials for effective control of prices. The enterprises might be price leaders in the market which have their own land and buildings and charging lower rents to them.

Binod informed that regular market observation is one of the best strategic actions for better pricing. Theoretically, all the cost of production and the expected margin should be compulsorily included in the pricing of a product. But sometimes, due to the market competition, the products would not be sold at all. During this situation, the producers would change the pricing strategy for selling out the products.

From the above experiences, the entrepreneurs of SMEs have better pricing capability for exploring their products in the market. They have detailed knowledge and experiences but there are differences in the practices. The entrepreneurs are capable of implementing multiple strategies for their market success. Bourdieu (2005) spoke about the price, "It is not prices that determine everything, but everything that determines prices" (p. 197). The entrepreneurs are aware of observing competitors' prices and price changes and have the knowledge of competitors, pricing tactics and they determine the price of products sitting between the cost along with margin and competitors' price level. Therefore, the prices are not determined through competition and exchange between individual actors, as the economists argue, but through the field.

## **Sales and Delivery**

Gopal, the entrepreneur of fruit juice, initiated different strategies for selling the products in the market. He participated regularly in the business expos and other events with the promotional materials. He distributed the products through wholesalers, retailers and other agents. He also provided motivational packages to the market agents. Gopal informed about other innovative activities of product-selling i.e. participation in business exhibitions, distribution of promotional materials and motivational packages to the best sellers, and others. Another entrepreneur of natural fiber, Santosh, also delivers his products through wholesalers, retailers, and direct sales through the showroom and business exhibitions. He has regular marketing employees. Santosh gives higher priority to marketing activities with his employees. The distribution channels of all the participants are found the same either wholesalers, retailers or direct selling from the showrooms and business exhibitions.

The entrepreneurs sell their products themselves. Shila, the entrepreneur of natural fiber, gives the highest priority to the product-selling. She participates in the training packages of marketing and market network. She always coordinates with different government and non-government organizations for promoting sales. Shila trained her entrepreneurs on the marketing activities, made a simple business plan and implemented for better selling for overall success in the business. She has been facing the problem of transportation and communication due to the remote geographical location. Due to transportation and the delivery time, the cost is always higher than the others' products.

The entrepreneurs are capable of selling their products but the market circles were found limited due to their small volume of products. They are engaged in marketing and selling activities. They have initiated innovative selling methods and promotional activities to improve their sales. SMEs of remote geographical locations have the problem of transportation and communication; higher costs, longer time to delivery, and others. The entrepreneurs added 'product delivery' as an important component attached to the sales of the products. It creates a strong relationship with distributors so that the products would be supplied smoothly. The entrepreneurs have established product-supply networks through wholesalers and retailers. They have no dealers as established by the big industries. Gopal supplies his products through wholesale and retail traders in the market. The entrepreneurs of SMEs are found capable of managing their distribution channels and promotional activities as per their capacity.

From the viewpoint of economic anthropology, it is one of the components of *commercial capital* and relates to hand-over the products to customers who always and everyone is mediated by his or her socio-cultural norms. All products are made for selling to culturally mediated and motivated customers. They are mostly limited to their local territory for marketing because of their limited capacity for production. But, I found their enterprises as cultural' because they are utilizing the cultural sources

of investment, producing cultural products and selling them from local to international markets as niche products.

## **Market Communication**

Gopal uses the local radio FM for publicizing the products. He participates in the business exhibitions and directly communicates with the customers and suppliers of the raw materials. He distributes promotional materials to potential customers as a means of communication. Santosh informs his experience of using email and Social Media for communicating his products to the customers. He got registered a brand of 'Natural Fiber' and distributed it to the markets. Shila participates in the national business fairs and meetings with business colleagues. She collects the suggestions and feedback from these business meetings, workshops, professionals, customers, and specialists". Participating in business exhibitions, business meetings, and workshops, meetings, and coordination with the business professionals and specialists are found as the major means of communication used by SME owners.

Communicating with the market indicates the action of communication with a market (Sathish, 2015). Communicating to the market represents the "voice" of the company and its brands and is the means by which it can establish a dialogue and build a relationship with customers (Rehman & Ibrahim, 2011). The capability of communicating to the market covers four components, i.e. developing and executing advertising programs, advertising management, and creative skills, public relations skills, brand image management skills and processes (Morgan et al., 2009). It aims to increase the demand and sales of the products during the expected time and price. It is basically the means of connection between the products and the customers through various creative ways.

Different entrepreneurs have their unique methods and ideas for communication with their customers. The entrepreneurs utilize the popular technologies of communication like media-partnership, utilization of social media and other means of advertisements. The entrepreneurs use different techniques of marketing communication as per the availability of these means and chances. Personal contact and cultural relationships are found as the major means of communication of SMEs. Bourdieu (2005) stated that small firms are typically local and do not need to advertise. But, they use local FM radios for advertisements as per their needs. The entrepreneurs have the belief in physical coordination which is powerful in communicating about the products and negotiating for marketing. Therefore, they participate in business meetings and workshops, business exhibitions and other events for sharing their products in the markets.

# **Market Plan**

Binod has a plan of production and sales but it is not well-written. He claims, "I know very well about the season of the products". Gopal's business plan includes the activities of collecting the raw materials, products, and marketing of these products but not matching due to various causes. He has the experience of multiple influencing factors like climate, political situation, natural disasters (earthquake, over rainfall, and floods, etc.). Madan makes the plan of product-selling based on cultural events and physical market locations. He has been selling his products in the local markets like Kathmandu, Dhulikhel, Banepa and other local places. Likewise, Shila prepares her plan of selling the products targeting foreign customers from Kathmandu. She makes her sales-plan looking the season of tourists' arrivals in Nepal. The entrepreneurs of SMEs understood the business and/or marketing plan which they prepared and implemented in their own ways. They have their practices of making plans or other activities influenced by the local practices continuing by the entrepreneurs and transferring from the older generations. Through the viewpoint of marketing theory, "the capability of a marketing plan includes four components: marketing planning skills, ability to effectively segment and target market, developing creative marketing strategies, thoroughness of marketing planning processes" (Morgan et al., 2009, p. 119). The entrepreneurs are capable of preparing their market plan with the identification of potential marketplaces and segments.

Morgan et al. (2009) have also recommended four indicators of plan implementation, i.e. "allocating marketing resources effectively, organizing to deliver marketing programs effectively, translating marketing strategies into action and executing marketing strategies quickly" (p. 120). The entrepreneurs prepared and implemented their plan for marketing activities. They collected the resources based on their plan. The marketing plan of the SMEs is very simple but is not based on the R&D approach of modern business modality. But, the entrepreneurs of SMEs have gradually and unknowingly moved to the organizational culture and heading to the formal formats of the business plan. They have already started to participate in formal training, interacting with the agents of big and multinational business companies, hiring business managers, accountants and other staff with modern educational qualifications.

The concept of the plan has been introduced by the courses of educational institutions and training activities initiated by the government and development agencies. These interventions have been influencing differently to the understanding of the entrepreneurs who have been living with the traditional thoughts and local

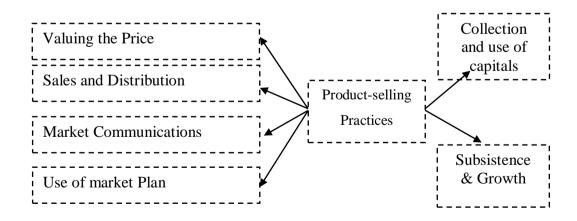
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working modalities. The market is competitive and heavily captured by the globalization of information technologies and manufacturing companies. On the other hand, the existence of localization is also in the power and the local communities have been living with the traditional ways of their lives. The cosmologies of the entrepreneurs of SMEs have been reshaping and modifying by the effects of the other players in the competitive markets.

# **Product-Selling: A Synthesis of Insights**

From the above discussion, the entrepreneurs of Nepali SMEs informed about multiple practices of product-selling, they have been displaying in the competitive markets of Nepal. The activities of product-selling are also always concentrated on collecting more capital (Bourdieu's capital) available in the markets and utilizing them to earn more capital so that the subsistence continuity and business growth will be possible. The following figure shows a synthesis of the insights regarding the product-selling in which, Nepali entrepreneurs of SMEs have been continuing their everyday practices playing the business games in the market for collecting the resources (capitals) and use of those resources for earning additional capitals.

Figure 6. Product-selling: A Synthesis of Insights



The entrepreneurs have informed four areas of their practices regarding the product- selling as one of the vital areas of their habitus disposition in the field. These are; valuing the price, sales, and distribution of the products, communication, and use of the market plan. The entrepreneurs of SMEs have been working in these areas in the field of product-selling so that they will be able to collect the capitals as expected and use these capitals again to play the business game. The entrepreneurs of SMEs have the practice valuing the price of the products considering two sides like calculation of all costs and comparing it with the market prices of similar products. They know about the differences in the prices due to the differences in the quality and the nature of the products. On the other hand, they know that the market determines the prices. They have the practice of determining the prices at different levels like wholesalers, retailers, and end-customers.

The entrepreneurs of SMEs have been practicing selling and distributing products in the markets. They distribute their products through wholesalers, retailers and other agents. They search for the potential and appropriate means of selling and distributing the products. They have established connections with their business or social networks, using better means of communication and product delivery. They have been communicating through FM radio, magazines, the internet and others as per the nature and necessity of their business.

The entrepreneurs of SMEs know about the marketing plan, prepare and implement their ways in both written and verbal ways. They have not followed the ways of the business plan introduced by the big and multinational companies and business theories due to their own ways of planning. Gradually, they are looking for new ways of planning because of the compulsion created by the competitive markets and promotion of business school theories by the government and development agencies. The practices of product-selling indicate the activities in the sale of the products to the customers. The entrepreneurs of SMEs decide to provide the space of selling products that will ensure the volume of capital possible to collect from the markets. The collection of more capitals obviously ensures the utilization of these capitals in more profitable businesses. The entrepreneurs are skilled in pertaining to the collection and utilization of the resources so as to enhance the status of subsistence and growth of the enterprises.

#### **Chapter Essence**

In this chapter, I discussed and analyzed the process of 'doing' in productmaking (production) and product-selling (marketing) in the context of Nepal. The entrepreneurs informed that the production technology, costs, quality, and flexibility are major components in the part of product-making. The entrepreneurs search for innovative designs, methods, and technologies; blending traditional and modern technologies for their sustainable functioning. The sex and ethnicity influence somehow in the selection of enterprise but changing the culture of entrepreneurship due to the expansion of globalization. The blending of traditional and modern technologies is a compulsion for the entrepreneurs of SMEs. Likewise, in the part of product-selling, they valued pricing techniques, sales and distribution, market communication, and the use of the marketing plan as the major components they have been practicing. The entrepreneurs sell their products mostly to the local markets because they have the products based on local needs and cultures. The local needs and cultures are major market opportunities for SMEs. Sex and ethnic backgrounds do not influence the actions of product selling. The market situation teaches about all of the ideas of entering the markets and playing competitive games in the markets.

#### CHAPTER X

## CONCLUSIONS AND IMPLICATIONS

In chapters VII, VIII, and IX, I accumulated the insights of common areas to the identified themes during the analysis. I discussed those insights from the viewpoint of a 'practice perspective'. I was engaged in the discussion of the entrepreneurs' experiences to articulate a meta-experience in the context of Nepal. In this chapter, I restate about the inquiry, write the conclusion and some implications of this inquiry to the policy formulation, education system, and further research. The chapter ends with my final remarks extracted and valued during this long journey of inquiry.

# **Inquiry Agenda**

The purpose of this inquiry was to explore the experiences of entrepreneurs of Nepali SMEs regarding their 'habitus fit' in the Nepali context. I explored the habitus fit of entrepreneurs taking two issues, i.e. 'becoming' and 'doing'. In 'becoming', I searched on the sources and ways of entrepreneurial orientation and skills. On the other issue of 'doing', I searched on the practices of strategic readiness, productmaking, and product-selling.

I collected the narratives of the experiences of the entrepreneurs of Nepali SMEs to describe the existing process of 'becoming' and 'doing'. I took *narrative inquiry* for deriving knowledge on the entrepreneurial habitus of the entrepreneurs of Nepali SMEs "honoring lived experience as a source of important knowledge and understanding" (Clandinin, 2013, p. 17). For exploring the understanding of 'habitus fit' in terms of 'becoming' and 'doing' of entrepreneurs, I believe it to be more comprehensive. Therefore, I used this approach in my study. The participants are involved in their enterprising activities more than 11 to 17 years and they successfully survived in the market. The narrative data were collected through in-depth, audio-recorded interviews of six entrepreneurs, four men, and two women, from the categories of business locations (urban city and rural village) and nature of products (natural fiber, metal-craft, and other handicrafts).

The study took the following research questions for exploring the process of 'becoming' and 'doing' of the entrepreneurs of Nepali SMEs in the context of Nepal.

- a) How do the entrepreneurs of Nepali SMEs value the sources and ways of their 'becoming'?
- b) How do the entrepreneurs of Nepali SMEs exhibit their 'doing' on strategic readiness?
- c) How do the entrepreneurs of Nepali SMEs exhibit their 'doing' on productmaking and product-selling?

I utilized Bourdieu's *Theory of Practice* to explore the practices of the entrepreneurs of Nepali SMEs in terms of entrepreneurial 'becoming' and 'doing' in the context of Nepal. Bourdieu (1992) has stated three forms of capital, i.e. economic capital (material wealth), cultural capital (knowledge, skills, and other cultural acquisitions, i.e. educational or technical qualifications) and symbolic capital (i.e. accumulated prestige or honor. Habitus denotes the active presence of the experiences deposited in the human organism in the forms of perception, thought and action inherent in the particular condition for achieving the goal. Bourdieu has taken the concept of the field: a social arena in which, just as in a game, people maneuver, develop strategies, and struggle over desirable resources (Wallace & Wolf, 2008). Bourdieu has referred to the field as a market where the 'supply and demand of capital' produces the stages of the market competition. The social activities are governed by the individuals competing for its products. The individuals or group of individuals who have more purchasing power are enjoying as the winners (Grenfell & James, 1998).

From the perspective of social practice, entrepreneurship is a way of life socially constructed and related to economic activities which are fundamental for human living. Every individual is an entrepreneur and has a particular type of living style to fulfill the economic needs and ensure the social position in the territory. It is also a kind of struggle of life and the market is a battlefield. Battles between/among agents are principally about relative positions within the field, i.e. maximizing capital, wherefore individual *strategies* in conformity with the rules of the game are of necessity (Iellatchitch et al., 2003). The purpose of this research was to explore the sources and ways of the entrepreneurial habitus of entrepreneurs as the process of 'becoming', and their practices on strategic readiness and the course of 'doing' as the exhibition of their strategic actions for the ongoing battles.

#### Conclusions

The entrepreneurs of Nepali SMEs under this research expressed their lived experiences regarding their entrepreneurial practices. I completed this inquiry process based on two themes, i.e. 'becoming' - the sources and ways of entrepreneurial orientation and skills, practices on strategic readiness, and 'doing' – the course of product-making and selling. Regarding the sources of the entrepreneurial habitus - orientation, and skills, the entrepreneurs value the sources like early experiences, family and culture, and education and training in the context of Nepal. The entrepreneurs initiate their enterprises on the basis of early experiences accumulated from their *everyday lives*. Their family and communities are the main sources of

formative experiences for all of the individuals or groups. The entrepreneurs receive the orientation and learn the skills from their parents and cultural peers.

Another source is education and training. Educated and skilled entrepreneurs are capable of dealing with the present market situation. The entrepreneurs are mediated by local cultures and livelihood traditions and not trained to the modernized business concepts. The majority of the entrepreneurs of the older generation have lower literacy in the formal education system and they are far from modern business concepts. On the other hand, the education system of Nepal has not been attached to domestic enterprises. The educational qualification provides only literacy and numeracy support to entrepreneurs. The training packages directly help to start and continue their enterprises. The sources of the entrepreneurial habitus are based and mediated by the local norms. On the other hand, education and training have been distributing the concepts of business-school theories and the aspects of globalization.

The entrepreneurs of Nepali SMEs have particular ways of acquiring entrepreneurial knowledge and skills. These are the observation of others' practices, participation in the training packages, connecting to the networks and learning from the customers. The ways of acquiring orientation and skills contribute to play in the combined context of globalization and localization. The entrepreneurs observe the products and other related things of both big and multinational companies, and small and local industries, compare, and assess the opportunities and potentialities. Nowadays, training providers provide the contents of globalization and modern business technologies. They collaboratively link the local skills and products to the international market opportunities. Another way, 'connecting to the networks' have been contributing much to update the habitus of the entrepreneurs towards the globalized markets. The last but most essential, customers' demand, feedback, and suggestions always shape the entrepreneurs in favor of the current context of the marketplace.

Regarding the courses of doing on strategic readiness, the entrepreneurs have the practices like contextual movement, use of business plan concept, resource management, innovation leading, organizational culture, employee motivation, and reward, ready for uncertainty, and communication practices. The entrepreneurs are creative, conscious and committed to making themselves ready for the *battlefield* of the market. They are on the transit point of globalization and localization. They are standing on the ground of local cultures and social settings and heading to the globalization. They use traditional handlooms for natural fiber and also implement the business plan to their enterprises. They know about the business plan but do not have the skill of making plan applying the models used by the big companies. Their organizational activities are informal and flexible due to the influence of family traditions and SME culture existing in Nepal. It could be taken as an example of traditional livings culturally inherited by the context of Nepali society.

The entrepreneurs of SMEs have the practices of employee motivation but in informal ways and not documented. They were knowledgeable and mentally ready for the uncertainty in the business because of the experiences of the early days. The entrepreneurs have their communication practices shaped by the situation of competitive markets in the local territories. They are aware of utilizing ICT but not used by the entrepreneurs of all kinds. The entrepreneurs of natural fiber are using email, websites and social media for selling their products to foreign customers. But, the entrepreneur of metal utensils does not use email and websites due to the lack of ICT knowledge and limited local markets of the products.

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Likewise, the third research question is about the process of 'doing' and includes two themes: product-making (production) and product-selling (marketing). For the SMEs, the production technology, costs, quality, and flexibility are major components in the part of product-making. The entrepreneurs are able to search for innovative designs, methods, and technologies; adding to their traditional ones and blending them for their sustainable functioning. In the part of product-selling, they provide value to the product fitness, pricing techniques, sales and distribution, market communication, and marketing plan as the major components. SMEs are small, informal, and flexible in the organizational setup. They update their knowledge and skills, help to shape their habitus, and contextual preparation for the struggle in the market.

The entrepreneurs of SMEs are much conscious and have the practices of utilizing innovative and creative ideas to their enterprises. They serve the local and cultural demands and deal with a very small market when we slightly compare them with the big and multinational companies. The *niche differentiators* maintain a relatively narrow set of product/process demands of the market. The entrepreneurs have also the *strategic mindsets*, think strategically within their *niche products* and make ready themselves to exhibit their products and skills to the market - a battlefield. They are like "one is all" due to their smallness. The entrepreneurs of SMEs update their habitus in the themes of 'becoming' and 'doing' so that they can struggle to the context of globalization by standing on the ground of localization. The local situation of business location (both geographical and social) and the gendered mentality of the local markets are the major obstacles to SMEs. On the other hand, the rapid changes in the global markets and products are widening the opportunities and challenges to the SMEs.

This study concludes that the entrepreneurs of SMEs think and move innovatively to their entrepreneurial practices based on their skills and experiences. The entrepreneurs have their slow progress due to the condition of multitasking. However, they are moving to the stage of the combination of the business concepts of local traditions and global business environments. The combination of methods and machines is found as a better strategy appropriate for the sustainable development of SMEs. The process of combination is headed to the globalization but not completely possible due to the demand of local cultures. The habitus of the entrepreneurs of SMEs has become blended due to the forces of both local cultures and the wave of globalization.

The SMEs are niche producers with small, informal and flexible in their decision making and activities but run for a long time. The finding indicates that SMEs are light-weight players in the markets playing with/against the players of different weights due to their compulsion of smallness. The study informs that the SMEs' contribution remains ongoing until the local opportunities would be standing with the local religions, cultures, cosmologies and the indigenous living habits. Another hopeful way is, the entrepreneurs of SMEs have been interacting with the agents of big and multinational companies, and transforming themselves, learning and adopting the new business concepts, mixing them to their practices. But, the SMEs have been serving to the demands of the local markets due to their smallness and playing in the gaps left by the big and multinational companies.

#### **Implications of the Study**

Although a single study with a very small number of research participants cannot be generalized to the larger population, I completed a long journey of my research exploring the practices of Nepali SMEs in relation to their 'habitus fit' in terms of their entrepreneurial 'becoming' and 'doing' to the changing market situation. I collected the insights from the narratives of the entrepreneurs of Nepali SMEs, discussed the themes identified during the analysis and interpretation of the storylines segregated from the whole story. I theorized the insights under those themes as the meta-practices of the entrepreneurs of Nepali SMEs. The following implications are possible from the insights of my study:

# **Theoretical Implications**

This study provides a broader package of study on SMEs through sociological perspectives which itself has the theoretical implication of exploring differently on SMEs. I proposed a new terminology 'habitus fit' of entrepreneurs of Nepali SMEs in terms of entrepreneurial understanding of 'becoming' and 'doing'. This might be an alternative approach to see the entrepreneurial capability of entrepreneurs.

The insights on the sources and ways of the entrepreneurial 'becoming' or habitus of the entrepreneurs of Nepali SMEs informed about the contextual sources and ways they are practicing. The entrepreneurs informed three sources like family and culture, education and training, and past experiences. SMEs are found like "by the culture and for the culture". The insights of the study suggest that entrepreneurial habitus of the entrepreneurs of SMEs is based and mediated by local resources and traditions. Likewise, education and training packages have the primary role of initiating and promoting entrepreneurship. The third source includes previous experiences noted multiple times by the entrepreneurs.

I explored three types of 'doing', i.e. doing for strategic readiness, doing for product-making and doing for product-selling. I found the practices culturally associated with the practices of the entrepreneurs of Nepali SMEs. The insights of the participants suggested nine elements of strategic readiness practiced by the entrepreneurs. Those are, a) moving for opportunities, b) adoption of a business plan, c) collection and use of capital, d) innovation leading, e) working culture, f) employee motivation, g) ready for uncertainty, and h) communication practices.

In 'doing' on product-making, the insights of the participants suggested four elements actively using in the sector of product-making. These are; technology, costs, quality, and flexibility. The decisions on product-making are based on these four elements in the cases of the entrepreneurs of Nepali SMEs. These insights have implications for taking SMEs differently.

The third element of 'doing' I explored, is product-selling. The entrepreneurs have established their perceptions and cultured methods of pricing, product types, and quality, distribution system, selling locations, and markets, market communication. These insights have implications to make theoretical aspects of the SMEs' marketing or product-selling activities.

## **Practical Implications**

The entrepreneurs provided insights into their stories of experiences on entrepreneurial 'becoming' and 'doing'. I proposed some practical implications for SMEs based on the insights harvested from the study. They informed four ways of business orientation and skills: observation, participation, connection, and feedback from customers. This finding has practical implications to be followed by the entrepreneurs for their better improvement.

The second part of my study was entrepreneurial 'doing'. I explored the 'doing' in three parts i.e. a) strategic readiness, b) product-making, and c) productselling. The entrepreneurs of Nepali SMEs informed me about their practices of strategic readiness. They showed their practices of innovative leadership entering the stage of technological combination for being ready for the duality of localization and globalization. The entrepreneurs showed a different organizational culture mostly informal in the sole-ownership business and more formal in the partnership or cooperative types of business. They were shifting gradually to the formal organizational culture. The entrepreneurs informed us to make plans and strategies looking at the real situation of the duality.

On the product-making, entrepreneurs use mostly traditional and laborintensive technologies. They are aware of searching for new designs, methods, technologies and blending to their traditional ones. They are unable to install the more expensive machines but use the machines installed by the big producers of other products. These insights suggested that the entrepreneurs of SMEs have an opportunity to coordinate and establish partnerships on using processing-machines and technologies with other companies, traders or investors.

Managing cost and quality is one of the major challenges for SMEs. They informed some practices on cost reduction and control, i.e. material purchase in a big volume, labor division, piece-based payment, looking alternative sources of raw materials, improvement of product quality, reduction of wastages and search for the better machines and technologies. They indicate three things of quality improvements like technology, skills, and quality of raw materials. These actions have practical implications for all SMEs.

In the field of product-selling, they informed some major components like product fitness, pricing techniques, sales and distribution, market communication, and plan of selling. They value innovative designs, shapes, and sizes required by the market for ensuring product fitness. Likewise, they sell their products through wholesalers, retailers, trade expos and mobile sales. The entrepreneurs of SMEs maintain two-way communication participating in business exhibitions, business meetings, and workshops, meetings, and coordination with the business professionals and specialists.

#### **Policy Implications**

The SME is one of the popular and inevitable agendas for the socio-economic prosperity of Nepali civilization. It is the subject of the government's interest because of economic reasons. The state is performing sincerely various promotional activities in the field of SME. The Industrial Policy and Industrial Enterprise Act, 2016 has clearly defined the small and medium-sized enterprises (SME) and provided the legal identity to those enterprising activities. The Ministry of Industry, Commerce, and Supplies has two entities like the Department of Cottage and Small Industries (DCSI) and Cottage and Small Industries Development Board (CSIDB) for promoting the micro, small and medium-sized enterprises/industries.

The SMEs have been serving the local and cultural demands, preserving the local cultures in reality and broadly preserving the identity of Nepali society. The promotion and preservation of the SMEs create the opportunities for livelihoods of the pro-poor, traditionally marginalized communities. The implications are particularly useful to policymakers, academicians, alliances, and SME activists for enforcing the policy changes. The research insights can contribute to the enterprises of other scales and more broadly to the field of entrepreneurship.

The insights indicate that the sources of entrepreneurial orientation and skills in the context of the entrepreneurs of Nepali SMEs are early experiences, family and culture, and education and training. Likewise, the entrepreneurs value the observation of others' practices, participation in training packages, connecting to the networks, and learning from customers as the ways of Nepali SMEs. The government supports to make the sources more conducive. For instance, the education system might be encouraged to focus on the local SMEs, curriculum development of domestic enterprises and so on. The government and other actors may develop training packages on the identification and utilization of the sources and ways of entrepreneurial knowledge and skills.

The study identifies the components of strategic readiness in terms of Nepali SMEs. These components are the contextual movement, adoption of the business plan, resource management, innovation leading, organizational culture, employee motivation, ready for uncertainty, and communication practices. Regarding the practices in product-making, the process technology, cost control, quality maintenance, and process flexibility are valued by the entrepreneurs as the fundamental parts. Likewise, in the part of product-selling, they value and practice the product fitness, pricing techniques, sales and distribution, market communication, and the use of the marketing plan as the major components.

The government and other practitioners can use these insights as the reference to make and implement the plan of improvements to the SMEs in the context of Nepal. The academicians can use these insights to the production of evidence-based knowledge in the entrepreneurship field. The activists and alliances like FNCSI, FWEAN, FHAN, NMEFEN, and FSME may utilize these insights as to the evidencebased knowledge of their regular promotional activities.

The insights can contribute to the policies and acts for making them more practical and evidence-based changes to the provisions of those documents. The entrepreneurs themselves can utilize these insights to compare their understandings, strategic readiness, the practices of product-making and selling, transform their cosmologies regarding these themes. Moreover, the entrepreneurs may initiate the evidence-based dialogues with the government entities, academicians, alliances and individual activists so that the campaign of promoting SMEs in Nepal might be based on the practical insights. The insights will obviously help to transform the mentality of the entrepreneurs of SMEs to see themselves through the perspective of social practice focusing on the 'becoming' and 'doing'.

## **Implications for Future Research**

I completed this study limiting to the sources and ways of 'becoming' and 'doing' of the Nepali SMEs. I used interpretivism as the philosophical approach and narrative inquiry as to the method of this research. It produced new insights as knowledge extracted from the experiences of entrepreneurs within the practices of becoming and doing. I collected those insights and values as the sources of knowledge that were perceived, valued, and practiced by the entrepreneurs. The research indicates the multiple sides and themes which need to be the subject of further research. Some areas and issues are given below: What are the entrepreneurs' practices on *becoming* and *doing* in the contexts of individual countries?

- a) How do the practices of Nepali SMEs differ from the American/European/ Japanese SMEs?
- b) How do the sources and ways of orientation and skills influence the disposition of Nepali SMEs?
- c) How do the Nepali SMEs cope with globalization?
- d) In which areas does the Government of Nepal support SMEs?
- e) How do the national policies and acts incorporate the SMEs' issues of practice?
- f) How is/are the individual entrepreneurs of SME/s or alliance/s of SMEs exhibiting their strategic readiness in the changing contexts?

## **Reflection at the End**

I went first to the entrepreneurs individually to meet them for a short time to delve deeper into the issues I picked up for my study. In reality, I was working for five years with them as a staff of their national federation. Hence, I was not a stranger to them and had no problem interacting with them. They initially indicated the areas i.e. sources and ways of entrepreneurial orientation and skills, innovative actions for being ready to struggle, and the exhibitions of the innovative actions to the ground of struggles like product-making (production) and product-selling (marketing).

It is one of the attempts of breaking the dominant influence of positivism in entrepreneurship research through the use of the interpretivist approach. It also challenges the more inelastic mentality and worldwide colonization of the business school thoughts detached from the humanities. The enterprising activity is one of the social actions, basically, because of economic reasons. The entrepreneurship theories have been articulated about the practices of the entrepreneurs of SMEs through the viewpoint of positivism. It is also possible with the soulful logic expressed by the entrepreneurs, to work for generating knowledge more useful to SMEs and other stakeholders. I perceived my study as more credible because of using the perspective of the theory of practice and easy to interpret the insights extracted from the experiences of the entrepreneurs.

Hence, it is a model of the study initiated in this research, either we lack literature in our storage or I could not find due to other reasons, one of the holistic approaches, easier to the readers out of the business school orientation. The entrepreneurs value the sources and ways of 'becoming' and their practices of 'doing' in the context of Nepal. They include their whole experiences within the themes explained here in the report. They value, use, taste, and convince to incorporate in their stories. Thus, the insights contributed and may continue to contribute to the process of theory building in the context of Nepali SMEs.

I stated the implications of this research in the theoretical, practical and research fields. This research has explored and facilitated to identify the insights like the pieces of evidence-based knowledge always ready for the implication of the multiple areas and objectives. The objectives might be the construction of the theories, policy formation, and transformation, academic course and discourses, the evidence-based agendas of the activism and promotional strategies. Moreover, the research insights, I hope, will heavily contribute to explore the multiple themes and nature of further research activities for the betterment of this sector.

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### ANNEXES

## **Annex I: Interview Protocol**

Time of Interview: Date: Place: Interviewee Number:

# Greeting

Thank you for volunteering to participate in this research. Its topic is "Experiences of entrepreneurs of Nepali Small and Medium-sized Enterprises". We will discuss on the experiences and practices you have been doing in the field of your enterprising career. I will ask you about expressions on the sources and ways of learning entrepreneurial knowledge and skills, your actions on strategic readiness, product-making and product-selling. There is no right or wrong responses to the questions that I am going to ask you. Main purpose of this interview is to collect your opinions, feelings and experiences regarding the enterprising activities you have been practicing. I will use pseudonym to display your experiences in this research.

If you give me your acceptance, I will record your responses into my mobile phone or digital camera to maintain accuracy of the data and take written notes. Your responses will be kept confidential and will not be used for other purposes. Your recorded responses will be destroyed after the completion of the research report.

This interview will take the time of approximately two hours. I will come back to you again for the data left during this interview. I may call through telephone for further clarification of the data you talked during interview. If at any time you need to get a drink or take care of any personal needs, please feel free to do so. Do you have any questions for me before we get started?

#### **Description of Project**

This research aims to explore on the experiences of the entrepreneurs of Nepali SMEs regarding their habitus building and exhibition in the competitive markets. The information gained from these interviews will increase understanding on the perception of the entrepreneurs of Nepali SMEs regarding the entrepreneurial habitus - courses of 'becoming' and 'doing'. Researchers, policy makers or decision makers could apply the findings of this research to help set district policy, deepen the understanding of the impact of professional development, or aid those who develop professional development plans.

## Questions

RQ 1. How do the SMEs value the sources and ways of their 'becoming'? IQ 1. Think back from the beginning of your career until now, and tell me about the sources you have been learning entrepreneurial knowledge and skills regarding your enterprise. Tell me about the ways you have been using to learn the knowledge and skills on your enterprise. How did you start your business? Other occupations? Probing themes - Family, education, training, experience etc. What opportunities and challenges did you experience on the sources? How did you enhance your skills after starting of the enterprise? Probing themes – looking to others' practices, search the training packages, connecting to networks, customers' feedback etc. What difficulties did you face on sources and ways of becoming and how you

overcame?

RQ 2. How do the SMEs exhibit their practices for strategic readiness?

IQ 2. Please describe the examples of what you been practicing on strategic readiness of your business. How have you been implementing these ideas and methods into your enterprise?

How did you plan for the future?

Probing themes - Catching up the opportunities, any plan, resources, innovative ideas, organizational structure, employee motivation, readiness for uncertainty, communication)

What difficulties did you face in making a plan for enterprise and how you overcame?

RQ 3. How do the SMEs exhibit their practices during the courses of doing?

IQ 3. What are the components in the field product-making, have you been working and performing on them?

Probing themes - technology, methods, costs, quality and flexibility.

IQ 4. What are the components in the field product-selling, have you been working and performing on them?

Probing themes - products for the market, price, sales, delivery to markets,

communication to the market, plan for marketing

What difficulties you faced in implementing the plan and how you overcame?

# **Annex II: Letter Requesting Participation**

Date:

Dear Sir/Madam,

My name of Krishna Bahadur Rai, working as a development professional in LGCDP/UNDP/MoFAGA in promoting the good governance in local levels (municipalities and rural municipalities) and social mobilization for asserting the fundamental rights of citizens in Nepal. I am a PhD student of Kathmandu University, School of Education, Hattiban, Lalitpur, Nepal. I am conducting a research on the topic of 'Experiences of Entrepreneurs of Nepali Small and Medium-sized Enterprises' for partial fulfillment of PhD.

I am writing to ask you to be a participant to my research to share your experiences of enterprising activities. If you accept this offer, the following conditions will be enacted:

- An initial face-to-face interview conversation that should last approximately two hours and that will be conducted in a time appropriate to you at the private location in your enterprise/factory building. This conversation will be recorded by a tape recorder or an application of mobile phone, and I will also be taking written notes;
- During the transcription or analysis of the data, the follow up meetings will be conducted for several times to check the accuracy of my notes, transcripts, and discussing for additional data in the gap parts;
- During the transcription and analysis of the data, I may contact through telephone, mobile phone, email, Viber or Facebook messenger for taking clarification of the words you have used and understand your meanings;

- 4. Your participation will be completely voluntary and there is no penalty for not participating or for withdrawing your participation.
- If you agree to participate in this study, your identity will be kept confidential.
   Your story will be referenced by a pseudonym.
- The transcripts will be kept into my personal computer and will not be sold or distributed for any other purposes.

If you are interested in understanding more about this study, please, you would contact me by this email – <u>kraimrg@gmail.com</u> or feel free to contact me by phone at 977-9866266527.

Sincerely

Krishna Bahadur Rai

PhD Student, Kathmandu University, School of Education