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**Social Inclusion and Collective Leadership for Disadvantaged Entrepreneurship: A
Theoretical Perspective**

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Abstract

In this conceptual article, we suggest that disadvantaged entrepreneurship is a contextualized phenomenon. Combining individual-level (micro-level) disadvantage theory of entrepreneurship with societal-level (macro-level) theory of diversity and inclusion and culturally endorsed implicit leadership theory, we discuss the influence of societal level social inclusion values and culturally endorsed collective leadership styles (Collective CLT) on disadvantaged individual's participation in entrepreneurship. We also propose interaction effects between these two antecedents of disadvantaged entrepreneurship. Societal level collective CLT is conceptualized as a shared cultural leadership style that (1) fosters sharing of leadership roles (2) encourages shared decision making, (3) promotes working in teams towards achieving shared goal through common actions, and (4) establishes high performance standards. Societal-level inclusion value would foster disadvantaged individuals' participation in entrepreneurship through enhancing the effectiveness of collective CLT. A brief description on operationalization and empirical treatment of the two antecedents will also be presented. We also discuss the implications of this study for theory as well as for practice.

Keywords: disadvantaged entrepreneurship, culturally endorsed, collective leadership styles, social inclusion, cross-cultural.

1. Introduction

Entrepreneurs are individuals who choose to work for themselves as opposed to working for others (Hébert and Link, 1982). Entrepreneurship has been considered as an engine of growth in global economies leading to more jobs, increased innovations, growth, and increased social integration (Santoro et al., 2020). In an international business context, it has become a key area in the social sciences discipline (Xing et al., 2018) because of its role in increasing the overall welfare of societies (Ratten, 2014). It has come to symbolize the basics of our modern socio-economy (Ferreira et al., 2019) in which markets and societies are considered one and hence have become entrepreneurial societies (Audretsch, 2009; Maalaoui et al., 2020). In business research entrepreneurship has been considered as a macro-driver leading to empowerment and economic self-dependency of individuals in society (Bruton et al., 2013).

Entrepreneurship is a way out to help disadvantaged individuals in society break away from their unprivileged positions (Alvord, Brown, and Letts 2004). It has been perceived as a means to bypass systemic discrimination against women in corporations (Belcourt, 1991). It serves as a potential way for poverty alleviation (e.g., Bornstein, 2004), a solution to address unemployment or discrimination in the labor market (Fairlie, 2005) or acts as a tool for the social inclusion of minority individuals (Anderson, Dana, and Dana, 2006). Every nation has its own endowment of individuals that may be considered as *disadvantaged*. While the causes for disadvantage can be as varied as national identity, physical disabilities, sexual orientations, religion, age, political affiliations etc. (Morgan, 2020), disadvantaged individuals can appear in different forms and contexts (Maalaoui et al., 2020). They may be at a disadvantage on several grounds, for example, economic opportunities that are available to them, the extent of their economic mobility, degree of social inclusion and acceptance, access to resources, integration

into the marketplace, unemployment or discrimination in the labor market, their relative low positions of power in society, to name a few.

Scholars argue that entrepreneurship by such individuals also contribute to economic growth and development (Assudani, 2009; Madill et al., 2006). However, there are research gaps relating to entrepreneurship among disadvantaged individuals (Santoro et al., 2020).

Entrepreneurship in reference to disadvantage needs to be understood with its' embeddedness in the social world undertaken by individuals interacting with the context i.e., extant institutions in society and social structure (Martinez Dy et al., 2018). Context is an important factor within the discussions on entrepreneurship in general (Welter and Gartner, 2016) and in particular disadvantage entrepreneurship (Maalaoui et al., 2020). The contextual aspects of this phenomenon have been examined from mainly an economic perspective (Watson, 2009) and not so much from a sociological perspective (Martinez Dy, 2020). Further, despite the attention devoted to the role of cooperatives, job subsidy programs, occupational training and volunteer organizations in achieving social inclusion of such disadvantaged individuals (Bode, Evers, and Schulz, 2006), extant theory has not fully addressed the mechanisms by which disadvantaged persons can participate in entrepreneurial activities (Diochon, 2014; Juma and Sequeira, 2017; Singh and Gibbs, 2013). Jurik (2005) sums up the consensus opinion of such program effectiveness in moving disadvantaged individuals into ownership of small businesses by stating that "Fostering successful enterprises takes more than a brief training course and a small business loan when clients are poor or otherwise highly disadvantaged" (p. 202).

In terms of the context, formal institutional structures in a country that are in place do not differentiate among *who* starts a business. There may or may not be any special programs aiding disadvantaged individuals, but the process of starting a business is officially the same for all.

Under such circumstances, some countries have seen significant surge in the rates of entrepreneurial activity by members of disadvantaged individuals – for example, immigrant entrepreneurship, women’s entrepreneurship, culturally ethnic and visible minorities’ entrepreneurship, etc., whereas in others, these rates are either declining or stagnant at best. As De Clerq and Honig (2011) point out that “...the integration of disadvantaged persons into entrepreneurship cannot be addressed in isolation from acknowledging the power-laden mechanisms these persons confront, foremost in their interactions with incumbent constituencies of society – such as government, banks, venture capitalists, media and so on...” (p. 354).

In addressing the above gaps, we seek to identify and isolate country-specific factors that facilitate the participation of disadvantaged individuals in entrepreneurship. The central tenet of our article is to provide answers to “*what contextual factors facilitate disadvantaged individuals’ participation in entrepreneurship?*”. While formal structures may provide institutional support for disadvantaged people, it is the nature of dyadic social interactions between disadvantaged individuals and enforcers of formal structures in a country as well as with other members of the privileged individuals that will drive the extent of such integration. In this regard, country-specific cultural values will exercise a regulatory influence on the effectiveness of such integration. To this end, a country’s cultural values on *diversity and inclusion* as well as the cultural endorsement of *collective leadership styles* will have consequences for disadvantaged individuals’ participation in entrepreneurship. Central to both these antecedents of disadvantaged entrepreneurship are influence-mechanisms that affect/concerns the nature, quality, dynamics, and extent of social interactions between members from disadvantaged groups and others.

The rest of this article is organized as follows. In the next sections we review literature on disadvantaged entrepreneurship and discuss the theoretical background for this study. This is

followed by the propositions that govern our framework. Finally, we discuss implications for theory and practice and conclude.

2. Disadvantaged Entrepreneurship In an entrepreneurial context disadvantaged individuals are considered as those individuals who find it difficult to integrate into the market and are situated outside the social and institutional support systems (De Clercq et al., 2011).

Disadvantaged entrepreneurs comprise a wide range of groups and individuals that differ depending on their socio-economic attributes and circumstances (Miller and Breton - Miller, 2017). Such individuals could include young people and students (Krueger et al., 2000), women (Marlow, 2014), seniors and the aged (Maâlaoui et al., 2013), immigrants (Aliaga - Isla and Rialp, 2013), ethnic minorities (Carter et al., 2015), ex - prisoners (Cooney, 2012); disabled individuals such as those who are physically handicapped (Pagán, 2009); and refugees (Heilbrunn, 2019). Entrepreneurial activities of disadvantaged individuals need to be understood in terms of the context in which they are embedded in.

The influence of context on entrepreneurship has been recognized well by academics, practitioners, and policy makers (Welter and Gartner, 2016; Muralidharan and Pathak, 2017; Ratten and Dana, 2019). Institutional contexts both formal and informal have been found to influence entrepreneurial activity i.e., these contexts either facilitate or constrain entrepreneurial activity (Muralidharan and Pathak, 2019), and hence the role of context in disadvantaged entrepreneurship is important to understand (Maalaoui et al., 2020). In particular disadvantaged individuals are embedded in contexts and communities that are based on social interactions and social dialogues (Ferreira et al., 2017). Hence the influence of informal institutions such as cultural values and norms prevalent in society (Pathak and Muralidharan, 2016), needs to be

considered in understanding the entrepreneurial behavior of disadvantaged individuals. We specifically consider the roles of social inclusion values and collective CLT both at the societal level in influencing entrepreneurial behavior among disadvantaged individuals.

3. Theoretical Background

As mentioned in the previous section, disadvantaged entrepreneurs incorporate a range of individuals that vary depending on their socio-demographic characteristics (Marlow and Patton, 2005), ethnic minorities (Carter et al., 2015), immigrants (Nonna et al., 2017) etc. While this study does not refer to any specific group of individuals in its conceptualizing, we recognize and discuss theories that have been used to explain entrepreneurship in several of these groups. Such theories have been used to explain this phenomenon from both a micro-level and macro-level perspective.

At the micro-level, the *disadvantaged theory of entrepreneurship* has been used to study the likelihood that an individual from a disadvantaged group will engage in entrepreneurship. This theory, which is rooted in Weber's (1930) work, suggests that individuals who are excluded from the dominant mainstream economy will often chose self-employment over unemployment (Light and Rosenstein, 1995). For example, the disadvantage theory has been used to explain the fact that immigrants and minorities often embrace entrepreneurship as an economic survival strategy, and thus have high rates of small-business ownership (Light and Rosenstein, 1995). Immigrant entrepreneurship therefore emerges from a context of disadvantage (Ram and Smallbone, 2001). It is suggested that a psychological disequilibrium occurs among individuals of groups that are not accepted in society or discriminated against (Hagen, 1962). This might drive such individuals into enterprising behavior in order to compensate or address the challenges they may face due to discrimination in society. The likelihood of entrepreneurial

behavior among members of communities that are deprived, marginalized, discriminated against, or even exploited, is expected to be high (Scase and Goffee, 1980). In a gender study, it was found the likelihood of women becoming entrepreneurs was positively related to the extent of their disadvantage in the labor market, and this positive association was stronger for minority women than for white women (Boyd, 2000). Scholars have also gone to discuss the effects of the extent of disadvantage, i.e., the idea of ‘doubly disadvantaged’ as in the case of Arab women in Israel who are discriminated on the bases of both gender and race. Some scholars have advocated the ‘culturalist approach’ in explaining entrepreneurship among disadvantaged individuals. This approach takes for granted that ethnic groups have specific values, skills, and cultural features which makes them suitable for entrepreneurship. Entrepreneurship here however is oriented towards ethnic products, ethnic markets, and ethnic business strategies (Choenni, 1997).

Regardless of the reasons why disadvantaged individuals are drawn into entrepreneurship, the propositions offered by the disadvantaged theory of entrepreneurship have several drawbacks. First, it is based on the premise that disadvantaged individuals find alternate path in entrepreneurship for livelihood and survival in entrepreneurship as they have been discriminated against and hence would be challenging for them to find a place in the mainstream economy. At its very core therefore, this approach to entrepreneurship is myopic and individual-centric which affects the quality of entrepreneurship (Pathak, 2019). Given disadvantaged individuals perceive that they would be subject to discrimination at the workplace is why they would choose entrepreneurship presents itself as a reclusive and survivalist strategy, driven by necessity and the need for subsistence. Second, and as a consequence, social interactions with members of other groups would be limited by individuals, and therefore opportunities to seek and

acquire resources would be missed out (Pathak, 2019). In view of their limited social interactions, they may be oblivious to potential institutional or governmental support (if any), thereby triggering a vicious cycle of missed opportunities. As such, the full potential of their skills and expertise may not be realized in their entrepreneurial efforts, further affecting the quality of entrepreneurship. Finally, the disadvantaged theory presents the points of view and perceptions of the disadvantaged individuals only and does not include societal-level perceptions toward such individuals. We therefore extend the understanding of disadvantaged entrepreneurship at the macro-level.

At the *macro-level*, a society's point of view is best captured by the theory of social stratification – originally proposed by Max Weber (1922). It is a kind of social differentiation whereby a society categorizes individuals based upon their class, status, and power. Based on this classification individuals are labelled as disadvantaged (Saunders, 1990). The classification of people by social strata occurs in all societies and is based on socio-economic relations among individuals from different sections (Pathak, 2019). It is seen that, the greater the social complexity in a society higher the number of social segments that exist by way of social differentiation (Hollis-Brusky, 2011).

Social stratification corresponds with the social marginality theory put forward by Stanworth and Curran (1976). The theory suggests that the perceived incongruity between an individual's prodigious personal attributes and the position he or she holds in society might propel them to be entrepreneurial. Disadvantaged positions in the social structure have a profound effect on how entrepreneurs identify, shape, and pursue their entrepreneurial undertakings (Malach-Pines and Schwartz, 2008).

The social stratification theory, when applied to disadvantaged entrepreneurship, suffers from the following drawbacks. The central assumption in this theory is that social stratification is justified and that social mobility of individuals among groups may not be possible, and individuals will remain in the sections of society where they originally belong (Pathak, 2019). of the above non-inclusion may limit social interaction among the different groups of society. Therefore, the opportunity to identify and take advantage of entrepreneurial capital across different groups may be untapped in society. Knowledge, skills, and abilities that are specific to members of disadvantaged groups may therefore go untapped and quality of entrepreneurship in such societies may not reach its full potential.

We therefore infer that the combined assumptions of the micro-level disadvantaged theory of entrepreneurship and the macro-level theory of social stratification to explain the position of disadvantaged groups result in reduced social interactions, suppressed social mobility and social inclusion, and missed entrepreneurial opportunities. Given that disadvantaged individuals represent diversity and by definition diversity means expertise, societies need to figure out ways/avenues by which gaps in society could be reduced such that tapping the resource and skills offered by disadvantaged individuals improves the quality of entrepreneurship as well as those of the disadvantaged. In this regard, we recognize cultural *diversity and inclusion values* and *collective leadership styles*, informal institutions both at the societal level, as two such antecedents that will increase the likelihood of disadvantaged individuals engaging in and improving the quality of entrepreneurship by disadvantaged individuals by influencing social interactions among members of the different social strata in a country. The net effect in turn would be consequential for overall entrepreneurship. Our multilevel conceptual framework, which contributes to multilevel studies in entrepreneurship

research (Pathak and Muralidharan, 2021) is as shown in figure 1. In the next sections, we extend our discussions on the influence of these antecedents and how they can drive participation of disadvantaged individuals in entrepreneurship.

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3.1. Diversity and Inclusion Values and Disadvantaged Entrepreneurship

Disadvantaged individuals contribute to diversity in any society. Diversity we argue is an asset for society as it brings together individuals from a variety of backgrounds, experiences, styles, perspectives, values, and beliefs. These individuals are a nation's reserve of human capital. Such capital may never be utilized to its fullest capacity if social exclusion of disadvantaged members is high. Improving the visibility of diverse individuals and increasing their inclusion is critical to not only understanding the economic contributions of disadvantaged individuals through entrepreneurial contributions but also ensuring their sustained participation in the overall economy. While it may not be simple and straight forward to visualize, we isolate *four influence-mechanisms* by which social inclusion values may influence entrepreneurship by disadvantaged individuals. These mechanisms will help understand the social changes that need to be made to promote or increase the role of disadvantaged individuals in entrepreneurship. The four influence-mechanisms are (1) *relational wellness*, (2) *social mobility through social interactions*, (3) *dis-identification from stereotype threats*, and (4) *sustained motivations*. We now discuss each of these mechanisms.

Wellness consists of a set of interacting mechanisms, one of which is social inclusion (Prilleltensky, 2010). Social inclusion is simultaneously an outcome and a precursor of wellness (Lord and Hutchison, 2007). It is through two key pillars of inclusion, namely, *participation* and *acceptance* that relational wellness is achieved. (Gergen, 2009). Disadvantaged individuals do

not have the privilege of either and hence their relational wellness with members across the social strata leaves much to be desired for. Values of relational wellness in societies promote respect and appreciation for diverse social identities. Such values appreciate individual group's ability to define themselves and promote fair and equitable allocation of bargaining powers, obligations, and resources. At the individual level, consequences of exclusion include marginality and alienation (Kellett 2010). At the social level, exclusion diminishes social cohesion and opportunities for civic engagement (Chen et al. 2010; Holicek, 2010). Relational wellness through participation and acceptance would inform disadvantaged individuals about newer ways of doing things typically undertaken by more privileged individuals, would help identify resources that they could use in combinatory fashion with those that they themselves currently control, help them recognize and act upon previously missed entrepreneurial opportunities, and help extend their niche skills and expertise to the broader context of entrepreneurship. Wellness assures the well-being of disadvantaged individuals in societies with high inclusion values, such as their perceived subjective well-being motivates them to enhance their entrepreneurial performance. Relational wellness reinforces trust, facilitates collaborative actions, and allows disadvantaged individuals to establish their social identities. Relation wellness among members of the social strata offers fundamental benefits of networks for the entrepreneurial process undertaken by disadvantaged individuals. This dependence on networks is not limited to the start-up stage alone. Entrepreneurs continue to rely on networks for business information, advice, and problem solving, with some contacts providing multiple resources. Relationships can also have reputational or signaling content. Entrepreneurs seek legitimacy to reduce this perceived risk by associating with, or by gaining explicit certification from, well-regarded and privileged individuals with higher social status attribution. Positive perceptions

based on network linkages may in turn lead to subsequent beneficial resource exchanges (Hoang and Antoncic, 2003). Overall, social inclusion instills members of disadvantaged individuals with a sense of empowerment leading them to overcome perceptions of prejudice and prompting them to seize and act upon opportunities – both social and economic.

Social mobility is defined as the movement of individuals, families, households, or other categories of people within or between layers or tiers in an open system of social stratification. Disadvantaged individuals, among other things, are also at the lower end of economic well-being spectrum relative to more privileged individuals and may find the prospects of upwards social mobility infeasible (Corak, 2013). Social inclusion values facilitate social mobility through positively creating channels of social interactions among members of the social strata. In addition, social inclusion values assure higher levels of publicly available shared goods fostering greater equality of opportunities and greater upward social mobility (Smeeding, 2005). Therefore, higher social mobility indicates existence of possible opportunities for wealth creation, a key objective of commercial entrepreneurship (Pathak and Muralidharan, 2017). The distance created by the disadvantaged theory of entrepreneurship and social stratification is minimized through social mobility. Entrepreneurship is often considered a vehicle for upward social mobility, especially for the middle class. Social inclusion in addition to facilitating this, will also affect status and power of disadvantaged individuals to further support entrepreneurship from people lower in the strata. Small business development and entrepreneurship then become means to raising inclusion. Disadvantaged individuals would need that initial support, once that threshold is overcome entrepreneurship becomes a vehicle for sustained social mobility. Social inclusion values can therefore provide that initial push to disadvantaged individuals to be able to

initiate their upward mobility through being able to engage and thereafter consistently contribute to the entrepreneurship.

Entrepreneurship is an agentic-behavior that can be hindered by stereotype threat. Stereotype threat occurs when individuals embark upon a task associated with a domain in which they are stereotyped to perform poorly. Being aware of the stereotype leads to excessive monitoring for failure, increased uncertainty, and concern for confirming the stereotype, all of which detract from the ability to perform the activity and therefore result in performance deficiencies (Schmader and Johns, 2008). Disadvantaged individuals are consistently stereotyped based on either gender, caste, creed, color, race, or ethnicity, etc. The psychological discomfort associated with seeking and identifying with a career in which one is negatively stereotyped will result in what Steele (1997) referred to as disidentification – a safety mechanism by which disadvantaged individuals will disassociate from the context which poses a threat: “Disidentification offers the retreat of not caring about the domain in relation to the self. But as it protects in this way, it can undermine sustained motivation in the domain...” (Steele, 1997, p. 614). This is in line with the reasons offered by the disadvantaged theory of entrepreneurship, that disadvantaged individuals resort to entrepreneurship because they encounter prejudice and stereotype threat at their work-places. Social inclusion alleviates, to some extent, these stereotype threats. Societies that recognize the importance and value of bringing together individuals and their different perspectives, would allow disadvantaged individuals to dis-identify themselves from such threats, empowering them to act upon entrepreneurial opportunities that are more mainstream.

Finally, social inclusion values signal to disadvantaged individuals the existence of institutional support and provide a context where they are heard. It also signals to them that their

contributions toward the society are considered significant and that they matter. This perception of being included in the mainstream and that they are considered an integral part of the society would motivate disadvantaged individuals to do better in turn. In the context of entrepreneurship, members from disadvantaged groups, based upon the social inclusion framework, would represent a set of indispensable human capital that has the potential to further improve the quality and sustainability of entrepreneurship. Combined, we propose that:

Proposition 1: Everything else being equal, societal inclusion values will be positively associated with disadvantaged individuals' participation in entrepreneurship.

3.2. Culturally Endorsed Collective Leadership Style and Disadvantaged Entrepreneurship

Before discussing the relevance of culturally endorsed collective leadership styles (Collective CLT), we begin with the discussion on culturally endorsed leadership styles in general. The concept of culturally endorsed leadership styles draws upon individual-level implicit leadership theory (ILT) (Lord and Maher, 1991). ILTs legitimize the behaviors, attributes, and motivations of leaders, and these theories influence individuals' choices in terms of who they will accept and categorize as leaders (Lord, Foti, and de Vader, 1984; Lord and Maher 1991). Followers' perceptions of a leader are embedded in the nation's cultural values, which are outcomes of repeated behaviors that shape the cultural expectations and views of ideal leadership, and leaders tend to behave in line with these expectations (House et al. 2014). They refer to the individual's stereotypical ideas about the attributes and behaviors of effective leaders (House et al. 2004; Javidan et al. 2006). Individuals, therefore, are more likely to emerge as leaders and be successful in their leadership roles if they demonstrate characteristics that are consistent with the ILTs held by followers (Epitropaki et al. 2013). Since ILTs are culturally shared within societies

and show variations across societies, we can expect different types of leaders to emerge in different cultures, depending on how strongly certain ILTs are culturally endorsed.

In this regard, cultural values shape the cultural expectations and views of ideal leadership, and leaders behave in line with these expectations. Consequently, cultures differ in their views of ideal leadership, i.e. in the attributes, motives, and behaviors that they believe characterize outstanding leadership. Individuals in a culture, mostly subconsciously, expect their leaders to behave in line with these leadership ideals, and evaluate their leaders accordingly. These cultural leadership ideals are also referred to as culturally endorsed implicit leadership theories or CLTs (e.g., Dorfman, Hanges, and Brodbeck, 2004). Firms perform well when their leaders such as their CEOs' behaviors align with the leadership ideals in their cultures (House et al., 2014). Entrepreneurs too have been characterized as an important type of leader, i.e. they lead organization that are in infancy or emerging (Cogliser and Brigham, 2004; Vecchio, 2003). Leadership is a process of social influence to achieve goals (Yukl, 2010). Entrepreneurs constantly also have to influence others around them including investors, customers, suppliers, and employees to launch and sustain their businesses successfully. Entrepreneurs are also strategic leaders when in their roles as owners-managers they make important and critical decisions shaping the trajectory of their organizations that are in line with their goals (Stephan and Pathak, 2016).

Based on the understanding of culture entrepreneurship fit (Tung et al., 2007), we propose that individuals are more likely to choose to become entrepreneurs in countries where culturally endorsed leadership theories fit with and are supportive of motives and attributes linked with entrepreneurship. We propose that entrepreneurship, in general, will flourish where cultural leadership ideals align with entrepreneurial behaviors, or where there is a 'CLT-

entrepreneurship fit'. Specifically, and extending this to the context of disadvantaged entrepreneurship, we propose that CLTs that accommodate and endorse entrepreneurs as leaders, without distinction and regardless of their affiliation to any strata, offer fertile grounds for disadvantaged individuals to engage in entrepreneurial activities.

One CLT in this regard, that we conceptualize as *culturally endorsed collective leadership style* or collective CLT, will be particularly relevant and consequential for disadvantaged individuals' engagement in entrepreneurship. Collective CLT is one that (1) fosters sharing of leadership roles (2) encourages shared decision making, (3) promotes working in teams towards achieving shared goal through common actions, and (4) establishes high performance standards.

CLTs influence leader emergence through two basic mechanisms – *legitimacy* and *self-selection* (Stephan and Pathak, 2016). Societies that foster sharing of leadership roles would make no distinction between entrepreneurs as leaders coming from any strata and would be more tolerant, even more receptive to them. The exchange of leadership roles would be mutual. It would provide legitimacy to disadvantaged entrepreneurs wherein they would perceive their entrepreneurial efforts as no different from those of entrepreneurial leaders who are not disadvantaged, providing them with a sense of equality of status. This perception would further motivate disadvantaged entrepreneurs to regard themselves as potential leaders and consequently influence their aspirations to become leaders thereby triggering their self-selection into broadly acceptable entrepreneurial leadership roles that are in line with implicitly held CLTs (Gupta, MacMillan and Surie, 2004).

The organizational leadership literature suggests that organizations become more responsive to change through participative decision-making and transparent communications.

(Morris and Jones, 1999). Collective CLT that encourages shared decision-making can bring about societal changes in perceptions of leadership roles previously thought to be exclusively allotted for disadvantaged individuals. Societies that involve disadvantaged entrepreneurs when it comes to making critical decisions that affect the society at large will instill them with a sense of “having a voice”, that their problems and requirements too are considered as pressing and concerning. In addition, disadvantaged entrepreneurs could provide their perspectives on what they feel could be possible alternate solutions to existing societal needs and problems. They could hold key information that privileged entrepreneurs may have previously overlooked. CLTs that promote mutual exchange of ideas, information, and participation by all in the decision-making process would provide the necessary empowerment and motivation for disadvantaged individuals to be a wholesome part of entrepreneurship. Further, such participative cultural leadership styles would elicit higher levels of trust and would lead disadvantaged individuals to reciprocate through exhibiting higher levels of societal commitment, for example through contributions to entrepreneurship.

Another attribute of collective leadership that is consequential for disadvantaged individuals’ participation in entrepreneurship is *collective action*. Collective actions promote decentralized group-oriented actions. Collective action theory mainly focuses on understanding interactions among group members, the making of rules, mechanisms for monitoring compliance and solving grievances and the management of common-pool resources (Lobo, et al., 2016). Collective CLT that promotes collective actions would facilitate achieving these outcomes and the creation of a desirable state: a *less isolated* and *more capable* community in which the role of leaders is no longer personalized in specific individuals (Lobo et al, 2016). Such cultures would recognize the potential of disadvantaged individuals for entrepreneurship and would be instrumental in creating an eco-

system where entrepreneurs from across the social strata would come together as a team, share, mobilize and manage common-pool resources. Such dynamics among entrepreneurs will alleviate extant power imbalances and will be the key in reaching collective choices and shared goals that benefits entrepreneurship.

Another condition for encouraging entrepreneurial initiative is processes that foster and support innovation (Quinn, 1985) or systems that encourage innovation champions, allowing them to shape the success of new products and business ventures (Shane, 1994). Cultural leadership styles that endorse setting and achieving higher performance standards provides that necessary condition. As Burns (1978, p. 20) observes, the act of leadership “binds leader and follower together in a mutual and continuing pursuit of a higher purpose.” The scope and quality of disadvantaged entrepreneurship often goes underachieved because of its central premise that renders entrepreneurship as a survivalist strategy. Yet we also know that disadvantaged entrepreneurs’ skills and expertise are unique, that under the right conditions produces superior quality of entrepreneurship. For example, and specific to one disadvantaged group, more than 40 percent of the 2010 Fortune 500 companies were founded by immigrants or their children, seven of the ten most valuable brands in the world, including Google, Intel, eBay, Yahoo!, Sun, Qualcomm, etc., come from American companies founded by immigrants or children of immigrants (for example in Kauffman Report published in 2015). Thus, performance-oriented cultural leadership styles would be effective in drawing disadvantaged entrepreneurs into participating in the mainstream economy, and through the sharing of common-pool resources and their synergistic combinations facilitate their contributions toward the quality of entrepreneurship.

In summary, collective CLT will be effective in (1) identifying deserving and merited entrepreneurs from across social strata, (2) improving their participation and representation in leadership roles including as entrepreneurs, (3) augmenting social interactions leading up to sharing of resources and their synergistic combinations, and (4) enabling all entrepreneurs to act upon entrepreneurial opportunities, thereby improving the overall quality of domestic entrepreneurship. Combined, we propose that:

Proposition 2: Everything else being equal, collective CLT will be positively associated with disadvantaged individuals' participation in entrepreneurship.

3.3. Social Inclusion, Collective CLT, and Disadvantaged Entrepreneurship

Leadership can be defined as “the nature of the influencing process—and its resultant outcomes—that occurs between a leader and followers and how this influencing process is explained by the leader’s dispositional characteristics and behaviors, follower perceptions and attributions of the leader, and the *context* in which the influencing process occurs” (Antonakis, Gianciolo, and Sternberg 2004, p. 5, italics added). From this definition we can infer that leadership effectiveness may be contingent upon the context within which leadership behaviors are performed (Antonakis and Autio 2006). In that regard therefore, the endorsement of collective CLT and its effectiveness in enhancing disadvantaged group’s participation in entrepreneurship, we posit, will be contingent upon social inclusion values, among other institutional factors. For example, collective CLT that involves all entrepreneurs in the shared-decision making process will be more effective in societies where social inclusion establishes a greater degree of relational wellness among them. Relational wellness establishes trust that reinstates the collaborative nature of entrepreneurship. Trust among members will increase the effectiveness of shared decision-making wherein all involved stakeholders will perceive the

importance of participation for the larger cause – improving the quality of entrepreneurship being one of them. Such inclusive behavior nurtures actions based on the concern for the whole (Darling and Beebe, 2007).

In addition, leaders are effective if followers perceive them to be effective. Leadership outcomes therefore are contingent upon the quality of leader-follower dyadic relationship. Societies with higher inclusion, will ensure that entrepreneurs – in spite of them being from lesser advantaged individuals – will still be perceived by the relatively more advantaged individuals as leaders of society, that they will therefore have an increased likelihood of overcoming stereotype threats facing them. Under such circumstances and in a way, members from privileged individuals would be willing to be followers of entrepreneurs as leaders from lesser privileged groups. The ultimate effects of such dyadic relationship between members from different groups would enhance disadvantaged individuals' participation in entrepreneurship. The legitimacy reason that establishes the motivation for individuals to decide to take up leadership roles is enhanced where social inclusion is high. Entrepreneurs from disadvantaged groups would be more likely to perceive being accepted and as legitimate - as being equal to any other entrepreneurial leader. Entrepreneurship as a collective leadership process would therefore legitimize the entrepreneurial efforts of all individuals regardless of their affiliation with any specific group. Combined therefore, we propose:

Proposition 3: Everything else being equal, social inclusion values will moderate positively the effectiveness of collective CLT for disadvantaged individuals' participation in entrepreneurship, such that societies where inclusion is higher, the effectiveness of collective CLT will be higher.

4. Discussion

Disadvantaged entrepreneurs are those individuals who are located outside the mainstream of social and institutional framework of support for entrepreneurship. In this article, we focus on the social aspects and highlight the role of cultural values in enhancing disadvantaged individuals or individuals' participation in entrepreneurship. The primary claim in this article is that entrepreneurship from disadvantaged groups is a highly contextualized phenomenon which is contingent upon the prevailing cultural norms, values, beliefs, and perceptions that members of societies associate with these groups. Our conceptual framework will have implications for cross-country comparative research in disadvantaged entrepreneurship. In examining the contextual factors that influence disadvantaged entrepreneurship, we make two sets of propositions – (a) the main effects of societal inclusion values and collective CLT on disadvantaged entrepreneurship, and (b) the interaction effects between them. While entrepreneurship scholars agree that positive contextual factors can facilitate entrepreneurship (Amankwah-Amoah et al., 2019), our framework specifically addresses the context of disadvantaged entrepreneurs, a topic that has not been addressed much in theoretical and practical deliberations (Santoro et al., 2020).

Our proposed framework, while not conceptualizing any specific group, accounts for the culturally embedded nature of disadvantaged entrepreneurship. In particular, it was proposed that social inclusion values and collective CLT both would enhance the participation of disadvantaged individuals in entrepreneurship. Further, social inclusion was recognized to be serving as a boundary condition in that the positive effects of collective CLT on disadvantaged individuals' participation in entrepreneurship was moderated by social inclusion values. This implied that the effectiveness of collective CLT for disadvantaged entrepreneurship is maximized in societies where social inclusion is highly valued.

Disadvantaged entrepreneurs incorporate a range of individuals that vary depending on their socio-demographic characteristics. Societies must view this diversity in an inclusive manner, that this diversity is not a problem to be solved but is an asset to be developed. It represents a country's reserve of human capital and the broad spectrum of associated skills and expertise. Societies must need to build a culture that successfully motivates and generates the highest productivity of all its members, across lines including race, gender, sexual orientation, nationality, religion, age, political affiliation, and disability. It must provide an environment in which differences are not merely tolerated, but valued as promoting creativity, innovation, and maximization of individual potential. Adequate policies need to be developed to focus on building disadvantaged entrepreneurial capacity and improving such entrepreneurship (Akinbami and Aransiola, 2016; Ratten and Miragaia, 2020).

Coupled with social inclusion is the effectiveness of cultural leadership styles in legitimizing the endeavors of disadvantaged entrepreneurs. In addition, and as argued earlier, collective CLT not only approves of such efforts, but motivates disadvantaged entrepreneurs to self-select into leadership roles, such as entrepreneurship, that are in line with culturally acceptable behaviors. Such practices render entrepreneurship as a process endorsed by societies and achieved through connective leadership and collective empowerment. A culture that practices collective leadership is inclusive at its very core, leads changes in perception of "who" is supposed to be an entrepreneur through dialogue among members and treats entrepreneurship among disadvantaged groups as a process of capacity building. In this regard, James (2002, p. 6) defines capacity building as "an ongoing process of helping people, organizations and societies improve and adapt to changes around them". It is the capacity to see differently that holds the prospect of beneficial social change (Kirk and Shutte, 2004), by providing opportunities for

disadvantaged entrepreneurs. These changes, although desired, may not be affected overnight. A starting point could be where societies “defer their judgment” on diversity and, to say the least, gear towards giving disadvantaged individuals the “benefit of doubt”. Similarly, collective CLT for disadvantaged entrepreneurship would take its effect gradually, but at least the preparedness and openness to share leadership roles among different members of societies is a good starting point.

The article makes three specific contributions. First, it contextualizes disadvantaged entrepreneurship. Second, it identifies two specific antecedents of disadvantaged individuals’ participation in entrepreneurship. While the causal relationship between social inclusion values and disadvantaged individuals’ participation in entrepreneurship may appear obvious on face value, our isolation of the *four-specific* influence-mechanisms by which the proposed effects are felt is a contribution to the literature on disadvantaged entrepreneurship. Finally, drawing upon culturally endorsed leadership theory (CLT), we have extended it to conceptualize *collective CLT*. The notion of collective leadership has thus far remained within the confines of organizational behavior literature and has found its application in the context of managerial outcomes in organizations. To then extend the concept of collective leadership operating at the firm-level (or individual-level) to country-level (societal, cultural leadership styles) and subsequently establish it as an antecedent of disadvantaged individuals’ participation in entrepreneurship, to the best of our knowledge, is a novel undertaking. Combined, this study will have implications for cross-country comparative research in disadvantaged entrepreneurship. In the next sub-sections, we discuss the implications that such studies could have for theory and practice.

4.1. Implications for Theory

Extant research investigating the antecedents of disadvantaged entrepreneurship is limited. The disadvantaged theory of entrepreneurship fails to recognize the potential contribution that entrepreneurs from disadvantaged groups could make to the mainstream economy. It presents a survivalist view of entrepreneurship and offers a very secluded space for disadvantaged entrepreneurs, a space that furthers them apart from other members of social strata. This theory may therefore need to be revisited in light of the fact that disadvantaged individuals, given the right conditions, have the potential to contribute and improve the quality of entrepreneurship. A country's prevailing institutions reflect such conditions.

Formal institutional structures dictate the incentives that entrepreneurs have. This is especially important for disadvantaged entrepreneurs as such incentives would signal institutional support for their endeavors. Informal institutions have been shown to influence entrepreneurial behavior (Muralidharan & Pathak, 2018). While in some ethnic groups culture does not encourage entrepreneurship as a desirable means of livelihood, in others it is seen as an occupation only when other possible occupations have failed (Dana, 1993). Informal institutions of social inclusion and collective CLT, identified in this study, and others that could be studied in future works, may need to be studied in conjunction with formal ones. The interplay between both types of institutions would present a holistic view of the context in which disadvantaged entrepreneurs operate. Institutional theory may be drawn upon to study the contextual nature of disadvantaged entrepreneurship (North, 1990). The combined effect is that such a framework establishes the multi-level nature of disadvantaged entrepreneurs – entrepreneurs operating at the micro-level whereas prevailing institutions are at the macro-level. Theories should be driven by the recognition of the multi-level nature of disadvantaged entrepreneurship in that it is a highly contextualized phenomenon. Subsequent to establishing the multi-level nature, disadvantaged

theory of entrepreneurship may need to be applied alongside *social interaction model* (Vygotsky, 1962, 1978). The merit of doing so lies in being able to reduce the power, status, and class gaps between members of the social strata that then lays ground for disadvantaged individuals to engage in entrepreneurship. Combined, a multi-level framework that accommodates for country-level (higher level) contextual factors as well as individual-level (lower level) entrepreneurial behaviors by disadvantaged individuals will have merit for cross-country comparative research in disadvantaged entrepreneurship.

Our theoretical understanding of the phenomena of disadvantaged entrepreneurship would improve based upon how we define the term. In its current state, the literature does not differentiate between self-employment vs entrepreneurship (e.g., high-tech start-ups by immigrants, etc.) by disadvantaged individuals, thus limiting our understanding of the phenomena. With this distinction in place, the identification of antecedents for respective forms of disadvantaged entrepreneurship would be more effective. We could thereafter focus on developing theory around the identified antecedents for either self-employment or entrepreneurship by disadvantaged individuals. This too will have merit in that we are aware that either self-employment or entrepreneurship improves the social and economic mobility in general (Quadrini, 1999), and disadvantaged individuals in particular. It sets the upward mobility of these individuals in motion. As such a more channelized and focused approach to theory development on disadvantaged self-employment versus entrepreneurship is warranted. Antecedents of disadvantaged entrepreneurship, including social inclusion and collective CLT effects need to be seen in light of the types of entrepreneurships pursued by disadvantaged individuals. They may have profoundly different influence mechanisms for survivalist (necessity driven) versus opportunity driven entrepreneurship by disadvantaged individuals.

Specific disadvantaged groups can have specific theories that would help explain their participation in entrepreneurship. For example, an economic theory that has considered effects of women's relative social status on their economic behavior states that women's relative economic power is affected at a *variety of nested levels*, ranging from the household to the community, the social class, the ethnic group, the state, and the global economy, and that the extent to which macro levels are repressive of women affects their relative economic power at the micro levels (Blumberg 1984, 1988). Scholars have also found that there are differences even among different disadvantaged groups in terms of the challenges they face in and factors that influence their entrepreneurial initiatives (Hindle and Lansdowne, 2005; Mitchell, 2003; Wang, 2013). In essence, then, each level of society imposes constraints that accumulate as one moves from the macro to micro spheres, cumulatively resulting in a strong set of limitations upon what disadvantaged groups perceive that they are free to do.

Societal-level gender biases pose stereotypical threat for women placing them in a position of disadvantage. Other disadvantaged groups may be subject to different types of anxieties. Immigrant communities may find it difficult to participate in the mainstream economy if country-level xenophobia is high. Similarly, individuals from culturally ethnic minorities may be subject to racism. Blumberg's variety of nested levels theory can help to understand the relative position of disadvantage of various groups in society. The nature and extent of social inclusion as well as the effectiveness of collective CLT for disadvantaged individuals' participation in entrepreneurship can therefore be meaningfully diagnosed and understood if we understand the relative position of disadvantaged groups in the social strata. It is plausible that societies may be differentially accommodative and inclusive towards one versus the other group. Hence, the theory proposed in this article need to further examine if social inclusion and

collective CLT matters equally to all groups or if the layered nature of resource support available to disadvantaged groups varies or are there nuances in how these antecedents influence different groups' participation in entrepreneurship.

Finally, levels of economic development of any nation will profoundly influence disadvantaged entrepreneurship. Theories that predict disadvantaged individuals' participation in entrepreneurship will need to address the context of developed versus developing nations (Prasad et al., 2013). The disadvantage that a number of groups have in developed nations may be less severe relative to the number in developing nations. For example, women and immigrants may still be relatively less disadvantaged in developed nations versus developing. This goes back to the notion of acknowledging the importance of context, that would subsequently inform theory development.

4.2. Implications for Empirical Research

Social inclusion and collective CLT have been conceptualized in this article as country-level predictors. National aggregate scores on these two could be obtained from secondary data sources based on national surveys such as the World Values Survey (WVS) (Inglehart, 2006) and the Global Leadership and Organizational Behavior Effectiveness (GLOBE) survey (Pathak and Muralidharan, 2018). In regard to data on disadvantaged entrepreneurship, they may be available from different sources such as the Global Entrepreneurship Monitor (GEM), the Kauffman foundation, the Organization for Economic Co-operation and Development (OECD), etc. There is need for concerted effort to collect cross-country panel data on entrepreneurs from disadvantaged groups of individuals. If and when they start to become available, more studies could engage in cross-country comparative empirical research on disadvantaged entrepreneurship.

4.3. Implications for Practice

This study has several implications for practice. As mentioned earlier, inclusion and leadership styles can both be deliberately adapted. While societal changes in inclusion values and collective CLT may not happen instantly, members of a society should recognize the bigger picture in that the demand for quality entrepreneurship can be met by the supply of entrepreneurs representing disadvantaged groups. Policy initiatives and training programs can facilitate disadvantaged individuals' entry into the entrepreneurial processes (Ratten and Pellegrini, 2019). Periodic training programs on leadership effectiveness and diversity and inclusion, within country-specific context, could be organized by thought leaders and successful entrepreneurs to consolidate this recognition. Women's business centers were established in the US to provide women who were socially and economically disadvantaged to help with business formation (Langowitz, Sharpe, and Godwyn, 2006).

Further, the study also has implications for the practice of *inclusive entrepreneurship* and *collaborative entrepreneurship*. Inclusive entrepreneurship indicates a belief that entrepreneurship is for all and that the personal qualities and conditions required for entrepreneurship are not the prerogative of a privileged, highly educated few. It is about supporting entrepreneurs from all backgrounds by creating a genuinely level playing field. This involves understanding and then overcoming the barriers faced by different people in different places and unleashing the creative potential that people have within them and using this to create a more sustainable future for all of us. A network of entrepreneurs in collaboration with each other will be effective in improving the quality of not just one's own entrepreneurial pursuit but that of another fellow entrepreneur, of the network, of the society and eventually that of the

country. Inclusive and collaborative entrepreneurship would thrive where inclusion values and collective CLT are regarded highly.

Finally, diversity inclusion and collective CLT will have its bearing on the development of long term sustainability conditions in a country. Sustainability *values* (held at either the individual-level or at the societal-level) does not automatically translate to the establishment, and thereafter, the development of sustainability *conditions*. Social inclusion and collective CLT are key drivers that enables crossing this chasm. The fact that these antecedents trigger and foster the participation of disadvantaged individuals' in entrepreneurship leads to the initiation of upward social mobility and subsequently to their economic and social well-being. Taken together, social inclusion values and collective CLT will lead to the creation and development of sustainability conditions in a country through their influence on the extent to which disadvantaged individuals perceive the ease to participate in entrepreneurial activities.

5. Conclusion

This study informs country-specific contextual factors that enable participation of members of disadvantaged groups in entrepreneurship. This not only concerns the extent of social and economic mobility of disadvantaged individuals but also the quality of national entrepreneurship. Through inclusion and effective leadership styles, societies can ensure the creation of conducive environments for entrepreneurs from all social strata to flourish and even collaborate with each other to eventually contribute towards improving the overall quality of national entrepreneurship. Disadvantaged entrepreneurship is an asset in the form of stock of valuable, even irreplaceable, human capital that need to be recognized as key contributors to a nation's economic growth and its sustainability. The full potential of this contribution could be realized through social inclusion and the endorsement of cultural collective leadership. We believe that our article could present a

novel perspective on our understanding of the antecedents of entrepreneurship emerging from disadvantaged individuals.

5.1. Limitations and Future Research

Extant research on disadvantaged entrepreneurship suggests there are two types of antecedents that can trigger entrepreneurial activities i.e., contextual factors and inherent or individual level factors (Levesque and Minniti, 2006). While the former would comprise formal and informal institutions in society the latter specific facets of individuals i.e., psychological factors. Since concerns of disadvantaged individuals desirous of entering entrepreneurial activities entails an understanding of the dynamics of agency and structure i.e., individual and the context, there is an increasing need to examine the role of individual differences along with contextual differences in developing frameworks that can predict disadvantaged entrepreneurship (Maalaoui et al., 2020). Our proposed framework addresses the role social inclusion values and collective CLT in predicting disadvantaged entrepreneurship. Future research may need to conceptualize further by factoring other CLTs such as transformational, transactional, self-protective, charismatic etc. (Muralidharan and Pathak, 2018; Stephan and Pathak, 2016). Besides other informal institutions such as cultural values and practices can also be factored in the model (Autio et al., 2013). Besides individual level factors such age, gender, education levels, income levels etc., and psychological traits such as previous experience in life, the tolerance for risk and ambiguity (Venkataraman, 1997). Future research may need to address individual level factors as well for theorizing with our model.

Our proposed frameworks places all disadvantaged individuals at the same level of disadvantage. As alluded to in the earlier sections the ‘disadvantage entrepreneurship’ has a wide range of meanings in literature (Murzacheva et al., 2020). For example, it could refer to women

(Marlow and Swail, 2014), immigrants (Kushnirovich et al., 2018), ex-prisoners (Cooney, 2012), old people (Curran and Blackburn, 2001), or disabled individuals (Dimic and Orlov, 2014) who experience social exclusion (Khan et al., 2015) etc. It can imply spatial inequalities for example, economic conditions, and political influences vary significantly across countries, regions, and even at the local communities (Naudé et al., 2008) or disadvantages in terms of entrepreneurial capital such as skills and capabilities (Murzacheva et al., 2020). There are limited studies that consider specific types of entrepreneurs (Murzacheva et al., 2020) and future research may therefore need to incorporate differences in disadvantages in entrepreneurs that can arise from their socio-economic characteristics, location, and/ or skills and capabilities (Carter et al., 2013), while further theorizing using our proposed model.

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Figure 1
Conceptual framework

