

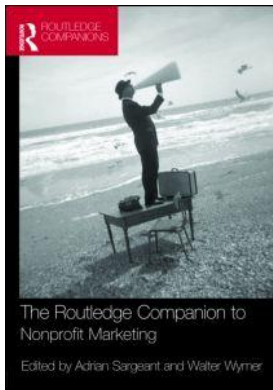
This article was downloaded by: 10.2.97.136

On: 22 Mar 2023

Access details: *subscription number*

Publisher: *Routledge*

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: 5 Howick Place, London SW1P 1WG, UK



## The Routledge Companion to Nonprofit Marketing

Adrian Sargeant, Walter Wymer

### Social entrepreneurship

Publication details

<https://test.routledgehandbooks.com/doi/10.4324/9780203936023.ch12>

Gillian Mort, Jay Weerawardena

**Published online on: 22 Nov 2007**

**How to cite :-** Gillian Mort, Jay Weerawardena. 22 Nov 2007, *Social entrepreneurship from: The Routledge Companion to Nonprofit Marketing* Routledge

Accessed on: 22 Mar 2023

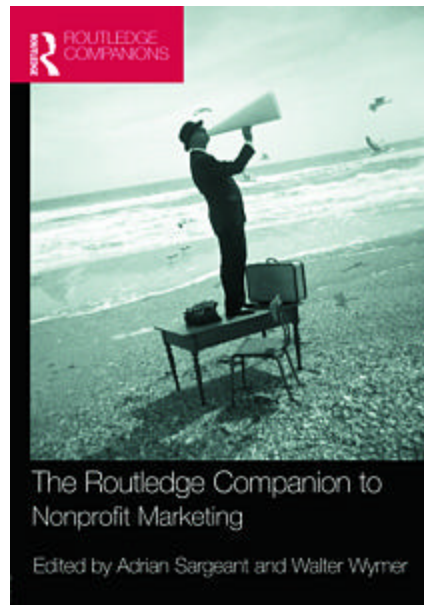
<https://test.routledgehandbooks.com/doi/10.4324/9780203936023.ch12>

**PLEASE SCROLL DOWN FOR DOCUMENT**

Full terms and conditions of use: <https://test.routledgehandbooks.com/legal-notices/terms>

This Document PDF may be used for research, teaching and private study purposes. Any substantial or systematic reproductions, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The publisher shall not be liable for an loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.



ISBN: 0-415-41727-9, *The Routledge Companion to Nonprofit Marketing*, © 2008 Adrian Sargeant and Walter Wymer for editorial matter and selection; individual chapters, the contributors, Routledge, Page cover.

---

First published 2008  
by Routledge  
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

Simultaneously published in the USA and Canada  
by Routledge  
270 Madison Avenue, New York NY 10016

*Routledge is an imprint of the Taylor & Francis Group, an informa business*

To purchase your own copy of this or any of Taylor & Francis or Routledge's collection of thousands of eBooks please go to [www.eBookstore.tandf.co.uk](http://www.eBookstore.tandf.co.uk)

© 2008 Adrian Sargeant and Walter Wymer for editorial matter and selection;  
individual chapters,  
the contributors

Typeset in Bembo by RefineCatch Ltd

Printed and bound in Great Britain by  
TJ International Ltd, Padstow, Cornwall

All rights reserved. No part of this book may be reprinted or reproduced or utilized in any form or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

*British Library Cataloguing in Publication Data*

A catalogue record for this book is available from the British Library

*Library of Congress Cataloging in Publication Data*

A catalog record has been requested for this book

ISBN10: 0-415-41727-9 (hbk)  
ISBN10: 0-203-93602-7 (ebk)  
ISBN13: 978-0-415-41727-3 (hbk)  
ISBN13: 978-0-203-93602-3 (ebk)

# 12

## Social entrepreneurship

### Advancing research and maintaining relevance

*Gillian Mort and Jay Weerawardena*

Sophia Khatoon, a 22-year-old highly skilled furniture-maker in the tiny village of Jobra in Bangladesh, worked seven long days a week, looked twice her age and lived in abject poverty. She made stools and chairs out of bamboo, which she had to sell to a moneylender who provided the credit to buy the raw material. The price she received barely covered the costs. Dr Yunus – Professor of Economics at the University in the Southern port city of Chittagong who later founded the Grameen Bank – calculated that effectively Sophia was paying interest at the rate of 10 per cent a day, more than 3,000 per cent a year. Yunus could not reconcile the fact that a woman with such excellent skills, who worked so hard, produced such beautiful bamboo furniture and created wealth at such a high rate was earning so little.

In fact, the poor all over the world are trapped in such exploitation. While they work extremely hard and create enormous wealth, the middle-men, moneylenders and employers keep the fruits of their labour. The poor have no access to ‘institutional credit’, which you and I have, because they cannot provide a collateral. The system keeps them firmly trapped in debt, poverty and exploitation.

With a loan of 50 taka (a few dollars), it took Sophia only a few months to establish her own little self-employment, increase her income sevenfold and repay the loan (Grameen Bank – Banking on the Poor 2006).

### Introduction

The concept of social entrepreneurship can be succinctly captured as a paradigm where business principles and methods are applied not for individual gain and profit, but for group or social gain and for social change. Philosophically, the late twentieth and early twenty-first centuries may be identified as an era of the primacy of capitalism as a model for economic development and management, following the decline of prominent superstates organized around the communist system through dissolution or marketization and a growing globalization of markets and free trade. Perhaps it was thus simply a natural evolution for the ‘ideaware’ of the successful capitalist model, business principles and methods, to begin to be applied to what is often termed areas where there is market failure (Dart 2004). Thus there has developed

a growing interest and application of social entrepreneurship as an alternative model for social change, for social and economic development, particularly as an approach that avoids welfare dependency (Pearson 2002). One of the most well-known social entrepreneurship models is that of M. Yunus and the Grameen Bank concept profiled above, where access to banks, bank loans and finance through the provision of micro-credit provided an innovative solution allowing the poorest of the poor to break out of poverty through their own initiative and resourcefulness. This model has been widely influential and adopted throughout the world, clearly exemplifying the power of social entrepreneurship to have great effect for positive social value creation.

A current definition of social entrepreneurship, focusing on the social enterprise, generally enterprises founded with the motive of social value creation but including profit-generating initiatives, identifies social entrepreneurship as:

any attempt at new social enterprise activity or new enterprise creation, such as selfemployment, a new enterprise, or the expansion of an existing social enterprise by an individual, teams of individuals or established social enterprise, with social or community goals as its base and where the profit is invested in the activity or venture itself rather than returned to investors.

(Harding 2006, emphasis added)

An alternative definition with the more customary emphasis on the themes of entrepreneurship and social change is also widely available:

Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to make social change. Whereas business entrepreneurs typically measure performance in profit and return, social entrepreneurs assess their success in terms of the impact they have on society and often work through nonprofits and citizen groups.

(Wikipedia 2006)

Social entrepreneurship can be distinguished from other forms of social action, advocacy, philanthropy and non-profit organizations more generally. Several researchers, prominently among them Dees (1998a) and also Sullivan *et al.* (2003), argue that social mission is explicit and central for social entrepreneurial organizations. Dees (1998b) also argues that similar to a forprofit firm, the purpose of which is to create superior value for its customer, the primary purpose of social entrepreneurship is to create superior social value. He argues that a social entrepreneur's ability to attract resources (capital, labour, equipment, etc.) in a competitive marketplace is a good indication that venture represents a more productive use of these resources than the alternative it is competing against. On the funding side, social entrepreneurs look for innovative ways to assure that their ventures will have access to resources, including creating profitable social ventures, accessing grants and providing public goods as an agent of governments, as long as they are creating social value.

Paralleling the centrality of the social mission, there is a corresponding emphasis on innovation as a defining characteristic of social entrepreneurship (Nicholls 2006). Dees (1998b) speaks of the role of engaging in a process of continuous innovation. Prabhu (1998), and Sullivan Mort *et al.* (2003) identify the three factors of innovativeness, proactiveness and risk-taking (from Covin and Slevin 1989) as central to social entrepreneurship. Similarly, Borins



(2000) identifies innovation as crucial for social entrepreneurs in the public domain. Recently in a seminal contribution to clarifying the conceptualization of social entrepreneurship, Weerawardena and Sullivan Mort (2006) conducted empirical research identifying social entrepreneurship as possessing the core attributes of entrepreneurship – proactiveness, innovativeness and risk-taking – within a constrained optimization framework bounded by the environment, the social mission and the need for organizational sustainability. This conceptualization resolves the controversy of whether social entrepreneurial nonprofits should simply be run as businesses; with business models transparently adopted from the for-profit sector implemented by a cadre of experienced business professionals. Based on empirical case studies, Weerawardena and Sullivan Mort (2006) found that successful entrepreneurial nonprofits thrive by offering superior value to their clients and can sustain their competitive advantage in increasingly competitive markets while retaining their focus on achieving their social mission. The study finds that social entrepreneurship is a bounded multidimensional construct which is deeply rooted in an organization's social mission, its drive for sustainability and highly influenced and shaped by the environmental dynamics.

### **Social entrepreneurship: the history of an idea**

The terms social entrepreneur and social entrepreneurship were first used in the literature on social change in the 1970s in relation to values orientations (Banks 1972). The terms came into widespread use in the 1990s, with attention from leading business academics and practitioners (Rosabeth Moss Kanter and Bill Drayton, the founder in 1981 of Ashoka, the organization devoted to fostering social entrepreneurship ([www.ashoka.org/](http://www.ashoka.org/))). Michael Young, a prominent thought leader in the field, founded the Institute of Community Studies in 1953 and established a number of significant organizations and initiatives including the School for Social Entrepreneurs (UK) in 1997. Dees *et al.* (2001, 2002) have provided significant leadership in conceptualizing the field with Bornstein (2004) profiling many compelling examples of social entrepreneurship in practice.

The year 2006 provided a number of important milestones in social entrepreneurship. In the research domain three important publications have appeared. A special issue on social entrepreneurship appeared in the influential business journal *Journal of World Business*, marking attention to the field by a prominent business journal. Second, the publication by Oxford University Press of an edited volume by Nicholls (2006) on social entrepreneurship, including chapters from leading practitioners and academics in the field highlighted social entrepreneurship as providing new models of sustainable social change. Third, Palgrave Macmillan (2006) published a book edited by Mair *et al.* specifically addressing social entrepreneurship theory and research. These publications indicate the legitimization of social entrepreneurship as a field of academic enquiry. Significantly, 2006 also saw the award of the Nobel Peace Prize to Muhammad Yunus and the Grameen Bank for the social entrepreneurial practice of providing micro-credit to people previously denied access to funds through traditional banking systems, thereby providing an innovative model for impacting positively on the lives of people living in extreme poverty. The Nobel Peace Prize is likely to increase significantly the acceptance of the idea of social entrepreneurship by individuals, organizations, governments and business. Indeed social entrepreneurship has already been identified by some as a twenty-first-century revolution (Skoll 2004).

## **Advancing research in social entrepreneurship: literature review and research agenda**

### ***Emergence of a research field***

Social entrepreneurship as a focus of academic enquiry has a relatively brief history, although it has grown markedly in the last few years. We observe that the emergence of any new field of research will be characterized by several stages: identification and observation of a loosely identified phenomenon, closely followed by expository and exploratory case studies aimed at providing ‘slice of life’ insight into the phenomenon and its context. The contributors at this stage will come from various backgrounds, including advanced practitioners and consultants. Next, more in-depth case studies emerge using comparative theoretical frameworks relying on existing well-tested or established theories in an attempt to better understand antecedents and performance outcomes of the phenomenon. This will be immediately followed by definitions seeking to capture operational characteristics and the contextual domain. Next a conceptualization of the phenomenon results in the identification of dimension constituting the construct – allowing for a deeper, more nuanced understanding of the available definitions and paving the way for subsequent stages of measurement development and the testing of theoretical relationships. The optimum final stage is a consistent body of knowledge and a limited domain theory. We identify that the domain of social entrepreneurship has rapidly passed through the stages of identification of the phenomenon and exploratory case study and has advanced towards concluding the stage of expository definition and conceptualization. This section proceeds as follows. First, an attempt has been made to collate the growing literature in the field of social entrepreneurship (Table 12.1). The literature was reviewed to identify preoccupations and themes which are then matched with the manifestation of the development of a field of research outlined above. Finally, emerging research directions are identified and an agenda for research is developed.

### ***Civic, for-profit or government: what is the domain of social entrepreneurship?***

An ‘unprecedented wave of growth in social entrepreneurship [has been identified] globally over the last ten years’ (Nicholls 2006:3). An early theme of research continuing to the present is the concern about the appropriate domain of social entrepreneurship. Reinventing government initiatives leading to smaller government and a user-pay orientation to provision of services, growth in need for public goods and greater competitive stance by businesses competing aggressively in globalized markets has led to changing relationships among the market, the state and civil society. It is in this context that social entrepreneurship has emerged in clearer focus. Some researchers (Cook *et al.* 2001; Wallace 1999) suggest that social enterprises which carry out for-profit activity to support other nonprofit activities can be viewed as social entrepreneurs. Others have argued that for-profits that may take some innovative action towards building social capital can be considered as being socially entrepreneurial (Thompson *et al.* 2000; CCSE 2001). Providing some clarity Thompson (2002) identifies social entrepreneurship as possibly occurring in profit-seeking businesses which have some commitment to doing good, in social enterprises set up for a social purpose but operating as businesses and in the voluntary or nonprofit sector. However, he concludes that the ‘main world of the social entrepreneur is the voluntary [NFP] sector’, in the domain of civil society (Thompson 2002:413). Not every NFP is a social entrepreneurial organization.



Social entrepreneurship reflects initiatives in NFPs undertaken to 'increase organizational effectiveness and foster long term

---

ISBN: 0-415-41727-9, *The Routledge Companion to Nonprofit Marketing*, © 2008 Adrian Sargeant and Walter Wymer for editorial matter and selection; individual chapters, the contributors, Routledge, Page 212.

Table 12.1 Summary of social entrepreneurship literature

<i>Author(s)</i>	<i>Focus or objective(s) of the paper/book</i>	<i>Domain</i>	<i>Empirical research (cases or survey)</i>	<i>Definition of social entrepreneurship</i>	<i>Comments (if any)</i>
Banks (1972)	Social movements	Civic/not for profit (NFP)	Not applicable (n/a)	First mention – related to values	
Waddock and Post (1991)	To define who SEs are and what they do	Public Sector	Two case studies	Creating or elaborating a public organization to alter greatly the existing pattern of allocation of scarce public resources	
Campbell (1997)	Prescription for developing new social purpose business ventures (focus on healthcare industry)	Social enterprises	n/a	Social purpose ventures provide communities with needed products or services and generate profit to support activities that cannot generate revenue	Article summarizes talk given by James Thalhuberat a conference
Leadbetter (1997)	Investigate the use of SE to provide services that the UK welfare state cannot or will not	Nonprofit/social action	Five case studies	Identification of under utilized resources which are put to use to satisfy unmet social needs	Sees SE occurring in the public, private and voluntary sectors
Cornwall (1998)	Describing the social impact of entrepreneurs in low income communities	NFP	n/a	Entrepreneurs have social responsibility to improve their communities	
Dees (1998)	Definition of social entrepreneurship	Public and NFP	n/a	Social entrepreneurs play the role of change agents in the social sector	Definitions based on the work of Schumpeter, Say, Drucker and Stevenson
Prabhu (1998)	Investigation of concept of social entrepreneurial	NFP/social action	n/a	Entrepreneurial organizations whose primary	

leadership

mission is social  
change and the  
development of  
their client group

---

ISBN: 0-415-41727-9, *The Routledge Companion to Nonprofit Marketing*, © 2008 Adrian Sargeant and Walter Wymer for editorial matter and selection; individual chapters, the contributors, Routledge, Page 213.

<i>Author(s)</i>	<i>Focus or objective(s) of the paper/book</i>	<i>Domain</i>	<i>Empirical research (cases or survey)</i>	<i>Definition of social entrepreneurship</i>	<i>Comments (if any)</i>
Ryan (1999)	Looks at impact of the entry of large for-profit corporations on the operations of nonprofit organizations	NFP	n/a	Not really defined	Primarily looks at the need for NFPs to adopt a more business like approach
Wallace (1999)	Examines role of social purpose enterprise in facilitating community development	NFP	n/a	Entrepreneurs have social responsibility to improve their communities – derives from social and political cohesion in a community	Similar in approach to Cornwall paper, but more comprehensive
Borins (2000)	Studies two sets of entrepreneurial public leaders to assess characteristics of public entrepreneurship: are they rule-breakers or positive leaders?	Public sector	Survey – given to two sets of innovative public managers – second survey used to validate results of initial survey	Leaders that innovate in public sector organizations	
Thompson <i>et al.</i> (2000)	Review of private sector SE	For profit	6 very brief case studies	The process of adding something new, something different for the purpose of building social capital – focuses on actions taken by private sector actors	
Canadian Centre for Social Entrepreneurship (2001)	General review of social entrepreneurship, in particular looking at the impacts of globalization and the rise of dual-	NFPs	n/a	Innovative dual-bottom-line initiatives emerging from the private, public and voluntary sectors. 'Dual bottom line' refers to	

bottom-line  
reporting

generating both  
economic and  
social rates of  
return

---

ISBN: 0-415-41727-9, *The Routledge Companion to Nonprofit Marketing*, © 2008 Adrian Sargeant and Walter Wyrmer for editorial matter and selection; individual chapters, the contributors, Routledge, Page 214.

Dees <i>et al.</i> (2001, 2002)	Practical skills books for social entrepreneurs	NFP	n/a	n/a	Extremely influential
Hibbert <i>et al.</i> (2001)	Measures the attitudes of consumers to a social entrepreneurial initiative (the <i>Big Issue</i> – a UK magazine that supports the homeless)	NFPs	Qualitative – 2 focus groups with 13 people to identify major issues followed by quantitative – survey of 645 purchasers of the magazine	The use of entrepreneurial behaviour for social ends rather than for profit objectives; or an enterprise that generates profits that benefit a specific disadvantaged group	
Cook <i>et al.</i> (2001)	Attacks the idea that SE can replace welfare state initiatives as misguided and dangerous	Social enterprises	n/a	Social partnerships between public, social and business sectors designed to harness market power for the public interest	
Shaw <i>et al.</i> (2002)	Comprehensive review of social entrepreneurs – looks at characteristics, objectives, actions, and prescriptions for encouraging them	NFP	Interviews with 80 social entrepreneurs	Bringing to social problems the same enterprise and imagination that business entrepreneurs bring to wealth creation	
Thompson (2002)	Outline of the scope of SE – looks at who SEs are, what they do and what support is available to them	NFP	2 case studies	The process of adding something new and something different for the purpose of building social capital	
Sullivan Mort <i>et al.</i> (2003)	To develop a conceptualization of SE as a multidimensional construct	NFP	None	Searching for and recognizing opportunities that lead to the establishment of new social organizations and continued innovation in	

				existing ones
Alvord <i>et al.</i> (2004)	Identify factors associated with successful social entrepreneurship	NFP	Empirical/cast studies	A catalyst for social transformation

---

ISBN: 0-415-41727-9, *The Routledge Companion to Nonprofit Marketing*, © 2008 Adrian Sargeant and Walter Wymer for editorial matter and selection; individual chapters, the contributors, Routledge, Page 215.

<i>Author(s)</i>	<i>Focus or objective(s) of the paper/book</i>	<i>Domain</i>	<i>Empirical research (cases or survey)</i>	<i>Definition of social entrepreneurship</i>	<i>Comments (if any)</i>
Eikenberry and Kluver (2004)	Marketization trends in the nonprofit sector	NFP and public sector	Conceptual and analytical	Nonprofit executives who pay attention to market forces without losing sight of the social mission	
Boschee (2004)	Useful ideas, tips and cautions for starting a social enterprise and making it work	Social enterprise/social venture	Sourcebook – practical	Earned income ventures to financially support an organization's mission	Social ventures
Heilbrunn (2005)	Effect of culture on entrepreneurship in community settings	NFP	Empirical/survey	Not social entrepreneurial by identification	
Hemingway (2005)	Relationship between personal values, moral agency and corporate social entrepreneurship	For-profit	Conceptual	Defined on a matrix of personal values and corporate culture	
Roper and Cheney (2005)	Historical development and current usages of the social entrepreneurship concept	Cross domains	Theoretical/conceptual	Not defined	Suggested parallel to sustainability
Seelos and Mair (2005)	New business models to serve the poor	NFP	Expository	Combines resourcefulness of traditional entrepreneurs with a mission to change society	
Anderson <i>et al.</i> (2006)	Social entrepreneurship in collective culture of indigenous communities	NFP/land rights	Empirical/case studies	Having a dual-nature strategy, including a degree of cohesion of indigenous people, as well as financial success	





Harding (2006)	To monitor social entrepreneurship activity in the UK	NFP	Empirical/survey	Any attempt at new social enterprise activity or new enterprise creation, such as self-employment, a new enterprise, or the expansion of an existing social enterprise by an individual, teams or established social enterprise, with social or community goals as its base and where the profit is invested in the activity or venture itself rather than returned to investors	Second survey
Korosec and Berman (2006)	How cities help social entrepreneurship	Public sector/NFP	Empirical/survey	Individuals or private organizations that take the initiative to identify and address important social problems	
Light (2006)	Social entrepreneurship – broaden focus	NFP	Expository	Risk-taking individuals who create social change	
Mair and Marti	A comprehensive	NFP	Conceptual	Synthesis of previous	Need for unified paradigm of

(2006)	picture of social entrepreneurship				definitions	entrepreneurship
Mair <i>et al.</i> (2006) (edited book)	Collection conference proceedings on social entrepreneurship research	NFP	Conceptual andempirical (qualitative)	Varied		Proceedings from inaugural research conference; European–North American conference
Mosher-Williams (2006) (edited book)	Research papers	NFP	Empirical and conceptual	Varied		Recent research report from ARNOVA – Association for Research on Nonprofit Organizations and Voluntary Action – Occasional Paper Series; US based

<i>Author(s)</i>	<i>Focus or objective(s) of the paper/book</i>	<i>Domain</i>	<i>Empirical research (cases or survey)</i>	<i>Definition of social entrepreneurship</i>	<i>Comments (if any)</i>
Nicholls (2006) (edited book)	Comprehensive approach covering research, praxis and policy on social entrepreneurship	Largely NFP	Conceptual, analytical	Varied	Comprehensive and up-to-date treatment from advanced practitioners, researchers and policy analysts; mainly UK
Peredo and McLean (2006)	Gauge success of social ventures	Social ventures	Conceptual	When some person or group aims ... to create social value ... exploiting opportunities; employing innovation; tolerating risk; declining to accept limitations on current resources	Social entrepreneurship not the sole domain of an individual but also of a team of people
Sharir, M. and Lerner, M. (2006)	To develop generalizable inductive theoretical contributions	New social ventures	Empirical	Change agent creating social value – not limited by resources in hand	
Weerawardena and Sullivan Mort (2006)	Conceptualization of entrepreneurship	NFP	Empirical	Constrained optimisation model bounded by social mission, environment and sustainability	Data collected in Australian NFPs

sustainability' (CCSE 2001:1). However, Roper and Cheney (2005) have studied social entrepreneurship across domains. Recently, Battle Anderson and Dees (2006) have put the case for framing research on social entrepreneurship in a context-neutral way; that is, in research that does not depend on a particular organizational context or form, be it for profit, not for profit or government. They suggest that organizational form is often adopted by social entrepreneurs as a convenience to advance their social impact agenda, not as a subscription to denying or accepting profit as a central ethos. Further questions also arise from the delineation of the changing relationships among the three sectors. Does social entrepreneurship provide not only an innovative model for NFPs but also for corporate philanthropy? Corporates are increasingly being called upon to donate money to good causes. However, perhaps a more salient question lies in addressing the other side of the coin in corporate terms: is social entrepreneurship the equivalent of the corporation volunteering? Is the formation of partnerships and the active transfer of knowledge across the sectors a neglected component of social entrepreneurship? Austin *et al.* (2006) have recently proposed an extension to the field in corporate social entrepreneurship. Similarly, in an era of renegotiated relationship between the citizen and the state that rather than emphasizing citizen rights tends to emphasize mutual obligation, is social entrepreneurship with its emphasis on risk-taking and innovation a preferred model for the social policy initiatives and funding by government? (e.g. Korosec and Berman 2006). These concerns map to the early issues of identification and observation of a loosely identified phenomenon in the development of a new field of enquiry.

### ***Social entrepreneurship: description of diversity***

Case study-based research has contributed strongly to our appreciation of the social entrepreneurship domain. Many case studies are available through organization websites such as [www.ashoka.org](http://www.ashoka.org) and [www.grameen-info.org](http://www.grameen-info.org). Published social entrepreneurship case studies have not only been useful for practitioners but have also provided insight for researchers in an emerging field. In the public sector/government domain, case studies have focused on leadership of public organizations (e.g. Lewis 1980) and the development of public policy (e.g. King and Roberts 1987). In the public domain, researchers argued that social entrepreneurs possess several leadership characteristics, namely, significant personal credibility and ability to generate followers' commitment to the project by framing it in terms of important social values, rather than purely economic terms (Lewis 1980; Waddock and Post 1991). We identify that case research on social entrepreneurship in the public sector domain has mainly been directed towards conceptualization of the construct in terms of individual qualities of leadership.

Case study research provided description and identified much diversity in the field, including coverage of social enterprises, profitable ventures often established to provide for social needs or a separate income stream for an existing nonprofit. Leadbeater (1997) in a series of in-depth case studies investigated social enterprises in the provision of welfare services and provided a large number of specific policy recommendations designed to increase social enterprises in the UK. Thompson *et al.* (2000) examined six case studies using the envisioning, enacting and enabling framework to identify the process of adding something new and something different for the purpose of building social capital. Their work focused on actions taken by private sector actors. Thompson (2002) used case studies to understand the scope of social entrepreneurs and looked at who they are, what they do and what support is available to them. Shaw *et al.* (2002) conducted in-depth interviews with social entrepreneurs in the UK using a type of case study approach identifying psychological characteristics of vision, creativity and personal satisfaction as

important for social entrepreneurs. They emphasized the diversity of the social initiatives

---

ISBN: 0-415-41727-9, *The Routledge Companion to Nonprofit Marketing*, © 2008 Adrian Sargeant and Walter Wymer for editorial matter and selection; individual chapters, the contributors, Routledge, Page 219.

and the economic and social impact. Hibbert *et al.* (2001) examined the issue of support of consumers for social enterprise initiatives – specifically the *Big Issue*. They used qualitative and quantitative methods and identified very positive attitudes overall by consumers. Bornstein (2004) profiled an exciting group of social entrepreneurs in an influential book entitled *How to Change the World: Social Entrepreneurs and the Power of New Ideas*. The best-practice case study approach profiled social entrepreneurs from around the world as a transformative force for systematic change. Overall, in the NFP sector, case studies have provided rich descriptions of social entrepreneurial initiatives and contexts, with again emphasis on leadership constructs with emerging application of comparative theoretical frameworks from entrepreneurial studies.

### ***Social entrepreneurship: establishing conceptualization***

Much of the literature in the last five years has been concerned with the transition between establishing comprehensive definitions of social entrepreneurship and moving towards rigorous conceptualizations of the construct. It is evident that the field of social entrepreneurship is consolidating the conceptualization of the phenomenon (e.g. Mair and Marti 2006; Peredo and McLean 2006; Nicholls and Cho 2006; Weerawardena and Sullivan Mort 2006). This has resulted in substantial convergence in the meaning of the construct around the dimensions of innovation, social impact, opportunity recognition/market orientation and risk management within the broader boundary of social mission and sustainability. The distinction between social entrepreneurship and social ventures or social enterprises – organizations supported primarily by an independent for-profit revenue stream – has also been established (Nicholls 2006; Harding 2006).

The conceptualizations of social entrepreneurship provide remarkably consistent insights to future researchers embarking on the development of psychometric measures enabling the testing of relationships. There is emerging consensus that social entrepreneurship is a multidimensional construct, implying the ability to operationalize the construct using higherorder factor models and supporting quantitative studies in the field. As yet, there has been little attempt to move to a psychometrically valid measurement of the construct, a necessary next step in the research agenda, apart from work by Korosec and Berman (2006) who operationalized a divergent conceptualization of social entrepreneurship.

### ***Social entrepreneurship: an agenda for future research***

Beyond the need to develop sound measurement of the social entrepreneurship construct, Mulgan (2006) has suggested a number of research topics which appear to hold promise, as have Weerawardena and Sullivan Mort (2006) and Mair *et al.* (2006). We identify seven high-priority research areas and one where there is need for caution. The review identifies a potential controversy in the social entrepreneurship literature paralleling that of the for-profit entrepreneurship literature, and that is the issue of level of analysis of future research. The research field is divided between an approach which views social entrepreneurs as ‘one special breed of leaders’ (Dees 1998b) or reflect individual traits (Prabhu, 1998; Shaw *et al.*, 2002) and one that focuses on capturing the behavioural characteristics of entrepreneurship, in particular how social entrepreneurs achieve their organizational objectives by enacting the social mission, and striving for operational efficiency while responding to environmental dynamics. While some suggest particular attention to the issue of the characteristics of social entrepreneurs (Mulgan 2006), caution should be exercised in pursuing this issue lest it hinder other research initiatives.





The role of environmental dynamics is the first area that appears to warrant further attention. CCSE (2001) state that it is no coincidence that social entrepreneurship is receiving increased attention when the competitive environment is undergoing rapid change and the traditional boundaries between profit and nonprofit sectors, both public and private, are changing. Ryan (1999) identified a new competitive landscape for NFPs in the light of a market which rewards discipline, performance and organizational capacity rather than simply not-for-profit status and mission. Sullivan Mort *et al.* (2003) also argue the effect of environmental changes with increased globalization, 'reinventing government' initiatives and the increasing entry of forprofit organizations into markets traditionally served by nonprofits as the context for social entrepreneurship. Boschee (2006) has linked this to the development of earned-income strategies, providing a starting point for research in this area.

Market orientation provides a valuable input in social entrepreneurial organizations, differentiating them from other social organizations; indeed, some (Nicholls and Cho 2006) have advanced that it is central to the social entrepreneurship conceptualization. This issue warrants focus in the research agenda. The value of market orientation is that it gives primacy to efficient and effective deployment of resources to achieve social goals. Market orientation may operate by allowing optimization of entrepreneurial drive within the constraints of social mission, sustainability and the environment (Weerawardena and Sullivan Mort 2006). However, many social entrepreneurial organizations do not operate in 'markets' in the classical sense, but, in fact, in areas often under conditions of market failure; that is, while needs can be identified, the basis for exchange is non-monetary. While there has been some work on this issue (Sargeant *et al.* 2002; Gainer and Padanyi 2005), further work is necessary in this area.

An important area for further investigation (Mulgan 2006; Mair *et al.* 2006) is the need to understand establishment and growth in social entrepreneurial ventures. Little is known about the establishment and sustainability of socially entrepreneurial organizations, but it is likely that they are at least as vulnerable as for-profit start-ups, and that probably leads to significant loss for the social economy. Research on this topic is already under way in the Australian context (Douglas *et al.* 2007).

Governance issues (Mulgan 2006), specifically, the inherent tension between entrepreneurship and risk-taking on the one hand and the traditional roles of trustees acting as guardians of values who are therefore almost constitutionally risk averse, will require specific research in this context. Specific attention, it has been suggested (Mair *et al.* 2006), should be given to the role of governance in achieving organizational sustainability. In parallel there is an emerging consensus that socially entrepreneurial organizations must operate in an increasingly competitive environment requiring them to adopt a competitive posture (Weerawardena and Sullivan Mort 2001). This requires research to focus on sources of competitive advantage, particularly understanding the role of innovation (Mulgan 2006), marketing-mix factors (Mottner and Ford 2005) as well as market orientation (Nicholls and Cho 2006).

The issue of success in social entrepreneurship (Alvord *et al.* 2004) and performance outcomes of social entrepreneurship is another area requiring attention. There is agreement that social entrepreneurship should lead to superior social value creation, but there is little clarity in what constitutes social value and then how this can be measured. Indeed, as Young (2006) has identified, social value remains a fuzzy goal. There is much necessary work to be done in conceptualizing social value more clearly before the issue of research on performance metrics (Mair *et al.* 2006), and allied research topics, can validly be undertaken.

Finally, though some work has already begun (Anderson *et al.* 2006), the issue of crossnational study, application and validation of social entrepreneurial initiatives is

worthy of

---

ISBN: 0-415-41727-9, *The Routledge Companion to Nonprofit Marketing*, © 2008 Adrian Sargeant and Walter Wymer for editorial matter and selection; individual chapters, the contributors, Routledge, Page 221.

research (Mulgan 2006). Research in this area would allow better understanding of the effects of cultural contexts on successes and failures in social entrepreneurship, and also assist in understanding the effects of local legal and government contexts on social value creation in an allied manner to that undertaken in international business research.

## Conclusion

Social entrepreneurship has quickly established itself as a dynamic field of practice and academic enquiry. Located at the interstices of the nonprofit, for-profit and government sectors, it appears to draw substantial expertise, commitment and energy from a diverse set of contributors facilitating the rapid advancement of the field. A strong interplay between theory and practice is characteristic, also contributing to the rapid growth and sustained interest in this research. After a period of reflexive description, maturing conceptualization of the social entrepreneurship construct has allowed researchers to advance to address issues of measurement, validation across cultures and contexts and the testing of complex sets of relationships examining the relationship of social entrepreneurship to the creation of superior social value. The field promises to continue an accelerated forward momentum with significant commitment from the academic community of researchers and institutions, practitioners, social change agents and policy planners.

## References

- Alvord, S. H., Brown, L. D. and Letts, C. (2004) 'Social entrepreneurship and societal transformation', *Journal of Applied Behavioral Science*, 40(3): 260–82.
- Anderson, R. B., Dana, L. P. and Dana, T. E. (2006) 'Indigenous land rights, entrepreneurship, and economic development in Canada: "Opting-in" to the global economy', *Journal of World Business*, 41(1): 45–55.
- Ashoka: 'Innovators for the public' (2006) [www.ashoka.org/](http://www.ashoka.org/) (accessed 24 December).
- Austin, J. E., Leonard, H. B., Reficco, E. and Wei-Skillern, J. (2006) 'Social entrepreneurship: Is it for corporations, too?', in A. Nicholls (ed.) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford: Oxford University Press.
- Banks, J. (1972) *The Sociology of Social Movements*, London: Macmillan.
- Battle Anderson, B. and Dees, J. G. (2006) 'Rhetoric, reality and research: Building a solid foundation for the practice of social entrepreneurship', in A. Nicholls (ed.) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford: Oxford University Press, pp. 144–68.
- Borins, S. (2000) 'Loose cannons and rule breakers, or enterprising leaders? Some evidence about innovative public managers', *Public Administration Review*, 60(6): 498–507.
- Bornstein, D. (2004) *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, Oxford: Oxford University Press
- Boschee, J. (2004) *The Social Enterprise Sourcebook: Profiles of Social Purpose Businesses Operated by Nonprofit Organizations*, Minneapolis: Northland Institute.
- (2006) 'Social entrepreneurship: The promise and the perils', in Nicholls, A. (ed.) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford: Oxford University Press, pp. 356–90.
- Campbell, S. (1997) 'Social entrepreneurship: How to develop new social-purpose business ventures', *Health Care Strategic Management*, 16(5): 17–18.
- CCSE (Canadian Centre for Social Entrepreneurship) (2001) Social entrepreneurship discussion paper no.1, February.

- Cook, B., Dodds, C. and Mitchell, W. (2001) *Social Entrepreneurship: False Premises and Dangerous Forebodings*, Newcastle, UK: Centre of Full Employment and Equity, University of Newcastle, working paper no. 01–24.
- Cornwall, J. (1998) 'The entrepreneur as building block for community', *Journal of Developmental Entrepreneurship*, 3(2): 141–8.
- Covin, J. G. and Slevin, D. P. (1989) 'Strategic management of small firms in hostile and benign environments', *Strategic Management Journal*, 10(1): 75–87.
- Dart, R. (2004) 'The legitimacy of social enterprise', *Nonprofit Management and Leadership*, 14(4): 411–24.
- Dees, J. G. (1998a) The meaning of social entrepreneurship. [www.gpnnnet.com/perspective/social\\_entrepreneurship.htm](http://www.gpnnnet.com/perspective/social_entrepreneurship.htm). Visited 21 June, 2001.
- (1998b) 'Enterprising nonprofits', *Harvard Business Review*, 76 (January–February): 55–67.
- Emerson, J. and Economy, P. (eds) (2001) *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, New York: Wiley.
- (eds) (2002) *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, New York: Wiley.
- Douglas, H., Sullivan Mort, G. and Cuskelly, G. (2007) 'Analysing elements affecting the survival of new nonprofit organizations in the context of social entrepreneurship ventures', Brisbane, Australia: Fourth AGSE International Research Exchange, 6–9 February.
- Eikenberry, A. M. and Kluver, J. D. (2004) 'The marketization of the nonprofit sector: Civil society at risk', *Public Administration Review*, 64(2): 132–40.
- Gainer, B. and Padanyi, P. (2005) 'The relationship between market-oriented activities and market-oriented culture: Implications for the development of market orientation in nonprofit service organizations', *Journal of Business Research*, 58(6): 854–62.
- Grameen Bank – Banking on the Poor (2006) [www.rdc.com.au/grameen/home.html](http://www.rdc.com.au/grameen/home.html) (accessed 23 December).
- Harding, R. (2006) 'Social entrepreneurship monitor', London: London Business School, Global Entrepreneurship Monitor, 2005. [www.gemconsortium.org/download/1168007763984/Gem%20Soc%20Ent%20web.pdf](http://www.gemconsortium.org/download/1168007763984/Gem%20Soc%20Ent%20web.pdf) (accessed 22 December 2006).
- Heilbrunn, S. (2005) 'The impact of organizational change on entrepreneurship in community settings', *Journal of Small Business and Enterprise Development*, 12(3): 422–36.
- Hemingway, C. A. (2005) 'Personal values as a catalyst for corporate social entrepreneurship', *Journal of Business Ethics*, 60: 233–49.
- Hibbert, S. A., Hogg, G. and Quinn, T. (2001) 'Consumer response to social entrepreneurship: The case of the Big Issue in Scotland', *International Journal of Nonprofit and Voluntary Sector Marketing*, 7(3): 288–301.
- King, P. J. and Roberts, N. C. (1987) 'Policy entrepreneurs: Catalysts for policy innovation', *Journal of State Government*, 60(July–August): 172–8.
- Korosec, R. L. and Berman, E. M. (2006) 'Municipal support for social entrepreneurship', *Public Administration Review*, 66(3): 448–62.
- Leadbeater, C. (1997) *The Rise of the Social Entrepreneur*, London, UK: Demos.
- Lewis, E. (1980) *Public Entrepreneurship: Toward a Theory of Bureaucratic Power*, Bloomington, IN: Indiana University Press.
- Light, P. C. (2006) 'Reshaping social entrepreneurship', *Stanford Social Innovation Review*, 4(3): 47–51.
- Mair, J. and Marti, I. (2006) 'Social entrepreneurship research: A source of explanation, prediction and delight', *Journal of World Business*, 41(1): 36–44.
- Robinson, J. and Hockerts, K. (eds) (2006) *Social Entrepreneurship*, Basingstoke, UK and New York: Palgrave Macmillan.
- Mosher-Williams, R. (ed.) (2006) *Research on Social Entrepreneurship: Understanding and Contributing to an Emerging Field*, Indianapolis, IN: ARNOVA, occasional paper series (vol. 1, no. 3).
- Mottner, S. and Ford, J. B. (2005) 'Measuring nonprofit marketing strategy performance: The case of museum stores', *Journal of Business Research*, 58(6): 829–40.



- Mulgan, G. (2006) 'Cultivating the other invisible hand of social entrepreneurship: Comparative advantage, public policy and future research directions', in Nicholls, A. (ed.) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford: Oxford University Press, pp. 74–96.
- Nicholls, A. (ed.) (2006) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford: Oxford University Press.
- and Cho, A. H. (2006) 'Social entrepreneurship: The structuration of a field' in Nicholls, A. (ed.) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford: Oxford University Press, pp. 99–118.
- Pearson, N. (2002) 'Social entrepreneurship network conference – Dinner address', Carlton Crest, Melbourne, Australia, March, [www.partnerships.org.au/Library/sen\\_conf\\_dinner\\_address.htm](http://www.partnerships.org.au/Library/sen_conf_dinner_address.htm) (accessed 23 December 2006).
- Peredo, A. M. and McLean, M. (2006) 'Social entrepreneurship: A critical review of the concept', *Journal of World Business*, 41(1): 56–65.
- Prabhu, G.N. (1998) 'Social entrepreneurial management', in 'Leadership in management', [www.mcb.co.uk/services/conferenc/sept98/lim/paper\\_a2.htm](http://www.mcb.co.uk/services/conferenc/sept98/lim/paper_a2.htm) (accessed 21 June 2001).
- Roper, J. and Cheney, G. (2005) 'Leadership, learning and human resource management: The meanings of social entrepreneurship today', *Corporate Governance*, 5(3): 95–104.
- Ryan, W. P. (1999) 'The new landscape for nonprofits', *Harvard Business Review*, 77(1): 127–36.
- Seelos, C. and Mair, J. (2005) 'Social entrepreneurship: Creating new business models to serve the poor', *Business Horizons*, 48(3): 241–9.
- Sargeant, A., Foreman, S. and Liao, M-N. (2002) 'Operationalizing the marketing concept in the nonprofit sector', *International Journal of Nonprofit and Voluntary Sector Marketing*, 10(2): 41–54.
- Sharir, M. and Lerner, M. (2006) 'Gauging the success of social ventures initiated by individual social entrepreneurs', *Journal of World Business*, 42(1): 6–20.
- Shaw, E., Shaw, J. and Wilson, M. (2002). *Unsung Entrepreneurs: Entrepreneurship for Social Gain*, Durham, UK: University of Durham Business School, Barclays Centre for Entrepreneurship.
- Skoll, J. (2004) 'Social entrepreneurship: The twenty-first century revolution', Oxford, UK: address Said Business School, March.
- Sullivan Mort, G., Weerawardena, J. and Carnegie, K. (2003) 'Social entrepreneurship: Towards conceptualization', *International Journal of Nonprofit and Voluntary Sector Marketing*, 8(1): 76–88.
- Thompson, J. L. (2002) 'The world of the social entrepreneur', *International Journal of Public Sector Management*, 15(4/5): 412–31.
- Alvy, G. and Lees, A. (2000) 'Social entrepreneurship: A new look at the people and the potential', *Management Decision*, 38(5/6): 328–38.
- Waddock, S. A. and Post, J. E. (1991) 'Social entrepreneurs and catalytic change', *Public Administration Review*, 51(5): 393–407.
- Wallace, S. L. (1999) 'Social entrepreneurship: The role of social purpose enterprises in facilitating community economic development', *Journal of Developmental Entrepreneurship*, 4(2): 153–74.
- Weerawardena, J. and Sullivan Mort, G. M. (2001) 'Learning, innovation and competitive advantage in not-for-profit aged care marketing: A conceptual model and research propositions', *Journal of Nonprofit and Public Sector Marketing*, 9(3): 53–73.
- (2006) 'Investigating social entrepreneurship; A multidimensional model', *Journal of World Business*, 41(1): 21–35.
- Wikipedia (2006) 'Social entrepreneurship', [http://en.wikipedia.org/wiki/Social\\_entrepreneurship](http://en.wikipedia.org/wiki/Social_entrepreneurship) (accessed 23 December 2006).
- Young, R. (2006) 'For what it is worth: Social value and the future of social entrepreneurship', in Nicholls, A. (ed.) *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford: Oxford University Press.