

GETTING UP AFTER FALLING DOWN: A TALE OF THREE COMMUNITIES

SONIA SIRAZ

IE Business School,
Maria de Molina 12, 28006 Madrid, Spain

DEYCY J. SANCHEZ PRECIADO

Halmstad University, Sweden

BJÖRN CLAES

The Open University Business School, United Kingdom

INTRODUCTION

Our greatest glory is not in never falling, but in rising every time we fall
Confucius

Given that entrepreneurship is key to development, enhancing enduring entrepreneurial initiatives of local communities, therefore, remains a significant concern for national and international policy-makers alike. This explains why community-based entrepreneurship is a growing interest in the entrepreneurship literature. Peredo and Chrisman (2006) define CBE as ‘*a community acting corporately as both entrepreneur and enterprise in pursuit of the common good*’. Extant research on CBE has focused on communities in a narrow sense. Most studies relate to socially and culturally united communities, which decide to act as an enterprise and as entrepreneurs (Dana & Light, 2011; Handy et al., 2011). Although a striking proportion of entrepreneurs have to cope with extreme adversity associated with their liabilities of newness and smallness in the form of resource constraints, competition, and environmental dynamics (Alvarez & Barney, 2001), to the best of our knowledge, no research has yet bridged the exit and re-entry processes with community-based entrepreneurship (CBE). In this paper, we investigate how and which elements lead to successful collaboration within the CBE after overcoming an initial organizational death. We base our analysis and findings on longitudinal data, covering the period from 1998 to 2015, obtained through an in-depth study of a community-based initiative in the Cauca region of Colombia. The venture in our study, APROPESCA, is a rare example that involves three different communities striving to become a united community whilst it faced exit and re-launch. Today, APROPESCA is recognized as a symbol of a successful CBE in Colombia. The idiosyncratic features of this remarkable CBE along with the rich longitudinal data provide a unique opportunity not only to understand the forces at play when communities face exit as well as re-launch but also to apprehend how economic and broader social value is created. Our findings show that exit was the result of several factors including the lack of a community identity. However, the community members developed a strong sense of belonging, trust, and reliance over time, which was further instilled after the re-launch. Moreover, the different communities developed characteristics comparable to a unique extended family business, whereby the non-financial aspects of the enterprise meet the communities’ affective needs. We term this affective component “community socio-emotional wealth”.

BACKGROUND LITERATURE

In the last years, a plethora of research has emerged around social and base of the pyramid entrepreneurship (BOP) entrepreneurship (Bruton et al, 2013; Dacin et al, 2011) which have encompassed CBE. CBE derives from poor economic conditions, market failure and includes the goal of creating value other than economic wealth for the community (Peredo & Chrisman, 2006). Whilst BOP, social entrepreneurship, and CBE can be interrelated, we consciously treat CBE as a distinctive phenomenon since CBE can be present beyond poverty stricken contexts (Campbell-Hunt et al, 2009).

Community-Based Entrepreneurship (CBE)

Peredo and Chrisman (2006: 310) define CBE as “a community acting corporately as both entrepreneur and enterprise in pursuit of the common good” and note that CBE’s are “managed and governed to pursue the economic and social goals of a community in a manner that is meant to yield sustainable individual and group benefits over the short and long term”. In their model, poor socio-economic conditions prompt the positioning of the community as a “unique whole” working for the common good. Economic aspects combined with contextual and social aspects allow a community to act as both an enterprise and entrepreneur through a united group of individuals who manage the venture themselves. Extant research on CBE has focused on ventures, which are composed of socially and culturally united communities that get together to form an enterprise (e.g: Dana and Light (2011) on reindeer herding Sami communities in Sweden, Handy et al (2011) on a community of jasmine growers in India, Kraybill and Nolt (2004) on Amish communities). Our study seeks to reinforce extant research on CBE by investigating how a venture involving three different culturally distinct communities achieves successful collaboration.

Components Of The Entrepreneurial Process: Entrepreneurial Exit And Re-Entry

Ever since (Gartner, 1985) suggested a process-based approach for entrepreneurship research, the field has progressed impressively (Kuratko, 2016). Many authors regard this process as either ending with new venture creation or consisting of pre-venture phases to early phases of post-venture creation: from gestation to adolescence of the ventures (DeTienne, 2010; Korunka et al, 2003). Some others consider that the entrepreneurial process is more than new venture creation and goes beyond adolescence phase (Cardon et al, 2005). DeTienne (2010) explicitly argues in favor of incorporating entrepreneurial exit at the end of the entrepreneurial process. Given the importance of survival and/or exit for ventures, we also contend a theoretical model that includes exit as a processual component. In doing so, we respond to calls for further research on both entrepreneurial process and exit (Cardon et al, 2005; DeTienne, 2010).

Non-Financial Aspects Of The Enterprise That Meet The Entrepreneur’s Affective Needs

CBEs are often composed of individuals with at least strong family ties or at most strong community ties collaborating closely in the enterprise. Therefore, the social and emotional capital of such ventures should be deeply anchored in shaping exit, re-entry and other business decisions. It has been established that compared to regular firms, family firms take strategic decisions to preserve whenever possible their socio-emotional wealth (SEW). SEW is defined as

the "nonfinancial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty" (Gomez-Mejia et al., 2007). We argue that in CBEs, some form of SEW is present which affects the decisions about how the enterprise is managed. The emotional aspect will be considerable for "ordinary" entrepreneurs and even more important for community-based entrepreneurs owing to the responsibility entrepreneurship entails (*c.f.* Peredo & Chrisman characteristics).

THE RESEARCH CONTEXT

APROPESCA was established in the Cauca department, in the culturally and ethnically diverse southwestern part of Colombia. The venture's history presented below helps inform our discussion and understanding of the CBE by identifying key stages in its life cycle.

The Creation (1998-2001). In 1995, the Colombian Government established a program to establish rainbow trout production as a means to enhance the diets of indigenous communities (Guambianos, Páezes, and Mestizos). The program included the provision of the necessary resources and support required for establishing production facilities. The participating producers founded APROPESCA with the purpose of selling the surplus fish. The producers from the different communities had neither previous experience in trout production nor experience of any other commercial or social entrepreneurial activity. When subsidies stopped, they could no longer cover production costs and had not penetrated the market enough to be sustainable.

Exit And Post-Exit Years (2001-2004). In 2001, APROPESCA was forced to cease its activity due to the dire financial condition of the venture. The organizational crisis (dissension among the different communities towards a common shared goal and power plays) that had its roots in the overall lack of knowledge as well as in the lack of experience of the management team also contributed to the exit. APROPESCA had not appropriately forecasted the consequences of the end of subsidies, which used to cover the high costs of trout production. Other factors included the negative effects of poor production planning with overproduction in some months and shortages in others. After APROPESCA ceased its activities, some producers independently continued the activity at very small-scale.

Re-Launch And Successful Recognition (2004 - Present). In 2004, when the Regional Productivity and Innovation Centre of Cauca (CREPIC) started a program to promote pisciculture in the region, the remaining trout producers decided to re-launch APROPESCA. This project received support from "Plan Colombia", a US-funded initiative APROPESCA in 2015 operates on behalf of about 250 indigenous families from three communities, Guambianos, Páezes, and Mestizos. The association with CREPIC, past experience and a better knowledge of the market environment fostered changes within APROPESCA.

RESEARCH METHODOLOGY

The data that was used in this study was drawn from several sources, including interviews with community members, workshops observation, and visits to farms (Eisenhardt & Graebner, 2007). The analysis was done in multiple phases. First, we organized our notes and secondary data to build an "event history database" and a timeline for APROPESCA (Datta & Gailey, 2012; Van de Ven & Poole, 1990). We crossed checked this timeline with the key informants. Second, we created a categories analysis from these notes (Miles & Huberman, 1994). Third, we used the insights from the category analysis to guide our interviews. We then

identified common themes in the interviews and grouped them into keywords and constructs and compared these with relevant literature (Eisenhardt, 1989; Miles & Huberman, 1994). Lastly, we developed a historical narrative of APROPESCA's creation, exit, and re-launch.

FINDINGS, DISCUSSION, AND IMPLICATIONS

Factors Detrimental To Survival Of APROPESCA: Overreliance On External Aid, Lack Of Experience, Lack Of Common Vision And Trust And Poor Knowledge Of The Market

When APROPESCA was first launched, trout production was a novel activity done by people who had no previous entrepreneurial experience, for whom trout was not a traditional element of the diet. As a consequence members failed to recognize fundamental issues in their ability to serve the market. Given that trout production was introduced by the government, there was a widespread perception that the producers could continue to rely on subsidies. When government funding stopped, many members proved incapable of making ends meet, felt discouraged and ceased production. Because members were from three different communities, they did not trust that members of another community would work toward the general interest of the larger collective. Rather, they believed that each community would favor the advancement of its own members. Overall, APROPESCA was more considered a resource provider, much like the government that had introduced the activity instead of an extension of their own commercial activity. Working with entities that have their own agendas and managing power relations and accountabilities making commitment and agreeing goals difficult. These issues beset the creation of a collaborative CBE model (Peredo & Chrisman, 2006). In addition, reliance on subsidies hindered the establishment of a self-reliant, sustainable venture and corresponded rather to charity than fostering CBE (Handy et al., 2011). Additionally, APROPESCA lacked bonding social capital in terms of intra-community and inter-community bonding but also the ability to build relations with the external network (Davidsson & Honig, 2003). Because of these weaknesses, APROPESCA was forced to cease its activity in 2001.

Organizational Change And Evidence Of Community Socio-Emotional Wealth

Since its re-launch, APROPESCA learned the importance of a good management team, training its members and establishing the right partnerships whenever internalizing the activity is not possible. These have proven key in addressing the challenges posed by the business context. One of the notable changes is the professionalization of the manager. Since its re-launch, an external manager to the three communities has been hired to avoid power struggles among its indigenous members. Hiring an external manager who is fully integrated into the community is necessary to be able to communicate efficiently and to make the community members accept further changes required within APROPESCA. Another notable change has been the partnerships and the investment in innovative technology with the CREPIC. The success of APROPESCA and creation of economic wealth has promoted a favorable terrain for the development of a common sense of identity, trust, reliance and bonding among the different communities. These factors combine to form a solid basis for non-economic value similar to SEW in family firms.

Evidence of “Community Socio-Emotional Wealth” in CBE. SEW differentiates family businesses from non-family ventures in that family businesses place relatively higher values on particular affect related non-economic utilities in their decision-making processes (Gomez-Mejia

et al, 2011). According to Berrone et al (2012), SEW comprises five dimensions: family control and influence, identification of family members with the firm, binding social ties refers to family firms' social relationships, emotional attachment of family members and finally, renewal of family bonds to the firm through dynastic succession. These authors provide a list of 30 items that can be used to assess these dimensions. Our findings show that APROPESCA's members as a united extended family also possess a form of SEW, which we name "community socio-emotional wealth". It is very coherent to find a similar attachment among the members of three different communities now that they feel they belong to one big community.

Community control and influence. The communities make the important decisions for APROPESCA. They have organized themselves with a Board committee comprising representatives of the 3 communities. The external manager helps them. Even if a member of the communities cannot be found to hold the CBE's office, the external person responsible for the office has to follow the decisions of the Board. Therefore, the communities maintain their control and influence over decisions affecting the CBE. This has some detrimental aspects too since the Board does not always have the necessary competencies to make the best decisions yet they persist in taking decisions to maintain control inside the communities.

Identification of community members. The members of the communities feel that APROPESCA is the entity that binds them. They feel proud to belong to it. APROPESCA creates identification inside the communities and it also creates external identification. The communities are looked upon with respect through the CBE. Occasionally, however, some producers undertake actions more oriented towards the pursuit of self-interest to the detriment of the CBE, for example, when they want to sell their production to outer companies for a better price. These actions emanate from some newer members, who have probably not yet developed a strong identification with the CBE. The other community members disapprove strongly of such actions. The situation could be compared to conflicts arising in extended family businesses.

Binding social ties. By working and learning jointly about production and commercialization, growers reunite in workshops and other social events where they not only talk about professional matters but also meet up as communities. Without APROPESCA, members of remote production stations would not come together and would interact less. Social ties have also been nurtured with local institutions as well as other business partners such as fish produce or pellet suppliers, and more generally with local and regional shops. Due to the binding social ties, APROPESCA does not 'shop' for the best partner. Whilst the CBE does business diligently, the choice of certain business partners also integrates the ties and network facet.

Emotional attachment of community members. APROPESCA is clearly more than a simple venture for the communities. Even professional events are a blend of business and social interaction. Business is often followed by joint dinner/party. Personal ties are established through these events too and foster more understanding about each community's concerns. This facilitates emotional attachment to the community venture. The venture's mission clearly goes beyond creating only economic wealth. The CBE caters for affective and non-financial needs of the communities. The interdependencies created are remarkable.

Renewal of community bonds through dynastic succession. In a similar way that APROPESCA provides an identity to community members, it also facilitates the creation and renewal of community bonds. Due to the fact that many of these families are located in remote areas of the Cauca region, their involvement in APROPESCA provides an opportunity to meet and discuss preservation of their legacy. The unity among and between the communities has

created a better basis for the next generations to learn, share and collaborate. Moreover, the trout production is often done among family members, involving second and third generations.

Implications, Limitations, And Future Research

First, we add to CBE literature by extending its boundaries to multiple distinct founding communities. Second, we provide insights on the affective components of community creation and bonding. Given the interdependence, strong identities of the individuals comprising the communities, we believe that a better understanding of affective states is vital for the survival of the venture since the community confounds with the enterprise. Third, the initial struggle and subsequent success of APROPESCA resulting in the creation of economic wealth has promoted a favorable terrain for the development of a shared sense of identity, pride, trust, reliance, and bonding among the different communities. These factors combine to form a solid basis for non-economic value similar to SEW in family firms (Gomez Mejia et al, 2007). We extend the concept of SEW to CBE and introduce the term “community socio-emotional wealth” to capture the shared affective and non-financial values that the communities develop.

Our study has implications for practice and policy-makers. We find that economic and social development can be nurtured by developing entrepreneurship and self-sustaining activities. The implementation and success of such initiatives depend partly on collaboration programs between the government, learning and innovation institutions. Such collaborations must be promoted and policy makers should include them in development programs. Traditional top-down CBE, fully funded by external organizations do not manage to create a robust sense of community and collaboration, while bottom-up CBE fostered by local initiative, demonstrates a longer life prospect, faster growth, and more positive impacts on the local economy.

Our study is subject to some limitations. First, our inquiry concerns a single and successful organization. While it would be useful to study a larger sample, no studies of venture resurrection in a CBE context exist. By concentrating on this unique example with almost twenty years “continuity”, we had access to sources with intimate knowledge of the details of the ventures' evolution and we could examine in depth how APROPESCA had dealt with exit, the interval period and re-launch but also how the communities' bonds evolved over time. Nevertheless, whilst the implications for theory and practice are not strictly delimited to this particular setting, more cases of this nature should be scrutinized, in different countries and cultures, involving different sectors. Such research would illuminate the role that different contexts and structures may play in easing or impeding exit and re-entry as well as the creation of community socio-emotional wealth and its influence on the threshold of performance.

CONCLUSION

In this paper, we provided a unique insight into exit and revival of the same venture, in the context of CBE. The actors involved, driven by opportunity, seem to have achieved a perennial position helped by the development and anchorage of a sense of community socio-emotional wealth. The three distinct indigenous communities, who initially had to cease their activity, managed to successfully collaborate and maintain a growing and exemplary venture. APROPESCA resurrected like a Phoenix from its ashes.

REFERENCES AVAILABLE FROM THE AUTHORS

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