

Dubious, Destructive, or Decisive? Spotting, Avoiding, and Rehabilitating the Dark Sides of Entrepreneurship

Entrepreneurship straddles positive and negative inputs, outputs, and outcomes. The predominant focus on positive aspects of entrepreneurial pursuit has overlooked mounting evidence of unproductive (Audretsch et al., 2021), unethical, and destructive actions, such as financial crime, customer fraud, investor deception (Desai & Acs, 2016; Scheaf & Wood, 2021; Antony et al., 2017), and other types of misconduct that erodes societal and environmental values (Anand et al., 2023; Haans & Oever, 2021). Since this so called “dark side” (Shepherd, 2019) was first acknowledged several decades ago (de Vries, 1985; Baumol, 1990), significant gaps remain in theorizing and modelling how entrepreneurs choose, switch, or sustain negative ends and means (Hainz, 2018; Luca & Zervas, 2016; Theoharakis et al., 2021). We encourage inquiries that explicitly foreground the causes, contingencies, and remedies of the dark side of entrepreneurship and welcome answers on whether, when, and why entrepreneurial experiences and endeavours may tip and turn from the bright to the dark side or vice-versa.

KEY DEADLINES

Submission of extended abstracts: November 10, 2023

Submission of full papers: March 1, 2024

See Page 5-6 for the complete timeline & submission instructions

EDITORIAL TEAM

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RELEVANCE AND NOVELTY

As highly publicized cases of entrepreneurial deception, such as the Fyre Festival and Theranos (Ho, 2021), have stirred broad based concerns about unexpected and understudied downsides of entrepreneurship, scholars have begun to refocus on such negative aspects, the so called “dark side” (Qin et al., 2022; Scheaf & Wood, 2021; Box, 2020; Shepherd, 2019). The variety of detrimental entrepreneurial actions compels renewed attention. A recent survey of 150 early-stage firms also indicated substantial prevalence — three-quarters of organizations deliberately gave incomplete or misleading information to their stakeholders (Yu et al., 2020) to gain financial benefits (Shepherd, 2019). The book "Against Entrepreneurship" (Örtenblad, 2020a) recently compiled works illuminating the breadth and depth of unproductive entrepreneurship (Baumol, 1990; Shepherd, 2019; Bandera et al., 2020; Miller, 2014). This special issue meets the urgent need to explore the negative inputs, outputs, and outcomes of entrepreneurship.

Progress in researching this dark side of entrepreneurship has been slow due to several challenges. First, there is a great deal of heterogeneity in how dark and destructive facets present themselves (Desai & Acs, 2007; Desai et al., 2013). This is the default for cases of intentional deception where practices need to constantly change just to stay abreast of detection. Second, it is difficult to convincingly capture behaviors and outcomes intended to remain hidden in the first place. And third, it is hard to delineate whether or at which point, certain unintended actions become intentionally destructive. Emergent and divergent perspectives on the dark side of entrepreneurship offer a promising avenue for future research and theorizing (e.g., Lundmark & Westelius, 2019; Olaison, & Sørensen, 2014). Without pushing for premature consensus on such a morally-charged phenomena (Desai, 2016), we can begin to define, operationalize, and differentiate among neighboring concepts (Shepherd et al., 2019), and trace key patterns of wrongdoing (Talmage et al., 2019). While some may readily accept the “fake it until you make it” philosophy common among entrepreneurs (Scheaf & Wood, 2021) as one way to overcome the liability of newness for example, many entrepreneurial behaviors have proven not just dubious but destructive.

We cannot continue to ignore inconvenient facets of entrepreneurship, especially in the face of evidence of the scope, scale, and spread of its dark side (De Sordi et al., 2022). To better understand the systemic nature and capture the dynamic aspects of the dark side, we propose moving the research agenda forward by (1) developing a contingency perspective of entrepreneurship, such that the underlying theoretical assumptions start with recognition of its potential to yield both positive and negative actions, experiences, and outcomes; and (2) unpacking the causes, contingencies, and remedies that shape which entrepreneurial endeavors, experiences, etc. tip between the bright and the dark sides (Shepherd et al., 2019).

RESEARCH AREAS

For this special issue of Small Business Economics (SBEJ), we seek contributions that tackle the negative or dark side of entrepreneurship from two broad angles described below.

(1) Individually-Enacted Dark Sides of Entrepreneurship

Scholars have recently acknowledged that *dysfunctional* or *dark triad personality* traits prevail among successful entrepreneurs (i.e., narcissistic, psychopathic, manipulative (Butticè & Rovelli, 2020; & Lerner, 2016; Yu et al., 2020; Hmieleski, & Lerner, 2016). The incidence of these traits in often successful entrepreneurial ventures suggests that there are circumstances under which

such traits may prove beneficial. However, these traits are typically considered as liabilities rather than assets from the viewpoint of the many other stakeholders inhabiting entrepreneurial ecosystems. Currently, there is little theorizing on the effect of such traits over the life-stages of ventures and the life-course of entrepreneurs. We still know very little about how others surrounding the entrepreneur possessing or confessing such traits buffer or build on them. Even evidence on the foundational question of whether entrepreneurs possessing these traits may have a higher propensity to engage in more destructive entrepreneurial practices in the first place and/or resort to such practices more frequently still remains unanswered.

New questions can explore the link between such personality traits or dispositions and the decision to engage in behaviours that can be considered corrupt, parasitical or criminal (e.g., Gottschalk, 2019; Anokhin & Schulze, 2009; Dutta & Sobel, 2016), such as rent-seeking, tax evasion & bribery (e.g., Baumol, 1990). There is also a need to theorize and understand the patterns and processes underpinning these different types of dark side entrepreneurial pursuits. While we expect such practices to be constantly changing to evade detection, for example by inventing and incorporating new technologies, we remain collectively unsure as to who may be more likely to intentionally choose, even invest in, such dark practices, as well as how and when they escalate such decisions by undertaking more destructive types of actions.

(2) Contextually Induced and Embedded Brightness or Darkness

Entrepreneurship's bright and dark sides have so far been conceptualized as polar ends of the same continuum, whereby intentions, decisions or actions may oscillate between bright and dark or be judged relatively to the opposite. A logical place to start is by focusing on contextual features that influence the degree to which entrepreneurs and their ventures bounce between the two extremes and the path they take as the progress from one end to the other. Configural approaches can prove particularly generative, both to unearth the heterogeneity of pathways within specific contexts and to compare and contrast such pathways among different contexts.

Work on intensive entrepreneurial engagement has acknowledged hazards such as entrepreneurship addiction (Spivack & McKelvie, 2018) or performance strain (e.g., Palmer & Weiss, 2022). Yet the influence of elements of context on these patterns of unhealthy engagement and unintended outcomes befalling the entrepreneur—which may also extend to others around them—have not yet been unstudied. It would be helpful to identify which contextual factors or dynamic processes may create pressure that tip the scale toward either brighter or darker outcomes.

The mechanisms used to enact dark behaviours also need further investigation. For example, there is an increasing need to examine the impact of technological innovations and digitalization, especially as governments struggle to respond swiftly to restrict the potential misuse of emerging tools. Innovations may offer mechanisms to keep dark acts hidden or can render them visible. As an illustration, one technology — blockchain technology — could enable or expose illegal entrepreneurial activities (Rawhouser, Vismara, & Kshetri, 2023). How emerging technologies, especially (open) AI, are leveraged may tip the proverbial scale on the role of entrepreneurs and entrepreneurship at different levels (e.g., Baucus & Mitteness, 2016; Chiu et al., 2022; Hornuf et al., 2022).

The nexus between politics, political connections, political instabilities, a nation's economic freedom (e.g., Bennet, 2021; Dempster & Issacs, 2017), and related international relationships and trade networks (e.g., Ferreira et al., 2022) likely impact the likelihood of dark side activities or outcomes. Various combinations of antecedent conditions can create more or less fertile ground for dark side entrepreneurship (e.g., Audretsch et al., 2021; Theodoraki et al., 2018). Many members of the entrepreneurial ecosystem, such as various intermediaries, incubators and accelerators, likely play their part in nurturing entrepreneurial power while preventing its abuse. More can be done to highlight the roles of multiple parties in whether and where dark entrepreneurship occurs and how fast and wide it spreads (Beaver & Jennings, 2005; Osborne, 1991). Conversely, members of the entrepreneurial ecosystem can also intervene proactively to dissuade dark intentions or curtail destructive actions. Research programs can also investigate which and when entrepreneurial support organizations may provide interventions that reorient dark side entrepreneurs towards the bright side and/or rehabilitate those who had already committed criminal acts (e.g., Bergman, & McMullen, 2020) and institutions of higher learning (e.g., Bischoff et al., 2020; De Sordi et al., 2022; Ziemianski & Golik, 2020).

Given the varieties of intentions and actions, typologies of dark-side entrepreneurship can systematically contrast sets of challenges that induce certain degrees of dark-side practices. Typologies may also differentiate among specific contexts, such as informal economy entrepreneurs (Friman, 2011), rural versus urban entrepreneurs (Somerville et al., 2015), entrepreneurship with different sustainability stances (e.g., Lundmark & Westelius, 2019; Qin et al., 2022; Williams & K'nife, 2012), and digital entrepreneurs (e.g., Sawy, & Bögenhold, 2022). By investigating the heterogeneity within and among these different groups, we can collectively advance toward a move nuanced and more comprehensive understanding of the phenomenon.

POTENTIAL RESEARCH QUESTIONS

For this special issue of Small Business Economics (SBEJ), we seek papers that offer conceptual, review, theoretical, qualitative, quantitative, comparative, and case-based approaches to the dark side of entrepreneurship. Examples of timely questions include, but are not limited to:

1. How can an entrepreneur's dysfunctional or dark triad personality traits permeate entrepreneurial ventures, impact founding teams, shape venture trajectories, and outcomes beyond firm performance?
2. What are the main means and mechanisms through which entrepreneurs enact sets of behaviors that can be classified as corrupt, "parasitical" or criminal activities?
3. How does context induce performance strain or entrepreneurship addiction in entrepreneurs? Do strain or entrepreneurial addiction increase or decrease the base rates of destructive decisions and actions?
4. How do technological innovations and digitalization shape the incidence and prevalence of destructive decisions and actions? In what ways does technology obscure or reveal such decisions and actions?
5. How might blockchain technology constrain or enable illegal entrepreneurial activities?
6. How might (open) AI be used to spot or disable deceptive 'crowdfunding' or Ponzi entrepreneurial schemes? Conversely, how might (open) AI be used to counteract investor fraud?
7. How does context induce or reduce anti-social motives? for practicing (social) entrepreneurship?

8. What role does the entrepreneurial ecosystem play in generating or mitigating dark side entrepreneurship?
9. What role do contextual conditions such as political climate, political instabilities, a nation's economic freedom, network structures and resource distributions play in fostering destructive intentions and actions and through what processes?
10. What role do various stakeholders and firms play in influencing entrepreneurial power and its allocation and abuse within ecosystems?
11. How might activities of entrepreneurial support organizations (ESO) including higher education institutions provide support or training that may pre-empt, expose or discourage destructive entrepreneurship? What pedagogical practices may fuel such dark sides?
12. What factors influence the emergence of dark practices among various types or groups of entrepreneurs: informal economy entrepreneurs, rural or urban entrepreneurs, environmental entrepreneurship, digital entrepreneurship? What are the outcomes? How can specific dark outcomes be avoided or rehabilitated?

We acknowledge that acquiring data on such topics may be sensitive, even treacherous. Open-ended forms of inquiry that tap into the “grey” zone may also be less likely to evoke protective mechanisms than anchoring questions at either the bright or the dark end of the continuum. Alternatively, soliciting counter-examples may surface critical events and trade-offs in decisions and actions. Several secondary data sources and methods offer promising starting points. Examples include new sources such as ChatGPT or methods like Linguistic Inquiry and Word Count (LIWC) (Chiu et al., 2022).

COMPLETE TIMELINE

- **October 20, 2023:** Extended abstracts for early-stage Paper Development Workshop (PDW)
- **November 10, 2023:** Decision on abstracts for early-stage PDW
- **November 20, 2023:** Early-Stage PDW taking place Hybrid. The guest editors will invite prospective author(s) to join the workshop (Hybrid).
- **March 1, 2024:** Deadline to submit papers for the Special Issue
- **June 30, 2024:** Decisions on the first submission
- **September 30, 2024:** Deadline to submit final papers
- **December 30, 2024:** Final decisions

SUBMISSION DETAILS

The guest editors will manage the editorial and review process of the SBEJ Special Issue submissions. All papers are subject to the standard referee process of Small Business Economics. Further, guest editors will only conditionally accept papers. All conditionally accepted papers will undergo a final review by the Editorial Board, who will then formally accept the papers for publication.

Submissions must be original, unpublished works that are not concurrently under review for publication elsewhere. All submissions should conform to the SBEJ manuscript submission guidelines available at <https://www.springer.com/journal/11187/submission-guidelines>

Paper Submission:

- **Abstract submission:** Authors interested in participating in the Paper Development Workshop (PDW) should submit an extended abstract (500-1000 words, excluding references, figures, and tables), outlining the research questions, hypotheses (if applicable), methods, main findings, and contributions by October 20, 2023 by email to ananda@excelia-group.com
 - Selected abstracts will be invited to join the hybrid PDW. The workshop aims to provide an opportunity to meet the guest editors and potential other contributors to the special issue and present initial ideas and research plans. The workshop will provide an opportunity to gain feedback, refine ideas, and strengthen the theoretical framing of the proposed contributions.

Participation in the PDW does not guarantee publication in the special issue. Also, participation in the PDW is not a requirement to submit a paper to the special issue.

- **Paper Submission:** Please email your paper to ananda@excelia-group.com no later than March 01, 2024.

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