PRO-SOCIAL VENTURING: FROM HUMAN AND SUSTAINABLE COMPASSION TO ANTI-CONSUMPTION BEHAVIORS

[1]RAQUEL ANTOLIN-LOPEZ, [2]IVAN MONTIEL, [3]JUSTO A. RAMIREZ-FRANCO

[1,3]University of Almeria, Spain
[2]Baruch College, CUNY
E-mail: ral252@ual.es

Abstract - This article extends knowledge by providing a theoretical model on the motivators and mechanisms through which pro-social ventures emerge. Specifically, it builds bridges between entrepreneurship and anti-consumption,two seemly opposite phenomena, to explain the creation of entrepreneurial models that reject the current status quo and are more pro-social. Using grounded theory, we examined SomEnergia,a renewable energy cooperative that emerged through a citizen participation process in 2010 in the region in Spain. We find that anti-consumers rather than simply boycotting and stop consuming, they acted together motivated by their shared desire of rejection towards a type of consumption that created both human and environmental suffering. We also found evidence of two different types of anti-consumption behaviors that led to translate human and environmental compassion into entrepreneurial action.

I. INTRODUCTION

Recent studies suggest that exploring the creation of pro-social ventures —those that seek to have a positive effect on the communities and the environment where they are created—offers opportunities for expanding our knowledge on the motivations and mechanisms that trigger entrepreneurial action (Shepherd, 2015). Most of the literature on entrepreneurship research relies on the premise that individuals exploit the opportunities that offer the highest economic rents or rewards (e.g., Venkataraman, 1997).

Scholars have also showed that individuals engage in entrepreneurial behaviors motivated by non-pecuniary rewards such as the need for achievement, autonomy or passion (see Baum et al., 2007 for a recent review). However, these motivations remain primarily oriented towards the maximization of an individuals' personal utility and seem to be insufficient to explain other types of entrepreneurial action that intend to improve the well-being of a community (e.g., Dacin et al., 2011; Short et al., 2009) or preserve the natural environment (e.g., Cohen & Winn, 2007; Dean & McMullen, 2007), even at the expense of the entrepreneur's personal benefits.

This evidence seems to suggest that our current understanding of what motivates entrepreneurship is still incomplete. Exploring care and concern for others, and the natural environment, as foundations to explain entrepreneurial behavior might broaden and enrich our knowledge of entrepreneurial action.(Shepherd, 2015).
We need new ways of seeing to further understand the creation of organizations that could help to address urgent grand challenges such as climate change and environmental degradation (Howard-Grenville et al., 2014). This article seeks to extend knowledge by providing a better understanding of why and how pro-social ventures emerge. Specifically, we conduct a 26-month inductive longitudinal case study of SomEnergia, the first renewable energy cooperative in Spain. SomEnergia, which emerged as part of a social movement in 2010, set the basis for the transformation of the Spanish energy system to fight energy poverty, corruption and climate change. Based on our findings, we theorize a model of pro-social venture emergence that is nourished by entrepreneurship, compassion organizing, anti-consumption, and social movement theories.

II. THEORETICAL BACKGROUND

Purpose -the reason for which a company is created or exists- has gained traction in recent years in the management academic arena as a theoretical framework that can help to understand the role of businesses in society, behaviors and organizational outcomes (e.g., Hollensbe et al., 2014).

Besides self-centered motivations such as maximizing economic benefits, self-achievement, autonomy, and passion (see Baum et al., 2007 for a recent review), entrepreneurship scholars have also identified other types of entrepreneurial action that link purpose with values to promote the well-being of society and individuals within and outside of business: "making a difference", "improving lives", "doing good" or "reducing environmental harm" (e.g., Dacin et al., 2011; Dean & McMullen, 2007; Patzelt& Shepherd, 2011). However, the motivational effect of pro-social emotions to underpin venture creation remains underexplored (Miller et al., 2012; Shepherd, 2015).

Purpose is a broad construct that allows us to go beyond self-centered motivations to include pro-social (other-oriented) motivations as well.

III. METHODS

We followed the tenets of grounded theory to gather, codify, and analyze our data (Strauss & Corbin, 1990).We conducted a 26-month study of the emergence of SomEnergia. The SomEnergia case was selected following the process of theoretical sampling (Eisenhardt&Graebner, 2007) due to its suitability for exploring the phenomenon of pro-social venturing emergence.

SomEnergia can be regarded as a pro-social venture since it is the first renewable energy cooperative that was created as part of a citizen-participation social movement to fight climate change and social injustices in the sector. Inspired by the desire to stop abusive, corrupt and polluting electric utilities, a professor of the University of Girona started to recruit and mobilize a group of professors, students and friends in a common effort to lead the transformation of the Spanish energy model in favor of a fairer and 100% renewable energy model.Given the lack of institutional support and action, they decided to change the industry through commercial entrepreneurship. We follow a multiple methods approach to gather qualitative data from a variety of sources.

The data were collected from different sources: 39 semi-structured interviews with founding and board members, 629 newspaper articles (accesed from Factiva), and secondary sources (the corporate website and social networks profiles, blogs, forums, news, etc.).The interviews were the main sources used to build theory on motivators of pro-social ventures, while the rest of the sources were used to contextualize our findings. This approach enables researchers to examine distinct but complementary aspects of a same phenomenon and avoid single-method biases.

The two authors independently read and classified all the data collected in different rounds of data collection and codification.We began coding the data using emergent first-order codes. As we moved through the different rounds of data collection and identification, we started to find common themes among first-order codes that led us to group them into second-order themes. Finally, we collapsed our second-ordercodes into aggregated theoretical dimensions.

IV. FINDINGS

Motivators

Contrary to expectations, none of the interviewees expressed any financial or economic reason as a motivation to engage in entrepreneurial action.This finding challenges entrepreneurship research that has traditionally concluded that making money and maximizing personal utility are the main motivations to act entrepreneurially.

Instead, we identified a series of codes around the idea of alleviating three types of suffering that were grouped in 3 second-order codes (Alleviating others suffering, Alleviating environmental suffering, and Alleviating future generations suffering)that collapsed to constitute 2 theoretical dimensions (Figure 1).

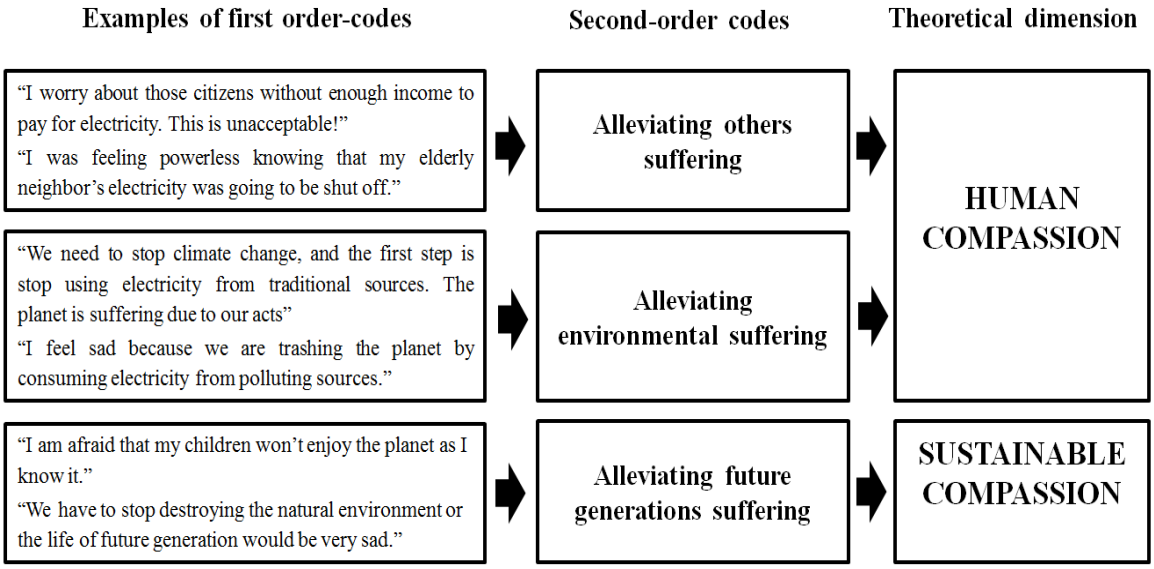


Figure1: Motivators of SOM Energia

Mechanisms

Our inductive study not only provides a set of motivators but also a set of codes that evolved into the mechanisms that contributed to understand SomEnergia's emergence. Figure 2 summarizes examples of codes that configured four set mechanisms dimensions we identified.

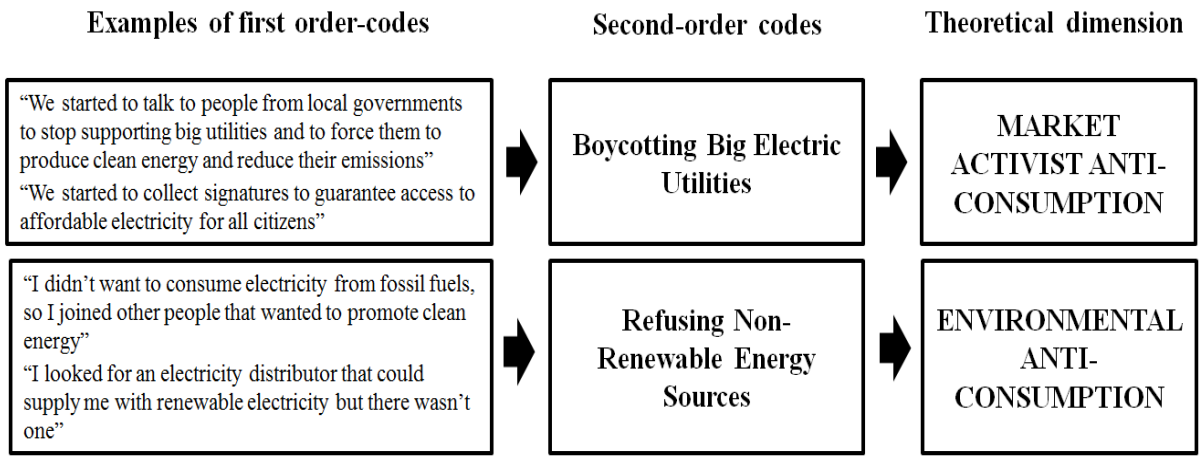


Figure 2: Mechanisms of SOM Energia

From motivators to entrepreneurial action

We found that the two types of compassion triggered two types of anti-consumption behavior: (1) market activist anti-consumption to stop abusive prices and alleviate human suffering (energy poverty), and (2) environmental anti-consumption to alleviate sustainability suffering (see figure 3).

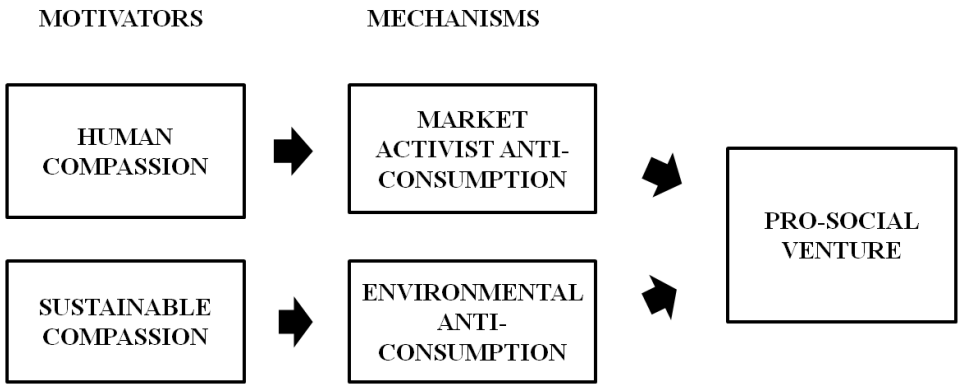


Figure 3: Mechanisms of SOM Energia

V. DISCUSSION

Sustainability compassion as a motivator of pro-social venture

We extend the scope of compassion organizing, and specifically compassionate venturing literature by identifying other sources of compassion that can lead to organizational responses. The literature on compassion organizing has primarily paid attention to human suffering coming from natural disasters, personal tragedies, human mistakes and undesired work-related events (Dutton, 2006; Shepherd & Williams, 2014). Likewise, entrepreneurship scholars have started to provide insights on human suffering derived from natural disasters (Shepherd & Williams, 2014). However, Shepherd (2015) expects that there might be other forms of suffering, beyond human suffering from social issues that might be overlooked. Our study of SomEnergia provided evidences of other types of suffering through which compassion can occur and that can trigger entrepreneurial action. In addition to the desire of alleviating the suffering of people who cannot afford pay increasing electricity prices and living in energy poverty (compassion related to human suffering), we also identified compassion feelings towards the natural environment and future generations (compassion associated to sustainability suffering).

Dutton et al. (2006) defined compassion organizing as "a collective response to a particular incident of human suffering that entails the coordination of individual compassion and acknowledges that the same structures and routines used for an organization's normal work can be redirected to alleviate a member's suffering". This definition is mainly centered on (1) a more social and humanitarian angle of suffering, and (2) current suffering after the occurrence of a painful event. Although it is useful to describe part of our model, it is insufficient to fully explain the emergence of SomEnergia. We propose an extension of the concept of compassion to account for suffering related to the natural environment degradation (e.g. climate change, loss of biodiversity, water pollution), and also, suffering linked to future generations derived from global environmental and social problems (others'

suffering that has not occurred yet but is likely to take place). Therefore, we posit a new type of suffering as a motivator in compassion organizing: sustainability suffering.

From compassion to entrepreneurial action: Anti-consumption mechanisms

Our findings help to outline the mechanisms through which compassion encourages entrepreneurial action. We found a strong correlation between the desire of alleviating different types of suffering and different anti-consumption types.

First, some founding members were moved by a strong desire to stop consuming electricity produced and distributed by the main Spanish electric companies that were part of the oligopolistic electricity sector. The anti-consumption literature frequently refers this rejection response as market activist anti-consumption (e.g., Iyer&Muncy, 2009). This term covers anti-consumption behaviors that are specifically target to a particular set of companies, products or brands. The underlying reason was the desire to stop abusive increasing prices that were causing energy poverty in some sets of the population and were preventing the entry of other economic players that could offer more competitive prices and renewable electricity. Therefore, we found a parallelism between compassion derived from human suffering (socially irresponsible oligopolistic practices) and market activist anti-consumption.

Second, we also identified founding members who were particularly motivated to form SomEnergia as a way to stop consuming energy from non-renewable sources. The rejection of products, services and brands that contributes to deteriorate of the natural environment has been coined as environmental anti-consumption (e.g., García-de-Frutos et al., 2016). This type of anti-consumption behavior mirrors the compassion motivator based on sustainability suffering: alleviating both environmental and future generations suffering. SomEnergia members were manifesting their urge to stop supporting a consumption that was clearly contributing to climate change and that might affect future generations' wellbeing by depriving them of enjoying natural resources.

Both types of anti-consumption behaviors manifested simultaneously as mechanisms to reduce the dissonance between their social and environmental values and their conflicting behaviors (harmful consumption). The rejection or desire to stop consumption resulting in venture creation is a finding of particular interest that one may describe as a paradox. Entrepreneurship literature has frequently focused on entrepreneurial action that emerges as a way to motivate consumption rather than from a rejection purpose. However, fed up consumers were able change pass from anger and disenchantment feelings associated with the action of buying and paying electricity bills to feelings of pride or even happiness when purchasing renewable energy from SomEnergia.

CONCLUSIONS

Our inductive study of SomEnergia extends entrepreneurship literature by providing a richer understanding of the motivations and how they are translated into action to ignite entrepreneurship in the context of pro-social ventures.

REFERENCES

[1] Baum, J. R., Frese, M., Baron, R. A., & Katz, J. A. (2007). Entrepreneurship as an area of psychology study: An introduction. The psychology of entrepreneurship, 1-18.

[2] Cohen, B., & Winn, M. I. (2007).Market imperfections, opportunity and sustainable entrepreneurship.Journal of Business Venturing, 22(1), 29-49.

[3] Dacin, M. T., Dacin, P. A., & Tracey, P. (2011). Social entrepreneurship: A critique and future directions. Organization Science, 22(5), 1203-1213.

[4] Dean, T. J., & McMullen, J. S. (2007). Toward a theory of sustainable entrepreneurship: Reducing environmental degradation through entrepreneurial action. Journal of Business Venturing, 22(1), 50-76.

[5] Dutton, J. E., Worline, M. C., Frost, P. J., &Lilius, J. (2006).Explaining compassion organizing.Administrative Science Quarterly, 51(1), 59-96.

[6] Eisenhardt, K. M., &Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. Academy of Management Journal, 50(1), 25-32.

[7] García-de-Frutos, N., Ortega-Egea, J. M., &Martínez-del-Río, J. Anti-consumption for Environmental Sustainability: Conceptualization, Review, and Multilevel Research Directions. Journal of Business Ethics, 1-25.

[8] Hollensbe, E., Wookey, C., Hickey, L., George, G., & Nichols, C. V. (2014).Organizations with purpose.Academy of Management Journal, 57(5), 1227-1234.

[9] Howard-Grenville, J., Buckle, S. J., Hoskins, B. J., & George, G. 2014.Climate change and management.Academy of Management Journal, 57(3), 615–623.

[10] Iyer, R., &Muncy, J. A. 2009.Purpose and object of anti-consumption.Journal of Business Research, 62(2), 160-168.

[11] Miller, T. L., Grimes, M. G., McMullen, J. S., &Vogus, T. J. (2012). Venturing for others with heart and head: How compassion encourages social entrepreneurship.Academy of Management Review, 37(4), 616-640.

[12] Patzelt, H., & Shepherd, D. A. (2011).Recognizing opportunities for sustainable development.Entrepreneurship Theory and Practice, 35(4), 631-652.

[13] Shepherd, D. A. (2015). Party On! A call for entrepreneurship research that is more interactive, activity based, cognitively hot, compassionate, and prosocial.Journal of Business Venturing, 30(4), 489-507.

[14] Shepherd, D. A., & Williams, T. A. (2014). Local venturing as compassion organizing in the aftermath of a natural disaster: The role of localness and community in reducing suffering. Journal of Management Studies, 51(6), 952-994.

[15] Short, J. C., Moss, T. W., & Lumpkin, G. T. (2009). Research in social entrepreneurship: Past contributions and future opportunities. Strategic Entrepreneurship Journal, 3(2), 161-194.

[16] Strauss, A., & Corbin, J. (1990).Basics of qualitative research (Vol. 15).Newbury Park, CA: Sage.

[17] Venkataraman, S. (1997).The distinctive domain of entrepreneurship research.Advances in Entrepreneurship, Firm Emergence and Growth, 3(1), 119-138