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Crescive entrepreneurship in complex social problems: Institutional conditions for entrepreneurial engagement

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ABSTRACT

This paper explores entrepreneurship in the context of complex social problems (often referred to as 'social' entrepreneurship). Most management research in this area studies the entrepreneurs; we explore the institutional conditions which frame the likelihood of entrepreneurial engagement. We name these conditions 'crescive' and, following A.O. Hirschman's studies on institutional conditions for development we identify two analytically different sets of conditions: those that can stir up actors' motivations to engage and those that can alter their decision making logic. Our exploration of crescive conditions yields a novel conceptual model for entrepreneurial engagement in the context of complex social problems, which we label 'crescive entrepreneurship' and place in a space between functionalist and institutional action.

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1. Executive summary

This paper explores entrepreneurial efforts in the context of complex social problems (*i.e.* durable poverty, or environmental degradation). Borrowing language from urban planning (see Rittel and Webber, 1973), we understand these as "wicked problems"; that is problems which are defined by their circular causality, persistence, absence of well-structured alternative solutions, relative lack of room for trial and error learning, constitutive of 'contradictory certitudes,' and harboring redistributive implications for entrenched interests (Rayner, 2006).

In management literature entrepreneurship targeted at wicked problems is most frequently described as 'social entrepreneurship' (Dacin et al., 2010; Nicholls, 2008). Research in social entrepreneurship has produced valuable insights, however, the strong focus on entrepreneurial actors under-specifies context little work to date addresses the institutional conditions that facilitate or hinder entrepreneurial engagement. The goal of this paper is to offer a conceptual path to redress this asymmetry.

Extant theoretical frameworks in the area of such system change social entrepreneurship are too polarized to help in our task. At one extreme, we find functionalist positions that center on actor motivations without regard for the 'wicked' nature of the problems the entrepreneur is addressing. On the other extreme, we find Foucaultian positions that assert that all entrepreneurial engagement, no matter how well intentioned, likely makes matters worse. This Foucaultian position disregards evidence linking 'clumsy' entrepreneurial efforts (Rayner, 2006) to the re-solution of wicked problems -i.e., wicked problems are not solved only re-solved over and over again (Lukes, 2004). The gap between these two positions suggests the space for new conceptual work that bridges the polarized positions (see Tolbert and Zucker, 1996) and allows for a more grounded exploration of the institutional conditions that influence entrepreneurial engagement in the context of wicked problems.

Research on entrepreneurial bricolage provides a useful set of tools for building this bridge (Di Domenico et al., 2010). This research shares a Foucaultian concern with the inability of actors to formulate effective plans in institutionally-constrained

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S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

environments and a functionalist interest on the central role of the motivation of actors. Yet, in contrast with Foucaultian views, this work suggests that motivated actors can challenge institutional definitions and create value, and in contrast with functionalist views, it posits that actors' abilities to identify value-creation opportunities are not technology-dependent processes (Kirzner, 1999; Shane, 2000). Instead, the entrepreneurial bricolage approach forwards the alternate notion that a social effectuation mode of discovery – making do with the resources at hand – enables actors to enact opportunities they could not have perceived prior to their engagement (Baker and Nelson, 2005; Sarasvathy and Dew, 2005).

We build on and push the boundaries of this conceptualization. Entrepreneurial engagement in the context of wicked problems shares with entrepreneurial bricolage that it occurs in institutionally-constrained environments. But it departs in that the goal is not to advance an interest private to the entrepreneur but rather one which is common good and/or public. Moreover advancing this common interest requires actions that spark or sustain the emergence of "new states in relevant economic, social, institutional, and cultural environments" (Rindova et al., 2009: 478). Without systemic change it may not be possible to "[fill] simultaneously" the different conditions required for re-solving wicked problems and to reconfigure the "interlocking vicious circles" that constitute them (Hirschman, 1958: 5).

Crescive comes from Latin crescere — to come to be, to arise from, to increase, and to grow. Crescive conditions are institutional conditions and processes that increase the likelihood of entrepreneurial engagement in wicked problems. We identify two components of actor entrepreneurial engagement: actors' motivation to engage (DiMaggio, 1988) and their decision making logic (Ocasio, 1997). Following the arguments and field studies by Hirschman (1958, 1962, 1967) we identify two relevant sets of crescive conditions that can tir up actor motivation to engage increased public awareness and what we call 'dissonant' loyalty. We also identify two sets of factors that can alter their decision-making logic, namely, arbitrary time setters and the hiding hand. Illuminating the importance of certain crescive conditions for social entrepreneurship to emerge balances the asymmetry of current research and opens up research on the institutional conditions and contexts for entrepreneurial action. It also calls the attention of practitioners to new ways of supporting entrepreneurship in the context of wicked problems, namely, supporting the development of crescive conditions.

2. Introduction

Social entrepreneurship in the context of wicked problems, such as durable poverty, environmental degradation, endemic violent conflict, and demographic unbalances is increasingly attracting the attention of management scholars (<u>Dacin et al., 2010</u>; Mair and Marti, 2009; <u>Murphy and Coombes, 2008</u>; Neck et al., 2009; Westley et al., 2007; <u>Zhao 2012</u>). One telling example of this interest is Mair and Marti's (2009) pioneering paper which explores the work of BRAC in Bangladesh helping ultra-poor women engage in market-based economic activities. This analysis documents the varied initiatives brought forward by BRAC and its partners to intervene and bring about changes in women's situation and, indirectly, in changing local conceptions of market activity. The work of BRAC would be remarkable in any setting but particularly so in a country where, "patrilocal residence and *purdah* (the practice of secluding and protecting women to uphold social standards of modesty and morality) interact to isolate and subordinate women" (Hashemi et al., 1996; 636).

In management studies, research on entrepreneurial efforts in the context of wicked problems is often referenced as *social entrepreneurship*. We embrace the term *entrepreneurship* because these efforts involve the type of system change central to Schumpeter's original definition of the term (Schumpeter, 1934). We eschew use of the adjective 'social' because that it treats entrepreneurial engagement in the context of wicked problems at parity with for-profit entrepreneurship except for the different value being pursued ('social' rather than 'economic'). In the context of durable social problems, we contend that entrepreneurial engagement is distinct not only because it includes efforts (*e.g.*, activities, projects, and processes) directed toward the creation of predominantly social rather than economic value (Dees, 1998), but because it must "bring about new states in relevant economic, social, institutional, and cultural environments" (Rindova et al., 2009: 478). In short, the distinctive quality of entrepreneurial engagement in the context of wicked problems is not the form of value pursued by the actors, but that it promotes system-change; that is the simultaneous unbuilding and rebuilding of constellations of value-creating activities (Hajek et al., 2011).

Prior research in the area of social entrepreneurship has, however, produced useful constructs for analytic application in the context of wicked problems. The concept of 'Bottom of the Pyramid' (Prahalad and Hammond, 2002) has usefully refocused scholarly attention on potential customers and neglected markets, and stimulated the attention of multinational firms toward entrepreneurial processes of market-building. Similarly, responses to the construct of 'institutional voids' (Mair, Marti and Ventresca, 2012) has insightfully shifted focus to entrepreneurial engagement in the context of weak market institutions and market-building in the case of extreme poverty. Finally, the notion of 'social ventures' (Dorado, 2006) has called attention to the role of organizations that blend profit-driven opportunities with social goals in the re-solution of wicked problems (Battilana and Dorado, 2010; Nicholls and Opal, 2005).

But to date this research has emphasized the entrepreneurs over the institutional conditions that frame their engagement (<u>Dorado, 2005</u>). This bias explains the emphasis on remarkable individuals (Elkington and Hartigan, 2008; <u>Westley, 1991</u>) and, more troubling, points to the deficit of research on the institutional conditions that facilitate entrepreneurial engagement in the context of complex social problems.

To address this deficit, we start from the position of institutions — an analytical move that creates space to conceptualize engagement without having an *a priori* answer to the question of why actors engage. Such a positioning de-emphasizes standard struggles over the sources and motives for action potential, which functionalist-leaning scholars specify building on assumptions

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

of utility maximization, and institutional leaning ones articulate emphasizing the constraining power of incumbent institutional structures on individual will. More relevant, it points to an intermediate space between these two poles which is analytically useful to explore institutional conditions that can increase the likelihood of entrepreneurial engagement in the context of resolving complex social problems. We introduce the term 'crescive conditions' to describe these conditions and build on the work of development economist Albert O. Hirschman to identify crescive conditions that can either stir actors' motivation to engage and/or alter their decision making logic. Crescive comes from Latin crescere, to come to be, to arise from, to increase, and to grow. The term provides the imagery of how institutional conditions can generate entrepreneurial engagement in otherwise daunting and inertia-filled situations.

We appropriate the concept of 'wicked problems' to describe complex social problems. The concept of 'wicked problems' originated in research and practice in urban planning and public policy (Buchanan, 1992; Camillus, 2008; Churchman, 1967; Lach et al., 2005; Rittel and Webber, 1973; Weber and Khademian, 2008), to highlight the system-level features of urban planning and policy specifics. The term has found current usage in studies of climate change and environmental policy (Lach et al., 2005; Rayner, 2006) as well as in corporate strategy literature (Camillus, 2008). The adjective "wicked" is used to describe the interconnected, apparently intractable social problems, where conventional, often generous, "solutions" can create difficulties worse than the initial symptoms (Churchman, 1967).

Characteristic features of wicked problems include circular causality, absence of well-structured alternative solutions, lack of room for trial and error learning, 'contradictory certitudes,' redistributive implications for entrenched interests, and persistent, insoluble trade-offs (Rayner, 2006). As described by Rayner 'contradictory certitudes' are

...a different idea from uncertainty. We're not dealing here with problems where we are just uncertain, we are dealing with problems where people know what the answer is. Different people know what the answer is. The trouble is the answers that they have are just irreconcilable with each other (2006; 2)

The solution he proposes is:

.. to learn to cope with wicked problems, we don't really solve them, and we're really not looking at optimal solutions – the best outcome – we're just looking for something that will damn well work (2006: 2).

The conceptualization of complex social problems as 'wicked' is fundamental to advance our articulation of crescive conditions. The concept focuses attention toward the "many different conditions [that] must be filled simultaneously" and the "interlocking vicious circles" that need to be broken (Hirschman, 1958: 5) in order for problem re-solution. Wicked problems are by definition intractable with regard to unit-level solutions (Rittel and Webber, 1973). But the contemporary provocation is that the 'clumsy' solutions identified by actors through their entrepreneurial efforts (Rayner, 2006; Shapiro, 1988) may be sufficient (Lach et al., 2005). This conceptualization of 'clumsy' solutions highlights how the complex and distributed institutional arrangements that hold in tension contending values and purposes allow systems-level benefits. 'Clumsy' in this sense specifically counterposes the apparently 'efficient' but often partial solutions offered by stand-alone market solutions with more durable hybrid institutional arranagements (Dietz, Ostrom, and Stern, 2003).

The next two sections introduce the theoretical domain that anchors our conceptual development of crescive conditions. First we sketch out the theoretical argument for the focus on institutional conditions for entrepreneurial engagement. We follow with a primer on relevant concepts from the work of Hirschman on institutional change. In the third section, we introduce the four sets of crescive conditions extracted from our reading of Hirschman and illustrate these with a range of examples and short case studies. We describe an institutional conditions-based model of entrepreneurial engagement in the context of wicked problems, which we define as crescive entrepreneurship. We conclude with a discussion of the implications of our model for theory and practice.

3. Theoretical domain and agenda to explore crescive conditions

A review of social theory exploring entrepreneurial engagement in re-solving wicked problems unveils the existence of two parallel research approaches with too little overlap or cross fertilization. One approach, present in the growing corpus of social entrepreneurship scholarship, works from a functionalist view rooted in the Enlightenment tradition (<u>Gladwin et al., 1995</u>) and which can be fairly described as optimistic or at least possibilistic. Within this approach, scholars consider that actors are – or with the help of technological advancements will soon be – able accomplish everything they set their mind to; including re-solving wicked problems; the challenges are bringing good solutions to scale, and the preferred mechanism is a market-based logic.

Scholars in this track acknowledge that there are many challenges to entrepreneurial engagement in re-solving wicked problems but foreground, in one form or another, that lack of actor motivation is the crucial bottleneck. The centrality of this assumption explains the interest of these scholars on social entrepreneurs and their motivations (Neck et al., 2009). It also explains the interest on the spread of ventures blending profit and social goals (Battilana and Dorado, 2010); as the presence of profit is seen as a powerful incentive for the engagement of actors in wicked problems such as the lack of access to financial services, see e.g. the discussion of Bornstein (1996) on Grameen; the lack of access to housing, see Prahalad and Hammond's (2002) description of CEMEX; or the lack of fairness and sustainability in many global supply chain systems.

This approach however has been heavily criticized by scholars who work from an alternative, but parallel approach. These researchers describe this functionalist perspective as a candid "belief in the "makeability," or unrestricted malleability, of future history by means of the planning intellect-by-reasoning, rational discourse, and civilized negotiation" (Rittel and Webber, 1973:

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

156). Frequently citing the work of Foucault (Foucault, 1976, 1995; Foucault and Gordon, 1980), this research argues that actor's engagement in entrepreneurial efforts is more likely to actually reinforce the wicked problems they address than they are to re-solve them (see Lukes, 2004 for a review).

Khan et al.'s (2007) description of entrepreneurial engagement in the elimination of the long-standing practice of child labor in the world's largest soccer ball manufacturing cluster in Sialkot, Pakisty an example of this more critical tradition. This research identifies what the authors describe as the "darker" side of entrepreneurship re-solving wicked problems and they point to how well-meaning interventions often exacerbate the original situation. Whereas the entrepreneurial efforts they studied succeeded on their own terms in reducing child factory labor, a presenting symptom of a more basic wicked problem, the observed intervention did not re-solve the root causes and, in effect, their efforts finished by reinforcing the deep poverty of these children's families with the consequent impacts on the well-being of the children.

In contrast with the functionalist perspective, scholars in the Foucaultian tradition argue that actors' difficulties in engaging in entrepreneurship is not a lack of motivation but their inability to identify opportunities due to "articulated inter alia [in] relations of 'class', 'gender', and 'postcolonialism' dominant in our current society" (Khan et al., 2007: 1074). As a sort of 'velvet curtain,' this institutional web prevents actors, no matter how well intentioned, from engaging in actions that effectively undermine the status quo (Lukes, 2004, 2005); and without it their efforts address but the most superficial aspects of a wicked problems leaving its core untouched.

On the surface, the Enlightened functionalist and the Foucaultian institutional views appear to be incompatible. From a functionalist perspective, the central difficulty is the lack of motivation of actors; with disregard for the wicked nature of these problems. From an institutional perspective, the critique is that intervention efforts, no matter how well-intentioned, can be ineffective and even make matters worse, again because of the incomplete appreciation for the systems-quality of wicked problems. But the taken-for-granted quality of institutions which generates this so called 'velvet curtain' is not a have or have not condition but a variable property of the conditions framing actors decision making (Zucker, 1977). Accordingly, the functionalist and the institutional views represent but "two ends of a continuum of decision-making processes and behaviors" (Tolbert and Zucker, 1996: 170). Bridging these two poles, however, requires theoretical and empirical work on the intermediate region of this continuum.

Research on entrepreneurial bricolage (<u>Baker and Nelson, 2005</u>) provides a platform for work on this intermediate region in the context of complex social problems (<u>Di Domenico et al., 2010</u>). This research shares an institutional concern with the inability of actors to formulate effective plans in institutionally constrained environments and a functionalist interest on the central role of the motivation of actors. It suggests that, in contrast with institutional views, motivated actors can challenge institutional definitions and create value but also that, in contrast with functionalist views, the ability of actors to identify an opportunity to create value is not a technology dependent process of discovery (<u>Kirzner, 1999; Shane, 2000</u>) but a socially made and enacted one in which, by making do with the resources at hand, actors enact opportunities they could not have perceived prior to their engagement (Baker and Nelson, 2005; Dew et al., 2011; Ventresca and Kaghan, 2008).

Research on entrepreneurial bricolage typically assumes actors engaged in the advancing of a private interest, whether economic (<u>Baker and Nelson, 2005</u>) or social (<u>Di Domenico et al., 2010</u>). This conceptualization then requires expansion since, as explained earlier, in the context of wicked problems, engaging in entrepreneurial efforts requires advancing not a private interest but a public collective agenda (<u>Skocpol and Fiorina, 1999</u>).

We use strategies from the literature on institutional entrepreneurship (see <u>Dorado, 2005</u>) to address this limitation: We adopt a disaggregated understanding of entrepreneurial engagement, considering separately the conditions that influence the motivations of actors to engage (<u>DiMaggio, 1988</u>), and those that influence the decision-making logic (<u>Ocasio, 1997</u>) framing their engagement. We turn to the work of Hirschman on conditions for economic development as a source to develop our argument and for inspiration to identify crescive conditions for entrepreneurial engagement in the context of wicked problems.

3.1. A Hirschman primer

Among management scholars, Hirschman's best known works may be *Exit, Voice, and Loyalty* (1970) and *The Passions and the Interests* (1977). These are his later work. Early in his career Hirschman worked at the U.S. Federal Reserve Board, studying aspects of the European Marshall Plan and then as a World Bank expert with the newly-established National Planning Council in Columbia in 1952 (Bianchi, 2004). This practical experience with policy-makers and planners informed his first three books in development economics focused on the so-called 'backward' economics of Latin America, Asia, and Africa: *The Strategy of Economic Development* (1958), *Journeys toward Progress* (1963), and *Development Projects Observed* (1967). In this trilogy, his interest is not on 'unreasonable' social entrepreneurs (Elikington and Hartigan, 2008) but on 'reasonable' government planners, policy-makers, international consultants and the like engaged in entrepreneurial efforts to re-solve wicked problems, such as the lack of access to clean drinking water, poor transportation infrastructure, and durable poverty. The two first books "dealt with circumstances under which successful development decisions, whether in the sphere of capital investment, or in the wider area of economic policy making, are most likely to emerge from initial and apparently pervasive backwardness" (1967: vii). The third book dealt with "the ways in which decision making is molded, activated, or hampered by the specific nature of the project that is undertaken" (1967: viii). In subsequent writings, Hirschman broadened the range of topics of interest but continued to reflect on his initial work on the challenges in re-solving wicked problems (see *e.g.* Hirschman, 1971, 1982, 1984, 1991).

This work describes the process of economic development in terms resonant with a Schumpeterian view of system disequilibria as the basis required to identify entrepreneurial opportunities for engagement. But Hirschman argues for

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

attention to the need for a 'chain of disequilibria' rather than to single episodes as a crucial analytic and practical insight (Bianchi, 2004):

...our aim must be to keep alive rather than eliminate the disequilibria of which profits and losses are symptoms in a competitive economy. If the economy is to be kept moving ahead, the task of development policy is to maintain tensions, disproportions, and disequilibria. That nightmare of equilibrium economics, the endlessly spinning cobweb, is the kind of mechanism we must assiduously look for as an invaluable help in the development process. (1958: 66)

Hirschman's development trilogy does not yield a coherent theory of development. Developing such a theory is something which he purposefully resisted to do throughout his career (Krugman, 1994; Rodwin and Schön, 1994). Instead, Hirschman belongs to an intellectual tradition in development economics that Krugman has described as "muscular" pragmatism (Krugman, 1994; 40), others in this tradition include Myrdal (1957) and Alexander Gerschenkron (see e.g. 1962), and more recently, scholars such as Tendler (1997), Rodrik (2008), and Evans (1995).

Hirschman's pragmatism is a methodological stance as much as a substantive focus. The source is his "unwillingness to do violence to the richness and complexity of the real world" (Krugman, 1994: 40). This unwillingness has created difficulties to translate his reflections into distilled lessons or simple recipes which could then be included into the stylized models of development economics (Rodrik, 2008). But it has produced contextually rich observations and reflections on critical cases which stand as a point of leverage from which to extend his work to purpose and benefit in other academic fields (Rodwin and Schön, 1994). For our purposes, his work and this tradition provide insights for a novel view of entrepreneurship in the context of wicked problems.

We build on his contextually rich reflections and the idea of crescive conditions as a sort of generative metaphor to identify circumstances and processes which stir up actors' motivation to engage or/and alter their decision making logic in the context of wicked problems.

4. Crescive conditions

Hirschman assumes as the analytically-relevant actors not the heroic social entrepreneurs of the management literature (see e.g. Leadbeater, 1997; Peredo and McLean, 2006; Waddock and Post, 1991; Westley, 1991) but the everyday reflective practitioners (Schön, 1983, 1987) of interest in the development literature (see e.g. Evans, 1995; Rodrik, 2008; Tendler, 1997). Based on this understanding of the actor, what becomes central in the analysis for the likelihood of entrepreneurial action are the institutional circumstances and processes that organize and promote the "possibility for" the engagement of any one everyday, reasonably-skilled individual.

Hirschman described these institutional circumstances and processes as "inducement mechanisms" (see 1958: 24). We forward the more precise term of *crescive* conditions. It carries more directly than 'inducement' the focus on the institutionalized quality of the circumstances and processes, their nature as taken for granted conditions which resist intervention, even when generated with actor participation (<u>DiMaggio and Powell, 1983; Meyer and Rowan, 1977</u>). In addition, the term *crescive* conveys the accumulated, layered nature of the institutional arrangements, a connotation that is not as explicit in the term 'inducement'.

A focus on the "possibility for" engagement created by crescive conditions has strong parallels with the Austrian economics tradition (Hayek, 1945; Kirzner, 1999) and the considerable body of entrepreneurship scholarship building on these classic writings. The Austrian tradition places the conditions that allow for opportunity identification for value creation at the center of entrepreneurial processes (Shane, 2000; Shane and Venkataraman, 2000) and emphasizes the social embeddedness of entrepreneurial action (Sarasvathy, Dew and Ventresca, 2009). But the conditions required when the aspiration is to create private value may differ from those required when the aspiration is a public good, *i.e.* the re-solution of a wicked problem.

The next section presents our model of crescive conditions, based on this reading of Hirschman's works and current debates in the literature on institutional and social entrepreneurship. Neither Hirschman's writings nor our reading of them produces a systematic or complete presentation of these conditions. Our efforts represent the beginning of a research program focused on providing specificity to some of the institutional circumstances and processes which facilitate the emergence of entrepreneurship in the context of wicked problems. We consider first crescive conditions that can stir up actors' motivation and then those that can alter their decision making logic.

4.1. Crescive conditions that stir up the motivation of actors to engage

In the introduction of his *Exit*, *Voice*, *and Loyalty*, Hirschman wondered rhetorically and ironically about "the smoothness and efficiency with which leadership succession (…) was handled in certain baboon bands" while it is "a problem human societies have found so intractable," (p.5). He answered this question rather wittily, suggesting that:

"the reason for which humans have failed to develop a finely built social process assuring continuity and steady quality in leadership is probably that they did not have to. Most human societies are marked by the existence of a surplus above subsistence. The counter of this surplus is society's ability to take considerable deterioration in its stride."

He used this irreverent comparison between human societies and baboon bands to call the attention of readers to 'lack of motivation for engagement as a central problem for entrepreneurship in the context of wicked problems. This framing of motivation, as present or absent, is rather different from the management literature's one on whether actors are socially or

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

economically motivated. What is relevant is not the value being pursued but most simply the lack of sufficient motivation to bear incurring the risks and costs involved in engaging in entrepreneurial action.

In Hirschman's pragmatic reflections on actors' lack of sufficient motivation to engage he offers as one central source the ego (individual)—group (collective) problem (Hirschman, 1958). The central idea is that actors are less likely to engage in endeavors that serve a collective aim than in those in which the outcome can be privatized. This idea is venerable. Scholars have traced its origins to the writings of Aristotle, where he argued that "what is common to the greatest number has the least care bestowed upon it" (Politic; bk 2, ch. 3 as cited by Fine and Harrington, 2004: 348). More recently, Mancur Olson (1965) has formalized this insight in the 'logic of collection action'. The fundamental problem observed repeatedly in practice is this: What incentives to act/engage first are there when others could and there are substantial risks in taking the first step, even where collective benefits will accrue from the engagement? This argument holds the possibility, that others could or should bear the risk and, hence, the cost of engaging, results in a lack of engagement by all. This is a critical issue to understand the fate of wicked problems and the basis for recognizing 'microfoundations' of action in the face of wicked problems.

This analytic framing of motivation, as sufficient (or not) for actors to will bearing the risks and cost of their engagement, extends the standard focus on social or economic aspirations as motive for engagement. The claim we make is direct: Though actors with social aspirations may be more likely than those with economic aspirations to engage in endeavors serving a public instead of a private goal the presence of Hirschman-informed institutional conditions stirs up actors' motivation redefining the likelihood of their engagement, regardless of initial aspirations.

Hirschman reflected on this analytic and practical problem and identified two kinds of conditions that can stir up actors' motivation to engage: increased public awareness and dissonant loyalty. Increased public awareness stirs up actors' motivation by making it socially costly for them to disregard the problem. Dissonant loyalty influences engagement by creating unexpectedly a sense of membership into a particular collective increasing their willingness to advance the interests of this collective.

4.1.1. Increased public awareness

In *Strategy of Development*, Hirschman (1958: 143) argued that the likelihood of actor engagement could be higher if the type of expected engagement, "the shortage to be filled, or the error to be corrected," to use his words, was "publicly and dramatically visible both to the performer and to others who have a stake in the enterprise". As later elaborated in management scholarship on social movements (see <u>King and Soule, 2007</u>), Hirschman argued that the likelihood of entrepreneurial engagement for system change can follow from actions, such as boycotts or public demonstrations, which by increasing public awareness of the problem add a social incentive (*e.g.* social approval from customers, voters, peers, or other external audiences) to the value that the entrepreneur expects to derive from the engagement.

Increased public awareness of the issue at hand, however, is frequently insufficient because of the lack of overlap between the issue that gathers public attention and the wicked problem in most need of addressing. Khan et al. (2007) exploration on entrepreneurial engagement to alleviate the plight of Pakistani children working in factories offers a good example. They show how Western media, by capturing the story of these children working in the factories producing the balls with which their peers in Western countries play, made it harder for Western corporations not to do something; aware of the social disapproval associated with their lack of engagement. But the resulting engagement focused on this issue and not in the less obvious but more pernicious behind it, namely the structural unemployment and underemployment of the parents of these children.

4.1.2. Dissonant loyalty

In *Exit*, *Voice*, *and Loyalty*, Hirschman explored actor motivation from a different stance. He argued that actors can bring about systemic change by engaging in Exit or Voice and introduce the concept of Loyalty to explain when actors would choose one or the other. Loyalty describes a dual set of beliefs that define actors' decision to engage actively and creatively in bringing about systemic change: The first set of beliefs concerns actors own ability to be effective and, the second set is whether their engagement is worthwhile (Hirschman, 1970: 38). His interest on loyalty then was focused on how this dual set of incentives would encourage (or not) actors to exercise voice, that is, to join or participate in some form of social movement which could then, by creating a social incentive, encourage engagement. But in his exploration of how actors gained a sense of loyalty, he identified situations in which it can stir up actors' motivations, not by increasing public awareness of the issue but by the intrinsic value that entrepreneurs associate with their engagement. This changed appreciation can press them into the kind of "creativity-required course of action from which they would normally recoil" (Hirschman, 1970: 38).

Most of the loyalty-generating circumstances explored by Hirschman assumed not the crescive intermediate institutional context of interest to us, but those associated with the institutional conditions assumed in functionalist leaning research on social entrepreneurship in which actors can define and pursue directly a valued interest with their engagement. Nonetheless, he identified a set of distinctive circumstances which generate what we describe as dissonant loyalty and could act as crescive condition.

Dissonance is a concept emerging from studies in cognition (Festinger, 1957) and Hirschman references the concept many times in his works (see Hirschman, 1963, 1967, 1970, 1971, 1965 and 1995). His understanding of dissonance is consistent with Stark's (2009) contemporary appreciation of it as playing a crucial role to motivate actors to behave entrepreneurially within a constraining institutional context. The concept describes departures between actors' beliefs on how things should be and behaviors that violate these beliefs. The argument is that this tension is cognitively unpleasant (Emirbayer, 1997) and unstable, hence actors work to escape this unpleasant condition by resolving the dissonance. To do so they can either select out the information that creates the lack of concurrence between belief and behavior, or they can change their beliefs. What they cannot change is the behavior, since it has already occurred and thereby changing it is no longer an option.

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

In the context of loyalty, dissonance emerges when actors acquire a sense of membership into a collective without reservation but without a pre-existing sense of shared identity or shared/overlapping goals. This is important because a sense of membership increases the likelihood of individuals to engage in action to support the collective in which they are members (see Anthony, 2005). Hirschman (1970: 92–98) identified two sets of procedural circumstances which could create a strong sense of membership in the absence of shared identity or shared goals. These procedural circumstances are "severe initiation rituals" and "high penalties for Exit." Severe initiation rituals describe situations in which actors become members of a group after a rather selective process which, quite visibly, allows them but not others to become members. High penalties for exit, in turn, describe situations that press actors to stay within the collective.

The interest of actors to engage in actions that serve a collective based on their sense of membership has been shown in social psychological research on motivation. This work finds that actor decisions, while framed by their autonomous and independent interests, are also framed by their desire to foster and/or to regulate their connections with relevant others (Cross et al., 2003; Gelfand et al., 2006). This motivation also plays within organizational settings and it is relevant when considering the engagement by chartered public actors in entrepreneurial endeavors in the context of wicked problems. As Hirschman argued, and contemporary analysis of entrepreneurial activity for system change has further suggested (see e.g. Brown, 1991; Brown and Ashman, 1996; Fox and Brown, 1998; Dorado and Vaz, 2003) the individuals best placed to engage in entrepreneurship in the context of wicked problems are often planners, policy makers, and bureaucrats working within national governments or international agencies in concert with citizen activists. These chartered public actors have the mandate and often the resources required. The problem is that frequently these actors are subject to forces, lack of incentives, dysfunctional bureaucratization that hinder entrepreneurial action and, in the worst of cases, drains them of the entrepreneurial spirit. Here Hirschman alerts us that specific processes, most pointedly perhaps severe initiation rituals and difficult exits may stir up entrepreneurial behavior by these so-called "bureaucrats".

The relevance on how a dissonant sense of membership can yield entrepreneurial behavior in the context of wicked problems has been most notably pushed forward by Evans (1995), following on Hirschman. In his introduction to the concept of embedded autonomy. Evans developed his arguments reflecting of the extreme differences in the role of the state bureaucracies in supporting their national economies among countries hampered by a lack of economic development.

4.1.3. Embedded autonomy: how dissonant loyalty enables entrepreneurial bureaucrats

Evans is concerned with differential economic development among countries. His analysis focuses on accounting for these differences considering the structure and role of government bureaucracies. He offers the term 'embedded autonomy' to capture variation across government bureaucracies deriving from factors other than politics and uses Zaire, Japan, and Brazil as an illustration of three distinct types of government bureaucracies. Zaire illustrates what he describes as a predatory rent seeking bureaucracy (i.e., squeezing the sources of national wealth for private gain of leaders and their cronies); Japan provides an illustration for an effective developmental bureaucracy; and Brazil provides an illustration for a hybrid bureaucracy somewhere in between the predatory and the development one.

He argues that predatory bureaucracies emerge in countries where government bureaucrats are fully embedded. Their members are selected through tribal, family, and friendship relations with those in power, rather than a focus on the skill, attitude, and education of the individual. In the extreme, this bureaucracy will be made of individuals who are poorly skilled but are hired for the job because of their connections and loyalty to the one particular tribal, family, ethnic origin, or social collective of those in power. The cumulative result is a mindset and behaviors that increase the likelihood of predatory behaviors toward those others (frequently a large majority of the population who are not members of this collective). These individuals are unlikely to see an interest and engage entrepreneurially in advancing a public goal.

In contrast, in countries in which the recruitment system selects individuals through a "severe initiation" process, for example, rather selective and difficult exams, or selective schools, *e.g.* the French *Grandes Écoles*, the government bureaucracy is more likely to be defined by embedded autonomy. When a hiring system is very selective it can produce a cohort of hires with a strong sense of shared membership into what these hires will perceive to be an elite body. Importantly, if the system is truly selective (and not a gate keeping mechanism to assure the elite placing of a specific group of individuals) this group will include individuals with diverse socio-demographic affiliations. Its members are then likely to develop a shared sense of collective identity to this elite group, unwarranted by measures other than the shared experience of being selected through this difficult selection process. In the context of developing countries, this sense of membership is likely to be further reinforced by the "high penalties to exit" from the collective simply because of the lack of other employment opportunities (Andersen, 2005). At the same time, these individuals are also likely to continue prior affiliations. As the example of Japan illustrates, the members of such a bureaucracy are likely to engage entrepreneurially in advancing a public good when they see it as the mission of the elite collective that hired them.

In short, increased public awareness and dissonant loyalty can play a role in increasing the likelihood of entrepreneurship in the context of wicked problems by stirring up actors' motivations to engage to serve a public or collective interest. The next section explores institutional conditions which can increase the likelihood of entrepreneurship by altering the decision making logic that actors apply to their engagement.

4.2. Crescive conditions that can alter actor decision-making logic

The extensive body of work on entrepreneurial bricolage (<u>Baker and Nelson, 2005</u>), explores entrepreneurship in resource-constrained institutional contexts. In Hirschman we find alternative but complementary views on institutional conditions that facilitate actor engagement by influencing actor decision-making in such constrained institutional contexts. In the *Strategy of*

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

Development he identified the idea of arbitrary time setters. In *Development Projects Observed* he described the role of what he called the hiding hand, a concept akin to bricolage but which, as explained later, has a different cognitive emphasis on how actors challenge institutional definitions and limits.

4.2.1. Arbitrary time setters

In the *Strategy of Development*, Hirschman discussed how a lack of a clear connection between individual actions and collective outcomes hinders entrepreneurial engagement. He did so with a striking example: the differential on the rate of failure of developing countries' flagship 'national' airlines and that of their roads infrastructure; rather low for airlines and rather high for roads. He argued that the poor state of roads in developing countries, in comparison with the low rate of failure of their airlines, could be explained considering decision-makers' diverse expectations on the public outcomes of their lack of individual engagement. In the maintenance of transportation infrastructure "a high degree of compulsion exists for airlines – nonmaintenance here means certain disaster – while highways can be left to deteriorate for a long time until they become actually impassable, and even then the consequence is inconvenience and impairment of income distributed among many people rather than massive loss of life and property" (p. 142). This disconnection between action and outcomes is actually at the source of several other wicked problems, including skewing of stewardship responsibilities toward the natural environment (Westley et al., 2007) demographic unbalances and ethnic strife. In all these cases, problems would be more amenable to entrepreneurial engagement if the actions that must be done could be delayed until there were clear signals for the need to perform them.

To address this impediment to engagement, Hirschman introduced a topic which has begun to receive some attention in current management theory connected with cognitive psychology (Lawrence et al., 2001; Thaler and Sunstein, 2008), namely the relevance of temporal rhythms and specifically the pacing of entrepreneurial activity. He did so, ranging across disciplinary boundaries and reflecting on how primitive societies used rituals to impart "temporal precision to tasks that by nature are postponable within rather wide limits" (...). A perfect illustration is "the beginning and end of the principal phases of the agricultural work cycle which were ceremoniously ordered and routinized by means of seasonal festivals, "first-furrow" ceremonies and the like" (1958: 141).

From this reading on the role of arbitrary time setters in primitive societies, Hirschman identified the practice of establishing arbitrary time setters as an inducement for the re-solution of the road maintenance problem or any wicked problem that requires engagement before signs of deterioration are clear. Much like the time setting events in primitive societies, an arbitrary deadline can suppress actors' "better knowledge that deferment by a day, a week, or a month may not matter; they must organize this fiction, submit to it, and set up a signaling system to enforce it" (p. 141) and thereby press them to engage now instead of deferring action.

We read on these reflections a call to consider how defining temporal processes and markers create a crescive condition for entrepreneurial engagement. An example of a particularly effective time setter in the context of a modern 'wicked' problem would be the Montreal Protocol, which with the setting of an arbitrary calendar for the phasing out of numerous substances contributed, however clumsily, to the re-solving of the problem of ozone depletion in the atmosphere.

4.2.2. The hiding hand

Hirschman (1963) introduced the idea of the hiding hand in *Journeys towards Progress*. Here he argued that whereas we as individuals are destined to "underestimate our creativity" when we also "underestimate to a roughly similar extent the difficulties of the task we face" we might be "tricked by these two offsetting underestimates into undertaking tasks that we can, but otherwise would not dare, tackle" (1963: 13). He described this coincidence as the hiding hand; a factor that as "some sort of invisible or hiding hand that beneficially hides difficulties from us" (1963: 13).

The hiding hand is not a third type of 'hand', adding to the standard treatments in Smith's invisible hand and Chandler's visible one. Both the visible and the invisible hand formulations share the assumption that actors – whether the atomistic crowd of market participants or purposeful resource-endowed actors – are embedded within institutionalized fields which define their planning when engaging in action (Beckert, 1999; Lounsbury et al., 2003; Oliver, 1991; Simons and Ingram, 1997). In contrast, the hiding hand refers to a double set of circumstances which, much like the logic of bricolage (Baker and Nelson, 2005), can allow actors to take initiatives 'beyond' the taken for granted conditions framing their decision making logic; that is their assessment of the situation, menu of actions, and expected outcomes of their engagement (Ocasio, 1997).

The double sets of circumstances which generate the hiding hand effect are the concurrent underestimation by actors of (1) their own creativity and (2) the difficulties accompanying the task at hand. The effect of this combination is that actors are placed in a situation in which cognitive dissonance is highly likely but they may be unable to selectively disregard information creating it and may only be able to overcome dissonance by engaging in sense-making and, with it, the changing of their original assessments and beliefs about the situation and the challenges to be overcome. Once actors initially engage, the outcomes of their actions become reference points which they can then use to redefine and improve upon their initial plan (see Weick, 1993). In other words, actors continued engagement and the need for them to handle unexpected challenges in the process prompts them to engage in reflective action and sense-making. In these interpretively-rich conditions, dissonance produces the opportunity to define action that would initially have seemed unfeasible and/or undesirable. Marseille's (1994) study of SEVA's work with the Aravind Eye Hospital provides an example on how the hiding hand works pressing actors to formulate and re-interpret plans and redefine taken for granted assumptions.

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S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

4.2.3. An illustration of the role of the hiding hand

Marseille explores the role of the hiding hand in the context of treatment for cataracts-induced blindness, a wicked problem which he describes as an "Alice in Wonderland phenomenon. You have to run faster and faster just to stay in the same place" (1994: 149). The incidence of cataracts follows both from population growth and population aging and it is likely to require ever increasing investment onto blindness control. The case of interest is connected with the Aravind hospital, a well-known social enterprise, which has become a standard case study for researchers on public health (see Tabin, 2007) and the management of social enterprises (Rangan, 2009). Marseille, and we, are interested in describing not the role of Aravind's founder, Dr. Govindappa Venkataswamy (see Miller, 2006), but the role of the hiding hand in the involvement of SEVA, a U.S.-based not for profit organization which partnered with Aravind in the construction of a factory to produce intraocular lenses (IOLs) in Madurai, India.

Based in San Francisco, SEVA had a strong culture shaped by its members' commitment to 'service' philosophies of social change (Seva is a Hindi word meaning 'service' and the origins of the agency reflect a call to express the fullness of compassion for others in service). The engagement in blindness control followed from its prior engagement on the vaccination campaign that eradicated chicken pox and responded to their [mistaken] understanding that these two public health campaigns were similar. They were not. The result was that SEVA, an organization with the vocation and skill to work on prevention through low tech interventions, such as vaccinations, ended up fueling a high stakes, technology intensive curative project (production of IOLs for cataract surgery).

SEVA's involvement began when Dr. Larry Brilliant, the public head of SEVA, met Dr. Venkataswamy, who everyone knew as Dr. V.; he was, at the time, performing free cataract surgeries in a 12 bed space in the back of his house. Brilliant's and SEVA's Gandhian-inspired approach to public health shared little obvious link with the McDonald's-inspired approach of Aravind: Dr. V. explains his thinking in the following way:

"McDonald's is able to provide good, inexpensive food for the ordinary man in any city, isn't it? If the ordinary man, even the poor man, can afford to buy a hamburger, why can't we do this for clean water, for basic medicine, for eye care?" (Marseille, 1994: 151).

Whereas the SEVA team with Brilliant did not share Dr. V's admiration for the methods of one of the world largest corporations they admired him and eagerly responded to his request for help to solve a critical problem: How to get the poor to come to the small hospital he was building. He did so by introducing Dr. V. to a Berkeley professor who proposed that they organize eye camps. These camps would be staffed both with local doctors and Western volunteers, and would bring the surgery to the poor rather than asking the poor to travel to Aravind Hospital.

Among the first Western ophthalmologists participating in the camps, was Dr. Dick Litwin, who came to India bearing a small supply of IOLs to be used in the camps. Dr. V. had not been using IOLs on his surgeries, which meant that while his patients became functional after surgery they had to "wear thick glasses to compensate for the lost focusing power of the natural lens." But with IOLs patients would regain their sight. When the first patient who had an IOL implanted, a carpenter named Krishna, had the gauze patch removed from his eye and realized that he had fully recovered his sight, he "fell to his knees, and bowed his head to the ground, his hands held palm to palm above his forehead in the honorific Namascar gesture. "Bhagwan, Bhagwan" (God, God), he repeated".

This dramatic moment was followed by many others as U.S.-based ophthalmologists continued to visit the camps in short assignments, usually three to eight weeks. Initially they were directly engaged in surgeries. Over time, as the number of locally trained ophthalmologists grew, the U.S. participants shifted to a role of informal trainers. But what could they teach about ordinary cataract or glaucoma surgery? At a good eye camp, a surgeon might do 200 operations in ten days' time. A successful American ophthalmologist is happy to do that much surgery in a year. "These guys are good!" was a typical reaction from new arriving volunteers. But there was one area of new knowledge that the Westerners could impart: extracapsular cataract extraction with IOL implantation. The volunteers could not avoid at least demonstrating it since most of them were not able to perform the traditional intracapsular procedure. The local doctors did not complain. They knew that extracapsular surgery, with or without IOLs, was the state of the art for cataract surgery and, fueled by professional pride, something they wanted to adopt into their practice.

Initially it was only the volunteers who brought, on their own, a small supply of IOLs (no more than one hundred at a time) but eventually SEVA began to provide the lenses. As the volunteers, SEVA got the lenses from their manufacturers. This was highly convenient for them. At a time of rapid technological evolution, providing SEVA with last year's lenses allowed them to take a tax deduction for lenses which they could no longer sell at a profit. In turn taking the lenses was good for SEVA's overhead to expenditure ratio (a sensitive number used by NGOs to attract donations by showing how much of the donations go directly to serve their mission). At a book value of about \$250 per IOL, a few lenses went a long way, and manufacturers were giving thousands. The result was that, whereas SEVA had made no formal decision to introduce IOLs for the doctors participating in the camps, anything else became second rate ophthalmology.

Brilliant was unaware of the hiding hand subtly guiding SEVA's involvement further and further away from its Gandhian principles. Others, however, noticed and criticized SEVA for it. From a Gandhian ideal, in the health services, there is a preference for trained villagers over schooled doctors (who are relatively few and harder to attract and retain in rural areas), and for small low-cost hospitals over expensive ones (expensive to build and hard to maintain), and by the same logic for surgeries that do not require technology (intracapsular) over those that require expensive inputs imported from foreign countries (extracapsular

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

cataract extraction with IOL implantation). Building on these ideals, officials from the international ophthalmic community criticized SEVA's involvement in the supply of IOLs. At Aravind hospital this concern did not exist. They had adopted a policy in which they charged paying clients a premium for the IOL surgery and used the extra income to finance free, mainly non-IOL surgery for the poor. Because this redistributive approach was built into the Aravind financing model, the organization began to demand a steady supply of lenses and began speaking of building a lens factory in Madurai.

Brilliant, however, did not take these criticisms lightly. It was painfully ironic for an organization historically focused on rural areas and prevention to be perceived "as technologically-infatuated and insensitive to technology's negative potential for the rural poor" (Marseille, 1994: 173). He felt that SEVA had unwittingly contributed to Aravind's addiction to IOLs. Aravind's financial health had increasingly become dependent on demand for a type of surgery, which for many was not in the best interests of the poor of India, and was an inappropriate precedent for other third world eye programs. Other members of SEVA shared his discomfort. One of them made the point very bluntly: "Every time we put an IOL in some sixty-year-old's eye, we condemned a Nepalese baby to die of diarrhea. Resources are fixed, all games are zero-sum games" (Marseille, 1994: 173). Still, in the end, SEVA maintained its involvement.

Marseille uses the martial arts term "aikido" (using the energy in the direction it is going) to describe the hiding hand effect that led SEVA to depart from its preventive roots and partner with Aravind to build a state-of-the-art manufacturing facility to produce IOLs in Madurai. Starting in 1992, this facility began producing U.S. quality lenses at a cost that made them viable for many eye programs in developing countries. By the mid 1990s, the factory was producing enough to meet the needs of their own program and selling additional lenses to Nepal for USD \$8 each.

In short, the SEVA case is a telling example of the role of the hiding hand as a crescive condition. The idea is resonant with the concept of bricolage (Baker and Nelson, 2005) and with the standard Merton–Selznick view of unintended consequences. But there is a difference. *Aikido*, the metaphor offered by Marseille to describe the effects of the hiding hand, is in fact a suitable metaphor to describe the process of continuous tinkering involved in bricolage but the emphasis is quite different. In the literature on entrepreneurial bricolage it is assume that actors' tinkering has a clear goal, namely, to generate economic value. Scholarly interest is then focused not on how the process redefines actors' goals but the notion that through bricolage actors can "refuse to enact the limitations imposed by dominant definitions of resource environments" (Baker and Nelson, 2005: 329). When discussing the hiding hand, however, the assumption of a goal that pre-exists the engagement is absent, actors engage, under the wrong assumptions, and the emphasis is then on how the conditions created by their engagement press them to redefine their decision making logic (their initial beliefs and assumptions) (Ocasio, 1997), and thereby define goals which they could have never imagined prior to their engagement.

5. A crescive conditions based model for entrepreneurship in the context of wicked problems

We have argued for an understanding of entrepreneurship in the context of wicked problems focused on the conditions that influence the likelihood of actor engagement. Our exploration departs from an analytical distinction between the institutional conditions that can stir up actors' motivations to engage and can alter their decision making logic. Through our analysis, we provide process specificity to our focus on how institutional conditions affect entrepreneurial efforts to re-solve wicked societal problems.

Fig. 1 presents the theoretical model emerging from our identification of crescive conditions for actor engagement in entrepreneurial efforts for re-solving wicked problems.

The model assembles our arguments about institutional conditions for entrepreneurship in the context of wicked problems and unpacks some current theory polemics. We suggest that in the context of wicked problems entrepreneurship can range from feasible (under the conditions assumed by functionalist views) to likely to make things worse (under the conditions assumed by institutional views). It also serves to identify an intermediate crescive space in which the likelihood of actor entrepreneurial engagement is higher because of the presence of circumstances and processes that can stir up actor motivation to engage and/or alter their decision-making logic. In these crescive spaces, actor engagement is possible but their entrepreneurial efforts are likely to encounter and/or create unintended consequences which can make headway albeit via 'clumsy' solutions to re-solve a wicked problem (Rayner, 2006). Of course, such efforts are provisional and can also exacerbate matters (Khan et al., 2007).

Regarding motivations, the literature on social entrepreneurship has focused on whether actors involved in re-solving wicked problems are dominantly motivated by social values while those engaged in for profit ventures are dominantly motivated by economic gain (Dees, 1998). In contrast, building on Hirschman, we argue that the quality of the motivation is secondary to consideration of the conditions that define the presence of a motivation to advance a public or common instead of a private interest.

We have identified two conditions that influence the likelihood of actor's motivation to engage: increased public awareness and dissonant loyalty. Increased public awareness acts as external added incentive, which makes engagement appear worthier because of an added social component (e.g. such as gaining social approval). Dissonant loyalty in turn describes an internal driver. We know from social psychology that actors are more likely to assume the risks and costs involved in collective action when there are clear benefits for a collective in which they themselves are members (Scully and Segal, 2002); even when the benefit for the individual is unclear (Gelfand et al., 2006). The idea of dissonant loyalty adds to this core insight, suggesting that individuals can identify with a collective not only because of a priori sense of shared identity or shared goals but also because of specific institutional procedures, i.e. "severe initiation" rituals and "high penalties for exit" (Goffman, 1974).

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

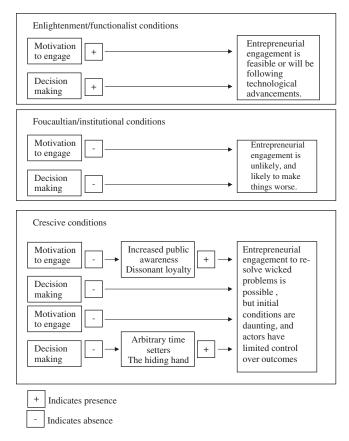


Fig. 1. Institutional conditions for entrepreneurial engagement in the context of wicked problems.

Regarding actor decision-making logic, we have identified the difficulty in establishing a connection between individual action and public outcomes as a crucial impediment for entrepreneurial engagement. This is a central reason why, for example, the clean water bill was not passed until some rivers were so polluted that would spontaneously fire up (see Rayner, 2006). This tendency can be constrained, and thereby the likelihood of entrepreneurship increased, when there are institutional circumstances which set arbitrary times for engagement—modern day civic ritual much like the festivals and fairs in early modern societies. The Montreal protocol is an excellent example. In addition, Hirschman (1963: 13) identifies the institutional conditions "generated by a sort of invisible or hiding hand that beneficially hides difficulties from us". The concept is connected with the idea of bricolage but the emphasis is not on the ability of actors to create something new using only what is at hand but on the influence of unintended consequences in redefining actors' understanding of the risks, costs and benefits expected from their engagement.

Finally, it is important to assert that the specific crescive conditions identified in the paper do not provide a comprehensive or exhaustive listing. It is also relevant to remember that there is not a fast and clear separation between crescive conditions that increase the likelihood of actor engagement by stirring up their motivations or altering their decision making logic. Part of what explains why SEVA engaged in supporting the building of a factory of IOLs was the dissonant loyalty their members had developed toward Dr. V. because of the barriers to their exit created when the IOL lenses became a crucial part of Aravind's financing model. In turn, the reason increased public awareness influences the likelihood of entrepreneurship has to do with how it can change cost and benefit calculations. Nevertheless, the analytic distinction is relevant as it facilitates parsimonious analysis of crescive conditions.

6. Implications and future research

This paper responds to calls for research that explores how theories of institutions, context, and action contribute to entrepreneurial research (see Phillips and Tracey, 2007). We use the focus on institutional conditions to conceptualize entrepreneurship in the context of wicked problems as ranging from possible to highly unlikely depending on the institutional conditions that order action. The paper also shows the value of an institutional focus as framework to make explicit the challenges that hinder involvement in entrepreneurship as well as the conditions that entrepreneurial engagement.

The argument we make is that actor motives and willingness to engage and plan do not necessarily predate action but accompany and follow it. This is an important insight for existing work streams on decisions and organizations (March, 1988) and for the analysis of contested policy processes (Espeland, 1998; Lukes, 2004; Saravathy and Dew, 2005). This conceptualization

S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

advances our understanding of entrepreneurship in the context of wicked problems and defines new venues to further research in this area. First, this approach helps to alleviate the current asymmetry in the research with emphasis on the quality of the entrepreneurs as motivated actors. The conceptualization is relevant to define a research agenda on wicked problems re-solution that questions whether entrepreneurship is only possible with the participation of unusually moral and/or skillful actors, and explores instead a focus on the conditions that facilitate or hinder the engagement of everyday actors.

This research program should be designed to address the current sampling bias of most research on social entrepreneurship, which has focused on successful cases of social entrepreneurship with little attention to failed efforts. More inclusive designs, including not only successful but also failed efforts, will help enrich our understanding of how entrepreneurial engagement actually works and the interplay of actors and institutional contexts. This is an ongoing debate in entrepreneurial studies, despite the early and sustained work that de-emphasizes the focus on remarkable actors (Aldrich and Ruef, 2006; Schoonhoven and Romanelli, 2001). Whereas vision, skill, and resources are required for entrepreneurship (Austin et al., 2006; Dorado, 2006), it does not follow that all these factors need to be at hand simultaneously or derive from any one actor (see Dorado, 2005).

This research offers a crucial contribution to policy and practice. Currently much policy and application within the self-identified social entrepreneurship arena focus on identifying, valuing, and supporting individual social entrepreneurs. While welcome and potentially useful as signaling, this focus mis-specifies where capacity-building and other forms of intervention may have their greatest impact. The argument and model in this paper would help to define and precise institutional and social interventions which may facilitate the emergence of crescive conditions, whether increased public awareness, dissonant loyalty, arbitrary time setters, the hiding hand or others still to be identified in future research.

This conceptualization also calls into question the usages of social entrepreneurship (see e.g. Dees, 1998; Dacin et al., 2010) as standard term to describe entrepreneurial engagements in projects and organizations to address wicked problems. Whereas the term entrepreneurship is useful, the modifier 'social' images the process as entrepreneurship in the pursuance of social goals, distinct from economic ones (Dees, 1998). We suggest, however, that 'crescive' may be a more useful modifier to describe entrepreneurship in the context of wicked problem. The word crescive focuses attention on the institutional circumstances and processes that allow for actors to engage in entrepreneurship that accumulates into system change — i.e. entrepreneurship in the context of wicked problems re-solution, as a distinct form of entrepreneurial engagement.

Currently much debate on the definition of social entrepreneurship has been focused on the similarities and differences between social entrepreneurship and for profit entrepreneurship. These debates are complete. But there is a need for more research that unpacks our understanding of crescive entrepreneurship to acknowledge that while a "social" entrepreneurial effort which bridges for profit and social goals (Dees, 1998) may be possible in the absence of crescive institutional conditions, crescive entrepreneurship is not. This research is much needed. Whereas it may be that the preferred analytic referent to advance our knowledge of "social" entrepreneurial ventures (Dorado, 2006) is research on for-profit entrepreneurial efforts, the most appropriate analytic referent to advance our knowledge of "crescive" entrepreneurial efforts is the work of scholars like Hirschman interested in systems change from on-the-ground activities.

Finally, this conceptualization refreshes key aspects of institutional theory. Organizational institutionalists have long focused on meaning, values, and how conditions 'external' to the proximate focus of action importantly shape what is available and legitimate (Lounsbury and Ventresca, 2003; Meyer and Rowan, 1977; Selznick, 1984). The boundary of what is legitimate, what is possible, and what is imaginable has also lurked in the work on ideology and institutions (Meyer et al., 2009; Therborn, 1980). These insights have been incompletely brought into research on strategic action in institutional context (Douglas, 1986; North, 1990) with a dominant view of institutions as have or have not conditions as opposed to a variable property of actors' context of action (Zucker, 1977). Recent papers are shifting this focus toward the ability of actors to work through and across institutional constraint (Dacin et al., 2002; Hallett and Ventresca, 2006) but most are still focused on the exceptionality of these circumstances (see e.g. Greenwood and Suddaby, 2006).

In contrast, this paper identifies institutional conditions which facilitate instead of hinder purposeful action. This possibilistic perspective emerges from our focus on context-informed, provisional actions, rather than on actors per se. In studies of institutional entrepreneurship the focus has been on the question of whether actors can change those institutional structures and logics constraining their action (Seo and Creed, 2002). In contrast, this paper calls for research on institutional conditions that can stir up individual motivations and alter their decision-making logic. While the institutional conditions that facilitate entrepreneurial engagement may be difficult to influence for policy or strategy, they are an fresh starting points for research to explain systems change that addresses complex social problems without recourse to unusually heroic and talented actors.

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S. Dorado, M.J. Ventresca / Journal of Business Venturing xxx (2012) xxx-xxx

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14

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