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EMBRACING ENTREPRENEURS: A CROSS-NATIONAL COMPARATIVE STUDY OF INCLUSIVE BUSINESS MODELS (INTERACTIVE PAPER)

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≈ INTERACTIVE PAPER ≈

**EMBRACING ENTREPRENEURS: A CROSS-NATIONAL
COMPARATIVE STUDY OF INCLUSIVE BUSINESS MODELS**

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Principal Topic

Efforts to develop markets in disadvantaged and impoverished areas may be limited by the failure to engage local entrepreneurs in a manner that helps to build local prosperity and economic capacity. So-called inclusive business models (IBMs) may ameliorate some of these problems (London & Hart, 2011). For many participants in IBMs, amorphous aspirations to be a person or organization engaged in doing direct social good predominate, while others enact more strictly instrumental identities in seeking the “fortune” at the bottom of the pyramid (Prahalad, 2004). We investigate role and identity dynamics in the formation and development of IBMs and consequences for outcomes such as fidelity to founding mission and operational effectiveness.

Method

Our multi-year international comparative study will develop a theory of entrepreneurship through inclusive business models. Because of the obvious need for substantial local understanding, we are relying initially on participant observation to study projects promoting entrepreneurship through inclusive business models in both rural and urban areas of South Africa, India, and the southeastern United States. Some of these projects involve corporate partners engaged in “bottom of the pyramid” initiatives, others involve for profit or not for profit social entrepreneurship.

Results and Implications

Initial results show strong role identity and role negotiation dynamics. First, we discovered that the order in which different participants enter the organization and resulting role and identity negotiations shape mission development and the ability to become operational quickly. Second, these ordering dynamics are in some cases strengthened by competing ideological stances tied to competing role-identity claims and aspirations. Third, issues of individual and community identity interact in a manner that can either enhance or greatly diminish efforts to develop a coherent organizational identity. We propose that these dynamics are strong enough to largely explain a range of outcomes from successful operation and fidelity to founding mission, to splintering into multiple organizations, to stagnation and disbanding. Our results have practical implications for understanding determinants of IBM success and core issues of social entrepreneurship. The study has broad theoretical implications for our understanding of complex forms of entrepreneurship involving diverse founders, negotiated roles and goals and important substantive missions.

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