

# **The Perennial Perspective on Entrepreneurship**

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*The fields of Social Entrepreneurship (SE) and Spirituality and Religiosity in the Workplace (SRW) are emerging fields in the area of management. This paper presents an understanding of entrepreneurship derived from an examination of the spirituality literature. Using Perennial Philosophy, this paper offers a framework that provides a new perspective on entrepreneurship. The paper also develops the concept of spiritual entrepreneurship by deriving a parsimonious definition and identifying salient dimensions. It further makes a comparative analysis between commercial entrepreneurship, social entrepreneurship, institutional entrepreneurship, and spiritual entrepreneurship based on the models suggested by Shane (2000) and Alvarez and Barney (2007).*

## **INTRODUCTION**

Traditionally, the area of entrepreneurship has been viewed from a primarily economic and ‘bottom-line’ point of view. Whether it be the classical work of Sey (1816), the writings of Schumpeter (1911), or more recently, the research of Busenitz et al (2003), Shane & Venkataraman (2000) or Davidsson et al. (2001); the fundamental viewpoint of entrepreneurship as a profit making activity relegated to the economic sphere, has not really changed. This is not to say that differences have been deliberately discouraged; in fact there have been manifest differences in approaches taken towards viewing entrepreneurship such as the trait vs. behavioral approach (Gartner, 1989) or the organization creation approach (McClelland & Low, 1988) vs. resourceful approach (Stevenson & Jarillo, 1990). However, the basic objective of entrepreneurship as seen from much of this work has remained the same – entrepreneurship is essentially an economic, profit oriented activity. Combining these approaches, entrepreneurship has been previously defined as an activity aimed at creating profitable organizations (Gartner, 1989) by innovative use of opportunity (Alvarez & Barney, 2007) and limited resources (Stevenson, 1990).

A noteworthy offshoot in entrepreneurial research is the development of the concept of institutional entrepreneurship. DiMaggio (1988), who was among the first to use the concept of institutional entrepreneurship, refers it as initiatives to shape and redefine existing institutions. Dacin et al., (2002) indicate that institutional entrepreneurs deploy the resources at their disposal to create and empower institutions. Thus, institutional entrepreneurs serve as agents of change supporting the re-defining and realignment of existing institutions.

Apart from institutional entrepreneurship, recent trends show that the scope of entrepreneurial research is certainly widening, thanks largely to a tremendous rise in entrepreneurial activity devoted to social causes (Leadbeater, 2001). Social entrepreneurs are generally considered similar to typical commercial entrepreneurs in aspects such as innovation, resourcefulness, and creativity, but differ in one critical aspect – while commercial entrepreneurs are designed around private profit motive; social entrepreneurs are carried forth with the express purpose of fulfilling a social mission. Thus, social entrepreneurs look to moments of economic and market crises as opportunities to provide meaningful service to society (Dees, 2000).

As social entrepreneurs continue to boom, recent years have also witnessed the growth of numerous “spiritual enterprises”, organizations with mainly transcendent and spiritual goals. The case of Maharshi Mahesh Yogi (and the number of organizations started by him), or the work of Pir Inayat Khan or that of Swami Yogananda are just a few well known episodes in this continuing phenomenon. As an initial definition, a spiritual entrepreneur may be regarded as an entrepreneur who utilizes opportunity and limited resources to provide spiritual value to society at large. Here the goal is the purveyance of a spiritual program to an audience without a profit motive. In other words, the critical focus of spiritual entrepreneurship is not a social or profit motive but primarily the use and spread of a spiritual program. Even though such entrepreneurs may have a social reach; the mission of such organizations is rooted in transcendent and spiritual values. The work of Sri Sri Ravishankar (Art of Living) is a prime example of a spiritual entrepreneur.

The current study aims at exploring this spiritual form of entrepreneurship, a phenomenon that has largely escaped the notice of researchers in entrepreneurship studies as well as religion and spirituality. It addresses this gap in the literature firstly, by offering a definition for the concept of spiritual entrepreneurship, and then by a comparative analysis vis-à-vis the more traditional forms of entrepreneurship, namely, commercial and social entrepreneurship. This paper will endeavor to make a modest theoretical contribution by giving the concept of spiritual entrepreneurship an underpinning in current entrepreneurial theory. Towards this end, efforts are focused on anchoring the spiritual entrepreneurship construct within the Individual-Opportunity nexus (Shane, 2003) and the “discovery theory” as suggested by Alvarez (2005). Similarly, this article will also position the concept of spirituality in the framework provided by the Perennial Philosophers like Lings (2002).

As an exploratory study, this paper seeks to develop a body of theory in the areas of entrepreneurship and spirituality. The main objectives of this paper are to develop and clearly define the construct of spiritual entrepreneurship, conduct a comparative analysis of the four different forms of entrepreneurship (commercial, social, institutional, and spiritual), and finally - provide a theoretical framework for the concept of spiritual entrepreneurship.

## **LITERATURE REVIEW**

In the field on entrepreneurship, there is very little consensus on what constitutes ‘entrepreneurial activity.’ While remarkable attempts at providing definitional and conceptual clarity have been made by some authors in the field, accord seems elusive. The current state of affairs in the field of entrepreneurship, is one where little consensus has been built towards understanding the construct of entrepreneurship (Shane and Venkataraman, 2000; Alvarez, 2005). Broadly speaking, the area of entrepreneurship has seen research related to three streams, namely, commercial entrepreneurship, institutional entrepreneurship and more recently, social entrepreneurship.

### **Commercial Entrepreneurship**

The first perspective looks at entrepreneurship as an economic function; an entrepreneur is necessarily one who drives the economy by utilizing hard-to-see opportunities, making use of limited resources, and creating organizations that are constantly learning and dealing with risk. While the earliest proponent of this viewpoint may have been Sey (1816), the work of Schumpeter (1911) gave it a great fillip in the 20<sup>th</sup> century.

Based on previous research, commercial entrepreneurship can be defined as an activity that provides impetus to the economy by creating organizations that emphasize economic value (profits), by pursuing opportunities, by following a process of innovation and adaptation, and by taking risk in the face of limited resources.

Interestingly, the idea of profit-making through entrepreneurship seems to be the singular exception to this difficulty. There is in fact a recurring form of agreement in entrepreneurial studies as regards to the profit oriented nature of entrepreneurship. This is not to say that other aspects of entrepreneurship such as the social benefit accrued have not been represented; just that such benevolent effects have never been regarded as the prime concern of entrepreneurship. At best they can be described as side effects of a primarily self-aggrandizing activity. It is ironic that researchers point to this “also ran” status of social benefit as a representation of the socially beneficial nature of entrepreneurship! (Venkataraman, 1997). To quote Venkataraman (1997):

“As Schumpeter pointed out several decades ago, the personal profit motive is a central engine that powers private enterprise and social wealth. Entrepreneurship is particularly productive from a social welfare perspective, when, in the process of pursuing *selfish* ends, entrepreneurs also enhance social wealth by creating new markets, new industries, new technology, new institutional forms, new jobs and net increases in real productivity”

Strangely enough, the primary emphasis on selfishness and personal profit seems to have escaped scholars who try to use this statement as a representation of the social aspect of entrepreneurship. The excellent case built by Shane (2003) for a theoretical framework in *A General Theory for Entrepreneurship* provides another example of the preponderance of this motive in the mind of the entrepreneurial researcher. To quote a sample, “The entrepreneurial process begins with the perception of opportunities, or situations in which resources can be combined at a potential profit.” (p.10). Thus, there is little to suggest that traditionally, entrepreneurship has ever been studied as a *primarily* socially beneficial activity. As noted before however, of late, there has been a change in this traditional scope of entrepreneurship, which brings us to the concept of social entrepreneurship.

### **Institutional Entrepreneurship**

Institutional entrepreneurship is derived from institutional theory, which emphasizes institutions as legitimizing agents within an environment, it also emphasizes that in order to legitimize, units within a particular structure (be it the society at large or an organization) will imitate each other (isomorphism). The classical, economic perspective suggests that entities within an institutional framework will act rationally to gain legitimacy. The focus here is not so much on profit generation or the creation of organizations; rather the emphasis is on the ability of the institutional entrepreneur to shape new ways and institutions that can influence other activities. DiMaggio, who was a proponent of a novel form of institutional theory (neo-institutionalism) suggests that organizations seek isomorphism and legitimacy not through purely rational measures but largely out of prevalent socio-cultural and cognitive forces that can be beyond any individual decision making ability (Scott, 2001). Considering that institutions are socio-political-regulatory structures that are mainly concerned with governance of behavior, either explicitly through legal writ or implicitly through approved norms; in many ways, the institutional entrepreneur can be viewed as one who brings about change through collective action (organization) within a larger field (Lawrence & Suddaby, 2006). While the neo-institutionalists take a more cognitive approach to institutions; traditionalists argue that institutions are norms or legal constraints governing behaviors that are *expressly and deliberately* devised by people (North, 1990). These arguments are akin to the creationist and opportunistic approaches in entrepreneurship as elucidated by Alvarez & Barney (2007). An example of institutions would be that of slavery – a norm that was accepted and legitimized in many societies not too long ago. Institutions exist within larger frameworks or fields which could be society’s at large or individual organizations. These institutions will determine and govern the behaviors of units within these fields.

Thus an institutional entrepreneur may be viewed as an individual who utilizes opportunity within the institutional framework to bring about change or create a new institution. Such an institution could be a

law enacted in a parliament or a Board of CEOs or it could even be an organization that oversees certain behaviors by concerned constituents. A lawmaker who organizes collective action to set up a particular legal structure for example, could very well fit into this mold.

Unfortunately, this stream of entrepreneurial research has largely been somewhat remiss in not providing concrete examples of such entrepreneurs. Literature on commercial and social entrepreneurs is replete with case studies; such examples are however, conspicuously missing in the case of the institutional entrepreneur. This leaves some questions unanswered, primarily who is an institutional entrepreneur? Is a whistleblower who goes on to organize a body of opposition towards a given organization considered an institutional entrepreneur? Would a Napoleon or a George Washington or even a Lenin, who were all able to create new institutions, be examples of institutional entrepreneurs? In the absence of any empirical evidence to verify the institutional entrepreneur, this paper posits that the answer to the above question is a resounding 'Yes'.

The scope of the institutional entrepreneurship by definition remains restricted to governance, law making and standard setting. Such an enterprise however, can have widespread consequences that can spill over into other facets of life. For instance, the Monroe Doctrine set up by President James Monroe of the United States that prevented European powers from colonizing South America had widespread repercussions throughout economies and societies in South America as well as Europe. Social Entrepreneurship.

### **Social Entrepreneurship**

As entrepreneurial research has largely focused on economic factors and outcomes (Busenitz et al, 2003), the construct of social entrepreneurship has only recently gained focus. Enterprises with the express goal of achieving social value have mushroomed in recent years. Naturally, a burgeoning interest in the real world is often followed by researchers quite closely. Further, this trend is prompting business schools to increase their offerings for students interested in building for-profit companies that serve socially responsible ends (Middleton, 2009). Consequently, more research is now being dedicated to understanding social entrepreneurship. What is social entrepreneurship? And how does it differ from commercial entrepreneurship? In the sections below, these questions will be addressed.

To some extent, since the development of this field closely follows the development of the larger entrepreneurship area, a clear consensus as to what constitutes social entrepreneurship is still not established. Nevertheless, it is apparent that most scholars, including the above authors, agree on the definitive aspect of social entrepreneurship as being that which primarily emphasizes social benefit (Austin et al, 2006; Dees, 2000). While this does not necessarily mean that all social entrepreneurs are organized on a non-profit structure; it certainly means that social objective and goals play a big part in all social entrepreneurships.

As a reference point, this study adapts the definition provided by Dees (2000) to describe the social entrepreneurship as an activity that provides impetus to the social sector by creating and sustaining social value, recognizing and relentlessly pursuing new opportunities to serve the social mission, by engaging in a process of continuous innovation and adaptation, by acting boldly despite limited resources, and by exhibiting accountability to the constituencies served.

Let us take a quick look at one such organization – The Skoll Foundation. Its mission and goals statements give us a quick insight into what could be regarded as a typical social entrepreneurship agenda: *The Skoll Foundation was created by Jeff Skoll in 1999 to pursue his vision of a sustainable, peaceful and prosperous world. Jeff believes that strategic investments in the right people can lead to lasting social change. The Skoll Foundation's mission is to drive large-scale change by investing in, connecting and celebrating social entrepreneurs and other innovators dedicated to solving the world's most pressing problems. Social entrepreneurs are proven leaders whose approaches and solutions to social problems are helping to better the lives and circumstances of countless underserved or disadvantaged individuals. By identifying the people and programs already bringing positive change around the world, the Skoll Foundation empowers them to extend their reach, deepen their impact and fundamentally improve society.*

Nevertheless, social entrepreneurships are not always organized as non-profit structures. The Research Initiative of Social Entrepreneurship (RISE) at Columbia University is in fact dedicated to studying social ventures with a for-profit form. It lists 3000 such enterprises. Some of the popular names in this list include Ben & Jerry's Ice cream, Honest Tea, Inc. and Stonyfield Farm, Inc. A number of reasons have been suggested as to why certain entrepreneurs choose a for profit structure over a non-profit structure. Townsend and Hart (2008) propose that an ambiguity in institutional factors such as resource acquisition and stakeholder alignment can precipitate such choices. There is also the suggestion that social entrepreneurships are sometimes driven by the motive of personal fulfillment and are therefore not truly altruistic.

Mair and Marti (2006) point out that social entrepreneurship has been studied from three approaches. The first approach looks at only non-profit organizations as social entrepreneurships; others point out that social entrepreneurships can work through a profit mechanism. Then there are scholars who tend to emphasize on the social change aspect of entrepreneurships, that is, does an entrepreneurship impact social change? This perspective can be viewed as analogous to the Schumpeterian view that entrepreneurs are agents of economic change.

Presenting a detailed study regarding the various perspectives on social entrepreneurship, while quite interesting, is quite beyond the scope of this paper. Still, based on prior literature we can come to certain conclusions regarding social entrepreneurship. A social entrepreneurship differs from a commercial entrepreneurship mainly in terms of its mission, its field of activity and impact, its emphasis on accountability and sustainability as well as in the method(s) adapted to gather and manage resources. Lastly, it has also been suggested that social entrepreneurship performance is harder to measure than the commercial entrepreneurship (Austin et al, 2006; Dees, 2000). At the same time, the social entrepreneurship also shares certain commonalities with the commercial, traditional entrepreneurship in that it aims at creating and sustaining an organization, it constantly adapts and learns (Dees, 2000), and acts boldly and exhibits resourcefulness (Dees, 2000; Stevenson & Jarillo, 1990). While it is only tangentially relevant to the current topic, it would not be out of place here to examine the critical differentiating aspect of a social entrepreneurship from a commercial entrepreneurship. As seen earlier, the boundaries of demarcation are somewhat fuzzy especially with the increasingly popular idea of for profit social entrepreneurships. Nevertheless, a distinction could still be made based on the fact that even for-profit social entrepreneurships such as Grameen Bank use their profits not to "get rich" but to make others rich. The profits generated are used entirely for a) the survival of the organization and b) the promotion of other social ventures.

### **Spiritual Entrepreneurship**

Past literature related to the construct of spiritual entrepreneurship is almost nonexistent. Studies in entrepreneurship have either completely ignored the spiritual aspects of entrepreneurship or relegated them to a role of non-importance. To address this absence, the current paper defines the construct of a spiritual entrepreneurship based on the two definitions (commercial and social entrepreneurship) above, and the framework provided by the perennial philosophy. A content analysis of the mission statements of spiritual organizations is then carried out to exemplify salient aspects.

The study assumes that the common threads that link commercial and social entrepreneurship (traits such as innovativeness, and resourcefulness, activities such as creating organizations, and risk taking) will also form a crucial part of a spiritual entrepreneurship. At the same time, fundamental differences will be borne out by the spiritual connotation that distinguishes this form of entrepreneurship. Towards this purpose, the paper refers mainly to the perennial philosophy as put forth by postmodern scholars in the fields of religion and philosophy. Table 1 lists 17 spiritual entrepreneurs and the enterprises started by them. These entrepreneurships clearly exhibit the criteria of universality and transcendent achievement as set forth by the perennial scholars.



**TABLE 1**  
**SPIRITUAL ENTERPRISES**

<b>Entrepreneur</b>	<b>Enterprise(s)</b>	<b>Spiritual Values</b>	<b>Type of Spiritual Program</b>
1) Maharshi Mahesh Yogi	Maharshi University	Transcendental realization	Transcendental Meditation
2) Paramhansa Yogananda	Self Realization Fellowship	Self/Transcendent Realization.	Kriya Yoga, prayers
3) Thich Nath Hanh	Plum Village	Dharma Awakening	Mindfulness programs
4) St. Theodore Guerin	Sisters of Providence	Providence, Stewardship.	Prayer Circles
5) Mother Teresa	Sisters of Charity	Poverty, devotion, celibacy	Meditation, prayer
6) Pir Inayat Khan	Sufi Order of America	God Realization	Universal Worship, meditation
7) Sri Sri Ravishankar	Art of Living	Realization of human Potential.	Meditation, yoga.
8) Eckhart Tolle	Tolle TV	Inner Peace,	Silent Meditation
9) The Dalai Lama	Dalai Lama Foundation	Selflessness	Meditation
10) Seung Sahn	Kwan Um School of Zen	Understanding Self	Zen Meditation
11) S. Hisham Kabbani	Naqshbandi Sufis	Realizing God.	Sufi Meditation

The spiritual entrepreneur can be understood as one who puts the spiritual, and transcendent as priority number one, such a view point is also universal and nonsectarian. This preeminent position given to spirituality in one's life is consequently reflected in the objectives, mission and guidelines of the enterprise started by such a person. All other facets of life, whether they are related to economy/profit or even a social cause, will be secondary to this overriding requirement. Of course, in reality such differences may not be hard and fast; a number of spiritual enterprises may for instance, engage in activities that overflow into the social sphere. But the core value of such an organization remains spiritual. While a social entrepreneurship may or may not use a profit based structure, a spiritual entrepreneurship is essentially a non for profit organization. Based on this, spiritual entrepreneurship can be defined as: *An activity aimed at creating an organization with a universal outlook that fosters a spiritual program and recognizes existing opportunities and needs within its environment, by engaging in a process of innovation and adaptation, despite limited resources.* The salient features of this definition are spiritual mission and universal outlook, organization-creating activity, opportunity recognition and utilization, innovation, risk taking and resourcefulness.

### **Theoretical Framework**

As with many fields within the scope of management, consensus building seems to be an arduous task in entrepreneurship as well. Still, this is not for a lack in effort. The work of Venkataraman (1997), Shane (2000) and Alvarez and Barney (2005) are excellent examples in an attempt to provide a general theoretical framework for entrepreneurship. It is their work that we look towards in building a theoretical anchor for the construct of spiritual entrepreneurship. Furthermore, it must be appreciated that while an

overall consensus regarding all the aspects of entrepreneurship is still elusive, there is some agreement regarding certain criteria that constitute an entrepreneurship. One such aspect of entrepreneurship is the idea that entrepreneurs utilize opportunity to create organizations that achieve their goals. From the early writings of Sey (1816) and Schumpeter (1911) to those of present day scholars in the field as mentioned above, there is little disagreement that entrepreneurs manipulate opportunity.

However, within this perspective there are differing schools of thought. Alvarez and Barney (2007) suggest that entrepreneurs can be approached from two viewpoints - those who make use of an existing opportunity and those that create their own opportunities. The first type of researcher follows a “discoverer” model, while the latter type follows a “creationist” model. The discoverer approach emphasizes that opportunity is pre-existent to the act of creating an enterprise and that the entrepreneur is a gifted individual who is able to discover and use such opportunities. The creationist approach states that opportunities don’t exist independent of the entrepreneur; it is the entrepreneur, who with a degree of boldness creates the enterprise and in doing so enables opportunities. In the first approach, opportunity is *ex ante* (exists prior to the enterprise), while in the second approach, opportunity is *post-ante* (exists after the creation of the enterprise). Following the lead of Shane (2003), who developed the individual-opportunity nexus theory, Alvarez and Barney suggest that discoverer-entrepreneurs are different from others simply because it is their ability to identify and utilize opportunity that differentiates them. In the following section, the paper anchors the spiritual entrepreneur in a discoverer framework as put forth by Alvarez and Barney (2007) and Shane (2003) as opposed to the creationist framework.

The perennialist perspective leads one to suggest that the spiritual entrepreneur is an individual that utilizes pre-existent opportunity to foster spiritual goals and programs. According to this perspective, historically, there has been a general downhill spiritual trend, which has culminated into a present day situation of spiritual bankruptcy (Guenon, 2001, Lings, 2002). This not only matches the viewpoints of the entrepreneurs that were listed in table 1, but is a recurrent theme in major world traditions. The positive corollary of this scenario is that these spiritually deficient times present the constant lure for better days; this opportunity has never been so prominently manifest as in the past century (Lings, 2002). Such an opportunity is analogous to the “spirit of the times” that allows the spiritually starved modern man to rise above the times and perceive a glimmer of hope (Lings, 2005). Needless to say, it also allows the spiritually oriented individual a platform to offer spiritual programs that foster spiritual achievement. This paper contends that a general atmosphere of spiritual uncertainty provides the requisite ground for a spiritual entrepreneur to create organizations that cater to the needs of spiritually displaced people by offering appealing reasons and a degree of certainty. As such, the spiritual entrepreneur is able to identify the already existing opportunity provided by these conditions and creates an enterprise in response to it. Alert entrepreneur – Kirzner. Tone down the “meteoric rise”, “need”, provide a theoretical need as well.

## **COMPARATIVE ANALYSIS AND PROPOSITIONS**

In light of the framework above as well as the background provided by the perennial perspective, this article sets forth the following propositions, which highlight the differences between spiritual, social and commercial entrepreneurs (Table 2).

**TABLE 2**  
**DIFFERENCES BETWEEN TYPES OF ENTREPRENEURSHIPS**

<b>Criteria for Differentiation</b>	<b>Spiritual Enterprise</b>	<b>Social Enterprise</b>	<b>Commercial Enterprise</b>	<b>Institutional Enterprise</b>
Preexisting Opportunity	Constantly available.	Created by failure of socioeconomic agencies	Created by market dynamics.	Created by institutional forces
Mission and Objectives	Spiritual Core	Social Core	Economic, private core.	Regulatory, political.
Resource Mobilization	Mainly volunteers and donations	Volunteers, staff, profits, donations	Profits, paid employees	Members
Accountability	To higher power. Least visible.	To society, stakeholders.	To shareholders	Members
Impact Sectors	Spiritual	Social	Economic	Institutional,
Sustainability of Solutions	Permanent-long term	Long term	Short term to long term.	Long term
Performance Measures	Tangible	Less intangible	Tangible	Less tangible
Structure	Non-Profit	For-Profit & Non-Profit	For-Profit	For-Profit
Failure Rate	Low	Medium	High	Low

### **Pre-existing Opportunity**

Under the discoverer framework all entrepreneurships are a result of the effective recognition and utilization of opportunity (Alvarez, 2005; Shane, 2000). The difference is that while the commercial entrepreneurship seeks such opportunity in the economic environment, the social entrepreneur often seeks opportunity where existing socio-economic service providers have failed (Leadbeater, 2006). Similarly, institutional entrepreneurs will find opportunity in the existing field and will then work towards creating institutions. We propose that spiritual entrepreneurs on the other hand are acutely aware of the spiritual needs of the socio-economic environment in which they function. Consequently, they are able to identify and utilize opportunities provided by the larger context. While such opportunity is not purely a creation of market forces, social upheavals or institutional interactions, it can reside within a socioeconomic framework, especially within the social context. Thus, spiritual enterprises are created within legal frameworks and can certainly have explicit goals that are directed towards social causes. The Art of Living Foundation for example caters to social needs such as disaster relief as well as rural development.

### **Mission and Objectives**

The current study proposes that the fundamental criterion which differentiates spiritual, social, institutional and commercial entrepreneurship is its mission and objectives. Researchers point out that commercial entrepreneurships are primarily concerned with private gain and economic wealth (Austin et al, 2006, Dees, 2000). Knudsen & Swedberg (2009) argue that entrepreneurs are economic value creators because they figure out new ways to rejuvenate the system whereby low and even profits producing actors can generate greater entrepreneurial profit.

Social entrepreneurships on the other hand are deeply involved in achieving a social benefit; their primary purpose is to promote social causes. For the most part, scholars seem to agree that a social enterprise has a primary focus on impacting the social sector. To quote Mair & Marti (2006), "Rather than profit versus not-for-profit, we argue that the main difference between entrepreneurship in the business sector and social entrepreneurship lies in the relative priority given to social wealth creation versus



economic wealth creation. In business entrepreneurship, social wealth is a by-product of the economic value created; in social entrepreneurship, the main focus is on social value creation.”

Institutional entrepreneurship on the other hand, highlights the importance of the practices of individuals and organizations in the creation of new institutions (Lawrence & Suddaby, 2006). Here the emphasis is to create or institute a norm or regulation in order for certain social, economic behaviors to take place. For instance, auto manufacturers might lobby for tariffs on imports to be increased. Here the ultimate goal could be social in nature or economic, but in the immediate concern is primarily regulatory. Thus, a political leader such as Mikhail Gorbachev may want to bring about sweeping economic and social changes but the immediate concern is to change the regulations of governance (perestroika) so that the desired effects can be achieved.

A spiritual entrepreneurship differs from the social, institutional and the commercial models because its main theme revolves around providing spiritual benefit to others. Here the idea is not so much to generate profit or to promote social welfare, but to provide interested individuals an opening into higher levels of consciousness and realization. However, the difference here is not hard and fast. There will be a degree of overlap between the three forms of entrepreneurship, as discussed earlier, spiritual entrepreneurships are likely to have social objectives as well.

### **Resource Mobilization**

In line with Austin et al's work (2006), in which the authors suggest differences in resource mobilization mechanisms for social and commercial entrepreneurships, this paper proposes that this factor is also a source of differentiation for spiritual entrepreneurships. Commercial ventures normally rely on paid staff and sales of products or services as major human and financial resources. Social entrepreneurships can use such means but also depend on unpaid labor (volunteer staff) and donations for sustenance. Institutional entrepreneurs too will rarely work alone, to quote Lawrence & Suddaby (2006), “the creation of new institutions requires institutional work on the part of a wide range of actors, both those with the resources and skills to act as entrepreneurs and those whose role is supportive or facilitative of the entrepreneur's endeavors “. In other words, institutional entrepreneurs require solid support from likeminded individuals in order to create institutions. Sometimes, institutional entrepreneurs could work in tandem and pool resources to bring about desired results, the U.S. Constitution for instance was hardly the work of any one man even though James Madison is credited with being the “Father of the American Constitution”.

*In case of a spiritual entrepreneurship, the dependence on volunteers and donations is much more.* Consequently, there will be differences in management of financial and human resources between commercial, social and spiritual entrepreneurships. One such organization, the Spiritual Research Foundation, runs its entire gamut of activities solely on the basis of volunteer efforts. ([www.spiritualresearchfoundation.org](http://www.spiritualresearchfoundation.org)).

### **Performance Measures**

Another distinguishing feature between social and commercial entrepreneurship is that social entrepreneurship performance is decidedly more challenging to evaluate than commercial entrepreneurship performance (Austin et al, 2006). This is largely due to the fact that social entrepreneurships often have less tangible goals, which make quantifiable measures difficult to develop. It could be said that measuring institutional entrepreneurship performance is also particularly difficult as laws and standards can often have unintended consequences. The Patriot Act for instance might be successful in keeping terrorist activities in check, but it could have the unanticipated consequence of privacy invasion. For an organization, a policy for monitoring employee computer usage may result in a law suit for invading employee privacy. In case of spiritual entrepreneurships, traditionally, the size of its congregation is often considered a measure of its success. A growing flock indicates success and vice versa. The longevity of the enterprise might also be regarded as a measure of its performance. I propose that with a spiritual entrepreneurship.

## **Structure**

This paper further proposes that while commercial entrepreneurships are essentially for-profit structures, spiritual entrepreneurships are necessarily organized as non-profit enterprises. An institutional entrepreneurship may have a very fluid structure that may sometimes not even be legally defined (as in the case of a group of employees that may want to bring about a small procedural change). At other times such entrepreneurships may deliberately take an illegal form (such as clandestine meetings of political activists). Social entrepreneurships on the other hand, as seen from earlier discussion, can use both for-profit and non-profit structures. While many reasons have been suggested as to why social entrepreneurs tend to choose one form of structuring over another (Mair & Marti, 2006; Townsend & Hart, 2006), it could be said that the primary spiritual emphasis of a spiritual entrepreneurship precludes a profit orientation. If at all a profit mechanism is used, this is done entirely as a marginal supplement to support its survival. Thus a number of such organizations may sell products or services but this is at best a secondary activity and as such contributes only marginally to the overall survival of the organization.

## **Accountability**

Dees (2000) suggests that a crucial area of difference between social and commercial entrepreneurships is that of accountability. Social entrepreneurships exhibit a heightened sense of accountability and attempt to present wider feedback reports to their constituents. Apart from financial statements and annual reports, they provide assessment on social and managerial efforts. However, this study did not find much difference in terms of accountability assessments between commercial and social entrepreneurships, for instance both the Gates Foundation and the Salvation Army have annual reports available online much like Wal-Mart, Inc. or Microsoft Corp. The case of spiritual entrepreneurships, however, was distinctly different. The study found that spiritual entrepreneurships are the least likely to provide such accountability assessments. I propose that this is probably the result of an affiliation and accountability to a higher power that all such organizations profess.

## **Sustainability**

Based on the content analysis of mission statements of commercial, social and spiritual entrepreneurships, *the study also proposes that spiritually driven enterprises emphasize sustainability more than social enterprises, which in turn are more conscious of sustainable solutions than commercial entrepreneurships*. Dees (2000) suggests that social entrepreneurs seek to create sustainable social wealth, “they seek long-term social investment-returns and more than a quick-hit”. While typical mission statements of spiritual entrepreneurships may emphasize sustainability no more than other entrepreneurships, the long term and possibly permanent benefits accrued through spiritual programs are common place in all major religious traditions. As such, I propose that spiritual entrepreneurships offer long-term to permanent benefits. Social entrepreneurship too present a somewhat long-term outlook, on the other hand, commercial entrepreneurship emphasize on sustainability the least.

## **Harbingers of Change**

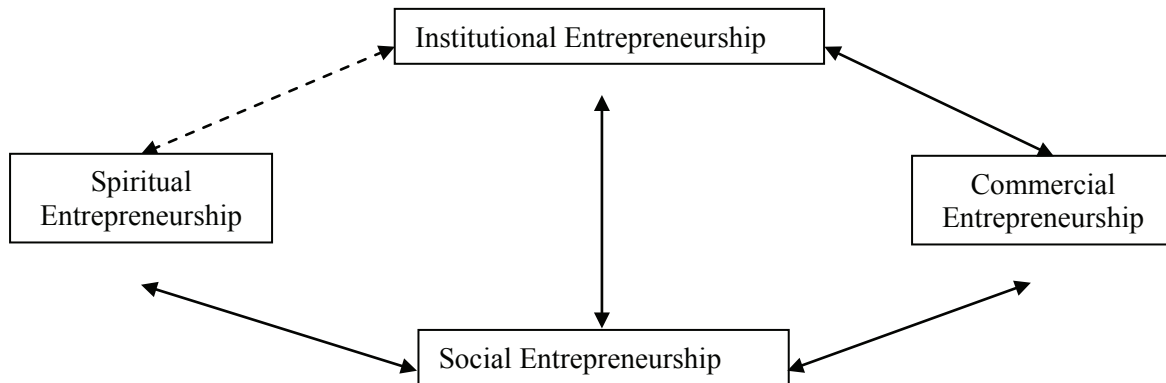
The economic viewpoint in entrepreneurship, which can perhaps be considered the dominant viewpoint often, sees entrepreneurs as drivers of economic change. This theme is consistent with most researchers (Schumpeter, 1911; Shane, 2003; Knudsen & Swedburg, 2009). It is suggested that by constantly innovating, entrepreneurs offer new ways to create economic wealth. Similarly, authors such as Alvord, Brown and Letts (2004) suggest that social entrepreneurships through a similar process of innovation and adaptation; bring about societal transformation. Leadbeater (2001) for instance, considers social entrepreneurs as the major providers of change to the social welfare system in the United Kingdom. *This study proposes that spiritual entrepreneurs will also act as agents of change in the spiritual life of people*. In fact a number of spiritual entrepreneurships aim precisely at this target, the idea is to connect with the higher self and thereby connect to all other aspects of life (Sfeir-Yunus, 2008).

### Failure Rates and Survival

Commercial entrepreneurs will have the highest failure rates, their survival too will be short-lived in comparison to other forms of entrepreneurship. Research shows that 70% of all startups fail within 10 years of establishment (Shane, 2008). There are a number of reasons provided for such a dismal survival rate including, common errors in financing, market research, industry selection etc. Often entrepreneurs are thought of as “get rich quickly” schemes and entrepreneurs have a short term goals, this can contribute to such failures. Social entrepreneurs emphasize on sustainability (Dees, 2000) and as such have long term visions, which we predict will result in longer life spans for social entrepreneurs. In the case of institutional entrepreneurs, enacted laws and protocols can last almost perpetually. Even if a law or its provisions finds little use, it may still lay dormant for a long period of time without being completely discarded. Sometimes such laws may suddenly find new leases of life, sometimes in slightly modified versions. In the case of spiritual entrepreneurship this paper posits that spiritual entrepreneurship will have the highest longevity. This is seen from a number of historical examples, from churches, monasteries and other organizations that have lasted for centuries. The catch though is that entrepreneurs with spiritual goals will be very few as compared to commercial or even social entrepreneurs.

To sum up, in reality the differences between spiritual, social and commercial entrepreneurs in many critical areas, will be those of degree rather than kind. Commercial and spiritual entrepreneurs can be envisioned as two extremities on the same scale, with social entrepreneurs situated in the middle. For instance, while commercial entrepreneurs primarily emphasize profit; the spiritual entrepreneur’s emphasis on profit is negligible. However, most spiritual entrepreneurs will have a social outlet, promoting humanitarian causes such as disaster relief, education, food pantries, etc. This model proposes that there will be a spillover between social and commercial entrepreneurs on the one hand and social and spiritual entrepreneurs on the other. The overlap between commercial and spiritual entrepreneurship will be minimal. Figure 2 indicates this classification.

**FIGURE 1  
TYPES OF ENTREPRENEURSHIPS**



### FURTHER PROPOSITIONS

#### Spiritual Entrepreneurs are More Committed

Since the goals and rewards of spiritual entrepreneurs can often be non-material; such person may not be give up on their ideals and enterprises easily. In fact, many a spiritual enterprise is known to have persisted in the face of heavy odds. On the other hand, since the commercial entrepreneurship is often dependent on tangible rewards for survival, an absence of such successes may encourage the entrepreneur give up more easily. Social entrepreneurs will again be situated somewhere in the middle; while they are

not purely dependent on sales or profits or returns on investment for success, they are not entirely independent of them. As such, social entrepreneurs may commit more strongly towards their enterprises.

### **Conditions Under which Spiritual Entrepreneurships Boom**

Research suggests that socio-economic crises result in more people turning towards religion and spirituality (Smith, 2009). Since spiritual enterprises often promise a reward that is both permanent and transcendent, it could alleviate anxieties caused by crises and upheavals. While most studies about religion and socio economic crises provide a glimpse into religious affiliations of modern, western, and often Protestant societies; there is very little literature to shed light upon such issues in other countries and cultures. This is quite unfortunate because the overwhelming masses of religious population are non-protestant (Smith, 2009; Crockett & Voas, 2006).

Relying on the perennial perspective however, we posit that personal and social upheavals can encourage spiritual activity in individuals. This is reflected in the previously mentioned survey conducted by Smith (2009). Not surprisingly the survey also shows that belief in God was highest in the United States during and before the World War II – 100%. Likewise, it is shown by the religious responses in times of collective and personal crisis. After President Kennedy's assassination in 1963 and the 9/11 terrorist attacks in 2001 respectively, 75% and 84% of American offered special prayers (Smith, Rasinski, and Toce, 2001). Similarly, in the face of personal tragedies such as deaths in the family and health problems, many Americans reported undergoing spiritual transformations (Smith, 1987).

### **CONCLUSIONS**

This paper started out as an exploratory study that opens the area of entrepreneurship to the concept of spirituality. Towards this end, it provides a review of existing literature in relevant areas and then suggests a definition of spirituality and the spiritual entrepreneurship based on the paradigms provided by scholars in the field of entrepreneurship as well as spirituality and religion. During this process, the present study also provides a theoretical framework for the construct of spiritual entrepreneurship that is based on the individual-opportunity theory of Shane (2003) and the discover approach put forth by Alvarez & Barney (2007).

After deriving the definition, the paper proposes a number of criteria for differentiation between the forms of entrepreneurship, commercial, institutional social and spiritual. While there are differences as to the mission and resources of the different ventures; there are spillovers between each type as well. Further propositions are also made regarding entrepreneurial commitments and survival. Implications for researchers are also suggested. Future research directions could certainly use case study methodology as an effective exploratory method for studying spiritual. Finally, it is hoped that this paper will further encourage exploration of the complex and subtle world where spirituality meets entrepreneurship.

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