

ENTREPRENEURSHIP, MORAL RESISTANCE, AND BUSINESS FAILURE

PhD Research Plan (4th year)

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Does the economic good of entrepreneurship match with moral good? In this article-based Doctoral research project, I aim to develop a socially relevant approach to entrepreneurship. In order to do so, I build on the premise that entrepreneurship theorists may provide stakeholders advanced understanding about the social implications of entrepreneurship and thus lend a strong voice to discussions about the rules of economic development in society (Baumol & Strom, 2007). Entrepreneurship is central to a number of important issues such as community action (Kibler & Muñoz, 2020), creation of new organizations (Gartner, 1993), increased social possibilities (Rindova, Barry & Ketchen, 2009), and perceptions of success (Rehn et al., 2013). The aim of my research is to contribute to this broad ‘social turn’ in entrepreneurship studies.

The markets in which commercial entrepreneurs operate are not only arenas of economic action, but also impinge on particular moral orders (Fourcade & Healy, 2007). Researchers interested in how entrepreneurs operate within cultural bounds have noted that an important aspect of entrepreneurial innovation is the extension of possibilities for trade. For example, while death was once thought as non-marketable, it has since become commercialized through the advent of life insurances (Zelizer, 1978). To this, entrepreneurs’ ability to legitimate the trading of contested goods is key to marketization (Anteby, 2010).

Recent research has shown that commercial entrepreneurship can generate resistance among organizational members who are tasked with adjusting their day-to-day practices to better accommodate commercial practices. In particular, resistance is likely to occur when spaces of high moral value to organizational members – such as religious cloisters – are beset with commercialization (Turco, 2012; Yue et al., 2019). Despite this, we still know very little about how entrepreneurship is resisted in moral organizations. To boot, key entrepreneurship scholars have recently pointed out an absence of contextual explanations of failures in commercial entrepreneurship

(Eklund et al., 2020; Kibler et al., 2020). Aiming to remedy this lack, my research seeks to uncover the relation of morality-based community resistance to failure in commercial entrepreneurship.

My **empirical research** focuses on the entrepreneurial and organizational history – which in total spans over 800 years – of the Valamo Orthodox monastery. By rule, medieval monasteries were the essential entrepreneurial actors of their time, transforming the region from feudalism to a superior market system (Collins, 1997). The Valamo monastery is no exception to this rule, being a major landowner in the Karelian region from the 16th century onwards and by the 20th century a major economic centre as a tourist attraction, rent-seeker, manufacturer of goods, and free port.

Methodologically, my research employs the microhistorical method of ‘clues’ in order to contrast specific historical phenomena with theory (Ginzburg, 1993; Vaara & Lamberg, 2016). My main interest is on the controversies associated with Valamo’s leader during 1892-1903, hegumen Gabriel. To capitalize on the monastery’s exceptional legal status in Finland as a free port, Gabriel had initiated a shipdock building project. This entrepreneurial process, however, was thwarted due to the elder monks’ and Archbishop of Finland’s joint disapproval of the project. As a result, hegumen Gabriel was expelled from the monastery and the project was terminated.

The research is at a stage in which data collection, which has taken place in the monastery’s archives in Heinävesi, Finland during 2018-2020, is complete. In addition to taking advantage of plentiful secondary data such as regional and church histories, commercially published memoirs, letters, stories, photographs, yearbooks, and biographies, I have amassed over 400 pages of primary data in the form of letter correspondences, diaries, economic transactions, receipts, acts, accounts, registers, and inspection reports. The literature review has also been completed. Currently, I am engaged in the process of analytically integrating the data into and expanding on the theoretical framework of moral resistance, with a view on contributing to the nascent theory of failure in entrepreneurship.

My proposed doctoral dissertation is an article-based one. It is important to note that the research I have described above aims at publication in a major journal, with *Administrative Science Quarterly* (FT50, Jufo*3) the main intended outlet, with planned submission in early 2021. In addition, I am working on a number of conceptual articles that support the empirical work. All of my work aims at publication in major scientific journals on entrepreneurship as well as organizational theory, with emphasis on quality over quantity. Here I will offer a brief introduction to each conceptual article.

My first article has already been published in the peer-reviewed *Journal of Business Venturing Insights* (Laine & Kibler, 2018). The study deals with heroic myths as structural tools for process theorizing in entrepreneurship (Rehn et al., 2013), and puts forward the proposition that entrepreneurship is more deeply embedded in mythical thought than typically assumed.

In my second article, I work on the promising but underdeveloped pairing of emancipation and entrepreneurship (Rindova, Barry & Ketchen, 2009). Based on a hermeneutical approach (Gadamer, 1979), I propose that entrepreneurship theorising is indebted to emancipation as a moral order. This paper has been conditionally accepted for publication at one of the most prestigious entrepreneurship journals *Entrepreneurship Theory & Practice* (FT50, Jufo*3).

In my third article, I study Joseph Schumpeter's (1942) seminal 'creative destruction' thesis as historical explanation. By creating counter-narratives to the established canon (Mordhorst, 2008), I propose that the popularity of Schumpeter's thesis in contemporary entrepreneurship theory is more due to its narrative appeal than historical accuracy. This paper has received an initial 'revise and resubmit' decision from the journal *Business History* (ABS*4, Jufo*3).

The fourth article, based on original archival research in the Valamo monastery, and elaborated on at more length above, is an international collaboration and aims at publication in *Administrative Science Quarterly* (FT50, Jufo*3).

Taken together, these works will comprise my Doctoral dissertation, which I plan to finish by Spring 2021.

For practical implications, my research aims at increasing organizational responsiveness to not only economic but also moral changes implied by commercial entrepreneurship. Additionally, it covers substantive ground for policy-making interests in adjusting and facilitating transitions from creative and productive to reductive and unproductive entrepreneurial processes and *vice versa* (Baumol & Strom, 2007). For the interests of entrepreneurship theorists, my Doctoral thesis contributes incrementally to a long line of theoretical debate on entrepreneurship as an ambiguous socioeconomic process (Hjorth, Holt & Steyaert, 2015). On this topic, I have already published a peer-reviewed article on metatheoretical issues in *Journal of Business Venturing Insights* (Laine & Kibler, 2018). For the layman, I hope it makes an interesting read in how entrepreneurship as a topic may lead to some of the most exciting questions in social science and philosophy (Rehn et al., 2013).

Schedule

Table 1. Semi-annual work plan according to the Finnish academic year (Semester 1 = August-December; Semester 2 = January-June; July is the holiday month).

Research objectives and tasks		2017—2018		2018—2019		2019—2020		2020—2021	
		1	2	1	2	1	2	1	2
1	Research for first article								
	Publication of first article								
	Conference and seminar trips								
2	Archival research in the Valamo monastery								
	Composition of the second article								
	Publication of the second article								
3	Composition of the third article								
	Publication of the third article								
	Composition of the fourth article								
4	Publication of the fourth article								
	Composition and editing of dissertation								
	Composition of additional articles								

Budget

I am applying from the Alfred Kordelin Foundation a full-time working grant of **12 000 €**. The period applied for is from **May 2021 to October 2021**, which enables the completion of the **fourth year** of my Doctoral studies. The 8 000€ allocated for seminar and conference work and 6 800€ for archival work is not applied for here.

Table 2. Budget for one year of dissertation work.

Budget (2020-2021)	EUR
<i>Living costs and working expenditure</i>	24 000
- 24 000 € x 1	
<i>Scholarly visits, foreign seminars and conferences</i>	8 000
<i>Archival work in Valamo monastery</i>	
<i>Costs calculated using Aalto University's M2 invoicing system and Valamo monastery's hotel and library price lists assuming 10 research trips of two nights and 50 hours of work with Valamo's chargeable archivist.</i>	6 800
- Travel costs 140 € x 20 = 2 800 €	
- Accommodation and meals 80 € x 20 + 20 € x 20 = 2 000 €	
- Work with archivist 40 €/h x 50 = 2 000 €	
Total	38 800

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