Interpreting community enterprises’ ability to survive in depleted contexts through the Humane Entrepreneurship lens: evidence from Italian rural areas

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Abstract

Purpose – Doing business in depleted contexts requires the adoption of an unconventional strategic orientation based on the involvement of the local community and driven by the attainment of economic, environmental and social goals. Previous studies have explored the specific nature of community enterprises (CEs); notwithstanding, little attention has been paid to the understanding of the strategic posture adopted by community entrepreneurs to overcome difficulties and make the business up. In this vein, the study aims to investigate how CEs operating in depleted contexts manage to survive, by successfully achieving multiple – conflicting – goals.

Design/methodology/approach – The authors adopted the Humane Entrepreneurship (HumEnt) framework as a form of institutional entrepreneurship where resources are leveraged to evolve the institutional context. This research adopts the case study strategy, focusing on Italian rural CEs.

Findings – The HumEnt approach, which takes into account both economic and non-economic and altruistic values of entrepreneurs, turned as better suited – compared to other approaches – to explain why people try to make business in such high-risk contexts. Second, the holistic approach of the HumEnt framework allowed catching up the particular mechanism that has enabled the CEs to obtain positive achievement.

Originality/value – The adoption of the HumEnt perspective enabled us to understand better the way CEs may survive and even grow where other initiatives have failed.

Keywords Community enterprise, Community entrepreneurship, Humane entrepreneurship, Case study, Rural areas

Paper type Research paper

Introduction

Community enterprises (CEs) are firms that pursue economic, social and environmental goals for the well-being of their community of reference (Johannisson, 1990; Gordon, 2002; Tracey et al., 2005; Peredo and Chrisman, 2006; Somerville and McElwee, 2011).

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The authors want to express their gratitude to Dr. Eric Liguori and to the anonymous reviewers for comments and suggestions that much helped improving this manuscript. Earlier versions of this study were presented at the ICSB Conference - Humane Entrepreneurship from Research to Practice (Washington), and the SIMA 2020 Conference - Grand Challenges: Companies and Universities working for a better society (Pisa). Useful insights from participants enabled us to improve our work. The authors are also grateful to Oreste Torri, Erika Farina an Simona Magliani for the time they have dedicated to them.

Funding: Open access funding provided by Università degli Studi di Genova within the CRUCARE Agreement.

Authors contribution: Authors equally contributed to this paper.
They represent a tantalizing subject, from both a theoretical and a practical perspective, as they are the expression of unconventional, collective entrepreneurship acting as an agent of change in their contexts (Boraston et al., 1996).

Up to now, CEs have been explored mainly under the umbrella of social entrepreneurship theories. Notwithstanding, the variety of concrete experiences developed in recent years shows that, albeit offering a sound perspective, the social entrepreneurship construct might not be sufficient to capture the complex nature of the diverse factors that drive community entrepreneurs’ strategic orientation. We do believe that a different perspective may contribute to shed light on this phenomenon.

Humane Entrepreneurship (HumEnt) (Kim et al., 2016; Parente et al., 2018) seems to offer a comprehensive interpretative framework able to capture the multifaceted nature of the strategic orientation that drives community entrepreneurs (Buratti et al., 2020).

For our analysis, we consider both Community Entrepreneurship and HumEnt as forms of institutional entrepreneurship, where resources are leveraged to evolve the institutional context (North, 1990).

Our study investigates two emblematic cases of Italian CEs. We focus on the Italian context for at least two motivations. Italian CEs that set up in the 90s of the last century have developed distinctively in recent years, also thanks to growing attention from national and local government. Despite that, they remain under-researched by academic scholars and we do believe that our arguments may have useful theoretical and practical implications.

The paper is organized as follows. The next section presents a literature background in which CEs and HumEnt are framed and set the research question. The following two sections describe the methodology and the case studies. In Narratives and Discussion, we explore the findings of our study, focusing on how the CEs analyzed were able to survive and develop, through pathways that reflected a strategic posture coherent with the building blocks of the HumEnt framework. Finally, we conclude by indicating implications as well as limitations of our study.

Literature background
Community Entrepreneurship as institutional entrepreneurship
Community Entrepreneurship is a kind of collective entrepreneurial attitude, leading to the setting up of CEs, i.e. firms whose primary goal is the attainment of the well-being of a specific community of reference. Given the multiple needs of a community, CEs’ objectives are also multiple and pertain to the economic, social and environmental spheres (Peredo and Chrisman, 2006).

CEs are usually framed within the larger concept of social enterprises (SEs) (Leadbeater, 1997; Shaw and Carter, 2007), but it is necessary to acknowledge that they differ for at least three reasons (Kleinhans et al., 2020). Unlike most SEs, CEs define their social purpose concerning a population living in a spatially defined area (Bailey, 2012). Further, CEs are multifunctional organizations engaged in diverse initiatives designed to contribute to local regeneration holistically; finally, they include democratic governance structures allowing members of the community they serve to take part in the management of the organization (Tracey et al., 2005).

CEs, in their modern form have developed since the 1970s, mainly in depleted areas characterized by elements like environmental fragility, demographic decline, closures of existing economic activities, scarcity or inadequacy of economic policy instruments, insufficiency of public services (e.g. education, infrastructure, health and welfare). In other words, CEs have developed in areas with no attractiveness for profit-oriented enterprises or affected by the long-term indifference or inadequacy of the state or philanthropic action (Gordon, 2002). Because of the scarcity of “traditional” competitive resources (Steiner et al., 2019), they go to dig for their development in the community-specific capacities (Minniti and Bygrave, 1999).
The realm of CEs is very diverse, especially for the variety of territorial, political, cultural and regulatory contexts in which they develop (Kerlin, 2006). Specifically, the degree of community involvement develops along a continuum between the paradigmatic case described by Peredo and Chrisman (2006), in which the entire community is directly involved in the choices and activities of the firm, to cases where a small group of people acts in favor of the community (Somerville and McElwee, 2011).

Given the objective of the paper, it is useful to better frame the phenomenon of CEs in Italy, which although quite developed (Mori and Sforzi, 2018; Buratti et al., 2021), has been little divulged in the international academic literature. In this country, they have developed in rural and, recently, in urban areas, mainly as cooperatives.

The long cooperative tradition of the country (Bernardi, 2007) has certainly influenced this course, but the cooperative form also has specific advantages in promoting democratic governance and ensuring a long-term linkage between the enterprise and the community.

Alongside social capital (Dana and Light, 2011) and social innovation (Healey, 2015), the institutional theory is one of the theoretical perspectives adopted by CE scholars (Clark et al., 2007). It provides a tool to appreciate the variety of existing experiences in the light of their institutional contexts, as well as the changing role of actors in local governance and provision of public services (Clark et al., 2007; Kleinhans, 2017).

Institutional entrepreneurship involves targeting legitimacy and promoting a change in what is considered legitimate in a specific context (North, 1993; Suchman, 1995). Moreover, while the “classic” entrepreneur exploits business opportunities within a framework quite clearly delineated, the institutional entrepreneur is alert to broader institutional opportunities, i.e. the possibility of doing and mixing things in a new way (Binder, 2007).

These mechanisms have received particular attention in the literature on SEs (including CEs) because these enterprises are defined precisely by the combination of social and commercial objectives (Battilana and Lee, 2014; Kleinhans et al., 2020).

**Humane Entrepreneurship: toward a novel way of doing business**

The theoretical construct of HumEnt is part of a cultural evolution that embraces the enlargement of entrepreneurs’ priorities following the Triple Bottom Line model of sustainability (Brundtland, 1987; Elkington, 1997). In this view, to achieve long-term positive outcomes, a firm should focus not only on the economic value but also on the social and environmental value it produces or destroys. Deeply rooted in this perspective, the HumEnt framework suggests a modernized entrepreneurial strategic posture, based on the integration of three components, namely the entrepreneurial orientation (EO), the sustainability orientation (SO) and the human resources orientation (HRO), and on their incorporation into the organization’s strategy and business model (Kim et al., 2018, 2021; Parente et al., 2018).

Looking closer at these components:

1. The EO has been traditionally considered a basic driver toward superior performances; while different perspectives and sets of characterizing dimensions have been developed over years (among others, see Miller, 1983; Covin and Covin, 1990; Lumpkin and Dess, 1996; Covin and Lumpkin, 2011; etc.), EO is considered within HumEnt as the expression of three basic features: risk-taking willingness, innovativeness and proactivity.

2. The SO is rooted in the corporate social responsibility (CSR) theory (Jones, 1980; McGuire et al., 1988; Carroll, 1991) and concerns a firm-level orientation aimed at satisfying the needs of the various stakeholders of the firm, particularly by balancing and harmonizing the interests of the enterprise and the community, ensuring environmental protection and social benefits (Shepherd and Patzelt, 2011).
The HRO (Lam and White, 1998) is rooted in the servant leadership theory (Greenleaf, 1977; Russell and Stone, 2002) and represents a firm-level orientation concerning interrelations with employees (executives and workers), in which the promotion of collaboration, empathy, empowerment, enthusiasm and the ethical use of power foster consensus building, teamwork strengthening and personal commitment (Pfeffer, 1998; Melé, 2003; Choi, 2006).

The way these three components are expressed within the business strategy is not uniform but is influenced by external, internal and individual factors. External factors refer to the influence of the firm’s environment on entrepreneurial activity (Covin and Slevin, 1991). Internal factors relate to corporate culture and organizational structure. The former, which depends on the organization’s shared values (Hofstede, 1991), influences the way employees and management interact. Organizational structure points out a more or less formalized form of management and interaction within an organization and the way it can impact performance and job satisfaction (Campbell et al., 2004; Heilmann et al., 2020). Individual factors underline the influence of individuals and, in particular, top decision-maker’s values on motivation and the firm’s strategic choices (Guth and Tagiuri, 1965; Hambrick and Mason, 1984; Santos et al., 2021; Khurana et al., 2021).

The adoption of a HumEnt strategic posture implies a fundamental change in the business management logic, which also affects a business organization. This leads us to interpret HumEnt from the perspective of Institutional Entrepreneurship and Humane Enterprises as forms of hybrid organizations.

**Research question**

A priori – in respect of EO in particular – CEs might not fully correspond to the archetype of HumEnt described by Kim et al. (2018) and Parente et al. (2018). However, we identify an important point of confluence between CEs and HumEnt in the understanding of the latter from the point of view of institutional entrepreneurship and in the perspective of multiple institutional logic in which the objectives of firm development are combined with human, social and environmental goals.

Hence, this contribution aims to pinpoint the existence and characteristics of HumEnt in CE-type organizations, through the analysis of two Italian rural CEs. Specifically, we aim to respond to the following research question:

**RQ1.** How are social, environmental and financial goals uniquely interwoven by community entrepreneurs in enacting HumEnt?

**Methodology**

In line with similar studies on entrepreneurship (Floris et al., 2020; Moretti et al., 2020) and considering the type of research question (Hedrick et al., 1993; Aguinis et al., 2019), we adopted the case study research strategy and carried out two qualitative case studies to strengthen the basis for analytical generalization (Miles and Huberman, 1994; Yin, 2003; Wynn et al., 2013).

The organizations chosen are Valle dei Cavalieri (VdC) and I Briganti di Cerreto (IBdC), two Italian CEs that have gained attention also at the international level (Kohn, 2020). Although they have developed in the same area (which has the typical features of a depleted context), they do present some points of difference (e.g. the age, the founders’ profile and the strategy adopted) that allow us to understand better the implementation of HumEnt approach.

To increase the rigor of the work (limiting informant bias; minimizing errors by triangulating data) and underpin the results, we used different sources of data (interviews, informal conversations, participant observations and secondary data) (Yin, 2003).
Our qualitative research study developed through different stages.

During Stage 1, secondary data were gathered from CEs’ websites, annual reports (last five years), recent articles from local magazines, previous research reports and videos on social networks (short films, web interviews etc).

Stage 2 implied two unstructured face-to-face interviews with leading figures of the two organizations. We interviewed the VdC’s vice president (Mr Oreste Torri), the IBdC tourism manager (Ms Simona Magliani) and one of the IBdC’s board members (Ms Erika Farina).

We used the expert interview technique (Meuser and Nagel, 2009), where the interview took the form of an open discussion (Spradley, 1979) and, to limit a biased self-presentation, we introduced the interview without any reference to the HumEnt posture. The expert interviews were conducted in November 2018 and lasted on average 150 min. The interviewees discussed the macrotopics (e.g. mission, business model, evolution, governance etc.) to depict their CE.

During Stage 3, between the end of March and the beginning of April 2019, we took part in a two-day event labeled “The School of Community Cooperatives,” organized by IBdC and VdC, and spent a few days in their villages. We had the opportunity to meet members of the two cooperatives, residents as well as local authorities. These informal talks and observations served to complete our analysis, by capturing some elusive issues (e.g. about the social life in the villages, the community interests, wishes and troubles of the entrepreneurs etc.), providing us with a closer look at the matter of interest (Bruyn, 1963).

As a whole, we analyzed 32 sources to form a base of knowledge from which we were able to extract 90 quotes related to HumEnt.

We then analyzed the entrepreneurial posture of the two CEs through the HumEnt analytical framework detailed in Figure 1.

Finally, to show the trustworthiness of the analysis, we draw on the following qualitative research criteria (Pedersen et al., 2012): credibility, transferability, dependability and confirmability. The credibility derives from interviewees’ control of the authenticity and

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**Figure 1.** The items of the HumEnt’s components

<table>
<thead>
<tr>
<th><strong>EO</strong></th>
<th><strong>SO</strong></th>
<th><strong>HRO</strong></th>
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<tbody>
<tr>
<td>- risk-taking willingness, intended as the inclination to take business-related risks → making decisions and acting under conditions of uncertainty (Dess and Lumpkin, 2005); &lt;br&gt;- innovativeness, intended as a focus on innovation as a source of competitive advantage; &lt;br&gt;- proactivity, intended as a propensity to beat competitors and actively seek business opportunities.</td>
<td>- “to improve the health and well-being of people in the firm”:&lt;br&gt;- “to improve the quality of life in the local community” → (also) the protection and restoration of the natural environment;&lt;br&gt;- “to promote democratic business models” → paying attention to what stakeholders value as fair and just, ensuring that their moral rights are respected and protected.</td>
<td>- empathy → “the extent to which a company shares emotions and information with its employees”;&lt;br&gt;- equity → “the extent to which a company treats individuals in a fair and equal manner”;&lt;br&gt;- enablement → “the extent to which a company provides the environment where each and every employee is able to develop their skills and knowledge”;&lt;br&gt;- empowerment → “the extent to which a company delegates power and responsibility from higher levels of the organizational hierarchy to lower level employees, especially with regard to the employee’s ability to make decisions”.</td>
</tr>
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</table>

*Source(s):* Kim *et al.* (2018, p. 21), Parente *et al.* (2018), Parente *et al.* (2021, p. 524)
completeness of the case studies. The transferability depends on the applicability of results to future research. Within the limits of the paper, we have tried to provide sufficient data to enable the audience to appreciate the transferability of the findings. The dependability stems from triangulation of multiple data source and continuous comparison of all three authors’ interpretations (i.e. quotation judgment and selection). The confirmability is supported by findings, which are largely the result of the informants’ experiences rather than the authors’ preferences.

Case studies
Context
VdC and IBdC are, respectively, located in Succiso and Cerreto Alpi, two different localities in the municipality of Ventasso, within the so-called inner area [1] of the province of Reggio Emilia (North Italy). Historically, this area was exposed to hydrogeological risk (floods and landslides), and its economy was based on farming and forestry. Unfortunately, the area faced a period of economic difficulties in the last 50 years. Indeed, the negative employment trends, together with the combination of other forces – such as an aging population and low birth rates, changing lifestyles and the withdrawal of public institutions – have progressively reduced the number of residents, which fell dramatically in the second half of the 20th century. The residents of Ventasso were over 11,000 in 1951 and decreased under 5,000 in 2001, falling under 4,250 in 2018. In addition, the municipality of Ventasso has registered a dramatic reduction of workers (−37.7%) from 1,356 in 1961 to 929 in 2001, followed by a small increase of 9.9% from 2001 to 2011. Considering the period 2012–2017, the average taxable income of the residents of Ventasso was on average about 23–24% lower than in the province of Reggio Emilia and Northern Italy.

These negative trends have been particularly evident in Succiso and Cerreto Alpi, as told us by the founders of the two CEs:

... Succiso in the 1950s had 1,200 inhabitants. Today we have 64, so it means that there has been an epochal upheaval (O. Torri, VdC’s vice-president, November 2018, Q1).

... Cerreto Alpi at the beginning of the 20th century had 1,000 inhabitants, today it has 80. This meant completely losing all the human resources of a territory, which left to seek its fortune in easier places (R. Farina, IBdC’s member, April 2012, Q2).

Valle dei Cavalieri
VdC has been established in 1991 and can be considered one of the very first experiences of community cooperatives in Italy.

The birth of VdC coincides with the closing of the last local cafe, which, in areas like these, represents one of the few places for social relations. Some members of the association for the promotion of the local territory decided to react to this unhealthy situation by starting an entrepreneurial initiative that restored some essential services (the cafe was re-opened and quite soon it was flanked by a grocery store).

At present, VdC is active in farming and manages a cafe, a grocery store, a restaurant (which offers a menu based on local products), a farmhouse, some rooms (on loan for use) for tourists, a facility with a small spa and a place for conferences. Moreover, the CE is engaged in sheep breeding, in the production of cheeses, and some services, such as the transport for students and elderly people or touristic services. Overall, VdC operates in different business areas, and workers are involved in different tasks under the CE’s needs.

In 2018, VdC has reached a turnover of € 650,000, following a trend of growth considering that it was € 508,000 in 2015. The size of total assets has grown too, compared to 2015 (around € 712,000), reaching almost € 860,000.
From the social point of view, job creation (on the date of the interview, VdC had just over 50 members, and 20 of whom were working members) and the revitalization of the village through tourism are very important results.

I Briganti di Cerreto
The setting up of IBdC may be traced back to 1995 when the local cafe was closed. As in the previous case study, this was the only meeting place for the villagers and very soon a group of friends supported by their families opened and managed the cafe voluntarily. Eight years later, in 2003, this initiative turned into a workers’ cooperative, devoted to forestry and chestnut processing.

Although Cerreto Alpi does not have a strong touristic vocation, the cooperative has gradually diversified, developing some community tourism projects. Alongside commercial activities, the CE provides various social services to the local villagers as well as to the territory (e.g. the snow shoveling service, the delivery of wood and field interventions during landslides).

The need for economic sustainability has pushed the cooperative to operate outside the original territory of reference, by taking part in calls for proposals (mainly in the forest business) concerning interventions that may be significantly far from Cerreto Alpi, as evidenced by an IBdC’s board member:

We are hungry for work and we go everywhere. [...] we went to work in Apulia, Sardinia, Sicily. The community benefits from it because the cooperative continues to live (E. Farina, IBdC’s board member, November 2018, Q3).

Overall, from only one worker at the birth of the cooperative, the workforce has risen to 10 units, six of which are permanent. From the economic point of view, in 2018 IBdC registered a turnover of € 385,000, a result similar to 2015 when it was € 392,000. Total assets amounted to € 555,000 in 2018, following a trend of growth given that it was € 452,000 in 2015. Concerning the social dimension, job increase, the return of births and the increase of presence in the village are very important.

Narratives and discussion

Turning local resources into business opportunities: the EO component
To answer our research question, we are going to recall and discuss some of the most representative features of the two case studies by following the HumEnt framework. Following Strauss and Corbin (1990), Table 1 proposes a set of first-order categories characterizing our CEs, which collapse into the items (second-order themes) of the HumEnt components (theoretical construct). Where possible, the first-order categories are supported by the quotations in the paper.

It is worth remembering that both entrepreneurial initiatives arise from the intent of the founding members to counteract the disadvantages of the local area. In this, we may recognize a typical feature of the EO component, as entrepreneurship may be stimulated both by the ambition to exploit new opportunities and by the desire to solve specific problems and overcome environmental threats (Morrison, 2000; Audretsch, 2007).

We can observe, in this regard, what one of the founders of VdC said:

This [depleted and abandoned environment] led us, at the time young people from the pro loco, to become entrepreneurs. We all had a job [...] so we didn’t do anything for our own sake. We did it to restore some services that had closed down over the years, and above all to try to stop depopulation and to give back employment opportunities to those who lived in Succiso. [...] (O. Torri, VdC’s vice-president, January 2020, Q4).
<table>
<thead>
<tr>
<th>Empirical supports</th>
<th>First order categories (links to theoretical constructs)</th>
<th>Second order themes (Items)</th>
<th>Theoretical construct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q5, Q17</td>
<td>Risk of personal reputation impairment</td>
<td>RS</td>
<td>ENTREPRENEURIAL ORIENTATION</td>
</tr>
<tr>
<td>Q6, Q7, Q9</td>
<td>Conservation of local heritage through economic exploitation and use of facilities for both productive and social functions</td>
<td>IN</td>
<td>SUSTAINABILITY ORIENTATION</td>
</tr>
<tr>
<td>Q7, Q8, Q9, Q10</td>
<td>Development of community tourism and creation of events characterized by uniqueness at national and international levels</td>
<td>IN, PRO</td>
<td>HUMAN RESOURCES ORIENTATION</td>
</tr>
<tr>
<td>Q10</td>
<td>Creation of events with the aim of disseminating the idea of doing business in a new way</td>
<td>IN, PRO</td>
<td></td>
</tr>
<tr>
<td>Q6, Q7, Q8, Q9</td>
<td>Ability to imagine business opportunities linked to specific territorial resources</td>
<td>PRO</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>Search for market opportunities inside and outside the territory of reference</td>
<td>PRO</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>Willingness to change the context by reversing an overwhelming negative trend</td>
<td>PRO</td>
<td></td>
</tr>
<tr>
<td>Q18, Q19, Q21</td>
<td>Attention and care for the local community and its territory</td>
<td>↑QoL</td>
<td></td>
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<tr>
<td>Q19, Q4</td>
<td>New employment opportunities and employees retention</td>
<td>↑QoL</td>
<td></td>
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<tr>
<td>Q20</td>
<td>Harmonization between firm and community interests</td>
<td>↑QoL, DBM</td>
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<td>-</td>
<td>CEs cooperative form</td>
<td>DBM</td>
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<tr>
<td>Q14</td>
<td>Involvement of local community</td>
<td>DBM</td>
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<td>Q15</td>
<td>Use of delegation</td>
<td>EMPW</td>
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<tr>
<td>Q16</td>
<td>CEs cooperative form</td>
<td>EQT</td>
<td></td>
</tr>
<tr>
<td>Q11, Q12, Q13</td>
<td>Strong interpersonal relationships entailing great commitment and involvement</td>
<td>EMPT</td>
<td></td>
</tr>
<tr>
<td>Q14</td>
<td>Adoption of an informal management style based on: inclusion, involvement, collaboration, sharing of information</td>
<td>EMPT</td>
<td></td>
</tr>
</tbody>
</table>

**Note(s):** Q=quotations; RS=risk taking; IN=innovativeness; PRO=proactivity; ↑QoL=↑ quality of life in local community; DBM=promotion of democratic business models; ↑HWPF=↑ health and well-being of people in the firm; EMPW=empowerment; EQT=equity; ENB=enablement; EMPT=empathy

**Source(s):** Own elaboration
In the case studies analyzed, risk-taking is expressed both in the personal commitment to address financial needs related to the implementation of strategic choices and in relation to the potential impairment of personal reputation in case of failure. In this respect, the narration of the VdC’s president is enlightening:

Those who found and set up a community cooperative must have very strong motivations, solid roots, the awareness of exposing themselves economically (over the years, the President and the Board members have personally guaranteed on some requests for funding to credit institutions), socially and politically (D. Torri, VdC’s president, March 2016, Q5).

Personal reputation has particular relevance in small communities where, because of social proximity, the social sanctioning mechanism may be more impactful (Lähtesmäki and Suutari, 2012): in the case of IBdC, for example, the founding partners did not have prior managerial skills and experience, and initially this fueled a certain skepticism in the local population.

Concerning innovativeness, it is imperative to emphasize that this type of enterprise can be very active in terms of social innovation, i.e. new social practices that aim to meet social needs (Howaldt and Schwarz, 2010). Furthermore, by paying attention to environmental, territorial and local community issues, and with the intent to change the context of reference, CEs may also become an active agent of sustainability innovation (Larson, 2000; Jorna, 2006; Schaltegger and Wagner, 2011).

The two CEs have based their development on a new way of conceiving tourism, whose peculiarities can be identified in two interrelated practices. First, the recovery and reuse of abandoned buildings to offer hospitality according to a logic of “albergo diffuso” (Confalonieri, 2011), an alternative tourist accommodation to hotels, B&Bs and farmhouses; second, tourists’ involvement in the daily life of the local community. In this respect, one of IBdC’s founding members says:

We have developed an innovative tourist formula, based on the use of the many abandoned houses, or second homes, that there are in the villages […] until rediscovering the traditional festivals of our country, which for 20 years were no longer made, so that tourists could come not so much to see, but to party with us. […] we are the opposite of the tourist village . . . (R. Farina, IBdC member, April 2012, Q6).

Tradition and innovation, therefore, appear to be an inseparable pair. The aim here is to give new life to buildings and production facilities, removing them from decline and consequent abandonment:

An old mill has been given to us, we have renovated it a bit, and IBdC has made it a sort of hostel (rural accommodation), which, nowadays – from the point of view of tourist attraction – seems more interesting than renowned hotels (F. Giovanelli, president of the Tuscan-Emilian Apennine Mountains National Park, March 2015, Q7).

In parallel, new initiatives were launched to increase the attractiveness of the place, build customer loyalty and, at the same time, generate new arrivals. The following quotation explains one of the most interesting projects realized by IBdC:

Six years ago, we invented the World Mushroom Championship: there were 80 participants. This year [2018] we had 800 participants from all over Italy and from foreign countries (Japan, Switzerland, France, Lithuania). This is something that has attracted incredible interest. We got a call from a tourist agency that wanted to propose a Venice-Cerreto Alpi package (E. Farina; IBdC board member, November 2018, Q8).

In the same perspective, VdC offers some useful examples as well. Let us consider the “Snow, Nature and the Apennines’ Culture” – a project launched in 2007 – which was the first in Italy involving schools by offering a mix of educational, sporting and social activities:
We wondered why schoolchildren should not come out of their classrooms. In 2007, we involved 80 pupils (for four weeks): in the morning, they went to school, in the afternoon they went hiking, snowshoeing, cross-country skiing, and, in the evening, they met the village community. In this way, young people could know and understand the culture of the territory, listening to both the people of the village and famous mountaineering, like Cesare Maestri and Rheinold Messner, who “narrated” the mountains (O. Torri, VdC’s vice-president, November 2018, Q9).

As evidence of the results achieved, it is worth mentioning the award for Excellence and Innovation in Tourism established by the World Tourism Organization (UNWTO) in the business category. In January 2018, VdC awarded second place in the 38th edition of the International Tourism Fair in Madrid, demonstrating the ability to build its distinctive position in the challenging, international tourism market.

This result does fill not only the members of the cooperative with pride but also the entire community, thereby contributing to strengthening relationships with both the local community and local authorities.

To conclude on EO, we must consider proactivity. According to Grant and Ashford (2008) and adapting their definition to our context, we define it as the tension of the entrepreneurial team toward change, i.e. the attitude and willingness to get involved, overcoming the limits set by the market in a continuous game of challenges, victories and defeats.

In this respect, our two CEs represent clear evidence of the willingness of the founders’ teams to face increasing risks, related to the expansion of the field of activity beyond the original boundaries of the reference market. What makes these experiences so peculiar, is that the search for new sources of income or the expansion of the activities carried out is not derived from the passion for innovation linked to the desire for economic affirmation – as in Schumpeterian innovative entrepreneurship – but are instead closely linked to attention to the local community, its needs and its requirements. The search for new geographical markets (see quote 3) and/or the development of new activities respond to the desire to ensure the survival of the CE and its community.

Last, but not least, we must mention the School of Community Cooperatives, a project launched in 2015, and subsequently formalized into a partnership between the two cooperatives under study and other organizations at the local, regional, and national levels.

When we realized that the community cooperatives attracted the attention of people outside the local territories, we decided to establish the School of Community Cooperatives, a recurrent event hosted by IBdC and VdC (E. Farina, IBdC board member November 2018, Q10).

The relevance of the school project is twofold: on one hand, it enables the CEs to increase visibility, attracting both tourists and experts, and thereby widens the network of relationships with stakeholders; this may be interpreted as a sign of innovativeness and proactivity. On the other hand, it contributes to generate and disseminate a specific culture about the very concept of CE, its significance and its role. Through academics’ speeches and narratives by collective entrepreneurs as well as by representatives of local and national institutions, the school contributes to multiple goals: (1) nurturing a base of knowledge about these unconventional entrepreneurial experiences; (2) generating a common language among participants and (3) creating shared symbols, thus legitimating the role of these pioneering collective entrepreneurs as potential agents of institutional change in their domain.

Dealing with internal and external stakeholders: the HRO component
Moving on to consider the HRO component, it is worthwhile to emphasize that it assumes a peculiar connotation, for at least two reasons: the first is related to the cooperative-community combination; the second, to the tiny size of the CEs analyses.

The cooperative form offers high guarantees concerning the main founding characteristics of the CE: the limited distribution of profits and the non-scalability
But what is more important is that the fundamentals of the cooperative movement (putting the person at the center of business, paying attention to social and environmental issues) are in our two CEs more than simply attitudes of the founding members, as they give rise to specific behaviors. In addition, the limited size of the firm — accompanied by a lean organizational structure — facilitates the adoption of a very informal management style, labeled an “extended family” style of management, naturally oriented to nurture a climate of cooperation, involvement and empathy among the members of the cooperative and, more generally, among all those who actively participate in it. In this respect, how the President of VdC describes his role is enlightening:

[... ] It is a question of taking on daily responsibilities of considerable importance, of managing the community cooperative as if it were an extended family (D. Torri, VdC’s president, March 2016, Q11).

It is interesting to note that the concept of the “extended family” could appear to be an expression of a paternalistic attitude toward its employees and collaborators; on the contrary, it is commonly shared within the cooperative:

In the community cooperative, I found a beautiful reality I saw the true union, the strength of families and people (Cristian; VdC member, June 2020, Q12).

We (cooperating members) are almost exchangeable and able to do what is needed. We have a quality of life much, much, much higher than other realities . . . Our firm is like an extended family (E. Pedrini; VdC member, October 2019, Q13).

Another interesting feature of the management style is the way the meetings of the board of directors are organized; they are indeed held informally in places open to the community so that they often coincide with moments of conviviality:

[... ] we start eating and discussing. If there is someone present, even a tourist, we offer him a drink and involve him because maybe he has some good advice to give us (O. Torri, VdC’s vice-president, June 2020, Q14).

In daily activities, each member of the cooperative is considered a resource useful for different kinds of needs: this principle, on the one hand, makes resources useable efficiently; on the other hand, it increases the individual’s awareness of contributing to a shared project. Of course, this does not exclude that about the skills possessed and the competencies expressed in the field, differentiation of roles is attained, with the assumption of organizational responsibilities in specific areas of activity.

Currently, the cooperative has a division of tasks in which Luca manages the work and personnel, Erika manages administration and representation, and Simona tourist activities (E. Farina, IBdC board member, March 2016, Q15).

Despite this, there is a clear principle of fairness within the cooperative about the economic treatment of members:

[referring to full-time contracts]: . . . we have a fixed salary for everyone; no one has a higher salary and a lower salary (E. Farina; IBdC board member, November 2018, Q16).

Nevertheless, there was no shortage of problems, both among the members of the cooperative and concerning citizenship and local authorities. In this respect, there is a clear perception on the part of the CE’s management team that it is responsible for making things going well:

The management team must have the strength to overcome difficulties, to motivate community engagement and not to give up easily to the pressure of that skeptical portion of the citizens who do not trust the project (D. Torri, VdC’s president, March 2016, Q17).
From social needs to environment protection: the SO component

A similar rationale can also be applied to the social and environmental components of SO. These components are, in some ways, guaranteed by the fact that the two firms are marked by a genuine orientation toward the environment and the community of reference. One may argue that while in CSR, SO is considered a “responsibility,” here, it represents a priority need.

The landscape is a commodity that cannot be bought or sold. We are the guardians of this landscape (G.L. Ferretti, Cerreto’s Cultural Foundation, November 2017, Q18).

Our mission is to keep the cooperative alive, keep the country alive, and try to keep hiring people (E. Farina and Simona Magliani, IBdC board member and tourism manager, November 2018, Q19).

It is no coincidence that the reopening of a social milieu such as a café represents in both cases the triggering mechanism of the cooperative start-up. At the same time, the enhancement of tourism attractiveness is sustainably pursued by both cooperatives, with an offer compatible with the territorial specificities (slow tourism) and with the development of educational paths functional to the formation of a green culture and the preservation of traditions.

Yet, given the altruistic mission of the community entrepreneurs, one might rather be concerned about their attention and ability to be economically sustainable. Now, the innovative market strategies implemented and mentioned above (as well as the economic results) reveal how economic sustainability (rather than profits) are evident orientations of the two firms examined, at least because they are functional to survival and overall sustainability.

We started right here, from the café, the one that closed in the late 1980s. We then opened the shop, then the restaurant, and then the farmhouse. It is an economic and social model that has allowed our village to stay alive (D. Torri, VdC’s president, December 2016, Q20).

Cooperative serves, and has kept the village on its feet. If you look at the villages around here, they are all uninhabited and if these guys were not there, the same thing would happen here (E. Torri, one of the oldest Succiso inhabitants, Q21).

How CEs enact Humane Entrepreneurship

As highlighted in the literature background, CEs can be conceived as forms of hybrid organizations, i.e. enterprises that simultaneously pursue different goals, traditionally ascribed to different institutional logics (e.g. social/mission-focused and commercial/profit-focused; Smith and Lewis, 2011). Integrating such logics is not always easy, and some organizations may pursue them with structurally separate approaches (differentiated hybrid) or even encounter real conflicts between logics in business vision and management (dysfunctional hybrids) (McMullen and Warnick, 2016). Some organizations instead succeed in bridging diverse institutional logics (Tracey et al., 2011), through an alternative conceptualization of their relationships and the development of new ways of organizing business (Skelcher and Smith, 2015).

The CEs analyses have developed in territories, where because of excessive costs or lack of profitability, profit-oriented firms have withdrawn. Cleverly, relying on an unconventional way of conceiving the firm (at the service of the community and well-being, collectively managed etc.), they trigger mechanisms that come out of the traditional schemes that have failed in these contexts (e.g. polyvalence of workers and compensation for losses of some activities through the development of more profitable activities). In combining entrepreneurial activities, care for people, and attention to environmental issues, these firms have enacted a new way of conceiving the firm and its role, both in the market and in society.

It emerges from our case studies that commercial activities (forestry care, community tourism and catering) are functional to the attainment of different goals. First, the creation of employment and, in this way, the retention of the population on-site; second, the procurement of economic/financial resources to be dedicated to unprofitable social functions (e.g. café) and
the provision of services to the local community. In a mirror-like manner, the businesses that have been developed to obtain that surplus are precisely based on the valorization – and, therefore, strengthening – of the social and environmental resources of the community (exploitation and care of the historical, environmental and cultural heritage).

Rather than either taking a non-profit model and adding a commercial revenue stream or taking a for-profit model and adding a service program, our CEs developed a model able to produce both social value and commercial revenue through a single, unified strategy.

This is not new among social innovators, who are characterized by their ability to create hybrid organizations that primarily pursue a social mission but rely significantly on commercial revenue to sustain operations (Battilana and Dorado, 2010; Battilana and Lee, 2014). Previous studies on hybrid organizations have demonstrated that to be sustainable, new types of hybrid organizations need to create a common organizational identity that strikes a balance between the logics they combine.

What is new in our cases is the continuous overlap between the three components of a HumEnt posture. In CEs, the glue that holds the different parts together is the very idea of the community stemming from the stratification of social, environmental and economic relations.

The care for the community and the concern for its future constitute the foundations of the integration between logics and strategies. In these cases, the fact that they are linked to a specific territory, and live within a community and for the community, constitutes the base for a strong identity, shared both by active members of the CE and by the community as a whole.

In this vein, the analyzed CEs seem to represent an example of dissenting hybrid (Mair et al., 2015), an organization that does not rely on the prioritization of a single institutional logic; instead, it can innovate by adopting new practices not prescribed by the commercial or social welfare logic. In particular, they seem to rely on new relationships between different institutional fields, where the means to achieve the different objectives are the same or are mutually supportive.

The positive performances achieved by these companies – obviously related to the specificities of the context in which they operate – testify that the integration between different logics has been achieved fruitfully.

Conclusions

The main goal of this paper is to analyze how community entrepreneurs operating in depleted contexts may survive and even grow, contributing to the regeneration of their territory. Building on previous literature that has conceptualized HumEnt as a novel firm strategic posture able to combine different strategic orientations (Parente et al., 2018), this study tries to interpret the very nature of Community Entrepreneurship.

Through the analysis of two Italian CEs, we aimed to answer the following research question: how are social, environmental, and financial goals uniquely interwoven by community entrepreneurs in enacting Humane Entrepreneurship?

To this aim, we have discussed the presence and modalities of HumEnt postures in the two CEs analyses, trying to highlight how social, environmental, and financial goals are strictly interwoven by the community entrepreneur, thereby giving birth to a new way of doing business in a depleted context.

The case studies analysis suggests some useful insights in this respect, in that (1) both CEs showed an entrepreneurial posture very consistent with the HumEnt model and (2) both CEs have demonstrated a certain capacity to trigger mechanisms able to attain financial stability while giving strategic priority to social and environmental goals.

The analysis of how the three components of HumEnt unfold in the CEs highlighted some peculiarities, related to the form of the enterprise (cooperatives with participatory
governance), the mission (socially/community-oriented) and their knowledge of the context. In sum, the sustainability of the entrepreneurial initiatives seems to be derived both from the organizational specificities of the CEs and from their strategic posture.

Though our findings require testing and further exploration, they contribute to current efforts to improve the understanding of the enactment of HumEnt as a novel strategic posture. In doing so, they also offer some insights into how actors enact multiple institutional logics within the boundaries of organizations.

In particular, while HumEnt’s proponents call for the integration of EO, SO and HRO (Parente et al., 2018), literature on hybrid organizations highlights the importance of developing new organizational identities based on institutional logics reconfiguration.

In our opinion, the case of CEs is very interesting and peculiar in this respect because it is the very idea of the community that inspires this integrated conception. The community is recognized as an entity (which, in our case studies, is broader than the CE) that is the result of interrelated economic, human, and socio-territorial resources and relationships.

As the history of Succiso and Cerreto Alpi shows, the community cannot survive if one of these components deteriorates or disappears. Starting from this idea of community, to then turn to the idea of enterprise, represents a pathway toward the creation of a new institutional logic that constitutes the basic tool for enacting an integrated HumEnt.

Our study has some limitations.

First, it focused on a qualitative analysis, which allows some analytical generalization but does not consent to statistical generalization. Widening the research would add significance to our insights. On the one hand, the qualitative analysis should be applied to other marginalized contexts (in particular, urban areas), as well as to failure experiences. On the other hand, we propose to develop quantitative studies on rural CEs to achieve statistical robustness. This, however, would first require an effort at the operationalization of the HumEnt model.

In conclusion, it is necessary to recognize that the issues presented in this paper may provide a starting point for further research on challenges and opportunities associated with a new way of understanding collective entrepreneurship and the adoption of HumEnt posture in order to address the demands of depleted contexts in the new era of sustainability.

Note
1. Italian inner areas are situated at a considerable distance from the centers of supply of essential services, and they are typically subject to depopulation, impoverishment of the economic structure, and progressive marginalization.

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