CAN SOCIAL EXCLUSION AGAINST ‘OLDER ENTREPRENEURS’ BE MANAGED?

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Abstract

This article investigates how sources of social exclusion and support emerge within an ‘older’ entrepreneur’s immediate environment, and how this affects the development of their small business. Based on 22 in-depth interviews in London, UK, we suggest how older entrepreneurs with different backgrounds are able to manage social exclusion, and identify four coping strategies – passive negotiation, active negotiation, modification and avoidance. We argue that, if ‘older entrepreneurship’ (people starting a business aged 50 or older) is to flourish, both entrepreneurs and support initiatives need to become sensitive to the diversity of sources of discrimination and strategies to manage them.
1. Introduction

Scholars and policy makers increasingly emphasize the support for ‘older entrepreneurship’ – people aged 50 or older starting up their own business – as one strategy to tackle the socio-economic challenges emerging from an ageing population (Kautonen, Tornikoski, and Kibler 2011; OECD 2012; Mallet and Wapshott 2014). Studies underline the potential social benefits of older entrepreneurship, such as reduced costs to the welfare system, overcoming unemployment amongst older people, and the productive deployment of older workers’ human capital (Botham and Graves 2009; Curran and Blackburn 2001; Weber and Schaper 2004). For the older individual, the suggested benefits of starting a business are associated with the opportunity to flexibly manage their work-life balance (Wainwright and Kibler 2014) and to subvert age discrimination within organizations (Platman 2003; Weber and Schaper, 2004), where older workers are often judged as being more expensive and less able to manage rapid technological change, in contrast to younger workers (Duval 2003; Loretto and White 2006).

However, entrepreneurs can also encounter discrimination. Prior research highlights discrimination against marginalized groups, such as the unemployed, ethnic minorities, lone parents, and the disabled (e.g. Dawson and Henley 2013; Edelman et al. 2010; Galloway 2012; Kasperova and Kitching 2014; Puryear et al. 2008). Similarly, recent research emphasizes how older entrepreneurs can find it difficult to fit within the dominant enterprise culture which tends to frame entrepreneurship as an activity for younger individuals (Ainsworth and Hardy 2008; Kautonen, Tornikoski, and Kibler 2011; Mallet and Wapshott 2014). In this sense, the promotion of older entrepreneurship is likely to be consistent with policy interventions where enterprise formation is seen as a strategy to assist marginalized groups of individuals into work (Blackburn and Ram 2006; Blackburn and Smallbone 2011). Despite this, there is little research on the older entrepreneurs’ experiences in facing potential sources of social exclusion.

This article adds to knowledge by exploring notions of an enterprise culture within an older entrepreneur’s family, friend, and client circles, and how instances of both discrimination and support can affect the older entrepreneur’s venturing activities. The empirical work has been conducted in London, UK, and is based on 22 in-depth interviews with ‘early- and existence-stage’ older entrepreneurs (Lichtenstein and Lyon 2010), who have
started their business at the age of 50 and beyond and are running a business that is less than 42 months old (Amorós and Bosma, 2014).

This research makes at least three contributions. First, we suggest that although older entrepreneurship has been promoted as a strategy to counter age discrimination against employees, older entrepreneurs also face significant age-related barriers in the early phase of business formation. We acknowledge how ageist expectations emerge from within the societal discourse (Ainsworth and Hardy 2008; Mallet and Wapshott 2014), but particularly provide qualitative insight into the sources of discrimination that older entrepreneurs face within their closer social reference groups – family, friends and clients – and the effect it can have on their motivation and confidence in developing their young business.

Second, we identify four coping strategies applied by older entrepreneurs to minimize discriminatory sanctions from their immediate social environments, and to improve the level of support provided by those groups: active negotiation, passive negotiation, modification and avoidance. Active negotiation is defined as the entrepreneur’s intentional practices of changing the opinions of social reference groups from negative to positive. Passive negotiation reflects the indirect transformation of opinions through the groups’ observation of the entrepreneur’s successful business development actions over time. Modification is identified as the older entrepreneur’s intended alteration of their social environment, by abandoning certain reference groups and gravitating towards new social groups that provide higher levels of support for their entrepreneurial activities. Avoidance means that the entrepreneur seeks to hide or mask certain markers that provoke negative perceptions within particular reference groups. Following this, the present study demonstrates how the work history, the level of entrepreneurial experience and the age of the older entrepreneur can influence the way sources of both discrimination and support emerge, and which (combinations) of the four strategies are applied to manage social barriers throughout their early entrepreneurial journey.

Third, our findings add to the knowledge on how to manage marginalization against particular groups of entrepreneurs. For supporting older entrepreneurship, we argue that policy makers need to create more tailored training programs (Dennis 2010) and entrepreneurial development systems (EDS) (Lichtenstein and Lyon 2001; Lichtenstein and Lyons 2012), where supporters and coaches can strategically address the diversity of older entrepreneurs’ backgrounds and skills, and the emerging barriers within various social
reference groups. Subsequently, an older entrepreneur requires a unique ‘game plan’ (Kutzhanova, Lyons, and Lichtenstein 2009) for her or his venturing activities, which enables the older entrepreneur to continuously evaluate the strategies of how to manage the sources of social barriers for their entrepreneurial endeavors. Developing an EDS is of particular importance in developed economies. For instance, the British government decided to increase the state pensionable age, which becomes particularly challenging for individuals who are close to, or have already reached the state pensionable age (BIS 2011), but where private pensions fail to deliver adequate returns for a comfortable retirement (Wainwright and Kibler 2014). As such, there is an increasing need to understand how older individuals can engage in the labor market for longer, and this work contributes to this knowledge by showing how older entrepreneurs are able to manage instances of social exclusion, helping them to develop their small business further.

The remainder of this paper is organized as follows: Section two frames the notion of older entrepreneurship and the potential sources of social exclusion. Section three explains the methodology used in the study. Section four examines how older entrepreneurs experience discrimination within different social environments, whereas section five explores the strategies older entrepreneurs apply to manage acts of discrimination and exclusion. The final section discusses the findings and implications, before suggesting avenues for further research.

2. Older entrepreneurship and social exclusion

In spite of the recent surge of interest in older entrepreneurship (Curran and Blackburn 2001; Kautonen, Down and South 2008; OECD 2012; Zissimopoulos and Karoly 2007), the level of entrepreneurial activity for individuals aged 50 or older is only about half of the level of activity for younger individuals (20-49 years) (OECD 2012). Lévesque and Minniti (2006) explain this finding by proposing that since the opportunity cost of time increases as individuals age, older people place a higher value on waged work that generates income in the present compared to entrepreneurial income which carries a risk and is realized in the future (Lévesque and Minniti 2006). We argue that another reason for the declining rate of enterprising activity for the over-50s is that they may find it difficult to adapt to the dominant enterprise culture which often praises a ‘youthful’ image of the entrepreneur (Anderson and Warren 2011; Mallet and Wapshott 2014). Against this backdrop, older entrepreneurs can be
perceived to deviate from the public understandings of older workers engaging with the labor market, where they have historically continued in employment, until the official retirement age (Ainsworth and Hardy 2008, 2009; Down and Reveley 2004). Recent research shows that perceptions of norms pertaining to the economic and entrepreneurial potential of older individuals in society influence the entrepreneurial propensity of this age group (Kautonen 2012; Kautonen, Tornikoski, and Kibler 2011).

Discriminatory perceptions are also reproduced in the immediate social environments of the entrepreneur (Hamilton 2013; Mallet and Wapshott 2014), which can undermine an older entrepreneur’s perceived appropriateness of running a business, and thus result in negative emotional reactions, such as shame (Goss 2005). Moreover, sanctions levied by the closer social environment can affect how people respond to business opportunities and mobilize resources (Meek, Pacheco and York 2010), thus potentially hindering an older entrepreneur in the successful development of their business. Instances of exclusion within closer social environments may particularly influence an older individual’s confidence in running a business as studies on ageing show that the older an individual becomes the more reliant he or she is on positive emotional support from close social relations (Carstensen and Mikels 2005; Scheibe and Carstensen 2010).

However, older entrepreneurs may develop strategies to manage social exclusion and discrimination by particular reference groups. For instance, Becker’s (1963) work argued that people who perceive or fear to be discriminated and judged as ‘outsiders’ in certain social contexts often start by hiding their ‘deviant’ activity in different ways, thus maneuvering around negative social influences. Fligstein (2001) suggests that individuals, depending on their skills, are able to change norms within their social environment, while Podoynitsyna, Van der Bij, and Song (2012) propose that an entrepreneur’s response to social barriers depends on their background and level of entrepreneurial experience. Rose’s (1990) concept of the ‘enterprise of the self’ also implies that individuals can resist responses and bring the expectations of the reference group in line with their own behavior. This argument is further supported by Battilana, Leca, and Boxenbaum (2009) who emphasize the entrepreneur’s ability to convince a group to ‘approve’ their endeavors, which in turn can assist them to mobilize relevant resources and social capital (Pirolo and Presutti 2010).

In summary, we suggest that the relationship between age and entrepreneurship is subject to social influences, where prevalent social expectations are likely to exclude older
entrepreneurship. As a result, older entrepreneurs may face age-based barriers, which can undermine their entrepreneurial confidence and socially exclude them through developing their business. However, we also propose that older entrepreneurs are able to develop strategies to overcome the barrier of ageism in their immediate social surroundings. This leads us to suggest the following main research question for our empirical investigation: How do older entrepreneurs experience instances of discrimination within their social environment, and how they are able to manage them?

3. Research Method

This research uses a qualitative methodology and follows an interpretative qualitative approach (Gephart 2004). The inductive study provides an in-depth exploration of the perceptions and behavior of older entrepreneurs. Through in-depth interviews, this enabled the study to gain exploratory insight into the different social settings in which older entrepreneurs create and operate their enterprises (Jack 2010) and how they face and challenge instances of discrimination.

The research participants were aged 50 years or older when starting their own business. This is consistent with the British definition of older entrepreneurs (PRIME 2010) and the age-based threshold used in other studies (for example, Curran and Blackburn 2001; Mallet and Wapshott 2014). The interviewees were selected from a database held by the organization PRIME (Prince’s Initiative for Mature Enterprise). PRIME was founded in 1999 and it is the main formal charity and initiative in Britain that supports the over-50s in their entrepreneurial journeys. The organization has helped more than 25,000 older individuals to date and it maintains a large database of older entrepreneurs in different stages of business creation (for more information, see e.g. PRIME 2010, 2014). Through their cooperation, we were able to gain access to our target group and efficiently recruit the required number of interviewees.

According to the definition of young business ownership in the Global Entrepreneurship Monitor (Amorós and Bosma 2014), we considered entrepreneurs who were running a new business less than 42 months old for the study. Overall, these businesses reflect the ‘existence stage of the business cycle’, where older entrepreneurs are in the midst of trying to survive and potentially grow their business (for an overview, see Lichtenstein and Lyons 2010). We chose 22 individuals for our convenience sample. The interviewees were selected
purposefully to provide us with access to a series of narratives which were differentiated by gender, age, professional experience, current industry/market of the small business, and if the individuals were novice or serial entrepreneurs (see Table 1). This sample enabled us to explore how different backgrounds relate to older people’s motivation and ability in developing their businesses and interacting with their social reference groups. However, inspired by Lichtenstein and Lyons (2001), we particularly focused on the strategies, skills and confidence involved in managing social exclusion, while the different backgrounds serve as a means to examine the older entrepreneurs’ narratives in greater depth.

We acknowledge that there are difficulties in developing analytical and robust generalizations from detailed qualitative studies. At the same time, we argue that this study does not seek to be representative and therefore, the interviewees were not selected to form a representative sample. Instead, we purposefully selected older entrepreneurs with various characteristics (business, demographics, work history) for the purpose of exploring the social processes and activities that pose potential barriers to older entrepreneurs, rather than to look at the scale and dimensions of their activities, which a subsequent quantitative study may seek to do (Vershinina, Barrett, and Meyer 2011).

The data used in our study was collected through semi-structured interviews by two of the authors in London between November 2010 and March 2011. The interviews lasted between 45 minutes and two hours, and the interviews were recorded and transcribed verbatim to preserve accuracy and to capture the full narrative of their experiences. The transcripts and any associated respondent data were anonymized to protect the identities of the interviewees. A semi-structured interview guideline was developed, to make certain that similar issues were covered in the interviews in a way that allowed analytical comparability, while providing openness to capture new emerging issues in an under-researched area (Biniari 2012). In the analysis we developed central themes from the academic literature, which were used to thematically open-code the transcripts (Myers 2008).

We sought to explore the life courses of the interviewees through their narratives, to understand how they perceived their social environments and important events that had shaped their enterprising endeavor (Porcellato et al. 2010). In analyzing the narratives, we looked for instances where older entrepreneurs reported to have faced barriers, exclusion and discrimination, or received support and resources from family, friends, and clients.
Table 1: Research Participants

<table>
<thead>
<tr>
<th>Case</th>
<th>Sex</th>
<th>Age</th>
<th>Education</th>
<th>Main professional backgrounds</th>
<th>Current business sector</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>60-64</td>
<td>Higher (Professional)</td>
<td>Caretaker, Translator</td>
<td>Professional, scientific and technical</td>
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<tr>
<td>2</td>
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<td>Further</td>
<td>Secretary, Childcare</td>
<td>Administrative and support service</td>
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<td>Local government administration,</td>
<td>Wholesale and retail trade</td>
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<td>55-59</td>
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<td>Academic work, Social Research</td>
<td>Professional, scientific and technical</td>
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<td>5</td>
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<td>IT, Teaching, Customer Service</td>
<td>Human health and social work</td>
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<td>50-54</td>
<td>Further (Professional)</td>
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<td>Human health and social work</td>
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<tr>
<td>7</td>
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<td>55-59</td>
<td>Secondary</td>
<td>Sales</td>
<td>Professional, scientific and technical</td>
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<tr>
<td>8</td>
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<tr>
<td>10</td>
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<td>55-59</td>
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<td>Teaching, Education management</td>
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<tr>
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<td>Accommodation and food service</td>
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<td>75-79</td>
<td>Higher</td>
<td>Engineering, Academic</td>
<td>Professional, scientific and technical</td>
</tr>
</tbody>
</table>

4. Varying discrimination within an older entrepreneur’s social environment

In this empirical section, we seek to provide insight into older entrepreneurs’ perceptions of discrimination within three social reference groups – family, friends, and clients – and how these judgments can affect their enterprising endeavors. We particularly explore how perceptions of discrimination are reflected and can vary in an older entrepreneur’s social environment and how these judgments affect their own entrepreneurial confidence and result in different levels of support.

Previous research has pointed out that societal stereotypes tend to emphasize a youthful image of entrepreneurship (Anderson and Warren 2011; Nicholson and Anderson 2005), which can generate discrimination (Ainsworth and Hardy 2008). In our analysis, we find that older entrepreneurs experience instances of discrimination, but also receive important support across and within different social reference groups. For some, in addition to being negatively judged by close family members, important emotional support was withdrawn from older entrepreneurs, as illustrated in the quote below:

“Well, cold water has been thrown over me from my children… well, from all relatives, all family, children, everybody. I’m left alone, nobody wants to know what I am doing. If I don’t go out there and join [business support groups], well they cannot help, they won’t help me. So it’s cold water on me all the time. No help. No help from nobody, because I intend to be different.” (Case 11)

In contrast, family members responded positively for other older entrepreneurs, supporting their enterprising activity. Consistent with Aldrich and Cliff (2003), we illustrate how families that had experience of pursuing their own entrepreneurial ventures were more supportive of older entrepreneurs. Although entrepreneurship was viewed as appropriate, as these individuals were older, their activities were positively judged, as they deviate from established entrepreneurial discourses in society (Ainsworth and Hardy 2008), but in a positive way. Particular support was found for novice older entrepreneurs moving away from the age of 50 (for example, Case 3 aged 60-64 and Case 17 aged 55-59), who needed emotional support to enhance their self-confidence and financial support in addition to business advice (Podoynitsyna, Van der Bij, and Song 2012). Such experiences are shown in the following quotes:

“My children did support me a lot. My oldest son works for himself, he has never worked for anybody. From the age of 18, when he left school, he said ‘Mummy I
am going to work for myself’ … only my son gave me some money to buy some
stuff [equipment for her catering business] such as containers and boxes.’’ (Case 3)

“My parents gave me their support on every decision absolutely clearly. There was
never any discouragement. We had discussions probably about what to do, but
they didn’t ever give me negatives. Yeah, so they give me their support and
thought it was a good idea and I had some useful advice from one who had been
an entrepreneur as well. That’s another! You know, entrepreneurship actually runs
through the family on every side that I’ve come across. But I found my friends the
least helpful. They always had the whats and ifs and ‘What about the [company] car?’ and ‘What about your pension?’ …a lot of my friends are extremely
conservative and don’t take risks at all.’’ (Case 17)

However, positive and negative judgments varied between different reference groups, as
demonstrated in the quote above. In this example, friends who were employed as professional
executives viewed entrepreneurship at an older age as a riskier activity, in comparison to their
own expectations which praised the guaranteed benefits available to employees in large
corporations in established markets. On the other hand, family members could also
disapprove of entrepreneurial activity at an older age. Families that had no entrepreneurship
history often negatively judged the business activities of novice older entrepreneurs, for
instance, by comparing the choice with leaving a long-term public sector post:

“The family actually tried to put me off. They said you’re in the NHS, it’s safe,
stay there until you’re 90. I suppose that’s fear for me, they didn’t want to see me
fail. So I suppose from that point of view they’re worried. Hmmm, but friends are
much more supportive of the idea. I mean they are just saying what the hell you
were doing all the time working for them when you could do it for yourself. So
they are much more supportive with me for doing it myself and I think it was
important, if everybody would have told me it was crazy I probably would have
thought: ‘Am I the only one who thinks this is a good idea?’ and just give up
maybe. So yes the emotional support of my friends was really important.’’ (Case
10)

As represented in the quote above, the emotional support was also important for older
entrepreneurs in offsetting discrimination, providing them with confidence, which has been
crucial in not abandoning their enterprising ambitions. Of particular interest is how instances
of positive and negative judgments by friends and family frequently emerged from novice
older entrepreneurs (for example, Case 1, 3, 10, and 17), rather than serial older
entrepreneurs. As serial older entrepreneurs have previous experience in running a business,
they may be less concerned by the perceptions of friends and family than novice older
entrepreneurs. On the other hand, family and friend groups may not view the behavior of serial older entrepreneurs as deviating from their usual enterprising activities, therefore not requiring as much support. As such, novice older entrepreneurs often highlighted the importance of supportive friends who support the idea of entrepreneurship at an older age, who encouraged them and acted as a sounding board to provide them with legitimacy (Steyaert and Landstrom 2011) in their endeavors:

“I had a few conversations with the friend I already mentioned, who is running his own company and is working in London. He helped and supported me. He said well, just go for it. I understood that I made the right decision when I talked to him.” (Case 1)

As older entrepreneurs were also developing new businesses in market sectors and areas of work with which they had no formal experience (for example, Case 1 and 10), this support has the potential to be more important for them than for those starting a new business in a familiar area (for instance, see below Case 4).

Thus, the findings demonstrate that there can be mixed judgments towards older entrepreneurship, within and across family and friend circles. However, of particular importance in the results are positive judgments where perceptions result in the provision of important emotional and financial support from friends and family. In contrast, instances of discrimination within social reference groups can generate negative emotions (Goss 2005) amongst older entrepreneurs which can arguably reduce their own belief in being able to run a business (Podoynitsyna, Van der Bij, and Song 2012). Interestingly, the results suggest that the favorable judgment in one social group (for example, family circle) can offset discrimination in another (for example, friend circle), which in turn can enhance the confidence for older entrepreneurs in developing their enterprise.

Turning to examine the role of the business environment, our analysis uncovered the effects of clients on older entrepreneurs. It emerged that older individuals experienced both positive and negative judgments from actual and potential customers, where the latter can create difficulties in gaining legitimacy and a market for their products and services. For example, the following quote illustrates how (potential) clients questioned an older entrepreneur’s ability to use necessary computer software, which was integral to their business, on the basis of their age:
“In my industry people often think that people at my age are not up-to-date with technology, you know I had people even saying to me: ‘Do you know how to access a computer, really?’ ‘Yes, well I actually do’. ‘Are you familiar with Microsoft packages’, ‘Actually, yes I am.’” (Case 2)

Even though serial older entrepreneurs may have experiences that can assist them in developing an enterprise, in addition to having gained greater entrepreneurial confidence and skills, they may be more alert to negative perceptions of entrepreneurship at an older age from clients, thus creating a barrier to legitimizing their venture. This may explain why fewer serial older entrepreneurs discussed the positive or negative perceptions of friend and family groups, as they were more concerned with the client context, in contrast to novice older entrepreneurs. This could become a serious issue for novice older entrepreneurs, as research shows that the development of nascent organizations depends on the ability of entrepreneurs to gain legitimacy within their business environment (Tornikoski and Newbert 2007). However, the extracts from Case 2, and the following quotes from 7 and 12, suggest that clients may be perceived to be more problematic for serial, rather than novice older entrepreneurs. Following the findings of Down and Reveley (2004), deviations between the shared norms and cultures of different generations can create negative age-related judgments, especially from younger clients where inter-generational cultural differences made it difficult for them to communicate:

“You know, I don’t look at the age although I am soon 60, this year, [but] I can feel this can be a problem, when you’re old, in particular when you deal with young people, because the main problem here is the way you speak, they may even not understand, so it’s quite difficult. This is a problem because they are two different worlds...” (Case 7)

On the other hand, clients could also view older entrepreneurs positively, where their age was associated with experience and, therefore, an improved service quality and professionalism, as illustrated in the quote below:

“I think they respect it in a way because if you’re dealing with an older person in business you have that feeling or belief that he’s experienced and he’s not going to mess up more or less. You know, he’s serious with life, he’s at an age where he has responsibilities, so obviously he’s going to do things properly. So I think there’s a certain degree of respect, you know, when you’re older and you start a new business.” (Case 12)
However, the analysis also indicates that ‘junior’ older entrepreneurs may be perceived by clients to provide a high quality product, but as older entrepreneurs age further, they tend to increasingly face questions regarding their ability to provide quality products or services. This suggests significant variations in the discrimination of the older entrepreneur population, which is not surprising given that older entrepreneurs are a very heterogeneous group of people. Similarly, while the analysis shows that most of the older entrepreneurs perceived positive and/or negative age-related judgments, across and within their client groups, Case 4 below, acknowledged the presence of age discrimination, but did not perceive his own activities to be positively or negatively perceived by his social reference groups:

“In my experience, there haven’t been age related issues coming up. In a general sense, I mean there are age related issues around and I am sensitive to people making comments about my age [outside of work]. I feel quite aware of that sort of issue... I mean I didn't sense any age discrimination in my work, I think I didn’t come across that. I was entering self-employment but I wasn’t entering a new area of work. I wasn’t trying to start my business in a new area of work, in a way I was ready based on my former achievements. But to be honest, I haven’t experienced age discrimination in starting up my business.” (Case 4)

Case 4 was a novice older entrepreneur who was toward the ‘junior end’ of the older entrepreneur spectrum. Despite developing a new business, he continued to undertake consultancy work of a similar nature to his previous job. By following a similar path, this was an accepted, or even taken-for granted, activity (Suchman 1995) by his friends and family. Moreover, by taking some of his previous employer’s clients, he retained his legitimacy as a competent provider, in the eyes of his clients, thus facing no instances of discrimination against his entrepreneurial venture. Subsequently, older entrepreneurs toward the ‘younger end’ (for example, Case 4 and 12) of the older age spectrum seem to be less likely to face negative judgments in their business environment.

In summary, we argue that instances of both discrimination and social support emerge from and vary across family, friend and client circles. In particular, the analysis indicates that family and friends with predominantly entrepreneurial experiences are more likely to have a positive judgment of entrepreneurship at an older age and to provide financial and emotional support for older entrepreneurs. On the contrary, family and friends with predominantly corporate/public career experiences are more likely to have a negative judgment, and tend to withhold support. Moreover, the findings suggest that the higher the age of an older entrepreneur, the more likely they experience negative perceptions from clients, affecting the
development of a client base. However, older entrepreneurs developing a business associated with their previous professional experience seem to experience less negative age-related judgments across their reference groups. Finally, emotional and financial support from family and friends is more important to novice older entrepreneurs, as compared to serial older entrepreneurs, in developing the necessary confidence and skills in enterprise development.

5. Managing discrimination of older entrepreneurs

So far, we have argued that older entrepreneurs do receive important support from, but also discrimination within circles of family, friends and clients. Further analysis suggests that discriminating expectations emerging from social and client reference groups were not always fixed, and that older entrepreneurs were in some cases able to manage discrimination over time. As such, we identified four coping strategies that older entrepreneurs use to manage discrimination and social exclusion, by negotiating the perceptions and opinions held by reference groups (Fligstein 2001, 2011; Rose 1990). These coping strategies include: active negotiation, passive negotiation, modification and avoidance. Subsequently, it is argued that age-related barriers can be successfully challenged, or partially negotiated, as highlighted in the case below:

“I have actually managed to persuade a couple of people after they’ve seen what I’ve achieved... [when people see] the kind of work and dedication that you need to put into that... a lot of people back off.” (Case 18)

The unfavorable views of older entrepreneurship within reference groups can be changed through the development of deeper understandings of the activities of older entrepreneurs, as social group members come to adopt a more favorable outlook (Down and Warren 2008). This further reflects the work of Ford, Ford, and D’Amelio (2008) and Badham et al. (2003) who argue how social groups may change the judgments of individuals, based on access to new information. This can be viewed as a strategy of passive negotiation, where discriminating views of older entrepreneurship are changed over time, without direct interventions. As such, frequent interactions between older entrepreneurs and their reference groups can change the social norms used to frame and view older entrepreneurs’ activities, even if a direct approach has failed, as suggested by the following quote:

“My friends are beginning to understand more what I am doing [while] my accountant...he doesn’t look down his nose so much at me at the moment...he has
realized the world has actually changed a bit, [he’s] a little bit more open to what I am doing, but I don’t try to explain, they don’t understand, I have been giving up trying to explain to people who don’t understand.” (Case 8)

We suggest that serial entrepreneurs, were not as reliant on support to enhance their entrepreneurial confidence as they had acquired previous entrepreneurial experience (for example, cases 14, 15 and 21) (Mai and Zheng 2013). While the learning experience for novice entrepreneurs usually starts with the self-reflection of being an entrepreneur, serial entrepreneurs already went through the entrepreneurial identification process and thus need less support to reflect on their ability to run a business (see e.g., Kutzhanova, Lyons, and Lichtenstein 2009; Lichtenstein and Lyons 2010). In addition, our findings show that serial entrepreneurs may have ceased trying to ‘turn’ unfavorable perceptions to focus on running their business, as they did not mention or recognize any negative sanctions through their narratives. This resonates with the work of Podoynitsyna, Van der Bij, and Song (2012) who argue that serial entrepreneurs are more positive and retain fewer negative emotions in comparison to novice entrepreneurs, leading us to argue further that serial older entrepreneurs may no longer require the emotional support to enhance their confidence and skills, which novice entrepreneurs may need.

In addition to challenging instances of discrimination, some older entrepreneurs decided to remove themselves from what they perceived to be negative and unhelpful support environments. As underlined in the quote below, they used the strategy of reference group modification, to manage negative judgments, which they had failed to negotiate:

“I found that along the way I had to lose certain type of friends and gravitate towards those who were driven, you know, who were high achievers who were sort of doing what I wanted to do.” (Case 18)

Our evidence builds upon previous research which highlighted how the formation of entrepreneurial ventures is intimately related to their social world (Drakopoulou-Dodd and Anderson 2007; Jack and Anderson 2002) by suggesting that social and client reference group modification is undertaken to reframe the social ‘worlds’ of older entrepreneurs so that they could find additional support from positive reference groups. The analysis suggests that reference group modification is especially useful for novice older entrepreneurs who had limited entrepreneurial confidence in comparison to more experienced and confident serial entrepreneurs:
“I’ve got friends who work in the film industry who all, I think, felt that I’d fallen by the wayside by taking a 9 to 5 job, so yes, so in my little world it’s quite normal to be an entrepreneur...I think I was so determined at that point that I would have found something else or someone else. It just felt like I needed someone to say ‘Yes, it’s okay, you’re allowed to do it.’” (Case 19)

“[My experiences are] mixed, I mean I have a couple of friends who are encouraging because they’ve always known what I want to do and have, you know, encouraged me to try and move on from an employee job, you know, but otherwise it’s been mostly myself. I don’t have any family actually, there’s just me and my sister in the whole world. That’s it really, and a small group of friends, so they’re encouraging.” (Case 13)

However, due to the former, closer relationships, the modification of social reference groups by the older entrepreneurs was often found to be difficult. In this context, a close friend, entrepreneurial peers or a formal coach have been regularly addressed as an important strategic trigger to actually make the decision and take action to leave a ‘negative’ reference group. This adds to the work by Kutzhanova, Lyons, and Lichtenstein (2009), who suggest that – informal or formal – interventions that involve coaching are often necessary for entrepreneurs to accomplish modifications of their entrepreneurial community.

Further, we argue that older entrepreneurs who have more frequent interactions with social and client reference groups have greater opportunities to actively negotiate judgments, or to indirectly provide more information leading to the passive negotiation of discriminatory perceptions. Subsequently, the existence of dense ties (Granovetter 1973), such as those among family and friends, expose reference group members to older entrepreneurs more often. However, as client interactions are less frequent, there may be fewer opportunities to respond to instances of discrimination, limiting the use of active and passive negotiation. A further strategy is identified, where older entrepreneurs use avoidance to mask attributes associated with age, which may form the basis of discrimination by clients. This may be necessary in becoming legitimized in the eyes of potential business clients which plays a major role in developing the business (Tornikoski and Newbert 2007). As outlined in the following quote, avoidance enables older entrepreneurs to ‘hide’ (Becker 1963) their age, which can be achieved by operating businesses over the internet, where face-to-face interactions are fewer or not needed, and where work quality can be demonstrated, independent of age, as illustrated in the quote below:
“I mean it's more of a problem if you are working in an office and you go to deal with things more in public, then a lot of people want someone, a young slim, dolly bird. That's fine, that's up to them, but if you are actually [a client] employing someone to do donkey work at home, it doesn't really matter what they look like, it's about the quality of work, and that's what I work on.” (Case 2)

Accordingly, we argue that older entrepreneurs can use multiple strategies in attempting to negotiate and avoid discrimination which hampers confidence and support, helping them to impede business development. As outlined earlier, this is a particularly important issue for novice older entrepreneurs.

6. Discussion

The issues of age and ageing are becoming increasingly important within policy and scholarly debates, as populations in developed industrial economies become older. In particular, studies have begun to recognize the economic and social consequences of changing age distributions and the effect on modes of work (OECD 2006; Post et al. 2013). At the same time, policy makers and academics have begun to discuss ‘older entrepreneurship’ – people aged 50 or older starting businesses – as a potential strategy to further ease the challenges presented by a shift towards an older workforce (OECD 2012; Wainwright and Kibler 2014). However, if older entrepreneurship is to offer solutions, the specific barriers to running a business at an older age need to be carefully addressed.

In our study, we add to this debate by investigating older entrepreneurs’ perceptions and responses to instances of social exclusion within their immediate social environments. Acknowledging the enterprise discourse which often tends to favor a youthful image of the entrepreneur (Anderson and Warren 2011; Mallet and Wapshott 2014), we particularly extend the knowledge by examining how positive and negative judgments are generated within circles of family, friends and clients, and how they influence the motivation, confidence and activities of older entrepreneurs.

Our analysis demonstrated that older entrepreneurs perceive a series of positive and negative judgments both in and across different social reference groups. Positive judgments can provide older entrepreneurs with access to resources, information and support, or it can be denied as a consequence of negative judgments, which particularly affect the older individual’s confidence in running a business. The study also argued that there are differences
which emerge for different types of older entrepreneurs. For example, novice older entrepreneurs sought greater support from reference groups, in contrast to older serial entrepreneurs that have more experience and thus developed a greater confidence in being an entrepreneur. In addition, older entrepreneurs at the ‘junior’ age range were less likely to face discrimination, in comparison to their ‘senior’ counterparts.

We also demonstrated that the older entrepreneur’s work experience in certain market sectors affected how their activities were viewed by their reference groups. Those entrepreneurs whose venture was similar to previous sectorial work, were less likely to experience discriminating behavior, as the gap between the established norms of their current work and previous work was narrow. Instances of discrimination and exclusion were also affected by the work histories of reference groups, particularly friends and family, as they largely determine the social contexts by which older entrepreneurs were judged. However, clients’ perceptions of older entrepreneurs varied between positive and negative, where they placed trust in older, yet more ‘junior’ older entrepreneurs, but questioned the skills of their more ‘senior’ counterparts, which undermined their potential to develop a market. There are also fewer opportunities for the ‘senior’ older entrepreneur to respond to discriminating behavior by their potential clients. In contrast, the increased frequency of the interactions with family and friend circles and the closer emotional ties mean an entrepreneur can improve the prospects of gaining legitimacy and thus the support needed to develop their business.

Following on from this, the study identified four strategies to manage the discrimination and social exclusion of older entrepreneurs within circles of family, friends and clients, and to improve the level of support provided by those groups. The four coping strategies involve, firstly, active negotiation of opinions and expectations within the immediate social environment, suggesting that older entrepreneurs are able to change and modify discriminating perceptions through active interventions over time. Secondly, age-based barriers can change through passive negotiation, suggesting that the immediate social environment can begin to understand and approve an older entrepreneur’s business activities by simply gathering more information and observing the entrepreneur’s activities. Subsequently, their unfavorable perception can become more positive without direct interventions by the older entrepreneur. The third strategy involves modification, implying that entrepreneurs do not directly or indirectly shape social appraisals of their businesses, but that they rather move from negative reference groups to other more positive ones. A fourth
coping strategy is called *avoidance*, suggesting that older entrepreneurs can find ways to hide or mask certain markers that provoke negative judgments, such as those based on age, appearance or other characteristics, particularly within circles of clients.

**Directions for Future Research**

We suggest future research that examines our findings in different regional and national contexts, for examples, comparing more affluent and poorer regions, and regions that have higher and lower rates of entrepreneurship. This is important as our exploratory study only focused on the influence of different social environments within one region, and we know from recent research that regional communities develop different levels of social legitimacy for entrepreneurship (Kibler, Kautonen and Fink 2014). This could provide new insight into how variations in broader, regional normative contexts can affect the judgments of the closer social reference groups and the behavior of older entrepreneurs. In addition, scholars could compare environments with different benefits systems, which are likely to shape the levels of ‘opportunity’ and ‘necessity-based’ older entrepreneurship.

The suggested research would generate insights for the development of more holistic education and training programs, in addition to assisting the development of more effective policy interventions to address the different skills levels of older entrepreneurs (Lichtenstein and Lyons 2001). Extending this knowledge base is important, as countries continue to undergo demographic changes, and fiscal pressures to extend working careers are unlikely to decrease.

Moreover, we suggest that quantitative research is needed to develop generalizations about the role of age-related barriers for older entrepreneurship. To our knowledge, there exist only two quantitative studies (Kautonen, 2012; Kautonen et al. 2011) that specifically address age-related norms in the entrepreneurial context. The present study together with the recent research by Mallet and Wapshott (2014) serves as a starting point for the development of new measures for survey studies that address age-related barriers in the entrepreneurial process.

**Implication for Practitioners and Policy-makers**
UK entrepreneurship policies targeted at the support of marginalized groups have often been criticized for addressing only ‘weak’ versions of the entrepreneurial discourse. That is communicating the change of barriers for excluded people at a generic level, rather than ‘strong’ versions of the discourse, which also explain where barriers emerge, and who and what is generating the barriers in the first place (Blackburn and Ram 2006). Moreover, recent entrepreneurship policy in the UK has lacked precision and specificity, missing opportunities to develop a coherent and tailored agenda designed to achieve clear objectives and support initiatives (Arshed et al. 2014). As a consequence, policy-makers have often failed to recognize the diverse nature of social exclusion of particular groups of entrepreneurs (Blackburn and Smallbone 2011). Against this backdrop, we argue that this paper has two main practical implications, to assist entrepreneurs and the entrepreneurial support community to address age-based discrimination:

First, the four coping strategies identified in the study to subvert, or negotiate, discriminating perceptions could be developed and integrated into specific training programs and the broader entrepreneurial development system (EDS) (Lichtenstein and Lyons 2001, 2010) of a community, region and/or country. This would enhance the development of more tailored support interventions for older entrepreneurs, helping them to increase the levels of skill in managing social barriers. At the same time, it is important for enterprise coaches and the support community to ‘recognize that [older] entrepreneurs come to entrepreneurship with different levels of skill’ (Kutzhanova, Lyons, and Lichtenstein 2009) and barriers to cope with. As such, each older entrepreneur requires their own ‘game plan’ and monitoring (Kutzhanova, Lyons, and Lichtenstein 2009) for being able to continuously evaluate and manage their unique social barriers and sources of social support. This would include tailored advice for novice and serial older entrepreneurs, and support that acknowledges the different requirements of individuals in the ‘junior’ (early 50s) and more ‘senior’ (60+) parts of the age range for older entrepreneurs. Particularly, those older entrepreneurs who start a business for the first time usually find themselves longer in the self-identification phase of being an entrepreneur than serial entrepreneurs (Lichtenstein and Lyons 2010). Thus, in order to strengthen their entrepreneurial identity and skills in the first place, positive strategic support is especially important for the older, novice entrepreneur to resist potential negative influence from the closer social environment.

Second, it can be argued that as the businesses of the older entrepreneurs in our study have continued to operate, and they have not failed or exited in the early development stage,
the negative perceptions held by family, friend and client reference groups are not necessarily justified. As such, we argue that the EDS for older entrepreneurs should encompass family, friends and clients, to inform actors within reference groups that their negative perceptions of entrepreneurship at an older age are not necessarily accurate and that the activity can be viewed as positive. Thus, in the spirit of Lichtenstein and Lyons (2001), a tailored EDS for older entrepreneurs needs to strategically address a variety of segments of the entire (business and social) community within which older entrepreneurs operate. For instance, an EDS that carefully incorporates closer social reference groups – as potentially important resource and stakeholders – would provide a range of benefits for the older entrepreneurs. It can help them to gain the access to more resources, psychological support, and opportunities to develop new technical, managerial, entrepreneurial, personal, and other skills (Lichtenstein and Lyons 2001) within their social communities.

7. References


