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**CAFÉ Working paper #23**

# Developing a Co-constructed Autoethnographic Approach to Understand Personal Values-Guided Social Entrepreneurship

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## **Abstract**

This research aims to uncover how the personal values of a social enterprise CEO (Paul) influence strategic leadership and choices. We adopt the upper-echelon theory by Hambrick and Mason (1984) of bounded rationality to provide insights into the lived experience of an executive social entrepreneur - how personal values influence the establishment of Local Power and subsequent strategic decisions. To achieve this, we followed Kempster and Stewart's (2010) co-produced auto-ethnography approach, described as two parts of a sandwich: the 'bread' as the interpreted observations and the filling as the reflections on the experience. The 'meat' of Paul's auto-ethnographic sandwich reflected significant episodes from 1995 to 2022 when he developed Local Power, California C Corp CEO and LLC President. From a theoretical perspective, this research contributes to creative opportunity recognition and the coupling of personal values that influence strategic leadership and choices in social entrepreneurship.

**Keywords:** Strategic leadership, personal values, social entrepreneur, USA

## **Introduction**

There are many conceptual definitions of strategic leadership. In this study, we view strategic leadership as an iterative learning process that includes the leadership practices of (i) sensemaking, to make sense of the organisational situation an individual, team or business unit is in before attempting to solve the problem or bring about change, and (ii) sense giving to significant stakeholders to prepare the unprepared for change (Aitken and Higgs, 2010). Therefore, strategic leadership involves the capacity to learn, change, and bring about managerial wisdom (Boal and Hoojiberg, 2000). Whilst leaders, managers, and entrepreneurs create change, social entrepreneurs, in particular, strive for social change. In doing so, they disrupt the status quo but face complexities and resource constraints (Farinha et al. 2020; Lubberink et al. 2019). The challenges also vary depending on the social entrepreneur's motives, the resources used to pursue their ambitions and the governance mechanisms (Zahra et al., 2009). However, social entrepreneurs use available resources and experience to achieve their mission (Gigauri et al., 2022).

Social entrepreneurs are central to discovering opportunities. Early conceptions of social entrepreneurs loosely defined them as 'change agents' (e.g., Dees, 2001; Seelos and Mair, 2005). In later works, social entrepreneurs are referred to as individuals who see a problem, figure out how to fix it and take action (Yitshaki and Kropp, 2011). They are individuals with sustainability-oriented leadership for social change (Jeong et al. 2020) with pro-social motives (Diaz and Rodriguez, 2003). Social entrepreneurs' personal values are deeply embedded in the goals of the social enterprise (Zahra et al., 2009). While existing studies (i.e., Hemmingway, 2005) have explored personal values as a catalyst for corporate social entrepreneurship, and role of individual values in motivating social entrepreneurs (i.e., Kruse et al., 2019), it is unclear how the social entrepreneur's personal values influence strategic leadership. Specifically, we aim to explore the research question whether social entrepreneurs are motivated by altruistic personal values as the literature asserts or are their other drivers guiding social entrepreneurialism? We propose that altruistic values should be guiding the social entrepreneur whilst acknowledging there may be other equally important motives for action. In this ongoing research, we explore the role of personal values in the strategic leadership process of a social enterprise CEO. Specifically, we reveal how the personal values of the social entrepreneur influence their strategic choices and leadership towards social change.

The rest of the paper will be structured as follows. First is a short review of the literature on strategic leadership and personal values and the theoretical underpinning of upper-echelon theory. Followed by the methodology and procedure. Then some preliminary findings.

## **Literature Review**

### **Social Entrepreneurs' Personal Values and Strategic Leadership**

In an analysis of social entrepreneurship research, Gupta et al. (2020) found that values are critical to social entrepreneurs' orientation and innovative behaviour. However, the scholars' extensive review was based on cultural and social values, not personal values, thus the need to

explore the role of personal values in social entrepreneurship (Gupta et al., 2020), specifically, the social entrepreneur. Personal values are the cognitive awareness of how to act or an understanding of the ideal standard of behaviour (Hueso, Jaen and Linan, 2021). The standard of behaviour is important as this influences the capacity to develop goal setting, especially in ambiguous or uncertain situations (Gorgievski et al., 2018). Personal values are considered one of the most important drivers guiding individual behaviour in organisations (Maio et al., 2001). *So, what values guide social entrepreneurs?*

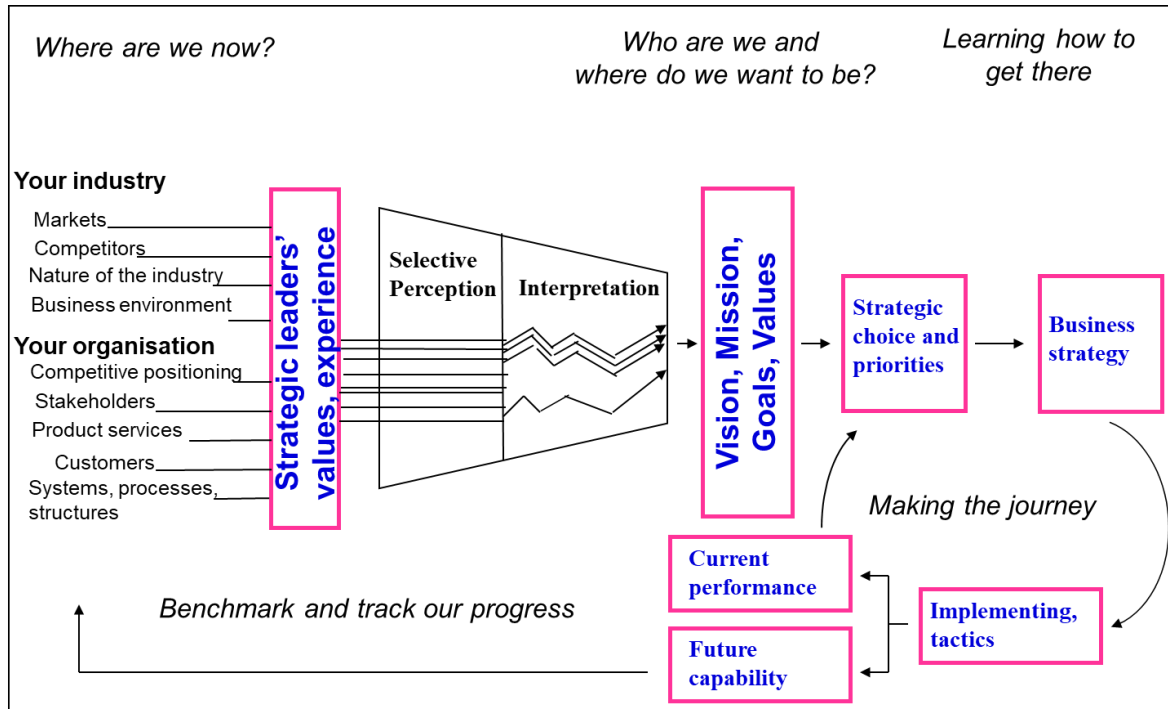
The literature asserts that social entrepreneurs are primarily driven by social goals (Gupta et al., 2020), commitment, and ethical responsibility to help others which this paper aims to explore (Pless, 2012; Renko, 2013). Social entrepreneurs are individuals with sustainability-oriented leadership for social change (Jeong et al. 2020), and espouse pro social motives (Diaz and Rodriguez, 2003). Chandra and Shang (2017) argued that social entrepreneurs' commitment to social change could be understood from their personal values of collectivism, ideology (conformity to an ideology), altruism, and spiritualism. Other scholars (i.e., Bargsted et al. 2013; Braga, Proenca, and Ferreira 2015; Ruskin, Webster, and Lundmark 2014) present similar views suggesting that social entrepreneurs are motivated by altruism, liberal political values (Van Ryzin et al. 2009) and personal values related to justice (Diaz and Rodriguez 2003). Therefore, what actually motivates social entrepreneurs is a contested issue in the literature. Interestingly, Schwartz (1992, 2010) defined ten broad values (benevolence, universalism, self-direction, stimulation, hedonism, achievement, power, security, conformity, and tradition), in four motivational domains (e.g., conservation) that can motivate or inhibit pro social behaviours. Previous studies have shown conflicts (i.e., benevolence vs power) and congruity (i.e., security and conformity) among personal values (Schwartz, 1992, 2010). Based on the preceding discussion, the following propositions are formulated.

### **Propositions:**

- P<sub>1</sub> The social entrepreneurs' personal values orientation of self-transcendence influences the need for social change.*
- P<sub>2</sub> Pro-social behaviours of altruism and collectivism are the primary motivations influencing social entrepreneurial actions.*
- P<sub>3</sub> Social entrepreneurs' approach to social change is also shaped by their ideology that is associated with their social and political status.*

Given that the principles of collectivism drive social entrepreneurs, they develop unique management styles for their organisation's strategic vision. Yet, how and to what extent specific personal values influence their strategic leadership is unclear and contested in the literature. As previously mentioned, strategic leadership is an iterative learning process involving leadership practices. We adopt Hambrick and Mason's (1984) upper echelon theory of bounded rationality, one of the most important ideas associating personal values with strategic choice and performance, to uncover how a social enterprise CEO's personal values influence strategic leadership choices. Upper echelon theory argues that top executives view their strategic position through personalised lenses. These personalised lenses of strategic situations are shaped by top executives' personal values, personalities, experiences and other individual factors (Hambrick and Mason, 1984), as illustrated in Figure 1 below. Strategic leaders' values and experiences

filter their perception and interpretation ultimately influencing the organisational vision, mission, goals and values, thus shaping strategic choices, priorities and business strategy. Interestingly, other factors, i.e., organisational performance and future capability also indirectly influenced by their personal values which interact dynamically with the leaders' strategic choices and priorities.



Adapted from: Hughes and Beatty (2005), Hambrick and Mason (1984)

**Figure 1.** Personal values guide strategic choices and priorities

Following the above discussion on strategic leadership and personal values, the fourth proposition is outlined below.

*P<sub>4</sub> The personal values of social entrepreneurs can add value or hinder the strategic choices for social change.*

### Research Design and Method

A co-produced auto-ethnography approach is used to achieve the research question and propositions. Co-produced auto ethnography is a narrative inquiry that provides qualitative and value-laden knowledge (Lapadat, 2017). It involves the in-depth co-production of knowledge by the researchers and those being researched (Dilger, Pels and Sleeboom-Faulkner, 2019). The materials and contributions are intersubjective, with reflections from the participant. This research draws on Kempster and Stewart's (2010) approach, which Ellis (2004, p. 198) describes

as two parts of a sandwich: the bread as the interpreted observations and the filling as the reflections on the experience. The 'meat' of Paul's auto ethnographic sandwich reflected significant episodes from 1995 to 2022 when he developed Local Power, California C Corp CEO and LLC President.

The narrative is constructed through verbal dialogue between the first author and Paul, then the authors (first and third author) and Paul—the verbal dialogue has two purposes. First, it clarified the scope of Paul's reflections and introspection. Second, build trust and understanding about the ownership of this knowledge creation. After the verbal dialogue, structured questions were sent to Paul, who produced written responses to those questions about his experiences as a social enterprise strategic leader. The approach emphasises writing and describing the role of personal values in strategic leadership choices. Ellis (2004) argues that an important aspect of auto-ethnographical research is a continual reappraisal and interpretation of the story through theorising. As we present some early narratives of Paul's experiences, we consider validity in how the story is interpreted to 'evokes in readers a feeling that the experience described is life-like, believable, and possible' (Ellis and Bochner, 2000, p.751). Consequently, issues of reliability and validity must resonate with the reader (Kempster and Stewart, 2010). For us, the goal of the auto ethnographic account is to uncover how to practice strategic leadership with a focus on the personal values of a US social entrepreneur. The next two sections present some narratives from our interpretation of Paul experience.

### **Local Power for 'Self-futures'**

Paul (second author) is the Founder and CEO of Local Power, established in 1995 when he co-authored the Community Choice Aggregation known as CCA for Massachusetts to provide an alternative energy economy that focuses on localisation. In 1999, Paul helped Ohio draft Community Choice Law/Legislations, followed by New Jersey in 2003 and New York in 2015. Since its inception, CCA has been adopted in 1300 cities in the US, serving about 5% of the US population, predominantly in Illinois, Ohio and Massachusetts. Paul's professional background and experience as a strategist of several laws and policy campaigns influenced his engineering of CCA 2.0. He says:

*"I set up Local Power because I had gotten fired, basically, for writing a Bill to restructure the electricity industry as a legislative aide of a Senator who sat as Chairman of the Senate Committee on Energy in the Massachusetts General Court: the Commonwealth's state legislature. I had found him and gone to work for him on an intellectual mission to come up with an alternative to neoliberal economic policy, which I had learned was guiding electricity industry restructuring: the "Jihad" of the deregulators in the United Kingdom (Thatcher) and the United States (Reagan)".*

Paul was intentional in the pursuit of an alternative energy model. The intentionality is the deliberate choice to work for the Chairman of the Senate Committee on Energy to formulate the best localised energy model. This approach supports the view of Monllor and Attaran (2008) on creative opportunity recognition, which argues that the past experiences of a social entrepreneur are merged and remerged in different forms and frequently to form new patterns and ways to solve social problems. Equally, Paul's restructure of the energy Bill demonstrates disruptive

thinking behaviour. It was out-of-the-box thinking and he used an unconventional approach to achieve his goal. Paul describes Local Power as *working with municipal councils and Mayors to use our Community Choice Aggregation (CCA) law to not only transform energy but do it through transforming fixed electricity, gas and petrol bills into investment revenue to borrow self-futures.*

## **A Twilight of Values**

From our earlier discussion with Paul, it was clear that Paul perceives personal values as complex ideals because the notion of personal values often sits within the realm of faith and societal expectations. However, in reflecting on principles that guide his strategic decisions and choices, Paul describes his values as self-evident and impotent values that are impossible to express without this four: *(i) economic justice, (ii) save nature from industrialisation, (iii) give people power over their economic lives, and (iv) make democracy real.* He went on to say that *the four values always governed my decisions as means to the transcendent and dependent values, which defined the subject matter or purpose of Local Power, which is to intervene significantly in Energy to serve those purposes.*

We interpret Paul's motives for action as those identified by Chandra and Shang's (2017) altruism and ideologism. Altruism for the interest of others, placing the needs of The People first - *give people power over their economic lives.* This value of altruism is coupled with a system of government where the civic society decides on the governing members of the state—also, a system where people are free to make choices. Paul's twilight of values and ideology guides his strategic choices, specifically who he collaborates with, the target municipality and how the new energy model is used to reinvest in localisation. Further analysis is needed to determine whether self-transcendent personal values like altruism are the key motive for action for this social entrepreneur.

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