1 A Cultural Approach to Entrepreneurship

Over the last few decades, research on cultural entrepreneurship has grown dramatically, providing one of the most exciting opportunities at the interface of organization theory and entrepreneurship scholarship (e.g., Gehman & Soublière, 2017; Lounsbury, Cornelissen, Granqvist, & Grodal, forthcoming; Lounsbury, Gehman, & Glynn, forthcoming; Lounsbury & Glynn, 2001). The notion of *cultural entrepreneurship* was initially seeded by DiMaggio's (1982, 1986) influential research on high culture or "highbrow" organizations, such as art museums, opera houses, symphony halls, and theatres, in nineteenth-century Boston. DiMaggio showed how these upper-crust institutions emerged as distinctive organizational forms as a result of efforts by urban elites to distance themselves from the masses (and their popular entertainment), as a means to cement their own standing in society. His findings succeeded in documenting the organizational basis for wide-scale cultural change and ignited a broader conversation about the organizational production of culture in processes of entrepreneurship, situating it at the intersection of cultural, economic, and organizational sociology. Over time, research in this tradition has expanded to focus not only on elite art institutions and products, but also on mass-produced and mass-consumed cultural products, such as popular music, books, and artwork, produced in modern societies (e.g., DiMaggio, 1986; Griswold, 1994; Hirsch, 1972, 2000; Peterson, 1977). Although DiMaggio's seminal work was tethered to the establishment of new organizational and institutional forms, our work presumes a looser coupling between these forms and cultural entrepreneurship; in doing so, we seek to extend this line of scholarship in several important ways in this Element.

To start, we build upon and extend our prior efforts (e.g., Glynn & Lounsbury, 2005; Lounsbury, Gehman, & Glynn, forthcoming; Lounsbury & Glynn, 2001, 2005; Wry, Lounsbury, & Glynn, 2011) to generalize beyond DiMaggio's notion of cultural entrepreneurship at the institutional level to understand how *all forms of entrepreneurial action are fundamentally consti-tuted by similar kinds of cultural processes.* Our initial proposition (Lounsbury & Glynn, 2001) asserted that *at the core of all entrepreneurial initiatives is a process of meaning-making (e.g., the telling of stories) that aims to construct an optimally or legitimately distinctive organizational identity in a focal institutional field.* To the extent that these communicative efforts are success-ful, and resonate with key audiences, an entrepreneurial initiative is more likely to gain legitimacy and access to needed or desirable resources. In our frame-work, culture is a critical element in entrepreneurship, for both the entrepre-neurs, who use it as a resource in the symbolic construction of their enterprises,

and for the audiences, who evaluate and legitimate these enterprises and potentially endow entrepreneurs with necessary assets.

For instance, Martha Stewart cultivated an entrepreneurial identity via story-telling that resonated profoundly with millions of consumers in the 1990s, enabling Stewart's rise to prominence as a brand (Glynn, forthcoming). A key component underlying Stewart's rise to prominence was her first television show, "Martha Stewart Living," a one-hour program in which she dispensed information, displayed expert techniques, demonstrated a variety of home-keeping techniques, and ladled advice on a variety of domestic activities ranging from cooking and gardening to ironing, pet-keeping, flower arranging, collecting, and decorating for Christmas. Ironically, the television syndicator that finally took a chance on the show initially questioned the content that Stewart intended to deliver and challenged her ability to read the culture, to "get" what television audiences wanted:

> Who was going to eat thirty minutes of How to Cut Your Roses in Detroit? This was a suicide mission. The next segment was something about how to make compost heaps . . . "I'm not sure I can sell this . . . I mean maybe we can sell it, but I'm not sure we'll get renewals.. . . Martha, I mean, look, the people in the cities where we have to sell this show are in urban environments. They're working class people. These people don't even have gardens." Martha looked back at him. Her voice was even and cool, conveying the total confidence in her words as she said, "yes, but they want them." [Byron, 2002: 212]

The stories Martha told on her show did resonate widely. "Martha Stewart Living" aired for thirteen years, from 1991 to 2004, attracting a large and loyal audience in Detroit and other urban markets throughout the United States, eventually winning 13 Daytime Emmy Awards, and receiving 47 Emmy nominations. Over that time, she "had become ubiquitous, the face of the age" (Byron, 2002: 195). Her eponymous show was cancelled at the beginning of 2004, following Martha Stewart's conviction on four felony charges. Martha's cultural narrative endured, however, in spite of her trial and tribulations; as Barbara Walters described it: "Her [Stewart's] rise and fall were of Shakespearean proportions" (20/20 Interview, 11/24/2003). Martha's entrepreneurship highlights the critical role of culture in entrepreneurship, illustrating how story-telling is vital to entrepreneurial identity construction and to cultivating resonance with key audiences that enable resource acquisition and wealth creation – the main aspects of our original framework.

Since our original theoretical statement nearly two decades ago (Lounsbury & Glynn, 2001), the literature on cultural entrepreneurship has broadened to include a diverse range of studies on entrepreneurs, organizations, and wider

socio-economic change involving a wide variety of cultural resources and processes (e.g., Granqvist, Grodal, & Woolley, 2013; Johnson, 2007; Kennedy, 2005; Ravasi & Rindova, 2008; Rindova, Petkova, & Kotha, 2007; Santos & Eisenhardt, 2009; Uberbacher, 2014; Weber, Heinze, & Desoucey, 2008). Along with the growing attention to culture in organization and management theory (Weber & Dacin, 2011), and related fields (Friedland & Mohr, 2004), the cultural entrepreneurship literature has also been inflected by a proliferation of cultural conceptualizations as diverse as institutional logics, institutional work, frames, vocabularies, categories, rhetoric, stories, narratives, discourse, communication, and so on (Giorgi et al., 2015; Lounsbury et al., forthcoming; Thornton, Ocasio, & Lounsbury, 2012; Vaara, Sonenshein, & Boje, 2016). While we are excited by these developments, we worry that the emergence of so many ways of talking about and studying culture risks fragmentation of scholarship, inhibiting knowledge accumulation and progress. One of our hopes with this Element is to contribute to the development of a more synthetic conversation about cultural processes in the study of organizations, entrepreneurship, and markets. To do so, we provide an overview of cultural entrepreneurship scholarship and seek to lay the foundation for a broader and more integrative research agenda. Building on, and expanding, our initial definition (Lounsbury & Glynn, 2001), we conceptualize cultural entrepreneurship as the *processes by which actors draw upon cultural resources (e.g., discourse, language, categories, logics, and other symbolic elements) to advance entrepreneurship or to facilitate organizational or institutional innovation*. This includes a range of phenomena from the legitimation of new ventures, to the construction of novel or alternative organizational or collective identities, and, at even more macro levels, to the emergence of new entrepreneurial possibilities and market categories. In the following section, we provide a broad overview of key aspects of the literature on cultural entrepreneurship.

1.1 The Current State of Entrepreneurial Studies

Interest in entrepreneurship has grown exponentially in recent decades, becoming a focal point for public policy makers around the globe who have embraced it as a panacea for problems related to innovation, growth, and development (Aldrich, 2012). Entrepreneurship is also a burgeoning field of academic inquiry, albeit still a young one. It was only a little over three decades ago when the top specialty academic journal in the area, the *Journal of Business Venturing*, as well as the Entrepreneurship Division of the Academy of Management, which fosters research on "the emergence of entrepreneurial

opportunities and/or new economic activities" (aom.org/Content.aspx?
id=237#ent), were established.[1]

Before this time, entrepreneurship was a relatively marginalized topic
of study for variegated disciplinary researchers in psychology, sociology,
and economics. Although it would be unfair to characterize entrepreneur-
ship research as fledgling, it continues to be an applied area of focus that
has little indigenous theory to give it a disciplinary character. Although
there are now a large number of researchers trained in business schools
who self-identify as entrepreneurship scholars, and who have worked hard
to construct boundaries around the domain of entrepreneurial research, the
complex and wide-ranging nature of entrepreneurial activities has invited
a more transdisciplinary approach to the topic (Aldrich & Ruef, 2006;
Gartner, Bird, & Starr, 1992).

Nonetheless, the discipline of economics has had a dominant imprint on the
field of entrepreneurship (Foss, Klein, & Bjørnskov, forthcoming); this is
perhaps unsurprising given the high status of economics as a discipline
(Fourcade, 2009). And yet, this is somewhat ironic given that neoclassical
economics had characterized entrepreneurs as virtually invisible since no
variable exists to represent the exercise of entrepreneurship in econometric
models designed to explain sources of productivity variation (Baumol, 1983).
In this vein, Arrow (1983: 15) described the entrepreneur as a "lightning
calculator, the individual who rapidly scans the field of alternative productive
processes and chooses the optimum at any given set of prices." This efficient
market conceptualization reminds one of "the old joke about the assistant
professor who, when walking with a full professor, reaches down for the
$100 bill he sees on the sidewalk. But he is held back by his senior colleague,
who points out that if the $100 bill were real, it would have been picked up
already" (Olson, 1993: 3).

To be fair, most economic-oriented scholars interested in entrepreneurship
have avoided the canon of mainstream economics, instead embracing Austrian
economics, especially the work of Schumpeter (1934), who envisioned
the entrepreneur as a bold-thinking, charismatic leader who could generate
disequilibria by combining resources in novel ways, catalyzing a process
of "creative destruction" (see Swedberg, 1991). In contrast to neoclassical
economics, the Austrian school of economics provides a richer conceptualiza-
tion of entrepreneurs emphasizing arbitrage – where entrepreneurs discover

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[1] The *Journal of Business Venturing* was created in 1985, and the Entrepreneurship Division of the
Academy of Management was established in 1987. Note that before formal divisions are created
at the Academy of Management, groups of researchers interested in coalescing form interest
groups. An entrepreneurship interest group initially formed in 1971.

and exploit slight disequilibrium opportunities, thereby ensuring that markets remain as close as possible to an equilibrium state (Kirzner, 1973). Kirzner's work has provided an important foundation for contemporary management research on entrepreneurship, which, anchoring on Shane and Venkataraman's (2000: 218) now classic agenda-setting statement, focuses on the "study of sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them" (see also Korsgaard et al., 2016; Venkataraman, 1997). In essence, entrepreneurship is popularly conceptualized as the proverbial triumvirate: a jockey (the individual entrepreneur or founder), a horse (the new venture or idea), and the track (the broader market, economic, political, or social environment).

And yet, in spite of such advances, entrepreneurship scholarship has been plagued by three biases – the start-up bias, the opportunity-discovery bias, and the sole individual bias (Foss & Klein, 2012). The start-up bias tends to equate entrepreneurship solely with start-ups or new ventures (e.g., Gartner & Carter, 2003), neglecting how entrepreneurship occurs in a wider variety of organizational contexts, including established firms such as in corporate "intrapreneuring" (e.g., Helfat & Peteraf, 2009; Hitt et al., 2002; Ireland et al., 2003; Kazanjian, Drazin, & Glynn, 2002; Pinchot, 1985). Of course, the start-up bias also reflects the empirical fascination with fast-growing commercial enterprises and their venture capital funders, diminishing attention to social entrepreneurs and social innovation.

The opportunity-discovery bias refers to the overly narrow explanatory focus on the psychological or cognitive aspects of opportunity discovery (e.g., Baron, 1998; Shane, 2003), leaving black-boxed the more dynamic processes that link entrepreneurial perception to opportunity exploitation efforts that include the assembly of resources (Foss & Klein, 2012; Sarasvathy, 2008). In addition, trait-based psychological approaches to entrepreneurship have failed to uncover robust linkages among personality characteristics (e.g., need for achievement), entrepreneurship, and entrepreneurial performance (Aldrich & Wiedenmayer, 1993; Gasse, 1982). As we argue in this Element, the emergence of what we label "entrepreneurial possibilities" requires a more deeply contextualized social scientific approach.

The sole-individual bias has to do with the overwhelming focus in the literature on modeling entrepreneurs as heroic individuals, neglecting the extent to which entrepreneurship involves teams (Aldrich & Zimmer, 1986; Felin & Zenger, 2009; Ruef, 2010; Ruef, Aldrich, & Carter, 2003; Stewart, 1989) and wider collective action (Burress & Cook, 2009; Lounsbury, 1999; Lounsbury, Ventresca, & Hirsch, 2003; Sine & Lee, 2009; Wry, Lounsbury, & Glynn, 2011). The emergence of

entrepreneurial possibilities that enable new kinds of ventures and initiatives is often best understood from the perspective of interaction and collective action in the context of institutional fields (Padgett & Powell, 2012; Schneiberg & Lounsbury, 2017; Seidel & Greve, 2017), necessitating perhaps a multilevel approach or one that addresses entrepreneurship at higher levels of analysis.

These three biases – start-up, opportunity-discovery, and sole-individual – have hampered opportunities for broader dialogue between entrepreneurship and other scholars in organization and management theory, sociology, anthropology, and cognate areas who seek to contextualize entrepreneurship in wider communities and institutional fields (e.g., Aldrich & Ruef, 2006; Jennings et al., 2015; Thornton, 1999). We seek to enable this integration and, in particular, argue that the framework of cultural entrepreneurship affords a fruitful entry point for a richer interdisciplinary or multilevel approach to entrepreneurship.

We believe that this is timely because much of contemporary entrepreneurship research exhibits an impoverished approach to understanding the cultural dynamics that consequentially shape core aspects of the entrepreneurial process (Lounsbury & Glynn, 2001). This is perhaps not so surprising, given the dominance of economic approaches in entrepreneurship research. For instance, in Foss and Klein's (2012) ambitiously laudable effort to develop an entrepreneurial theory of the firm that extends Knight's (1921) work on judgment under conditions of uncertainty, i.e., the judgment-based approach, culture is given limited attention. In fact, theory related to cultural processes, central to much of the organization and management theory literature (Giorgi et al., 2015; Weber & Dacin, 2011), is not substantively engaged in a wide variety of prominent pieces in the entrepreneurship literature, including those by Shane and Venkataraman (2000) and Alvarez and Barney (2007). Here, we seek to redirect the attention on culture in the process of entrepreneurship.

1.2 Cultural Entrepreneurship

Despite the shortcomings of the current entrepreneurship literature, it is important to note that culture has not been absent from broader conceptualizations of entrepreneurs and entrepreneurial processes. Going back to Max Weber's influential tome, *The Protestant Ethic and the Spirit of Capitalism* (1992 [1904]), there have been many attempts to identify cultural groupings, such as those based on religion, race, ethnicity, or geography, that could explain the sources of entrepreneurial activity (Ruef & Lounsbury, 2007). In the 1960s, the

development of a social deviance or ethnic marginality perspective posited that cultural groupings of entrepreneurs emerge at the periphery of dominant value systems (e.g., Hoselitz, 1963). Examples of such entrepreneurial groups include the Antioqueños in Colombia, Bataks in Indonesia, Ilocanos in the Philippines, and refugee groups such as the Cubans and Indochinese in the United States (Shapero & Sokol, 1982). This prefigured the development of a cottage industry of research on ethnic and immigrant entrepreneurship emphasizing the subcultural dimension of ethnicity (e.g., Aldrich & Waldinger, 1990; Light & Rosenstein, 1995; Portes, 1995; Zhou, 2004).

Relatedly, researchers have shown the importance of geographic clusters, communities, networks, and ecosystems in organizational behavior (e.g., Marquis, Lounsbury, & Greenwood, 2011). Noting that a geographic locale "can be bounded in terms of neighborhoods and cyberspace . . . [and that] their boundaries may not be material- and resource-based, but instead cognitive- and culture-based" (Thornton & Flynn, 2003: 405), the notion of "place" as an influential environment figures importantly in cultural entrepreneurship. Perhaps the most prominent example of this is Silicon Valley (Kenney, 2000), where the web of spatial and relational networks creates opportunities for innovation and for garnering needed resources. In recent years, there has also been a growing literature on female entrepreneurship (e.g., Hughes & Jennings, 2015; Jennings & Brush, 2013). Although early work in this area echoed the literature on ethnic and immigrant entrepreneurship, treating culture as a discriminated social category (Etzkowitz, Kemelgor, & Uzzi, 2000), scholarship of late has begun to engage the feminist studies literature and adopt a cultural lens to explore the gendered nature of entrepreneurial processes writ large (Ahl, 2006; Cliff, Langton, & Aldrich, 2005). This domain of entrepreneurial scholarship offers a more substantive engagement with contemporary theories of culture and cultural studies.

Somewhat relatedly, there has been some research on how societal-level cultural norms, role expectations, and social sanctions can impede or facilitate innovation and entrepreneurial activity (Gerschenkron, 1962; Martinelli, 1994). For instance, both Cochran (1949) and Lipset (1967) explained differences in the economic development of the United States and Latin America in terms of the degree to which entrepreneurship was legitimated. This view of culture as a generalized value system linked to economic institutions underlies much cross-country comparative research, including studies that have leveraged Global Entrepreneurship Monitor (GEM) data (www.gemconsortium.org). However, this work embraces a relatively thin conceptualization of culture emphasizing its structural features (Hofstede, 1980), resonating with old institutional approaches that

imagine culture as a basket of homogenous norms and generalized value systems, at societal or subgroup levels, that become internalized into one's personality via socialization (Parsons, 1937). This process of value infusion, rooted in Freudian ego-psychology, is theorized to provide a core foundation (and function) for the maintenance of social order.

This approach to culture has been widely critiqued over the past several decades (e.g., DiMaggio & Powell, 1991; Granovetter, 1985; see Giorgi, Lockwood, & Glynn, 2015, for a review). In the 1960s, the functionalism of Parsons was rejected in the context of unrest animated by socio-cultural conflict connected to race, class, gender, ideology, and other dimensions of societal difference that were masked by then-dominant strands of social theory. In this milieu, a wide variety of perspectives emerged. In sociology, conflict theory, Marxism, and the study of social movements became ascendant (Stark, 2007). Symbolic interactionist and ethnomethodological research programs also emerged, conceptualizing society as a complex, ever-changing mosaic of subjective meanings (e.g., Berger & Luckmann, 1967; Garkinkel, 1967; Goffman, 1967).

With respect to the conceptualization and study of culture, one of the biggest shifts came in the form of the *cognitive revolution* that redirected attention away from widely shared norms and values and towards taken-for-granted routines and beliefs (DiMaggio, 1997; DiMaggio & Powell, 1991). This was seeded by Berger and Luckmann's (1967) treatise on the social construction of reality and subsequent developments such as Bourdieu's theory of practice and notion of habitus (1977). This unfolded alongside a more general cultural turn across the social sciences (e.g., Giorgi, Lockwood, & Glynn, 2015) that, in contradistinction to the dominance of rational actor approaches, emphasized the role of symbolic meaning systems in shaping the behavior of actors (Friedland & Mohr, 2004).

Some approaches to culture, including those theorized by organizational institutionalists (DiMaggio & Powell, 1983; Scott, 2014), have been critiqued for their emphasis on isomorphic conformity that some compared to the imagery of socio-cultural stasis and shared values that permeated Parsonsonian sociology (e.g., Hirsch, 1997). However, this line of scholarship, along with the general cognitive turn in cultural research (DiMaggio, 1997), both radically altered and energetically catalyzed a flowering of research on cultural processes in organization and management theory (Weber & Dacin, 2011). In contradistinction to approaches to culture that emphasized fairly stable ideational systems that constrained thought and action, some began to ask about the multiplexity of culture (e.g., Kraatz & Block, 2008; Martin, 1992; Phillips & Hardy, 1997; Smircich, 1983; Swidler,

1986; Weick, 1995). In addition, instead of concentrating on how culture provides a structural constraint, researchers began to emphasize the enabling and constitutive aspects of culture (Dobbin, 1994; Meyer, Boli, & Thomas, 1983) and that culture could function as a resource for actors, to be used as a kind of toolkit of possibilities to construct strategies of action in different kinds of contexts (Swidler, 1986).

These shifts underlie new theoretical programs of research such as the institutional logics perspective (Thornton, Ocasio, & Lounsbury, 2012) that focuses on how cultural pluralism enables multiple forms of rationality and the ability for actors to more actively and strategically manipulate cultural elements in their efforts to construct, maintain, and renegotiate local and trans-local practice orders. The rise of practice theories and process approaches that embrace flatter ontologies has reinforced these developments (Glaser, forthcoming; Lounsbury & Crumley, 2007; Schatzki, 2003; Schatzki, Knorr-Cetina, & Savigny, 2001; Smets, Aristidou, & Whittington, 2017). These new approaches give primacy to the role of culture and provide new opportunities to understand varied aspects of social and economic life, including the sources and consequences of entrepreneurial behavior. To date, entrepreneurship scholarship has had limited engagement with these developments.

The concept of "culture" elides a consensual definition in the management literature and is studied with varied ontologies and epistemologies across disciplines. However, Spillman (2002: 4) usefully argues that "the central concerns of those who study culture are to understand processes of meaning-making, to account for different meanings, and to examine their effects in social life." The now-voluminous literature on cultural entrepreneurship is one expression of this.

Since cultural entrepreneurship has become a widely invoked label (Gehman & Soublière, 2017), it is important to distinguish what we are up to in relation to empirical studies of entrepreneurship in the so-called "creative" or "cultural" fields such as art, architecture, fashion, music, film, and the like. In the context of those fields, cultural entrepreneurship is conventionally conceptualized as an innovative activity that generates cultural value and/or wealth via the creation of novel cultural products, services, or forms (Askin & Mauskapf, 2017; Jones, Sapsed, & Lorenzen, 2015; Khaire, 2017; Leadbeater & Oakley, 1999). In addition to the many studies of entrepreneurship in the arts and other creative fields (e.g., Kolb, 2015; Sorin & Sessions, 2015), this understanding of cultural entrepreneurship is reinforced and promoted by a variety of programmatic efforts such as *The Deans' Cultural Entrepreneurship Challenge* organized by Harvard University's i-lab. It is a start-up competition that provides

resources and support to the best new venture idea that "unites artistic and entrepreneurial visions to create and maintain ventures with the financial, social, and organizational infrastructure necessary for arts and artists to survive and thrive" (https://i-lab.harvard.edu/deans-challenge/cultural-entrepreneurship).

In this spirit, many universities now offer courses, workshops, and even degree programs in cultural entrepreneurship to encourage and support the creation of such new ventures; for example, see the University of British Columbia's workshop (https://cstudies.ubc.ca/courses/online-workshop-cultural-entrepreneurship/uc011) and related specialties like music entrepreneurship (e.g., music.cmu.edu/pages/music-entrepreneurship). Along with this growing interest in new ventures in cultural fields, there have been significant efforts, supported by the Kauffman Foundation and others, to facilitate the design of city, regional, and national-level policies that enhance such new venture creation and sustainability (Markusen, 2013). In this milieu, entrepreneurial support organizations such as the Creative Startups Accelerator, founded in 2007 in Santa Fe, New Mexico, have emerged to foster geographically situated creative communities.

While entrepreneurship in the arts and other creative fields is a substantively important activity, there have been sustained efforts to develop cultural entrepreneurship as a scholarly idea that accounts for a wider variety of socioeconomic processes and outcomes, including entrepreneurial efforts in high technology, in large, traditional bureaucracies, and in efforts aimed at generating social change. Favoring the development of more generalized claims and theory, our aim in advancing cultural entrepreneurship scholarship is not to focus on what is unique and special about the arts and creative fields, but to understand the commonality of entrepreneurial processes across very different kinds of contexts. Following Geertz (1973: 5), we believe that culture is everywhere as we are all "suspended in webs of significance" that we spin. Accordingly, one of our core claims is that understanding the pervasiveness of culture and focalizing cultural meaning-making provide novel insights about general mechanisms and processes that shape the sources and consequences of entrepreneurship across space and time.

Thus, over the past couple of decades, we have sought to develop a more expansive, dynamic, and multilevel approach to cultural entrepreneurship (e.g., Glynn & Lounsbury, 2005; Lounsbury & Boxenbaum, 2013; Lounsbury & Glynn, 2001; Navis & Glynn, 2010, 2011; Wry, Lounsbury, & Glynn, 2011; Zhao, Ishihara, & Lounsbury, 2013). Theoretically, we have drawn on, and contributed to, nascent efforts to link scholarship on organizational institutionalism (Greenwood et al., 2017; Scott, 2014) and identity (Elsbach & Glynn, 1996; Elsbach & Kramer, 1996; Gioia, Schultz, & Corley, 2000; Glynn, 2000,