Taming Unicorns: Toward a New Normal of Responsible Entrepreneurship

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ABSTRACT
While entrepreneurial disruption has proven a source of abundance by way of reforming markets and legacy institutions, it is also frequently characterized by the displacement of existing professions, industries, and livelihoods among other societal and ecological externalities. Prior research has often assumed that such reform and externalities are inevitable and inseparable aspects of entrepreneurial disruption. In this paper, however, we theorize the institutional foundations which have led to the current configuration of the field of startup activity and the global emphasis on “unicorn startups.” We subsequently theorize how these institutions might be reoriented toward a “new normal” focused on responsible venture creation, wherein the reformative aspects of disruption are prioritized while negative externalities are controlled. In doing so, we highlight interdependencies likely to both resist and emerge from such a transition toward responsible entrepreneurship, while proposing a process of societal-level governance reform needed to address those tensions. The resulting conceptual model contributes to the emerging literature on responsible governance of innovation by shifting the focus toward the systems change needed to overcome institutional-level constraints and transition toward a responsible entrepreneurship ideology. In so doing we also challenge prior theoretical conceptualizations regarding the relationship between disruption and entrepreneurship.

Keywords: institutional fields, entrepreneurship, responsible innovation
INTRODUCTION

Coined in 2013, the term ‘unicorn startup’ is frequently used now to describe entrepreneurial companies (often technology-based) valued at over $1 billion based on funds raised by private market investors or upon exit to the public market (Lee, 2013). Underpinning this new financial classification of ventures lies a suite of institutions and ideological assumptions regarding the rapid commercialization of emerging technologies, disintermediation of existing value chains, and scaling of companies through network effects and the injection of venture finance. Although the growing support from global policy makers for the development and promotion of unicorn startups may be seen as novel, this support merely reflects an extension of the longstanding assumption that entrepreneurial-based disruption is a means through which change and progress occur within societies1 (Baumol & Strom, 2007; Gumpert, 1982; Kirzner, 1997; Schumpeter, 1934; Shane & Venkataraman, 2000).

While acknowledging the contemporary importance of unicorn startup activity, scholars of organizations and entrepreneurship have increasingly reacted to such activity with some degree of ambivalence. On the one hand, numerous scholars and policy makers have celebrated the current model of entrepreneurial disruption as a reformatory tool for job and wealth creation, a foundation for economic growth, and a push toward more abundant connections and opportunities (Agarwal, Audretsch, & Sarkar, 2007; Baumol & Strom, 2007; Kim & Kim, 2022; Lazonick & Mazzucato, 2013). Yet, on the other hand, a growing chorus of scholars has begun to turn attention to the potential downsides of entrepreneurial disruption seen today (Kim & Mauborgne, 2023; Kuckertz, Scheu, & Davidsson, 2023; Lumpkin & Bacq, 2019; Palmer & Weiss, 2022; Shepherd, 2019;

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1 Throughout the study we use the term ‘society’ to refer to higher-order social aggregates, in which groups of actors, organizations, governments, and technologies are often bound together through durable patterns of interaction, policy, and the rationalization of worldviews (Schmidt, 2020). Although we frequently invoke the concept to refer to regionally-bounded communities (Bacq, Hertel, & Lumpkin, 2022; Marquis, Lounsbury, & Greenwood, 2011), such geographic boundaries are not a necessary quality of a society.
Weiss et al., 2023; Zahra & Wright, 2016). Indeed the very market disruptions that have led to important reforms have at the same time allowed for numerous and documented unintended consequences and negative externalities (Barnett et al., 2021; Eberhart, Barley, & Nelson, 2022; McMullen & Warnick, 2016; Palmer & Weiss, 2022, 2022; Weiss et al., 2023). In contrast with the vision of entrepreneurship as an emancipatory (Rindova, Barry, & Ketchen, 2009) or prosocial (Miller, Grimes, McMullen, & Vogus, 2012) force, entrepreneurship as practiced today can occasionally be characterized through the externalized costs it imposes on society and the natural environment. As such, contemporary entrepreneurship can at times be characterized as unproductive—merely extracting value or ‘rents’ from the value chain—and at worst, destructive and harmful (Baumol, 1990).

In this paper, we define entrepreneurial disruption as the significant intended and unintended changes to economic, political, societal, and natural systems arising from the application of innovative commercial activity toward the pursuit of new market opportunities. For instance, entrepreneurial disruption may be observed as such activities encourage sudden and dramatic shifts in the perceived value of particular assets or resources (Sarasvathy, Dew, Velamuri, & Venkataraman, 2003), give rise to new professions and marginalize others (Eberhart et al., 2022; Kwon & Sorenson, 2023), or even introduce important long-term shifts in cultural values (Morozov, 2011; Weiss et al., 2023). This potential for entrepreneurial disruption to serve both as a source of market reform as well as unmanaged externalities, we argue, requires greater scholarly attention and critique. Whereas ‘market reform’ refers to the process of improving the existing relationship between production, distribution, and consumption within a market along with associated institutions, ‘unmanaged externalities’ refers to the negative societal and ecological consequences frequently associated with limited oversight and governance of innovation.
Recognizing the potential upsides and downsides of contemporary models of entrepreneurial disruption, several recent studies have begun to call for more research on the ‘responsible governance’ of entrepreneurship, defined as the institutions, structures, policies, and procedures which facilitate innovations “that do not harm and, ideally, benefit society” (Scherer & Voegtlin, 2020: 200). To date, scholars have responded to this call by focusing on proposed changes to systems of organizational-level governance that better account for broader stakeholder value (Bacq & Aguilera, 2022). While such changes in organizational-level governance are essential, it is equally essential to consider the broader institutional environment (Crilly & Sloan, 2014; Giamporcaro, Gond, & O’Sullivan, 2020; Lucas, Grimes, & Gehman, 2022; Ostrom, 1990; Wijen & Ansari, 2007) and whether those institutions might be updated so as to encourage the reformative aspects of contemporary entrepreneurship while controlling for the unmanaged externalities that too often accompany such entrepreneurship (Baumol, 1990; Weiss et al., 2023).

Therefore, in this paper we specifically ask two questions. First, what has led to the increasing predominance of entrepreneurial activity, in which founders are encouraged to pursue market reform without accounting for potential or actual negative externalities? And second, how might societies transition toward a new normal of entrepreneurial activity so as to ensure the positive aspects of market disruption (e.g., reform) while minimizing the negative aspects of societal disruption (e.g., unmanaged externalities)?

In seeking to address these research questions and challenge the existing assumption that reform and unmanaged externalities are inseparable features of entrepreneurial disruption we draw from research on institutionalism and ideologies (Barley & Kunda, 1992; Caliskan & Lounsbury, 2022; Eberhart et al., 2022; Hehenberger, Mair, & Metz, 2019; Staw, McKechnie, & Puffer, 1983; Weiss et al., 2023). In doing so, we embrace the “historical turn” within management and
entrepreneurship scholarship (Mills, Suddaby, Foster, & Durepos, 2016; Wadhwani & Jones, 2014) to theorize the historical effects of neoliberal ideologies on the field of entrepreneurship-related activity across the globe and across industries. Ideologies refer broadly to “collectively held normative and reputedly factual ideas and beliefs and attitudes advocating a particular pattern of social relationships and arrangements, and/or aimed at justifying a particular pattern of conduct, which its proponents seek to promote, realize, pursue or maintain” (Hamilton, 1987: 38). In particular, neoliberal ideology focuses on justifying free markets, free trade, and limited societal governance (Harvey, 2007; Overbeek & Apeldoorn, 2012). We suggest that as neoliberal ideology has collided with contemporary entrepreneurship, this has not only led to growing support for the financialization of startup activity but also an increasingly institutionalized myth (Meyer & Rowan, 1977) of entrepreneurial disruption which presumes the inseparability of reform and negative externalities. In effect, we observe this as an emergent neoliberal entrepreneurship ideology (NEI). Yet, by highlighting the impermanence of these ideological foundations, we expose the possibility not only of ventures engaging in more responsible innovation (Bacq & Aguilera, 2022; Voegtlin & Scherer, 2017) but also of a larger scale societal transition toward a new ideology, in which reformative disruption is embraced even as externalities are managed. We refer to this plausible outcome as a “responsible entrepreneurship ideology (REI).”

In line with the ambition of this special topic forum, our goal in this paper is thus not to theorize the social world as it exists, but rather to theorize a desirable “new normal” along with a path toward transition (Gümüşay & Reinecke, 2022). To do so, we will draw on examples which offer glimpses of future alternatives and yet are rooted in the potentialities of the present (Wright, 2010) while also recognizing the power of new theories to drive experimentation around this envisioned new normal (Marti & Gond, 2018; Watts, 2017). We theorize how because ideologies
are often emmeshed within existing institutions, the transition from one ideology to another will be marked by the need for systems change (Hehenberger et al., 2019; Kim & Schifeling, 2022; Roulet & Bothello, 2023). Thus, in bridging longstanding research on systems theory (Gersick, 1991; Meadows, 1999; Ostrom, 1990) with more contemporary management studies of paradox (Albertsen et al., 2023; Jarzabkowski, Bednarek, Chalkias, & Cacciatori, 2022; Smith & Lewis, 2011), we highlight how ideological change requires attending to societal-level governance approaches designed to overcome systemic interdependencies which resist change. Such governance must be targeted at points of leverage within the system, while also responding to emergent paradoxes. Paradoxes refer to “contradictory yet interrelated elements that exist simultaneously and persist over time” (Smith & Lewis, 2011: 386). In the field of entrepreneurship, our theory highlights how the respective ideologies differ in their justification of various value-creation objectives related to time (i.e., short-term versus long-term value creation), space (i.e., local versus global value creation), and stakeholder orientation (i.e., private versus collective value creation). Therefore, should societies wish to migrate toward responsible entrepreneurship, our paper highlights how dynamic configurations of guardrails can address emergent performance-related tensions.

Taken together, our theory and model contribute to longstanding research on the societal organization of entrepreneurship as well as the emerging literature on the responsible governance of innovation. First, prior studies which account for institutional differences in the practice of entrepreneurship have focused primarily on how those institutions can shift entrepreneurial activity away from ‘destructive’ or ‘unproductive’ outcomes and toward ‘productive’ entrepreneurship (Baumol, 1990). Whereas this prior research attempts to distinguish between ‘good’ and ‘bad’ types of entrepreneurial actions (Palmer & Weiss, 2022; Shepherd, 2019; Shepherd, Seyb, &
Souitaris, 2022), our theory suggests that in many cases entrepreneurial disruption might be seen as both simultaneously ‘productive’ and ‘destructive’, and we offer new theory for societies to embrace the former, while controlling for the latter. Second, we extend existing research on the responsible governance of innovation. This emerging body of research offers important insight into the organizational governance which is necessary to reorient founders’ and inventors’ attention toward stakeholder engagement, social impact, and the avoidance of negative externalities (Bacq & Aguilera, 2022). Given calls to attend to such governance “on multiple levels” (Scherer & Voegtlin, 2020: 200), our model and findings help advance this literature by highlighting systems-based approaches necessary to shift ideological underpinnings of entrepreneurial activity and encourage responsible innovation at scale. Third, and related, we help to bridge this literature on the systemic design and coordination of societal guardrails (Meadows, 1999) with recent studies on paradoxes (Albertsen et al., 2023; Schad, Lewis, Raisch, & Smith, 2016), highlighting the need to consider configurations of interventions that account for the tensions likely to characterize societal level transitions toward any new normal.

**FINANCIALIZATION AND THE EMERGENCE OF NEOLIBERAL ENTREPRENEURIAL IDEOLOGY**

Financialization Increases Entrepreneurial Disruption

Although entrepreneurial activity has deep historical roots, the pace and orientation of that activity has changed dramatically. As summarized by Baumol (2004: 317), “since [the Industrial Revolution], the pace of innovation has evidently grown into a flood… in the 20th century, the arrival of new products and processes became so frequent and commonplace that it began to be taken for granted and hardly worth noticing.” Most recently, these increased entrepreneurial pursuits have been joined by a broader and perhaps even more significant global economic trend—that of financialization. Financialization refers to “the increasing role of financial motives,
financial markets, financial actors and financial institutions in the operation of the domestic and international economies” (Epstein, 2005: 3). As financialization has become ever more pervasive in guiding ‘everyday’ activities (van der Zwan, 2014), so too has it begun to reshape the nature of innovation in a manner that has increased the likelihood of entrepreneurial disruption (Davis & Sinha, 2021; Hahn, 2019; Kedrosky & Stangler, 2011; Lazonick & Mazzucato, 2013).

Specifically, financialization increases the likelihood of entrepreneurial disruption through widespread deregulation that effectively raises speculation around the market valuation of innovations and lowers scrutiny toward negative externalities. Following the end of postwar prosperity, policy makers faced significant resource constraints, a slowing economy, and increasing distrust in the government (Krippner, 2011). In response, these policy makers sought to stimulate their economies by implementing decades of deregulation, which allowed the inflow of foreign and other types of previously restricted capital, creating an abundance of relatively inexpensive financing for startups. For instance, the ‘prudent man reforms’ of the 1970s allowed pension funds to invest in high-risk assets including venture capital, significantly increasing the pool of funds available for early-stage ventures (Gompers, 1994; Lazonick & Mazzucato, 2013).

These cheap forms of capital, have in turn, led to oversized and speculative valuations for startups and their innovations—valuations, which increasingly require little to no evidence of actual value creation (Davis & Kim, 2015). For instance, Davis (2009: 16) notes how U.S. biotech firm ImClone “first sold shares to the public over a dozen years before it had a product to sell, and dozens of other biotech firms went public with similar prospects.” Often, amid such speculation, investors have granted priority to rapid user growth, discounting the need for demonstrated profitability. The assumption here is that within the context of ‘winner takes all’ dynamics, investors should continue to subsidize the costs of growth to outcompete other similar startups,
thus ensuring the ability to disrupt existing markets. In this way, resources can continue to flow toward startups until markets and other systems are reshaped (Kenney & Zysman, 2019), and thus in some settings the speculative investment of eventual entrepreneurial disruption becomes a self-fulfilling prophesy (Duigg, 2020).

Yet, financialization also increases the likelihood of entrepreneurial disruption by narrowing the intentions and attention of founders. As financiers have pushed for deregulation, this has not only encouraged more efficient capital allocation. It has also enshrined the notion of shareholder primacy (Fligstein & Goldstein, 2022) and thus managers’ responsibility to principally uphold the interests of those shareholders by prioritizing returns on investment (Lazonick & O’Sullivan, 2000). Given this primacy, boards of directors of startups often narrowly focus on aiding new ventures’ fundraising and rapid growth objectives (Rosenstein, 1988). Since scrutinizing these startups’ potential for negative externalities might counteract fundraising and growth objectives, there is little incentive for either those boards or the startups’ founders to engage in such scrutiny (Palmer & Weiss, 2022).

In the following section we address our first research question by theorizing how such increases in entrepreneurial disruption have given rise to the now institutionalized NEI which specifies how entrepreneurs are expected to engage in such disruption. Yet, in doing so, we also reveal the basis for alternative ideologies and the possibility of a new normal in which the dominant entrepreneurial ideology prescribes successful performance in terms of market reform and the active management of negative externalities. Specifically, we highlight how NEI and REI offer diametrically opposed justifications for different orientations of value creation related to time, space, and stakeholder groups. Finally, we address our second research question, illustrating how transitioning away from the institutionalized NEI toward REI requires addressing two kinds of
systemic interdependencies (i.e., interconnections and mutual influence between elements of a system), which we label as ‘homeostatic interdependencies’ and ‘transitional interdependencies.’ Where homeostatic interdependencies refer to the connections and relationships between various elements of a system that work to maintain its current equilibrium (Gersick, 1991), transitional interdependencies refer to emergent tensions that arise during systems change from interactions between contradicting elements of existing and aspired systems. We show how the systemic design of leverage points and the coordination of incentive and monitoring guardrails can enable the shift from the currently dominant NEI toward a REI. In Table 1 we specify how NEI contrasts with REI in terms of their justification of different forms of value creation, and in Figure 1 we introduce our model, which illustrates our arguments regarding the potential for ideological transition. We subsequently develop these conceptual and theoretical arguments in the following sections.

How Entrepreneurial Ideologies Emerge to Justify Different Performance

Ideologies are collectively held beliefs and narratives that emerge as post-hoc justifications used to make sense of prior action and outcomes (Barley & Kunda, 1992; Staw et al., 1983). Ideologies have been shown to emerge within organizational and professional fields (Hehenberger et al., 2019), and then increase in dominance as they are amplified by powerful or elite societal actors most likely to benefit from such outcomes (Caliskan & Lounsbury, 2022; Lazonick & Mazzucato, 2013). These societal elites include “the new breed of international experts, such as the leaders of central banks, key financial institutions, and various policy bodies and NGOs, who coalesce into more informal collective communities of expert discourse and can shape… outcomes in more subversive ways” (Zald & Lounsbury, 2010: 965). For instance, in the context of European
impact investing, debates regarding growth, measurement, systems impact, and stakeholder participation gave way to a coherent field ideology that catered to the interests of investors (Hehenberger et al., 2019).

Within the field of entrepreneurship, societal elites include various global support and accrediting organizations (Cohen, Fehder, Hochberg, & Murray, 2019; Fisher, Kuratko, Bloodgood, & Hornsby, 2017; Kim & Kim, 2022), the global venture capital industry, and other organizational sponsors (Cornelius, 2005; Goswami, Mitchell, & Bhagavatula, 2018). It has become increasingly clear that these societal elites benefit not from market stability but rather from ongoing market reforms driven by entrepreneurship (Minsky, 1986). Beyond the significant accumulation of wealth within the entrepreneurial field, adjacent actors in society, such as political actors, also benefit from ongoing market reform. As politicians enact policies in favor of these reforms, they tend to benefit from the electoral support of other societal elites, including private entrepreneurs (Kiernan & Stamm, 2022), white collar workers, and university educated voters (Fidrmuc, 2000).

Evidence suggests that societal elites are also likely to benefit from limited associated oversight of such entrepreneurship. By externalizing anticipated social or environmental costs (e.g., pollution) or avoiding requirements to identify and attend to unanticipated costs, these actors are able to extract additional profits while outcompeting incumbent industry players often subjected to additional regulation (Weiss et al., 2023). Emerging justifications of limited oversight related to innovation-driven externalities have become increasingly taken-for-granted, embedded even within public policy. For instance, President Clinton’s 1997 *Framework for Global Electronic Commerce* questioned the relevance of technology regulation, wherein “with the break-neck speed of change in technology, government attempts to regulate are likely to be outmoded by
the time they are finally enacted” (1997: 4–5). The implication was that policy reforms needed to speed up, rather than that the technological innovation needed to develop more cautiously.

As elites within societies have perceived benefits from entrepreneurial-led market reform and the limited oversight of associated negative externalities, so too have they perceived benefits from reinforcing the dominance of NEI. This ideology not only justifies both market reform and associated negative externalities, but also encourages the coupling of these justifications, such that the latter is presumed as a necessary byproduct of the former. However, as illustrated, this ideological dominance is a matter of historical coincidence rather than inevitability, and thus an outcome which might be revised (Kieser, 1994).

Indeed, the longstanding historical prevalence of alternative models of entrepreneurial activity (e.g., family business, social entrepreneurship) implies the possibility of different ideological outcomes, prioritizing other forms of value creation than those prescribed by the NEI (Battilana, Obloj, Pache, & Sengul, 2022; Lumpkin & Bacq, 2019; Lumpkin, Brigham, & Moss, 2010; Vedula et al., 2022; Weiss et al., 2023). Specifically, prior studies have exposed how entrepreneurs prioritize their value creation activities differently along several important dimensions, including time (i.e., short- versus long-term value-creation; Lumpkin, Brigham, & Moss, 2010), space (i.e., local versus global value-creation; Kim & Kim, 2021; Marquis & Battilana, 2009; McKeever, Jack, & Anderson, 2015), and in terms of stakeholder beneficiaries (i.e., collective versus private value creation; Bacq & Aguilera, 2022; Lumpkin & Bacq, 2019; Bridoux & Stoelhorst, 2022). In summary, NEI justifies the proliferation of entrepreneurial activity focused on short-term and rapid growth objectives, globally scalable activity, and the dominance of privatized value creation for entrepreneurs and their investors. In this way, NEI also reinforces inattentional blindness, leaving externalities to be managed by others and narrowing attention to
the pursuit of private interests. Contrastingly, REI provides justification for entrepreneurial activity in which entrepreneurs assume a broader set of obligations to stakeholders and society. Entrepreneurial activity under REI seeks to uphold long-term objectives, addressing locally-defined market needs, and creating collective value over and above privatized value. As illustrated, the two ideologies fundamentally contrast in how they perceive and justify the relationship between market reform and externalities. While NEI justifies the introduction of unmanaged negative externalities as a byproduct of market reform, REI illustrates how these two outcomes might be seen as orthogonal, such that market reforms might proceed while potential externalities are controlled.

**TRANSITIONING TOWARD RESPONSIBLE ENTREPRENEURSHIP**

In this section we turn to our second research question: how might societies transition toward a new normal of entrepreneurial activity that ensures the positive aspects of market disruption (e.g., reform) while minimizing the negative aspects of societal disruption (e.g., unmanaged externalities)? On the one hand, we would expect many scholars, practitioners, and policy makers to promote the transition away from the dominant NEI and toward a new normal that embraces REI as a desirable future (Gümüşay & Reinecke, 2022). Yet, since NEI has become deeply emmeshed within existing institutions the transition to such a future would inevitably face resistance, as is often the case in systems change.

Successful transition thus requires attention toward both homeostatic and transitional interdependencies. In the context of contemporary entrepreneurship, these homeostatic interdependencies include but are not limited to the relationships between competitive dynamics, liberal capital markets and regulatory frameworks, consumer and investor expectations, and the media, all of which reinforce one another and the existing NEI. Prior studies, for example, highlight numerous examples in the context of social movements where attempted systems change
failed to account for these reinforcing effects (Allison, Grimes, McKenny, & Short, 2021; Davis & Anderson, 2008; Giugni, 1998). Alternatively, in this context, transitional interdependencies include the emergent tensions that arise due to fundamental differences between NEI’s and REI’s assumptions regarding the entrepreneurial roles, audiences, and performances they seek to justify. Specifically, we have highlighted how NEI and REI offer diametrically opposed justifications for different orientations of value creation related to time, space, and stakeholder groups. Here again, scholars highlight that although revolutionary change, whereby the new system replaces the old through brute force, is possible, such revolutions nearly always result in suboptimal outcomes and unintended consequences (Boudon, 1982). In the subsections that follow, we bridge longstanding systems theory with more contemporary management theory on paradox to examine how societies might more successfully navigate both of these interdependencies to aid in the transition from NEI to REI.

**Addressing Homeostatic Interdependencies through Leverage Points**

As noted, homeostatic interdependencies within a system work to maintain its current state (e.g., NEI), meaning that isolated change efforts toward REI would entail a high probability of failure. According to systems theorists, in order to overcome such homeostatic interdependencies, actors must look for points of leverage within the system, whereby the interconnections between elements in a given system can be used to instigate rather than prevent change (Videira, Schneider, Sekulova, & Kallis, 2014). Analogous to well-placed dams that create new habitats and can direct flows where needed, leverage points are structures and relationships within a complex system, that when altered are likely to catalyze larger scale system change (Meadows, 1999; Videira et al., 2014). As field actors look to catalyze systems change, the leverage points which are most tangible and least likely to face resistance are those which have to do with governance approaches within the field (Ostrom, 1990). These “lower-order” leverage points entail new incentives that reshape
collective intentions as well as new monitoring approaches that reshape information and feedback flows, thereby directing collective attention and understanding. For instance, within the context of entrepreneurship, research has examined governance targeted at leverage points which reshape intentions, for instance, by introducing or redefining targets and incentives for social or technological change (e.g. climate change targets, carbon credit markets; Slager, Chuah, Gond, Furnari, & Homanen, 2023; Kotchen, 2009), or reshaping attention through restructured monitoring approaches that improve information flows (Gehman & Grimes, 2017; Hehenberger et al., 2019).

Specifically, we suggest that the initial transition toward REI can be facilitated by the introduction of new incentives targeted at leverage points within the current system that underpin NEI. Such incentives are defined by their ability to alter “the costs and benefits of a particular line of action” (Clemens & Cook, 1999: 456). For instance, contracts, policies, and social structures have been successful in ameliorating incentive misalignments between entrepreneurs and venture capital providers at the venture level (Sorenson & Stuart, 2008), and here we extend this argument to the field level. Thus, transition toward REI requires not only new field-level incentive systems which align collective entrepreneurial intentions, but which also ensure alignment between the field of entrepreneurship and the broader society.

Secondly, alongside such incentives, we suggest there exists a mutually constructive role for monitoring interventions, such as measurement and reporting frameworks. More generally, monitoring systems are defined by their capacity to align actors’ attention within a field (Crilly & Sloan, 2014). Systems that call for mandatory or voluntary ESG disclosures, for example, can provide common metrics which guide the attention of organizations and their interactions with stakeholders, overcoming inattentional deficits to important societal and environmental concerns.
(Aragòn-Correa, Marcus, & Vogel, 2020; Giamporcaro et al., 2020). Moreover, by encouraging transparency and scrutiny of organizational practices, such monitoring systems encourage substantive organizational shifts (Lucas, Grimes, et al., 2022).

Yet again, such incentive and monitoring interventions should be directed toward points of leverage within the existing field of entrepreneurship. In Table 2, we draw on Meadows (1999) foundational framework on leverage points to highlight specific interventions which could be targeted at these leverage points, noting whether each leverage point is primarily concerned with shifting incentives, monitoring practices, or both.

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**Addressing Transitional Interdependencies through Systemic Coordination**

As noted, the use of lower-order leverage points can effectively destabilize existing systems, overcome homeostatic interdependencies, and point to the potentiality of new ideologies. However, such emergent ideologies which challenge existing ideologies are likely to also introduce new kinds of interdependencies, which we have referred to as transitional interdependencies. These transitional interdependencies are characterized by tensions between the old and new systems—in our case, between NEI and REI and their respective justifications of different entrepreneurial performance. Within management theory such tensions are increasingly referred to as paradoxes (Smith & Lewis, 2011). While most research has tended to focus on those paradoxes that exist prominently within organizations, several studies have begun considering paradoxes that exist across fields, often as a result of institutional complexity (Smith & Tracey, 2016), as well as those which emerge during systems change (Bednarek, Paroutis, & Sillince, 2017; Jarzabkowski et al., 2022; Marquis & Qiao, 2020).

In order to effectively shift from NEI to REI, societies must account for these transitional interdependencies, their paradoxical nature, and their potential to disrupt even highly leveraged
change efforts (Albertsen et al., 2023). For instance, policies requiring companies to reduce carbon emissions may increase organizational compliance costs, while simultaneously increasing corporate incentives to engage in short-term ‘fixes’, such as geographically displacing the emission problem or greenwashing. Taken together, this could lead to reduced investment directed toward long-term sustainable innovation, thereby undermining the intended effects of the original policy (Kotchen, 2009). In the same way, new incentive or monitoring structures which seek to fully displace the existing spatial (i.e., global scale), temporal (i.e. short-term growth), and stakeholder (i.e., shareholder-oriented) performance objectives of the current NEI are not only at risk of being ignored (Sitkin, See, Miller, Lawless, & Carton, 2011) but also introducing unintended consequences.

We theorize how systemic coordination enables field actors to address transitional interdependencies and manage such risks. When implemented in isolation, any one intervention is unlikely to effectively enable change toward REI, even in cases where they are targeted at points of leverage. In other words, a ‘silver bullet’ solution is implausible. Prior studies suggest that within the context of change multiple tensions or paradoxes are often intertwined or “knotted” (Jarzabkowski et al., 2022), and thus successful ideological and system change requires a coordinated approach to intervening. For instance, a study of the socially responsible investment (SRI) market in France illustrates how systems change has required “complementarity between [government-led regulatory and normative interventions]… [such that] simultaneous interactions among interventions reinforce their impact by operating as a catalyst” (Giamporcaro et al., 2020: 299). Systemic coordination thus refers to the linking of multiple system-level interventions with existing structures and governance mechanisms. In the context of entrepreneurship, we argue that a field transition toward REI would require systemic coordination of interdependent monitoring
and incentive governance arrangements to simultaneously address the emerging transitional interdependencies.

The byproduct of such systemic coordination are interlinked configurations of interventions, which are often referred to as ‘guardrails’ (Furnari et al., 2021; Slager et al., 2023). Prior studies have highlighted the importance of such guardrails—the configuration of frameworks, tools, and regulations—that serve as symbolic boundaries to channel actors’ attention and intentions as they encounter tradeoffs (Logue & Grimes, 2022a; Slager et al., 2023). Guardrails operate by encouraging separate but complementary responses to managing paradoxes. On the one hand, guardrails can move organizations to balance tensions, in other words ensuring a productive and simultaneous mix of strategic activities, for instance in how social enterprises have been seen to navigate the pursuit of business missions while advancing social missions (Smith & Besharov, 2019). On the other hand, guardrails can encourage organizations to oscillate between two sides of a paradox, ensuring a productive and sequential mix of strategic activities. For example, science-based ventures engage in oscillation, often first emphasizing scientific expertise and research, before later moving into aggressive commercialization efforts, which in turn fund further waves of scientific R&D emphasis (Schou, 2023). Whereas prior scholarship has tended to examine guardrails at the organizational-level, our focus is on how policy makers and other third parties could design and coordinate guardrails at the societal-level to enable ideological transition.

Incentive systems that guide collective intentions and monitoring systems that guide collective attention can be systemically coordinated to operate as guardrails around performance paradoxes related to short-term versus long-term, global versus local, and private versus collective value creation, as illustrated in Figures 2, 3, and 4. We outline each of the paradoxes and the role of incentive and monitoring guardrails, addressing them in turn. We primarily focus on novel
guardrails that work in parallel to the existing entrepreneurial system, thereby demonstrating how they can address transitional interdependencies in the system to support the broadened expectations of entrepreneurial actors in the transition to REI.

Inter-temporal paradoxes and guardrails: Temporal tensions—involving short term versus long term value creation or fast versus slow growth orientations (Kim, Bansal, & Haugh, 2019; Lumpkin et al., 2010)—are common within organizations (Slawinski & Bansal, 2012) and are particularly relevant for startups (Berends, van Burg, & Garud, 2021; Lévesque & Stephan, 2020; Wood, Bakker, & Fisher, 2021). As societies attempt to transition to a new normal of responsible entrepreneurship this paradox will likely intensify. Indeed, even as the exponential pace of reform is both increasingly evident and widely celebrated, it is also juxtaposed against the increasing calls to temper that pace of development so as to effectively identify, isolate, and mitigate potential negative externalities.

The tendency for field actors exposed to paradoxes is to veer toward one extreme or another (Lewis & Smith, 2014). The current structure of incentives, such as startup grant systems or traditional venture capital, prioritize achievement of short-term targets in venture growth. These incentives are useful to encourage nascent entrepreneurship and additional risk taking, by first allowing for initial injections of capital linked to rapid experimentation and subsequent rewards for meeting milestones. Incentives linked to ‘fast exits’ also encourage rapid quick market growth and value creation through acquisitions. However, guardrails can be introduced to avoid extremes through incentives which encourage entrepreneurs and their stakeholders to account for both short and long term value, such as those associated with ‘evergreen capital’ (Rubin, 2009) and impact investing (Hehenberger et al., 2019). Evergreen capital explicitly reduces the pull of short-term
tensions on field actors by lengthening the investment horizons beyond the conventional 10-year portfolio lifespan in venture capital funds (Rubin, 2009). Impact investing shifts collective intentions toward accounting for the liability of negative externalities associated with new ventures (Hehenberger et al., 2019). In this way, configurations of various forms of capital, each with differing temporal expectations, help balance the intentions of field actors, addressing the transitional interdependencies between NEI and REI.

The introduction of monitoring guardrails can also address actors’ tendency to embrace extremes. Presently, the warning signs of such temporal polarization are clear as many entrepreneurs ignore, dismiss, or even actively combat long-term regulation seeking to monitor venture activity. For example, Smolka and Heugens (2020) highlight how early entrepreneurs in the nascent drone industry disregarded or dismissed important regulation as irrelevant. Conversely, however, overzealous use of the ‘precautionary principle’ (Som, Hilty, & Köhler, 2009) can limit reform, as field actors overemphasize long-term risks and remain paralyzed by the uncertainties associated with short-term innovation-led experimentation and reform. Responding to such tendencies toward extremes, policy makers can create monitoring guardrails, combining for instance, “anticipatory regulation” frameworks alongside controlled experimentation. For instance, NESTA describes anticipatory regulation as a framework that “provides a set of behaviours and tools… intended to help regulators and government identify, build and test solutions to emerging challenges” (Armstrong, Gorst, & Rae, 2019: 19). Rather than retrospectively developing regulation, anticipatory regulation shifts collective attention toward a ‘forward looking’ approach, bringing together currently disconnected regulatory bodies, research institutes, industry, and the public, advancing stakeholder reflexivity and cooperative regulatory work, allowing for new forms of organization to emerge. In addition, controlled experimentation
of new innovations within the context of “regulatory sandboxes” balances long-term and short-term attention by offering flexible legal environments and test grounds for ensuring strong future legislation (Alaassar, Mention, & Aas, 2021). For instance, within the emerging drone industry, policy makers overcame industry skepticism by engaging in the cooperative development of congruent systems of policy and governance that balanced entrepreneurs’ short-term market reform objectives with long-term ecological and societal objectives (Smolka & Heugens, 2020).

**Inter-spatial paradoxes and guardrails.** Increasingly as startups pursue entrepreneurial disruption, surrounding societies are exposed to inter-spatial paradoxes related to the geographic scope of both the entrepreneurial process and related value creation (Kim & Kim, 2022; Marquis & Battilana, 2009; McKeever, Jack, & Anderson, 2015). In transitioning from NEI toward a new normal of REI, field actors must account for sustained emphasis on large-scale, global market reform juxtaposed against the need for localized reforms (Bansal, Kim, & Wood, 2018) and mitigation of related negative externalities (e.g., environmental injustice, economic displacement, cultural imperialism; Aguilera, Aragón-Correa, Marano, & Tashman, 2021; Markman, Waldron, Gianiodis, & Espina, 2019; Vedula et al., 2022). Mounting evidence has illustrated how entrepreneurs and their stakeholders are currently primed to search for global and scalable models without deeply rooted understanding of social, environmental, and economic challenges (Kim & Kim, 2022; McKeever et al., 2015; Weiss et al., 2023), often resulting in unintended consequences at the local level (Lumpkin & Bacq, 2019; Zahra & Wright, 2016). As we have suggested, addressing transitional interdependencies between NEI and REI requires the configuration of incentive and monitoring guardrails to overcome the potential for field actors’ intentions and attention to veer toward one extreme or the other of this inter-spatial paradox.

Incentive guardrails which encourage locally important reforms need to be paired with
interventions that encourage widespread innovation and overcoming grand challenges (Grimes & Vogus, 2021). Yet, sequence often matters. Evidence suggests that policies which encourage actors to attend first to locally-embedded solutions can be coupled with incentives to subsequently scale those innovations through translation. For instance, Tracey, Dalpiaz, and Phillips’ study (2018) of an Italian entrepreneurial incubator highlights the ongoing iteration that the field actors pursued in order to simultaneously ensure adherence to the broad global demands of the field alongside local values and adaptation pressures. In this way, pairing distributed experimentation and ownership focused on upholding local value creation (Ferraro, Etzion, & Gehman, 2015; Porter, Tuertscher, & Huysman, 2020) with field configuring events focused on global value creation (Lampel & Meyer, 2008) can incentivize collective actors to aggregate benefits of entrepreneurial reform, while controlling against negative externalities. For example, recent studies highlight the manner in which the field of entrepreneurship might be reimagined through community-owned accelerators or venture funds to achieve scale, while ensuring more responsiveness to local community needs by bringing decision making closer to the source of innovation (Bacq, Hertel, & Lumpkin, 2022; Lumpkin & Bacq, 2019). Additionally, longstanding cooperative models of organizing, even in the context of contemporary digital platforms, offer another important tool for balancing the incentives toward global scale and local value creation (Scholz, 2016).

Policy makers can introduce complementary monitoring guardrails which, for example, bring together configurations of governance systems and regulations that ensure attention is paid to local and global value creation. Tools such as the open-source ‘conscious scaling’ framework (Hill, 2020) redirect founders’ attention toward scaling beneficiary impact while ensuring against the distribution of negative externalities. As the field transitions toward REI, this will require not only monitoring the outputs of the entrepreneurial process, but also the means of production as
well. Prior research around sustainable and responsible supply chains (Boström, Jönsson, Lockie, Mol, & Oosterveer, 2015) suggests the need for monitoring of supplier networks (e.g., “scope 3” disclosures) through auditing and certification to ensure that production processes are not reinforcing global inequities. Similarly, in the context of producing digital technologies, implementation of monitoring frameworks such as the Ethical OS standards (Pardes, 2018) which call for anticipation of economic and asset inequalities, alongside well-established protocols such as the EU’s General Data Protection Regulation, direct field actors’ collective attention toward early signs of where local and global value or externalities are being created.

**Stakeholder paradoxes and guardrails.** The creation, appropriation, and distribution of value (Bacq & Aguilera, 2022; Garcia-Castro & Aguilera, 2015) within the entrepreneurial process is frequently contested given the ostensible tension between private and collective interests (Lazonick & Mazzucato, 2013; Van de Ven, Sapienza, & Villanueva, 2007). For instance, because REI encourages sacrificing private gains to ensure against negative externalities, the transition toward such an ideology is likely to exacerbate underlying stakeholder-related tensions (Battilana et al., 2022; Hahn, Preuss, Pinkse, & Figge, 2014)

As such, addressing transitional interdependencies between NEI and REI is likely to require the development of societal-level guardrails that incentivize entrepreneurs’ and their stakeholders’ efforts to balance the creation of private and collective value. On the one hand, policy reforms can advocate for new systems that incentivize against unintended effects of the privatization of innovation-produced wealth (Amis, Mair, & Munir, 2020; Munir, 2015). Yet such reforms must also account for the potential decrease to risk-prone innovation, should those reforms fail to simultaneously uphold private value creation incentives (Schot & Steinmueller, 2018). In response to this tension, governments and organizations have begun to experiment with policies
and structures designed to achieve shared value (Porter & Kramer, 2019)—balancing the private and collective gains from innovation, while also more widely distributing the risk associated with the innovation process. For instance, the governance of OpenAI has been the subject of recent attention. Founded originally as a non-profit, in 2019 a ‘capped profit’ subsidiary was formed allowing for equity investment and equity distributions to employees. However, oversight and governance still falls to the non-profit board, wherein directors have a fiduciary responsibility to advance a mission of broadly beneficial general artificial intelligence (Thornhill, 2023). Fit-for-purpose governance structures can thus rebalance intentions toward both collective value creation and private value creation.

Beyond such organizational-level governance reforms, several inter-organizational and environmental approaches exist to ensure that the benefits of technologies are widely distributed. For instance, innovation commons make use of public grants, so that R&D outcomes are shared amongst startups (Breznitz, 2021). States can also make use of “golden shares” in order to open up technology patents if private license holders are deemed to engage in excessive rent-seeking (Lazonick & Mazzucato, 2013). These collectively oriented incentive systems, which require broader alignment of stakeholders including entrepreneurs, funders, and government, reshape intentions away from overt private value extraction and the current ‘winner takes all’ model without concern for collective value creation.

Policy reforms that monitor shared value creation should encourage innovation-related inputs from a broad array of societal actors (Mazzucato, 2021; Schot & Steinmueller, 2018). At the organizational level, Bacq and Aguilera (2021) argue that in order to increase the likelihood of shared value, innovation-related governance must involve different stakeholders’ inputs from the earliest moments of innovation design to the later stages in which value is disbursed. The same is
likely true at the societal-level, wherein policies such as Sweden’s Strategic Innovation Programs (SIPs) have directed attention toward tackling system-scale transformation by drawing together expert teams, opening previously closed collaboration networks, and encouraging cross-supply chain coordination in service of SME experimentation (Grillitsch, Hansen, Coenen, Miörner, & Moodysson, 2019).

Other monitoring systems such as disclosure mechanisms can help identify where possible misalignments of private and collective value creation are likely to surface. Today, startups raise funds primarily in private markets, shielding individual and institutional investors from the public eye. Recent announcements by the US Securities and Exchange Commission, however, look to require established ‘unicorn’ ventures to provide more public disclosure of ownership, given their impact on society (Kiernan, 2022). Within the entrepreneurial field, the Open Cap Table Coalition—comprised of leading law firms, fintech software providers, VCs, and other stakeholders (Aran, 2021)—look to standardize and make transparent the information around the complex ownership and governance arrangements of early-stage ventures. However, true “openness” would require not only rectifying the information asymmetry between ventures and funders but also between ventures and all of its stakeholders (Aran, 2021). In this way disclosures used in the earlier stages of venturing could begin to shift collective attention towards concerns of fair and equitable distribution. When coupled with conventional shareholder reports these combined disclosures could encourage the balanced pursuit of collective and private value creation across the field. Care must be taken, however, to ensure that the regulatory burden of monitoring aimed at reducing the negative externalities of startups is balanced against the need for market reform (Voegtlin & Scherer, 2017).

In these sub-sections, we have argued that while lower-order leverage points can unlock
homeostatic interdependencies associated with NEI, they also have a tendency to introduce new transitional interdependencies. These transitional interdependencies are underpinned by performance-related paradoxes, specifically associated with how entrepreneurship activities are oriented toward temporal, spatial, and stakeholder value creation. We demonstrate how guardrails that work in parallel to the existing entrepreneurial system address these emergent transitional interdependencies in the system and therefore support the broadened expectations of entrepreneurial actors in the transition to REI.

**A NEO-CONFIGURATIONAL THEORY OF IDEOLOGICAL TRANSITION**

As noted, moving toward REI requires systemic coordination of guardrails designed to address the various inter-temporal, inter-spatial, and stakeholder-related paradoxes that underpin emergent transitional interdependencies. However, research also suggests that efforts by multi-stakeholder collaborations often face “governance traps” that hinder their ability to address important challenges, even while the capacity for collective response increases (Couture, Jarzabkowski, & Lê, 2023). Here, we argue that such governance traps and failure to advance progress towards a new ideology primarily result from the intangibility of higher-order leverage points associated with ideological change, as well as the likelihood that interventions targeting those leverage points are likely to disenfranchise powerful stakeholders. Thus, while a guardrail may be designed to balance between a set of competing or interlinked objectives (Logue & Grimes, 2022a; Slager et al., 2023), it is the dynamic configuration of multiple guardrails which offers sufficient coherence to constitute higher-order shifts in system goals. We therefore build on recent neo-configurational theory to illustrate how ideological change is often the outcome of the dynamic combinations of elements which combine to produce larger effects—i.e., conjunctural causation (Misangyi et al., 2017).

In the previous section, we have focused on incentive and monitoring systems that target
lower-order leverage points. However, higher-order leverage points are those which fundamentally reorganize the goals and ideologies of the system, thereby enabling a paradigm shift (Kuhn, 1996; Meadows, 1999). Targeting these higher-order leverage points deemed most critical to advancing ideological change has remained elusive, given their relative intangibility and the degree of resistance raised by stakeholders when introduced, when compared with lower order leverage points. We argue that guardrails which are dynamically configured to address the underlying transitional interdependencies are sufficient to affect these highest order leverage points by demonstrating the tangibility of such change and relieving resistance.

**Demonstrating the Tangibility of Ideological Change**

Dynamic configurations of guardrails facilitate higher order leverage points by making intangible goals and ideological shift appear tangible. In contexts surrounding business and entrepreneurship, many efforts to transition from one set of system goals to another have failed to achieve momentum or collective buy-in because of their intangibility, or stakeholders’ perception that the envisioned change remains overly theorized, abstract, and removed from day-to-day realities (Allison et al., 2021). For instance, calls for a ‘degrowth economy’ (Hickel et al., 2022) are commonly met with vocal opposition because of the numerous interdependencies between growth and existing socio-economic systems. Dynamic guardrails may overcome these intangibility concerns associated with wide-scale ideological change through incremental and conjunctural demonstrations of the compatibility and credibility of alternative systems relative to existing systems. Historical accounts have shown how the incremental yet dynamically updated configuration of guardrails over the last sixty years has enabled Mondragón—a collective of 95 cooperatives first started in 1956—to balance the ostensive tensions of operating with a collectivist ideology inside of an increasing capitalist society (Lumpkin & Bacq, 2019). In 1958, members of the cooperative were excluded from the Spanish General Social Security System as the government
deemed ‘part-owners’, i.e., the cooperative workers, as ineligible for health and pension coverage. This emergence of incompatibility between the cooperative with existing social systems required the presence of dynamic guardrails to demonstrate the sustained feasibility and tangibility of the new system. The response from Mondragón included rapid introduction of guardrails, providing alternative stand-in social welfare organizations to ensure healthcare and workers benefits, thereby avoiding early failure of the new system (Bretos & Errasti, 2017). In this way, dynamic guardrails can be configured to strengthen the perceived tangibility of widespread ideological shift within society by addressing emergent interdependencies that cannot be foreseen in the process of systems change.

In many instances, the stated goals of alternative systems appear irreconcilable with existing ways of operating. Contemporary examples illustrate how dynamic configurations of guardrails can render more tangible an ideological shift toward responsible business. For example, B Lab’s “vision of an inclusive, equitable, and regenerative economy” which underpins the B Corp movement, stands in opposition to the shareholder-oriented, growth-driven economy, increasing the risk of immediate dismissal. And yet, by dynamically configuring guardrails which work in tandem to steer businesses toward a different relationship between profit and purpose, such an idea has taken hold globally as feasible and desirable (Lucas, Grimes, et al., 2022). A robust and coherent set of guardrails is emerging which includes not only certification and organizational tools which were more tangible from the onset, but now also incorporates broader societal change, for instance through legislative lobbying. The Better Business Act, as proposed and lobbied for by B Lab UK, would counter existing commitments that incentivize and monitor for profit maximization and shareholder primacy (Normand & Devenin, 2023). As the tangibility of such theoretical ideas have become more evident, B Lab has continuously updated the B Corp
certification to respond to the various and intertwined transitional interdependencies.

As illustrated, these conjunctural “recipes of action” interweave to build necessary cultural resources and stakeholder awareness, increasing the tangibility of ideological change (Geiger & Stendahl, 2024). Thus, in the context of systems change for REI, the configuration of guardrails—wherein sequence and approach often matter—are likely to accumulate ‘small wins’ (Weick, 1984) that demonstrate the feasibility of such systems change and move toward punctuated equilibrium (Gersick, 1991).

**Relieving Resistance toward Ideological Change**

In many cases of systems change, actors and stakeholders will vary in the degree to which they identify with the purpose of and need for change, occasionally demonstrating indifference if not hostility and combativeness to new goals or paradigms. This is most evident in calls for systemic climate change responses. Many lower order leverage points—updated monitoring or incentives to reduce emissions—are relatively less controversial and have met widespread acceptance even amidst political circles (Giamporcaro et al., 2020; Slager et al., 2023; Wijen & Ansari, 2007). However, calls to address higher order leverage points through widespread ideological change are more often met with immense opposition by powerful actors with vested interests in maintaining the status quo, as evidenced by the inaction surrounding climate-related policies (Wright & Nyberg, 2015). As Marti and colleagues suggest, in the context of systems change “scorched earth strategies, for example, may be tempting, but are likely to be challenged” (2024: 4). Targeting higher order leverage points therefore necessitates creating participatory space for disenfranchised and disillusioned stakeholders. The wide body of research on the UN Global Compact highlights how this participatory initiative “established arenas for multi-stakeholder discourses and hence contributed to the legitimization and widespread adoption of the corporate responsibility agenda in different parts of the world” (Rasche, Waddock, & McIntosh,
Dynamic configuration of guardrails can help to address these powerful actors’ vested interests through a process of ‘issue linking.’ Wijen and Ansari (2007), for example, highlight how issue linking “widens the scope for mutually beneficial exchanges, thus opening up more possible solutions to ‘deadlocked problems’ and facilitating effective retaliation against defectors or cheaters… it creates leverage by gaining actors’ commitment on low-priority issues and then getting them to cooperate on high-priority issues” (Wijen & Ansari, 2007: 1085–1086). In the context of conflict minerals, evidence suggests how private industry became amenable to addressing their responsibility for sustained violence in the Democratic Republic of the Congo as activists drew on “a ‘commons logic’–collective complicity in a wicked problem–to construct causality and link private actors to a problem, even if they are not the main culprit” (Reinecke & Ansari, 2016: 317).

Taken together, we suggest that addressing the transitional interdependencies surfaced in the process of ideological change requires dynamic configurations of guardrails. By developing dynamic configurations of guardrails, field actors can ensure that concerns related to tangibility and feasibility, alongside issues related to disenfranchisement and disillusionment are addressed. In doing so, this can facilitate shifts in higher-order leverage points and thus ideological change.

**DISCUSSION**

Globally, NEI has “been elevated almost to the degree of a religious dogma” (Breznitz, 2021: 100) with at times spectacular and at times dire consequences. Since entrepreneurship has taken on nearly religious-like systems of meaning and purpose, “from within this order, it is difficult to imagine alternatives to entrepreneurial capitalism—other than generating more entrepreneurship to address its own systemic issues—because such alternatives may often seem profane or utterly unfeasible” (Weiss et al., 2023: 260). In this paper, we theorize the institutional
foundations of such increasingly taken-for-granted justifications for entrepreneurship and for its relationship to disruption. We specifically highlight the emergence of entrepreneurship as a field within which ideologies vie for attention and dominance. We distinguish two contrasting ideologies that differ in the entrepreneurial roles, audiences, and performance they seek to justify. This comparison importantly exposes the flawed assumption that entrepreneurial disruption capable of significant market reform also necessitates unmanaged negative externalities. We conclude by discussing how societies might shift toward a new normal of REI, characterized by a sustained championing of market reform and simultaneous efforts to manage associated externalities. Taken together, our theory offers three important contributions to existing research on the societal organization of entrepreneurial disruption and the responsible governance of innovation.

**The Societal Organization of Entrepreneurial Disruption**

Nearly three decades ago Gartner (1995: 70) critiqued existing entrepreneurship scholarship for its “tendency to underestimate the influence of external factors and overestimate the influence of internal or personal factors when making judgements about the behavior of other individuals.” Since then, researchers have built on Baumol’s (1990: 898) related insight that the societal rules for entrepreneurship “do change dramatically from one time and place to another,” and have thus looked for opportunities to better contextualize research on entrepreneurship (Autio, Kenney, Mustar, Siegel, & Wright, 2014; Welter, 2011; Zahra, Wright, & Abdelgawad, 2014). To date some of this research has focused on revealing historical or regional differences in how societies have structured these rules to encourage a transition from unproductive or destructive forms of entrepreneurship to more productive forms (Desrochers & Sautet, 2008; Gohmann, Hobbs, & McCrickard, 2008; Minniti, 2008). More commonly, however, the assumption of much of this work has been that entrepreneurship is, by default, productive, thereby focusing on the rules
which facilitate more or less productive entrepreneurial outcomes (McMullen, Bagby, & Palich, 2008; Parker, 2008; Woolley & Rottner, 2008).

Thus, with few exceptions this literature has assumed stark contrasts between destructive forms of entrepreneurship, such as organized crime and productive forms of entrepreneurship, such as innovation. And to the extent that destructive entrepreneurship has been studied, this research has largely been concerned with highlighting the ethical failings of particular industries, founders, and decisions (Palmer & Weiss, 2022; Shepherd et al., 2022; Zahra, Pati, & Zhao, 2013). However, as acknowledged by longstanding research on creative destruction, significant innovation-led market reforms are often accompanied by disruption that extends beyond those patterns of market exchange to create destructive externalities, and only occasionally are these destructive outcomes the result of ethical failings and fraud. In other words, productive and destructive entrepreneurship are not mutually exclusive (Schumpeter, 1928), but nor are they inevitably intertwined (Minsky, 1986). Thus, while it remains important to understand purposefully destructive forms of entrepreneurship (e.g., entrepreneurial fraud; Scheaf & Wood, 2022), it is equally important to account for the societal rules or institutions which might help ensure productive sources of entrepreneurship-led market reform while also simultaneously controlling for destructive externalities.

In this paper we have theorized that the perspective that entrepreneurial disruption necessarily entails both market reform and negative societal externalities can be best understood as a recently ‘institutionalized myth’ (Rowan & Meyer, 1977), which has resulted in the increasingly taken-for-granted NEI. This ideology offers justification for the current model of VC-driven, growth-focused entrepreneurship which has diffused globally, with disproportionate benefit to societal elites. By situating this model of entrepreneurial disruption not as an historical
inevitability but rather as one among several ideologies that is most likely to emerge in societies under particular conditions, our paper exposes important alternatives and the possibility of transitioning toward a new normal.

Specifically, our paper thus recognizes the important interdependencies that can exist between market reforms and negative externalities, and yet presents the potential of a new normal in which societies organize the process of entrepreneurial activity and performance to actively encourage market reforms associated with disruption and the management of associated externalities. Specific to this special topic forum of the *Academy of Management Review* and its emphasis on exploring the relationship between disruption and the new normal, we note that much existing research has treated disruption as exogenous (Muñoz, Kimmitt, & Dimov, 2020; Shepherd, 2020). In this way disruption, for example in the form of crisis, creates space for reform but cannot be predicted, controlled, or institutionally organized. Our paper importantly compliments this focus on exogenous disruption, by instead considering how disruption can often be endogenous to our innovative and entrepreneurial activities (Marti et al., 2024). As such the ‘new normal’ toward which we have theorized is not merely a set of conditions arising from disruption but rather a new way for societies to organize the performance of entrepreneurial disruption.

One might ask, however, whether such a theorized new normal involving the emergence of REI is indeed desirable for our societies and our economies. Entrepreneurship is hard enough, and therefore should we not expect that additional obligations for entrepreneurs and their stakeholders to proactively manage externalities would adversely affect the rates of entrepreneurship, the competitiveness of startups, and the potential for entrepreneurs to productively reform legacy institutions? Ultimately these are important empirical questions for
future studies to investigate, but in defense of the desirability of REI, we offer two important insights. First, the prior question presumes a costly tradeoff between the governance of innovation and the rates of innovation, and while confirming evidence of this negative relationship may exist (Dean & Brown, 1995), disconfirming evidence is also pervasive. Specifically, research on the circular economy offers evidence of how accounting for negative externalities can actually spur creativity (Prieto-Sandoval, Jaca, & Ormazabal, 2018; Raworth, 2017) as well as performance (Horbach & Rammer, 2020). Critically, this evidence is shown to exist even in contexts in which the institutional environment has not been updated to incentivize and monitor such practices.

Second, existing defenses of unmanaged externalities typically presume that on par the social benefits of entrepreneurial action often outweigh its social costs, and the associated problems are better addressed by other sectors, or even potentially by future entrepreneurs (Cohen & Winn, 2007; Eikenberry & Kluver, 2004; Hwang & Powell, 2009). While it may be that the public, charitable, and even the private sector may be positioned to address some of these externalities in productive fashion, it is important to acknowledge the increasing existential risks associated with innovation-led reforms, not limited to ecosystem collapse, but also nuclear winter, bioengineered pandemics, and non-beneficial super intelligence (Bostrom & Cirkovic, 2011), which necessitate preemptive governance rather than delayed and post-hoc responses. Such risks grow within societies in which the governance surrounding entrepreneurship is disconnected from the increasingly decentralized capacity to innovate. Thus, a new normal of REI demands greater stakeholder scrutiny over entrepreneurs’ claims of market reform as well as associated and unforeseen negative externalities. It also demands that entrepreneurs broaden the scope of their attention beyond opportunity identification and exploitation to simultaneously consider spillover effects of such exploitation—both immediate and delayed. These demands necessitate bold
Finally, it can be asked whether it is plausible that politicians and other elites would buy into, help advance, or even allow the reformation of the entrepreneurship field. Given the benefits that accrue to these elite actors—financiers, politicians, and entrepreneurs themselves—why would they embrace new governance approaches that effectively limit those benefits? This question ultimately points toward the need, as we have argued, for the dynamic configuration of guardrails which accommodate existing interests even as the new interests of REI are introduced. We believe that not only is such a pragmatic approach to transition possible, but also that we are beginning to see early signs of that transition, as elite actors within and surrounding the field of entrepreneurship begin to call for greater collective responsibility around the entrepreneurial process. For instance, despite the hype and excitement surrounding new technologies like generative AI and large language models, prominent entrepreneurs, technologists, and politicians across all sides of the political spectrum are increasingly pressing to ‘slow down’ the pace of development (Waters & Politi, 2023). Prominent actors such as the head of the US National Telecommunications Administration have suggested that new technologies require regulators “to put some guardrails in place to make sure that they are being used responsibly” (Tracy, 2023). And yet, while these signs are promising, we would encourage future research to consider the mechanisms which facilitate elite engagement in the dynamic configuration of guardrails that can make higher order leverage points of change malleable.

**Shifting the Level of Analysis for the Governance of Responsible Innovation and Entrepreneurship**

Over the past decade organizational scholars have devoted significant attention toward advancing alternative models to that of dominant contemporary entrepreneurship (Aldrich & Ruef,
Battilana et al., 2022; Mair, Battilana, & Cardenas, 2012). While much of this research has focused, for instance, on the importance of social entrepreneurship and prosocial organizing (Austin, Stevenson, & Wei–Skillern, 2006; Mair & Martí, 2006; Santos, 2012), several scholars have begun to redirect theoretical attention toward the broader idea of responsible governance of innovation with a focus on how all organizations—not just social enterprises—should create, appropriate, and distribute value (Bacq & Aguilera, 2022).

Our paper thus celebrates this recent theoretical focus on responsible governance of innovation, while extending the conversation beyond venture-level governance reforms. This emerging body of research has, for example, helpfully outlined how organizations can empower their stakeholders and ensure that processes of deliberative democracy are routinized within corporate governance (Bacq & Aguilera, 2022; Bridoux & Stoelhorst, 2022; Haugh, 2022). Responding to calls to extend this research toward the broader institutional environment, in this paper we have theorized the contours of a plausible REI that might come to define the field of entrepreneurship. We have established how such an ideology might justify and reinforce entrepreneurs’ focus toward the creation of shared value, stakeholder involvement in the midst of reform, and the active management of negative externalities in the context of their startup activity.

Specifically, in offering an institutionally-informed model which links responsible entrepreneurship with the multi-faceted nature of entrepreneurial disruption, we highlight the environmental conditions that shape notions of obligation and performance expectations in the context of startup activity. Our model establishes the role of financialization in compelling contemporary patterns of entrepreneurial disruption and the current dominance of NEI that justifies the coupling of market reform and unmanaged negative externalities. But conversely, we theorize and illustrate how societies can systemically design different incentive and monitoring leverage
points to overcome homeostatic dependencies that otherwise reinforce the existing NEI. We also theorize how the process of coordinating these different systems-related interventions can effectively address the transitional independencies that might arise as REI starts to gain a foothold. In turn, such coordination opens up the possibility of a virtuous cycle whereby higher order leverage points involving ideological change become plausible.

Additionally, by explicitly relating the responsible governance of innovation to notions of entrepreneurial disruption, we add greater theoretical clarity as to what specifically entrepreneurs should be responsible for (Bosse, Harrison, Pollack, & Schrempf-Stirling, 2023)—namely, the simultaneous pursuit of reform and the management of negative externalities. This contribution is critical, as it helps to move scholarly attention beyond existing theoretical distinctions of social versus commercial entrepreneurs. While such distinctions may usefully differentiate entrepreneurs’ underlying identities and motivations (Miller et al., 2012; Wry & York, 2017), they offer less insight into the formational differences that contribute to social impact and value creation. In contrast, our paper suggests an alternative theoretical distinction which focuses on the ideological relationship of entrepreneurship-led market reform and negative externalities, thereby moving beyond identity-related differences to explicitly consider these differences in impact and value creation. REI makes explicit the response of entrepreneurs as they engage in reform and manage externalities (Bacq & Aguilera, 2022). Thus, it is equally plausible for commercial entrepreneurs to act in accordance with REI as it is for a so-called social entrepreneur to operate outside of such an ideology. Future research, however, should look to examine the overlap between existing formational or identity-based distinctions of entrepreneurship (e.g., commercial versus social, small business versus unicorns, family business versus VC-backed) with our performance-focused distinctions related to entrepreneurial disruption. For instance, how do different types of
entrepreneurship vary in their approach to market reform and the management of externalities? What are the specific configurations of guardrails required by different sized startups (e.g., unicorns) to effectively embrace REI?

Future research might also consider variation in negative externalities and the different kinds of societal-level governance required to deal with such variation. For instance, many of the examples we have raised throughout this paper refer to “known externalities”—i.e., social or environmental costs of which entrepreneurs are already aware and yet purposefully externalize onto society. Other examples throughout our paper, however, point to cases in which entrepreneurs and their stakeholders lack full or even partial awareness of an innovations’ possible negative externalities. Such variation in entrepreneurship-related negative externalities suggests the need for different kinds of societal-level guardrails designed to deal with issues of ethical intent (Shepherd, et al., 2022) but also attentional deficiencies and lack of cognitive diversity (Bacq & Aguilera, 2022).

**Bridging Theory on Systems Change and Paradox to Advance a New Normal**

In our paper, we set out to explicate not only a new responsible entrepreneurship ideology, but also the process of transition toward that new normal. Specifically, our theory suggests that in many settings, the process of transition which might give rise to a new normal will be characterized by ongoing collective efforts to address homeostatic interdependencies to initially effectuate change, but also subsequent attendance to emergent transitional interdependencies. While many existing theories of systems and institutional change acknowledge the importance of the former (Hehenberger et al., 2019; Jarzabkowski et al., 2022; Reinecke & Ansari, 2016), they tend to overlook the latter. For instance, Schad and Bansal (2018: 1501–1502) argue that while “the literature has dealt with salient tensions [these are]… just the beginning of an analysis when dealing with systems dynamics” which might shed “much needed light on latent tensions”, i.e.,
complex transitional interdependencies. In bridging these longstanding theories of systems change with contemporary management research on paradox, we highlight how transitional interdependencies are underpinned by paradoxes that result from the tensions between existing and envisioned systems related to performance objectives. In the context of entrepreneurship, we show that these paradoxes entail differences with respect to short- versus long-term, global versus local, and shareholder versus stakeholder value creation. By exposing these paradoxes which underpin transitional interdependencies, as well as the dynamic configuration of guardrails which are necessary to address those paradoxes, we highlight a pragmatic model of ideological transition which allows for balancing and/or oscillating between core values associated with presently dominant ideologies and those associated with the aspired new normal (Albertsen et al., 2023; Hahn et al., 2014; Marti et al., 2024).

This argument is theoretically important, as it highlights the precariousness of any proposed ‘new normal,’ and the collective work across fields that is required to introduce and transition toward that proposal (Giamporcaro et al., 2020; Hehenberger et al., 2019; Jarzabkowski et al., 2022; Marti et al., 2024). In the context of entrepreneurship, the precarity and insufficiency of venture-level responsible governance has been highlighted by the recent contention experienced among OpenAI stakeholders, where even the best-intentioned guardrails are proving unstable in the context of NEI related pressures. However, while “it would be tempting to conclude that OpenAI’s experiment of having a not-for-profit board, responsible for ensuring the safe development of AI, overseeing a for-profit commercial business, should be scrapped… it would be a tragic mistake to abandon attempts to hold the leadership of the world’s most important artificial intelligence companies to account for the impact of their technology” (Thornhill, 2023). Indeed, rather than abandoning such responsible governance, our theory of ideological transition
highlights how to scale such governance to the collective level in a way that dynamically
accommodates the associated contentions around performance. In other words, although the label
‘new normal’ implies a certain durability as novel prescriptions become normalized, our study
suggests the need for ongoing attention toward the paradoxes which underpin that new normal.

CONCLUSION

Overall, our paper challenges the existing taken-for-grantedness associated with
trepreneurial disruption, its promises of reform, and its too often overlooked negative
equalities. We are hopeful that this paper will prompt additional scholarship on the topic of
ponsible entrepreneurship, directing attention toward a broader systems-level view of the
repreneurial process and performance. Additionally, we believe our study highlights the
portant opportunity for management scholars to migrate toward a solution-oriented social
ence approach (Watts, 2017), taking a more active role as co-designers of dynamic
figurations of incentive and monitoring guardrails that ensure the viability of responsible
organizing practices, and in our case, responsible entrepreneurship. Specifically, we hope it
pels scholars to take seriously the influential role of our theories in not only explaining
repreneurship as it currently exists but also in encouraging entrepreneurship as it could be.
REFERENCES


Lumpkin, G. T., & Bacq, S. 2019. Civic Wealth Creation: A New View of Stakeholder


<table>
<thead>
<tr>
<th>Table 1: Neoliberal and Responsible Entrepreneurial Ideologies</th>
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<tbody>
<tr>
<td><strong>Neoliberal Entrepreneurial Ideology</strong></td>
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<tr>
<td><strong>Role of entrepreneur</strong></td>
</tr>
<tr>
<td>• ‘Heroic’, but primarily are agents for capital providers.</td>
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<td>• Held accountable for creation of innovative market reforms</td>
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<tr>
<td>and extraordinary return on investment (Dimov &amp; De</td>
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<td>Clercq, 2006).</td>
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<tr>
<td>• Stewards of novelty and innovation.</td>
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<td>**Role of organizational sponsors (e.g., accelerators,</td>
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<tr>
<td>venture capital)</td>
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<tr>
<td>• Identify and support entrepreneurs who can return</td>
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<tr>
<td>above-market returns to investors (Kim &amp; Kim, 2022).</td>
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<tr>
<td>• Channel entrepreneurs’ attention and incentives to</td>
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<tr>
<td>maneuver regulatory and political scrutiny and societal</td>
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<tr>
<td>hype (Logue &amp; Grimes, 2022b; Lucas, Fuller,</td>
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<td>&amp; Packard, 2022)</td>
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<td><strong>Inter-temporal performance</strong></td>
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<tr>
<td>• Focused on rapid short-term growth; may sustain</td>
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<tr>
<td>short-term losses and unprofitability (Kenney &amp; Zysman,</td>
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<td>2019).</td>
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<tr>
<td>• Expectations of ‘fast exits’, thus limited attention to</td>
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<tr>
<td>identifying and managing externalities to avoid delays.</td>
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<tr>
<td>• Supported by scalable technologies and business models.</td>
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<tr>
<td>• Distributed technology and little global oversight</td>
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<tr>
<td>creates opportunity for distributed externalities</td>
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<tr>
<td>(Jacobides &amp; Lianos, 2021).</td>
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<tr>
<td><strong>Inter-spatial performance</strong></td>
</tr>
<tr>
<td>• Focused on scaling globally; reinforced by cultural norms</td>
</tr>
<tr>
<td>of investing in large ‘addressable markets' with</td>
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<td>universal opportunity for growth.</td>
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<tr>
<td>• Supported by scalable technologies and business models.</td>
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<td>• Distributed technology and little global oversight</td>
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<td>creates opportunity for distributed externalities</td>
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<tr>
<td>(Jacobides &amp; Lianos, 2021).</td>
</tr>
<tr>
<td>• Focused on creation of private value for entrepreneurs</td>
</tr>
<tr>
<td>and investors, and a shift from value creation to value</td>
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<td>extraction.</td>
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<tr>
<td>• Defense of private value extraction on the basis of</td>
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<td>meritocracy and individual pursuit.</td>
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<tr>
<td>• Shirking of externalities to third parties, e.g.,</td>
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<td>regulators or non-profit sector.</td>
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<tr>
<td><strong>Stakeholder orientation performance</strong></td>
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<tr>
<td>• Focused on creation of collective stakeholder value over</td>
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<td>and above privatized value (Van de Ven et al., 2007).</td>
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<tr>
<td>• Defense of collective value creation supported by different</td>
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<td>models of distributed or cooperative ownership</td>
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<tr>
<td>(Logue &amp; Grimes, 2022a).</td>
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<tr>
<td>• Internalization of externalities by the venture.</td>
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<tr>
<td>**Overall justification of approach to entrepreneurial</td>
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<td>disruption**</td>
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<tr>
<td>• Coupling of market reform and unmanaged creation of</td>
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<td>negative externalities.</td>
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<td>• Decoupling of market reform and creation of negative</td>
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<td>externalities.</td>
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<td>Leverage Point</td>
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Figure 1: A Model of the Emergence and Governance of Entrepreneurial Disruption

**Ideological Institutionalization**

- Financialization of the Economy
- Entrepreneurial Disruption
  - Neoliberal Entrepreneurship Ideology
    - Justification of Market Reform
    - Justification of Unmanaged Externalities
  - Perceived benefits to elites
  - Taken-for-grantedness

**Ideological Transition**

- Leverage Point Interventions
  - Lower-order
  - Higher-order
  - Shift in: Incentives Monitoring
  - Shift in: Goals Paradigm
  - Systemic Coordination of Guardrails
    - Long-term
    - Local
    - Collective
    - Inter-Temporal
    - Inter-Spatial
    - Stakeholder Orientation
    - Private
  - Configurations of guardrails encourage

**Responsible Entrepreneurship Ideology**

- Justification of Market Reform
- Justification of Managed Externalities
Figure 2: Societal-Level Guardrails for Navigating the Inter-Temporal Paradox

**Guardrails**

(to uphold the short-term)

**Incentive Systems**
- Traditional venture capital governance (Dimov & De Clercq, 2006)
- Startup grant systems (Lazonick & Mazzucato, 2013)

**Monitoring Systems**
- Market-based feedback/ traction (Berends et al., 2021)
- Staged financing valuations (Dimov & De Clercq, 2006)
- Quarterly targets/reporting (Lazonick & O'Sullivan, 2000)

**Paradox**

Inattention to short-term leads to...
- Limited market reform (Kim et al., 2019)
- Unresponsiveness to urgent needs (e.g., crisis) (Shepherd, 2020; Som et al., 2009)
- Tendency towards escalating commitment and sunk costs around innovation (Mazzucato, 2011)

Inattention to long-term leads to...
- Chronic market and institutional deficiencies
- Negative externalities (McMullen & Warnick, 2016; Taneja, 2019)

**Guardrails**

(to uphold the long-term)

**Incentive Systems**
- “Evergreen” venture capital (Rubin, 2009)
- Impact investing (Hehenberger et al., 2019)
- Universal basic income (D’Mello, 2019; Feinberg & Kuehn, 2020)
- Entrepreneur-friendly personal bankruptcy law (Eberhart et al., 2017; Lee et al., 2007)

**Monitoring Systems**
- Anticipatory regulation accounting for tech externalities (Armstrong et al., 2019; Smolka & Heugens, 2020)
- Precautionary principle (Som et al., 2009)
- Regulatory sandboxes (Alaassar, et al., 2021)
Figure 3: Societal-level Guardrails for Navigating the Inter-Spatial Paradox

Guardrails (to uphold the global)

Incentive Systems
- Platform economic models / Internet (Davis & Kim, 2015; Davis & Sinha, 2021; Jacobides & Lianos, 2021; Morozov, 2011)

Monitoring Systems
- Venture growth-based accounting (Duhigg, 2020; Kenney & Zysman, 2019)
- Meta-organizations (e.g. United Nations)
- Conscious scaling self-monitoring frameworks (Hill, 2020; Pardes, 2018)

Paradox

Inattention to the global leads to...
- … unresponsiveness to interconnected challenges (Grimes & Vogus, 2021)
- … unresponsiveness to outside communities (Lumpkin & Bacq, 2019)

Inattention to the local leads to...
- … unresponsiveness to local needs (Bansal, et al., 2019)
- … lack of oversight regarding local externalities (Cohen & Winn, 2007)

Guardrails (to uphold the local)

Incentive Systems
- Distributed experimentation (Ferraro, et al., 2015; Porter, et al., 2020)
- Cooperative models (Scholz, 2016; Zhu & Marjanovic, 2022)
- Community venture capital funds / accelerators (Hehenberger et al., 2019)

Monitoring Systems
- Region-focused compliance (e.g. EU’s GDPR)
- Conscious scaling self-monitoring frameworks (Hill, 2020; Pardes, 2018)
- Scope 3 emissions disclosures (Boström et al., 2017)

Global Value
- Efficiencies of scale (Davis & Sinha, 2021; Kim & Kim, 2022)
- Increased solutions for interconnected challenges (Scherer & Voeglin, 2020; Doh et al., 2018)

Local Value
- Civic wealth creation through embeddedness (Lumpkin & Bacq, 2019, Haugh, 2022)
- Adaptive solutions for community needs (Coutre et al., 2023; McKeever et al., 2015; Tracey et al., 2018)

Benefits from focusing on global

Benefits from focusing on local
Figure 4: Societal-Level Guardrails for Navigating the Stakeholder Orientation Paradox

**Incentive Systems**
- Dual class share structures and founder “golden shares” (Lazonick & Mazzucato, 2013)
- Individual property rights protections (Autio et al., 2014; Lee, 2020)
- Limited liability systems (Davis, 2009)
- Bankruptcy law (Eberhart et al., 2017; Lee et al., 2007)

**Monitoring Systems**
- Patent filings (Lazonick & Mazzucato, 2013)
- Regulatory filings (Kiernan, 2022)

**Paradox**

**Inattention to the private leads to...**
- …limited risk-taking (Som et al., 2009)
- …unchallenged entrenched interests (Amis et al., 2020; Wijen & Ansari, 2007; Zahra & Wright, 2016)

**Inattention to the collective leads to...**
- …wealth inequality (Eberhart et al., 2022; Amis, Mair, & Munir, 2020)
- …rent seeking (Lazonick & Mazzucato, 2013)
- …increased negative externalities (McMullen & Warnick, 2016; Voegtlin & Scherer, 2017)

**Guardrails**
- (to uphold the private)

**Private Value**
- Increased market reform (Gohmann et al., 2008; Shane & Venkataraman, 2000)
- Increased competition spurring efficiency and industry turnover (Jacobides & Lianos, 2021; Agarwal et al., 2007)

Benefits from focusing on private

**Collective Value**
- Increased solutions for undervalued societal needs (Haugh, 2022, Hehenberger et al., 2019)
- Reduced negative externalities (Cohen & Winn, 2007)
- Economic mobility (Rindova et al., 2009; Lee et al., 2007)

Benefits from focusing on collective

**Guardrails**
- (to uphold the collective)

**Incentive Systems**
- Fit-for-purpose governance (Thornhill, 2023)
- Innovation commons’ (Breznitz, 2021)
- State-held “golden shares” (Lazonick & Mazzucato, 2013)
- Stakeholder property rights (Bacq & Aguilera, 2022; Lee, 2020)
- Participatory innovation governance (Voegtlin & Scherer, 2017; Schot & Steinmüller, 2018)

**Monitoring Systems**
- Startup board director disclosure (Kiernan, 2022)
- Open capitalization tables (Aran, 2021)
- Investment disclosures (e.g., PRI) (Hehenberger et al., 2019)
- B-Corp Certification (Lucas, et al., 2022)
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