Business Incubators and the Application of Equity, Diversity, Inclusion (EDI)
By: Daren Costin
Bachelor of Social and Community Development Capstone Project

Sheridan

April 2024

Background

The Question: "How do incubators help entrepreneurs think about equity, diversity and inclusion (EDI) in relation to the ventures they are supporting?"

Business incubators guide the genesis of a business start-up and are entrusted with the task of incorporating entrepreneurial values into their curriculums, services and programs they offer. Equity, Diversity and Inclusion, known as EDI, is becoming a common set of values and lead to the development of my research question.

Games et.al.(2021) found that an incubators success was reliant on building a healthy ecosystem. Thus, there is a need for research on the intersection between EDI and incubators. It also important because these business ecosystems are well networked societies, have intense multicultural hubs and are influencers.

Methods

The study used a qualitative research design.

Data Collection: I conducted 30-45 minute semi-structured virtual interviews using my interview guide that had five research questions. The five participants were staff from business incubators across North American who all held managerial roles with the highest being a senior manager with 20 years experience. They were recruited using the snowball sampling method which made for a diverse selection of private and institutional incubators.

Data Analysis: 210 quotes were selected from the transcripts for data analysis. From these quote 45 themes were created which were then put into the five major themes which included recommendations.

Ethical Considerations: This research project carried no probability of any type of harm to its participants. As part of the project, confidentiality and consent were first discussed and then signed by the participant via email. They were also informed of the right to withdraw, removal of personal and identifying information from all the transcripts, electronic data management and the eventual dissemination of the findings to the public.

Key Findings

When connecting the work that incubator do with EDI, most see EDI as an emerging concept. It is a part of the vernacular.

"...it's that heightened awareness...it's now something in the back of my head all the time.." (P5).

"..first started talking about it through the lens of…ethnicity, race and then physical ability." (P4)

"..I think we're still….years, if not decades, away from…seeing the full implication" (P3)

There was a difference in the values that are each incubator placed on EDI and EDI training.

" So it depends on who the entrepreneur is. It depends what their own personal values are." (P5)

"They've seen it in employment applications and college applications and so it's...a part of their vernacular and expectation." (P4).

EDI is not strongly incorporated into the application process of independent incubators. It is however being gradually increased in institutional incubators.

"I would say today we're not really doing it". (P3)

"Not in the application process...Just...the general...like contact information or the person identification questions." (P5).

Incubators support entrepreneurs through an EDI lens by living it, by sharing the responsibility and patience.

"the way we provide the programs through kind of the examples, the case studies, the diversity in the mentors." (P5)

"they can record a short video...tell me what's in their heart, about what they want to do. And we try to work with everyone." (P2)

Incubator managers offered insights on managing an incubator that applied to managers and their incubates.

P1 and P5 said that incubators should provide supports and staff that are from the populations they serve.

P2 recommended that incubators question their motivations and ask if they are doing it for the advancement of EDI or to avoid criticism.

P4 said incubators should make use of their own resources because *"every coach needs a coach."*

P3 set an example by acknowledging the had no recommendations, yet went on to share their resources.

Discussion

The findings showed that business incubators do use EDI practices, and the internet also has easily accessible information on EDI. However, my literature review showed that there is a sparse and inadequate amount of qualitative research on EDI and incubators.

Another finding was incubators need to become more informed about EDI because the research show professional uncertainty about the topic because they may not understand it. The Government of Canada (2023) says that there are invisible barriers that can hinder the impact of EDI.

Lastly, incubators should be clearly aware of their cultural history and location because it will affect their pedagogy. This was especially clear because participants were geographically spread out over North America.

Implications for Practice

Incubators should begin developing their own framework around a community of practice; Buckley et.al. (2019) say that it is important to remain highly focused (on EDI in the context of incubators) to avoid replicating current definition.

Incubators should scrutinize their practice and systematically define their EDI principles and application. This will also reveal populations who practice differently. It will also show just how invested the agency is with EDI.

Lastly, further research should be done on diversity within business incubators ecosystem. This will help catalog methodologies and ensure just as many diverse approaches are created and used.

References

Buckley, H., Steinert, Y., Regehr, G., & Nimmon, L. (2019). When I say community of practice. *Medical Education*, *53*(8), 763 765. https://asmepublications.onlinelibrary.wiley.com/doi/10.1111/medu.13823

Games, D., Kartika, R., Dessy Kurnia Sari, & Assariy, A. (2021). Business incubator effectiveness and commercialization strategy: a thematic analysis. *Journal of Science and Technology Policy Management, 12*(2), 176–192. https://doi.org/10.1108/JSTPM-03-2020-0067

Government of Canada. (2023, July 7). *Best practices in equality, diversity and inclusion in research practice and design.* Canada.ca.