



Chapter 13

Developing Authentic Leadership and Fostering Social Entrepreneurial Innovation


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ABSTRACT

Despite their inherent complexity, social entrepreneurs seek to create social innovation to stem society's wicked problems. To do so requires a balanced consideration of varying social expectations, all while trying to lead a sustainable enterprise. Educators look to equip the social entrepreneur with the right skills and mindset; with program failure, sadly, more common than not. This chapter seeks to explore the commonalities of such failures, highlighting the importance of behavioral development and facilitating an effective learning environment. Following an investigation into the notion of social entrepreneurship, authentic leadership is identified as a response some of the shortcomings of contemporary entrepreneurship education. The incorporation of authentic leader behaviors in entrepreneurial education can offer an injection as the social entrepreneur seeks to address the various challenges of social enterprise.

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1. INTRODUCTION

It is not a stretch to suggest that contemporary businesses should include ethical considerations into their business practice. In the ‘Essendon Drug Saga’, an Australian national football club’s provision of illicit performance enhancing drugs had detrimental effects on their long-term organizational performance (Crawford et al., 2017). Flow-on effects of the financial sector’s corruption, notably the Global Financial Crisis, arguably demonstrate how unethical behaviors of contemporary business can accumulate into far larger issues (GFC: Liu, 2015). Lack of ethical consideration in contemporary business practices, along with misleading behavior and deception, are problematic notions (Greenwood, 2002). The greenwashing conducted under Volkswagen’s ‘dieselgate’ is just another instance in which contemporary social values are not being upheld by business leaders (Siano et al., 2017). The consequences of corporate and individual malpractice have forced business to evolve (Boddy, 2011). Mistrust of corporations has influenced corporate leaders to act responsibly and within the constraints of the relevant social values (Van Marrewijk, 2003).

There are numerous examples in ancient history of innovators that failed to adhere to normative ethics of their time. Take Thomas Edison the innovator as an example. Edison, despite his media persona as a creative has been cast by more recent historians as an “dodgy dealer, the media manipulator, the appropriator of other people’s work” (Morus, 2018, n.p.). Despite the entrepreneurial success, his ability to deceive enabled long-term romanticizing of his life. However, at some point such actions are exposed. In a digitally connected world, this is unlikely to take around 100 years to uncover, but rather a matter of years, if not months. For example, Josh Tetrick, Founder of Hampton Creek was found to have been buying his own products to inflate sales in a venture capital seeking cycle (Zaleski et al., 2016). The outcomes of his dishonesty are not completely known, but the entire Board resigned, excluding Tetrick (Zaleski, 2017). Founder of Zenefits, Parker Conrad lost over \$2.5 billion worth of his enterprises value through the employment of unlicensed healthcare insurance salespeople (Tobak, 2017).

Contemporary entrepreneurs are expected and required to be ethical, and we argue, many have a desire for social impact. This social impact can be through adhering to minimal Corporate Social Responsibility (CSR) compliance or by establishing social enterprises. Consumers expect to see a certain level of CSR practice in organizations they purchase goods and services from (Mohr et al., 2001). Managers also have a general desire to engage in CSR activities (Jine & Preuss, 2009), so failure to engage in CSR could affect managerial motivation.

Genuine ethical consideration is sometimes an afterthought for leaders making decisions, and importantly entrepreneurs fall into the same category. Entrepreneurs

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