

Cultural entrepreneurship. The importance of developing cultural competences within the framework of resource mobilization

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Abstract

A greater understanding of the relationship between cultural issues and entrepreneurial activity is important because of its implication for national and regional development and growth. This paper looks at cultural entrepreneurship from the perspective of the cultural competences a cultural entrepreneur needs to master with the view to grow their venture, with a special focus on the process of resource mobilization. It begins with providing an overview of literature on cultural entrepreneurship, then moves on to present the types of capital involved in resource mobilization and presents interesting insight on the way cultural entrepreneurs are able to use their competences in acquiring resources and helping their venture grow.

Keywords: cultural entrepreneurship, competences, resources

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Introduction

The essence of culture is creativity and creative economies have the potential to foster social inclusion, cultural diversity and human development. Entrepreneurship represents one key element which contributes to the sustainable development of the creative industries. At the same time, differences in entrepreneurial activity among countries, and regions within those countries, are persistent and cannot be fully explained by institutional and economic variables, so that a substantial part of these differences has been attributed to culture.

When referring to cultural entrepreneurship research, there is a recent trend to view culture less in terms of ‘public constraints’ and rather as ‘public resources’ that they can draw on in order to devise strategies in line with their own interests or those of their organization (Weber & Dacin, 2011; Swidler, 2001).

The concept of cultural entrepreneurship

Cultural beliefs and attitudes are passed on from generation to generation through vertical (parent and child), horizontal (peers and media) or oblique (teachers and similar sources) transmission channels. The role of the cultural entrepreneur is to coordinate such beliefs and

fuse them into a coherent doctrine that others can share and develop and in this way make change effective (Mokyr, 2013).

Useful in understanding cultural entrepreneur is how the entrepreneur concept has travelled from economics to sociology (Fine, 2001). Foucault (1991) uses the notion of governmentality to trace how neo-liberalism's emphasis on markets and active individualism interlace to enhance entrepreneurial subjectivities. Du Gay (1996) refers to the application of entrepreneurial outlooks to the problems of everyday life. Swedberg (2006) views „cultural entrepreneurship” as „the carrying out of a novel combination that results in something new and appreciated in the cultural sphere”.

Researchers point to the importance of focusing on cultural entrepreneurship and entrepreneurial stories particularly in the context of the earliest stages of entrepreneurial venture formation, when entrepreneurs begin to form a picture of who they are, what they want to do, why they are qualified and why they think they will succeed. Aldrich and Fiol (1994, cited in Lounsbury and Glynn, 2001) emphasize the role of culture in entrepreneurship stating that: „founders [of new ventures] who utilize encompassing symbolic language and behaviors will gain competitive legitimacy more quickly than others”. And, as Lounsbury and Glynn (2001) suggest, one mechanism that can be employed is that of storytelling. Lounsbury and Glynn (2001) suggest that stories are an integral part of the construction of new ventures, acquisition of needed capital and generation of new wealth, thus defining cultural entrepreneurship as „the process of storytelling that mediates between extant stocks of entrepreneurial resources and subsequent capital acquisition and wealth creation”. Using crowdfunding mechanisms, entrepreneurs construct storylines that communicate not only static information, but also establish an interactive narrative through specific online-related features (Frydrych et al., 2014). The video pitch and text narrative provided by the entrepreneur appear to be the main tools for conveying a compelling narrative.

Social and cultural capital

Ellmeier (2003) observes that cultural entrepreneurship is a practice that occurs „sans capital”. The ability to acquire the right finances in a proper way is one of the attributes of a good cultural entrepreneur. To construct ‘buzz’ relatively sans economic capital, cultural entrepreneurs draw on different combinations of social, cultural, symbolic capital (Bourdieu, 1997).

Social capital refers to social contacts and networks that offer recognition and benefits of shared resources. For some cultural industries, social capital can be perceived as the primary form for cultural entrepreneurs (Scott, 2012). Bourdieu's (1986) influential work explores how various forms of capital reproduce social structures. The notion of cultural entrepreneurship introduced by Bourdieu (1997) includes dispositions such as ways of speaking and acting that are manifestation of historically transmitted cultural knowledge. The concept points to the fact that certain views on human capital ignore how the education system and parental nurturing reproduce social structures. Symbolic capital denotes distinctions such as accumulated prestige, reputation, honour and fame (Bourdieu, 1991).

Cultural entrepreneurship requires mobilization and conversion of alternative capitals to construct 'buzz'. „Social capital creates opportunities for the music producer to convert cultural capital manifest in recordings into symbolic and economic capital” (Scott, 2012). The circumstances in which people operate influence whether they qualify as cultural entrepreneurs or not, meaning that cultural conditions matter. In the USA for example, it might be much easier to appeal for private support than in the European continent. European cultural entrepreneurship will, therefore, have a different character and may make for a different narrative.

Entrepreneur competence and resources build up

According to Aageson (2008), cultural entrepreneurs are: [...] risk takers, change agents and resourceful visionaries who generate revenue from innovative and sustainable cultural enterprises that enhance livelihood and create cultural value for both creative producers and consumers of cultural services and products [...]. [They] do have common characteristics around the globe that include being passionate, visionary, innovative, risk takers, net-workers and leaders.

Skilled cultural action is crucial for entrepreneurs in order to attract resources to develop and grow their new organization.

A number of researchers argue that the qualities entrepreneurs bring to new ventures largely depend on resources built up through their education and experience (Mosey and Wright, 2007; Rae and Carswell, 2001; Serneels, 2008). The concept of cultural capital highlights how supportive parents transfer positive values regarding education and hard work, to make learning an enjoyable experience for their children. In doing so, they influence their children's own perception of the value of education evident in the positive development of their knowledge, skills and attitudes (human capital).

Überbacher et al. (2015) developed a theoretical model of how entrepreneurs develop cultural competences in the market domains where they situate their new organizations. The model was based on the findings of their longitudinal, exploratory case study of how Frederic – their case entrepreneur – created and grew the corporate venture BluePublic in the public sector outsourcing market in a large European country.

The model presents two processes of adaptive sensemaking – an *approval-driven sensemaking* process and an *autonomy-driven sensemaking* process – as necessary for entrepreneurs to develop their cultural skills. Gaining cultural awareness or becoming aware of one's external environment is a key component of adaptive sensemaking and necessary for competent cultural entrepreneurship.

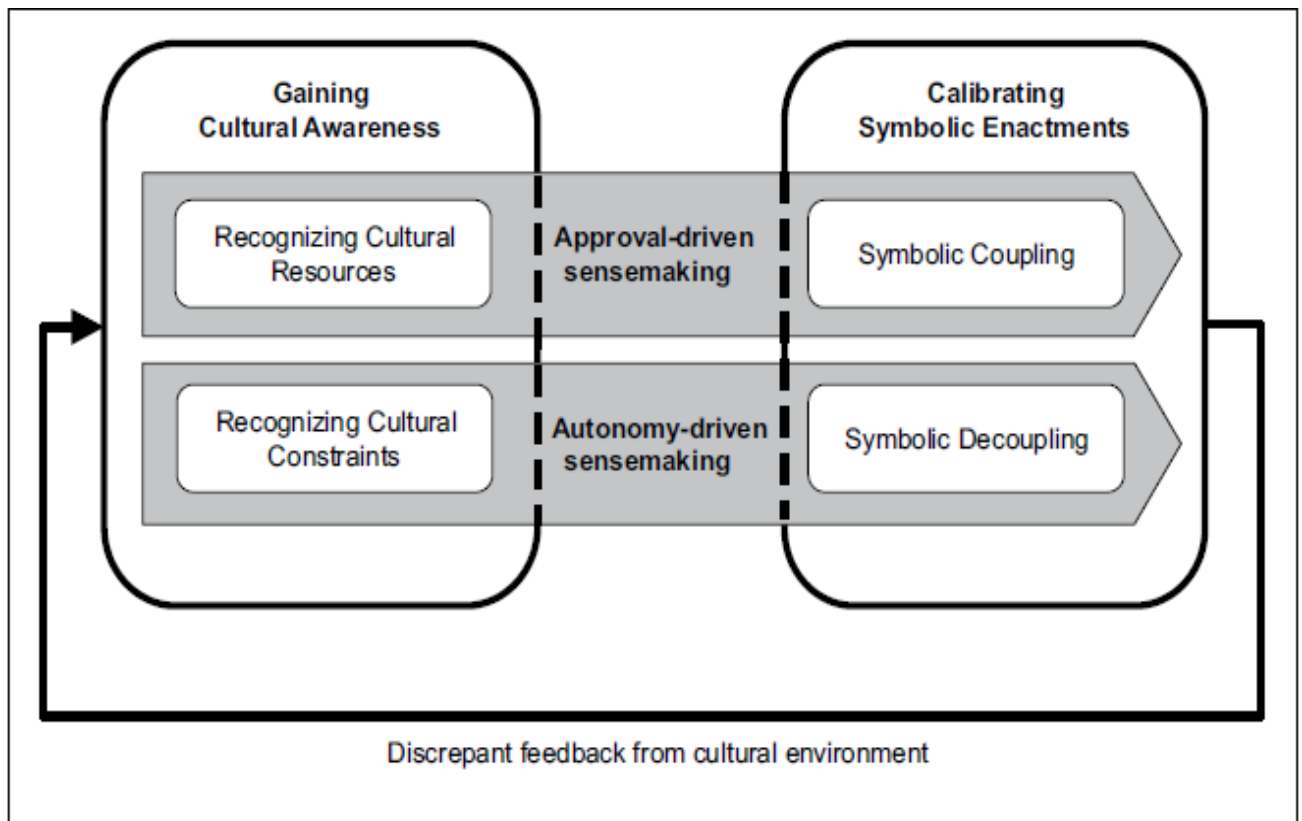


Fig.1: Theoretical Model: How Entrepreneurs Develop Cultural Competences.
Source: Überbacher et al. , 2015

Recognizing cultural resources involves awareness of unexpected *similarities* between the company and the cultural frames and expectations of public sector authorities and awareness of unexpected *contrasts* between the company and competing private sector companies. *Recognizing cultural constraints*, a component of the entrepreneur's broader 'autonomy-driven sensemaking', creates awareness of unexpected contrasts between the company and the cultural frames and expectations of public sector authorities as well as a joint realization of unexpected similarities between the company and competing private sector companies. 'Calibrating' symbolic enactments refer to better adapting and tuning the crafted business identity claims to the contingencies of the cultural context of the targeted public sector authorities. Two concepts appear here: symbolic coupling and symbolic decoupling. Symbolic coupling refers to the gradual process of more tightly 'aligning' the symbolic representation of the company with enabling public sector frames via mobilization of analogies to create similarities between aspects of the company and public sector frames as well emphasizing the way in which the company differentiates from competitors. Symbolic decoupling on the other hand, aims at avoiding recognized cultural constraints by symbolically 'shielding' the venture from cultural frames that threatened the viability of the company.

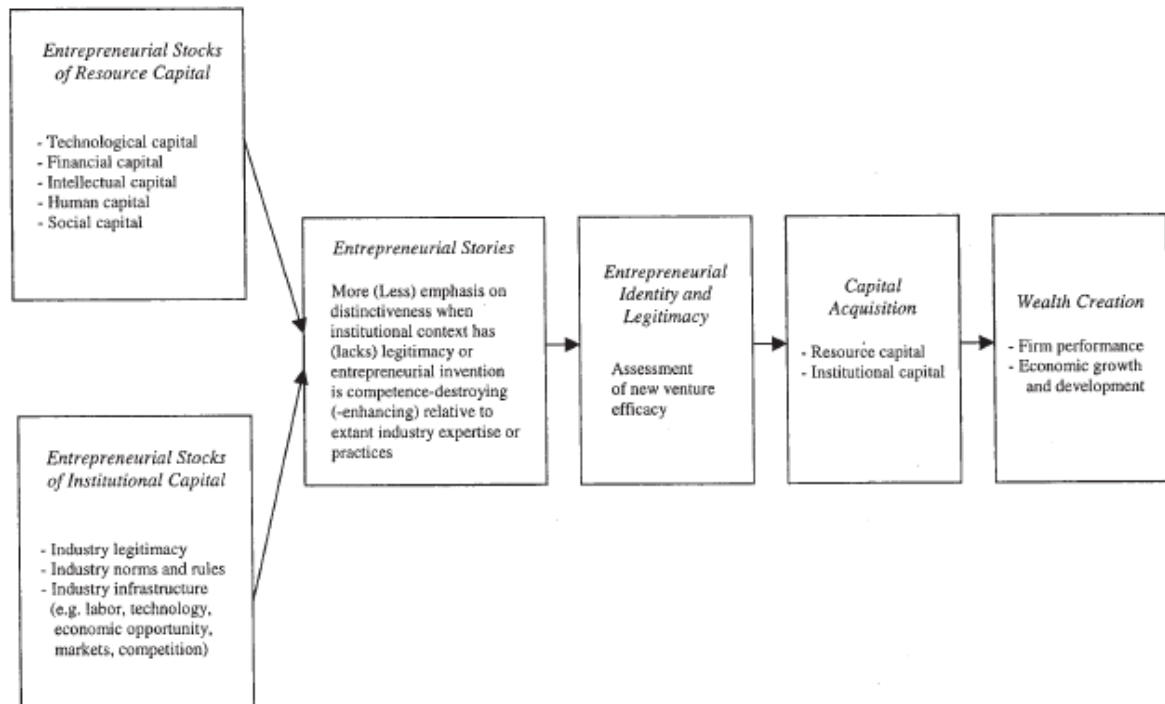


Fig. 2: Process model of cultural entrepreneurship
Source: Lounsbury and Glynn , 2001

Lounsbury and Glynn (2001) consider two important types of capital acquisition, namely resource capital and institutional capital. They provide a process model of cultural entrepreneurship (fig.2) that looks at how entrepreneurs must tell stories about their stock of capital in order to identify and legitimate their new ventures which will enable the acquisition of new capital and, ultimately, the generation of wealth. The authors view resource capital as a broad category that encompasses a variety of more specific kinds of capital such as technological capital, financial capital, human capital, intellectual capital, and social capital that are important ingredients for the success of both entrepreneurs and established organizations. On the other hand, institutional-level capital as consisting of three main industry-level elements: industry legitimacy (the degree to which the products and services offered by organizations in a given industry are accepted as appropriate and useful by broader publics), industry norms and rules, and industry infrastructure.

Conclusion

The aim of our paper has been to investigate on the importance of building entrepreneur's cultural competences in attracting resources to grow their businesses. Becoming a skilled cultural operator accordingly means that entrepreneurs should gradually become aware and deepen their understanding of context-specific cultural resources, opportunities and constraints, and to translate their evolved understanding into updated and better calibrated strategic actions.

The model proposed by Überbacher et al. (2015) emphasizes the critical role of 'decoupling'

as entrepreneurs create, locate and grow new organizations in their external cultural environments. Decoupling – and coupling– thus constitute key symbolic competences that entrepreneurs may need to develop and master. As Lounsbury and Glynn (2001) pointed out, „entrepreneurs need to learn to become skilled cultural operatives who can develop stories about who they are and how their resources or ideas will lead to future benefits for consumers and society”. The same authors advocate for detailed ethnographic studies of entrepreneurs at early conception stages for a better understanding of how some entrepreneurs are able to make it to the stage of formal organizational creation while others fall by the wayside, showing that processes of cultural entrepreneurship may be a particularly key element in revealing what separates potential ‘winners’ from ‘losers.’

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