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## Chapter 7

### Conclusions on Transformational Entrepreneurship

Paul Jones and Gideon Maas

#### Abstract

This book offers further insightful evidence regarding the emergent phenomenon that is transformational entrepreneurship. Transformational entrepreneurship is a relatively nascent concept that has emerged due to the need to achieve effective and efficient entrepreneurial behaviours that address global challenges including unemployment, economic under performance and societal evolution. Entrepreneurial activity continues to evolve due to technological enhancement, societal evolution and globalisation. Moreover, the nature of entrepreneurial behaviour continues to evolve with social enterprise becoming globally important to sustain and support communities and the requirement for environmentally and economically sustainable business behaviour. This chapter evaluates and concludes on the evidence presented in this text book and offers conclusions on the opportunities and further challenges ahead.

**Keywords:** Transformational Entrepreneurship; Entrepreneurship

#### 7.1 Introduction

This book offers further evidence regarding the emergent phenomenon of transformational entrepreneurship. In chapter One, we presented the working definition of this concept as:

*“Transformational entrepreneurship is to promote enterprise and entrepreneurship through a systemic approach, bringing about transformation in socio-economic development”.*

Transformational entrepreneurship is considered an alternate type of entrepreneurial activity because of its interdisciplinary nature and its focus in challenge-based entrepreneurship (Ratten & Jones, 2018). The term transformational entrepreneurship has gained popularity within the academic community (Ratten & Jones, 2018) to describe major changes in society influenced by entrepreneurial activity to enable enhanced competitiveness and market performance (Moscardo, 2014). Marmer (2012) suggests that transformational entrepreneurship offers significant economic impact and long term societal impact. Anggadwita et al., (2016) adds that transformational entrepreneurship is important and socially significant form of entrepreneurship that will transcend cultural barriers. The following section will consider the implications of this text for transformational entrepreneurship.

#### 7.2 Findings

The limited research in this field tells us that for transformational entrepreneurial to provide a lasting legacy and positive economic impact it must adopt a systematic approach, be socially productive and go beyond the local level to provide benefits for wider society (Sautet, 2013). Marmer (2012) suggests that transformational entrepreneurship requires a combination of technology and social entrepreneurship to drive socio-economic growth. Turner (2018) and Rugeruzza (2017) identify the following traits commonly associated with transformational entrepreneurship includes possessing a futuristic and disruptive dream and building a strong team. Whilst Roth and DiBella (2015) suggest five competencies required to enable transformational change are enterprise awareness (e.g. industry knowledge), innovation,

balancing management and employee inter-relationships of organisation change and seeking growth and leadership.

Transformational entrepreneurship remains a nascent concept that has emerged due to the need to implement effective and efficient entrepreneurial behaviours that addresses ongoing global challenges including unemployment, economic under performance and societal evolution (Maas and Jones, 2015). Entrepreneurial activity and behaviours continues to evolve due to technological enhancement, societal evolution and globalisation (Vahlne and Johanson, 2017). However, the academic literature has long recognised that country level economies include both effective (e.g. innovation focused and growth orientated) and ineffective entrepreneurial behaviour (e.g. necessity/subsistence focused) (Bruton et al, 2015). Identifying strategies to enable positive change on such countries can require significant investment and experimentation to identify practices that can transfer to a specific local context. Schoar (2010) notes the importance of effectively identifying transformational entrepreneurs who create growth-orientated businesses that provides both employment and income. Ratten and Jones (2018) suggests transformational entrepreneurship offers a way of integrating sustainability practices whilst focusing on sustainable future trends. They suggest transformational entrepreneurship uses novel business practices to reduce inequality in the market place and can transform society through creative solutions that enable change. Moreover, the nature of entrepreneurial behaviour continues to evolve with social enterprise becoming globally important to sustain and support communities and the requirement for environmentally and economically sustainable business behaviour.

In recent years, there has been a global drive within individual countries to enable entrepreneurial activity through encouraging business start-ups (Kolvereid, 2016). Thus, there has been a significant growth in the provision of entrepreneurship education and the development of eco-systems to support business start-ups and growth in specific industrial sectors (Stam, 2015; Spiegel, 2017). This has included the provision of entrepreneurship education across the educational curriculum including within further and higher education curriculums (Jones et al., 2015). At higher education level, this has included focus on graduate start-ups, venture creation degrees, cross-disciplinary curriculum provision of entrepreneurial curriculum, pre-incubators and seed corn funding (Jones et al., 2017). However, further and on-going evidence is required to evaluate the effectiveness of entrepreneurship education practice (Maas and Jones, 2017). In addition, within the UK and Europe, educational policy has developed through QAA guidelines and Entrepcomp sufficiently to discern the differences between enterprising behaviour and entrepreneurial activity (business start-up) in terms of policy guidelines for curriculum development and best practice (QAA, 2018; Bacigalupo et al., 2016). Thus effective entrepreneurship education provision should produce future transformational entrepreneurs with the required knowledge and skills to create economically viable and environmentally sustainable businesses to benefit their communities.

In terms of the evidence presented in this book, what conclusions can we draw regarding the evolution of the concept of transformational entrepreneurship? The chapter by Xu discerns the key differences and similarities between entrepreneurial and innovation driven eco-systems. The chapter notes the importance of discerning that differences exist in the construction of these eco-system models (driven by different academic communities) and identify best practice. That chapter concludes that key stakeholders such as government must appreciate that

it takes time to build a successful and self-sustainable ecosystem. Thus, government stakeholders should acquire a long-term vision, work collectively and service the requirements of their communities.

The chapter by Fisher considers the perspective of social enterprise and transformational entrepreneurship suggesting that social entrepreneurship offers a promising model for achieving socio-economic growth given the inequality in society (Dees, 1998). This study answers the call of Marmer (2012) for further research in this context. Fisher recognises the complex challenges within a social enterprise include the need to balance both economic and social goals whilst competing with commercial enterprises. Moreover, the need to retain focus on the mission of the social enterprise whilst achieving economic sustainability offers the opportunity to embrace transformational concepts. Thus, business expansion should be coupled with the ongoing mission of effectively serving a particular community. However, Fisher notes the eradication of the societal problem might result in the long-term closure of the business. Thus, transformational social entrepreneurs must not only accept but advocate the diminishing requirement for their services. The chapter suggests this is achieved through adopting a systemic approach; moving away from the individual or the business, and towards the integration of the entire system. The case study presented highlights the importance of ethically and contextually considered partnerships, crowdfunding campaigns and encouraging competition.

This chapter by Arthur explored how female micro entrepreneurs can transition into transformational entrepreneurs using a case study approach. Arthur noted that the female entrepreneurs evaluated possessed risk taking characteristics, managerial competencies and financial literacy as previously suggested by de Mel et al. (2005) on transformational entrepreneurs. In addition, the respondents were also willing to operate in unfamiliar situations, a characteristic proposed by Schoar (2010) as possessed by transformational entrepreneurs.

Round's chapter shows how the principles of transformational entrepreneurship are being utilised within a collaborative accelerator to tackle the emergent issue of cybercrime. The accelerator demonstrates how this collaboration acts as a catalyst for developing an effective innovation and entrepreneurship regional eco-system by developing skills, creating employment and enhancing the regional cyber-security capabilities for the region in question. Kwan and Geats chapter considers the factors underpinning the success of Kwan as a successful entrepreneur. Kwan notes the importance of ethical behaviour within the business and all its functions. Kwan highlights the importance of the vision of the entrepreneur whereby the entrepreneur must be determined to succeed regardless of the challenge and demonstrate perseverance and determination throughout. They also note the importance of financial management and mentoring to encourage success. In conclusion this chapter provides a personal insight into effective transformational behaviour exhibited by an entrepreneur to demonstrate a transformational impact on their community.

### **7.3 Conclusions**

The academic community must avoid reinventing and relabelling existing behaviours in an attempt to create novel contributions for personal gain. Transformational entrepreneurship has developed due to the recognition that entrepreneurial behaviour is an emergent and evolving phenomenon due to societal, economic and situational change (Marmer, 2012; Sautet, 2013). Thus, it does represent a valid approach to offer novel and best practice approaches to create more efficient and sustainable entrepreneurial behaviours.

This book offers further evidence regarding the emerging concept of transformational entrepreneurship. The content of the chapters reflect the evolving nature of entrepreneurial behaviour, in that, they are drawn from several global perspectives including Europe, Africa and Asia and differing aspects of entrepreneurial activity including female entrepreneurship, social enterprise and specific industrial sector activity and enterprise sizes. Several chapters discuss the importance of effective eco-systems supporting transformational entrepreneurial activity.

The emergence of effective eco-systems are key to enabling major societal and economic transformational change within a region. A salient example, would be the emergence of the major information technology cluster in the Bangalore region of India due to the significant and systematic investment in business infrastructure, incubation facilities and educational provision (Van Dijk, 2003; Sonderegger and Täube 2010). This has transformed the entrepreneurial activity within this region to a knowledge based regional economy focused on innovation with significant societal impacts on economic growth, employment and wealth creation. The Xu and Round chapters make several suggestions regarding effective eco-system development including the need for a long-term regional vision, a collective and collaborative mind-set between government decision makers and businesses and the time taken to realise this vision. Similarly, the Fisher chapter recommends developing a systematic approach to develop scalable transformational social enterprises that contribute significantly to their communities.

Several of the chapters (Arthur; Kwan and Geats) discuss the importance of the transformational entrepreneur and the characteristics they require. These include both business skills and knowledge such as managerial competencies, financial numeracy, ethical beliefs and strategic vision. In addition, entrepreneurial characteristics such as risk taking, and the ability to cope with changing and unfamiliar circumstances and demonstrating perseverance and determination were judged as important (Schoar 2010). This suggests the importance of effective entrepreneurial behaviour to achieve transformational entrepreneurship. Thus, it is key that regions seek to develop entrepreneurial individuals who have the requisite knowledge, skills and characteristics to grow a transformational enterprise. Such a process might relate to the provision of focused entrepreneurial education directed at the development of entrepreneurial activity in certain industrial sectors. So in conclusion, this book adds further evidence to the literature on transformational entrepreneurship supplementing Ratten and Jones (2018) recent publication.

Further research is required in the transformational entrepreneurship domain, to explore transformational entrepreneurship in specific contexts like social enterprise, female entrepreneurship and technological entrepreneurship. In addition, further research needs to be

undertaken exploring eco-system development through a transformational entrepreneurship perspective. The contextual differences for transformational entrepreneurship between the developed and developing world also need to be undertaken. There is also the need for longitudinal case studies to highlight best practice for enabling transformational entrepreneurship (Ratten and Jones, 2018)

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