Social Entrepreneurship: A Critique and Future Directions

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Work on social entrepreneurship constitutes a field of study that intersects a number of domains, including entrepreneurial studies, social innovation, and nonprofit management. Scholars are beginning to contribute to the development of this new discipline through efforts that attempt to trace the emergence of social entrepreneurship as well as by comparing it to other organizational activities such as conventional entrepreneurship. However, as a nascent field, social entrepreneurship scholars are in the midst of a number of debates involving definitional and conceptual clarity, boundaries of the field, and a struggle to arrive at a set of relevant and meaningful research questions. This paper examines the promise of social entrepreneurship as a domain of inquiry and suggests a number of research areas and research questions for future study.

Key words: social entrepreneurship; institutional theory; organization and management theory; social network approach; entrepreneurship

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Introduction

Over the last decade, social entrepreneurship has become an increasingly important international cultural phenomenon (Dey 2006). Its growing appeal appears to be especially strong among a group of socially aware people who have become more skeptical about the ability of governments and businesses to meaningfully address pressing social problems such as poverty, social exclusion, and the environment (Harding 2007, Wilson 2008). At the same time, a number of influential organizations and associations are carefully promoting social entrepreneurship by providing compelling anecdotal evidence of heroic individuals “changing the world” (Bornstein 2004). Who could argue with the images of altruistic and passionate individuals skilfully captured through awards, films, and case studies and who are celebrated by powerful intermediaries such as Ashoka, the Skoll Foundation, the Schwab Foundation, and Fast Company?

From an academic perspective, there is a more muted reception to social entrepreneurship. A review of the social science literature by Short et al. (2009) found just 152 journal articles on social entrepreneurship, the first one appearing in 1991, of which 40% were published in management journals. Researchers in the management and organization sciences hold a variety of opinions about the future of social entrepreneurship as an academic domain, ranging from enthusiasm to skepticism.

On the one hand, there is a growing movement to reify the topic into a legitimate domain of academic inquiry, and a number of scholars are doing work in this area. Much of the enthusiasm expressed for this topic stems from the novel and intriguing empirical context offered by social entrepreneurship, a context that combines for-profit and nonprofit organizational activity. The area of social entrepreneurship is particularly appealing because of its interdisciplinary focus as it intersects a number of boundaries drawing explicitly from anthropology, economics, political science, psychology, and sociology.

On the other hand, some researchers remain unconvinced about the potential and legitimacy of social entrepreneurship as a domain of inquiry in its own right. Dey (2006, p. 121), for example, expresses concern that the discourse and rhetoric of social entrepreneurship is akin to a fashionable trend that has invaded social scientific discourse and questions the assumption that it is an “unequivocally positive” phenomenon. Skeptics also point to a number of problems with the concept, most notably the significant challenges relating to definitional and conceptual clarity.

Perhaps as a consequence of these fundamental definitional and conceptual issues, researchers continue to struggle to delineate boundaries of the field and to arrive at a set of relevant and meaningful research questions. Woven into this skepticism is the concern that the field of conventional entrepreneurship research is already fragmented. In addition to for-profit new venture creation, which constitutes the core of academic research on entrepreneurship, discussions and debates over numerous forms of entrepreneurship (e.g., cultural, institutional, public, corporate) appear in the literature. For many, it is not clear how the study of (yet another) type of entrepreneurship adds theoretical value. As such, there is a need to articulate a unique place for
social entrepreneurship within the existing domains of entrepreneurial studies.

In this paper, we examine the promise of social entrepreneurship as an area of academic inquiry. Our paper asks, what is social entrepreneurship and why should organizational scholars care about it? What are the critical issues and concerns that characterize this field? And finally, what promising research opportunities exist to extend and challenge existing theoretical approaches to organizations?

Social Entrepreneurship: An Overview
Whereas the formation of organizations to address social problems and create social value has always been an important feature of market economies (Hall 1987, Thompson et al. 2000), use of the term “social entrepreneurship” is a more recent phenomenon. The term continues to increase in visibility, partly because a sophisticated network of organizations exists to support and highlight the work and contribution of social entrepreneurs. In addition, a range of prominent politicians and high-profile celebrities aggressively promote social entrepreneurship, drawing public attention to and celebrating examples of social entrepreneurs who affect profound social change by addressing some of the most intractable social problems in both developed and developing countries. As a result, the discourse of social entrepreneurship permeates politics and the media (Dey 2006), and it gives coherence and identity to a hitherto disparate group of individuals and organizations concerned with a range of issues including poverty, social inequality, and the natural environment.

More fundamentally, current discussions of social entrepreneurship appear consistent with, and form part of, a broader movement gaining momentum in contemporary market economies, one demanding a more ethical and socially inclusive capitalism. For example, consumers increasingly look for more ethically sourced and produced goods (Nicholls and Opal 2005), expectations are increasing for corporations to behave in socially responsible ways (Friedman and Miles 2001), and politicians are under pressure to develop and implement policies that promote social equality and mitigate the effects of business on the environment (Bernauer and Caduff 2004). The academic literature also illustrates a growing interest, albeit unfocused, in the field of social entrepreneurship—unfocused because the predominance of definitional debates leads to an academic literature that appears somewhat fragmented (Mort et al. 2003) with a variety of very disparate meanings (Dees 2001). Much of the literature on social entrepreneurship continues to churn and debate definitional and domain issues (e.g., Mair and Marti 2006, Peredo and McLean 2006) with a heavy focus on conceptual over empirical research (Short et al. 2009). This preoccupation has led to definitional imprecision and confusion, resulting in no unified definition (Short et al. 2009) and the application of somewhat idiosyncratic perspectives to the phenomena under study. Thus, when examining social entrepreneurship, “there is no proven method, code of practice or core business model to follow” (Roberts and Woods 2005, p. 46).

Unfortunately, this continuing definitional debate does little to aid theory development in the management and organizational sciences. This is problematic, because to be meaningful and worthy of sustained academic inquiry, social entrepreneurship needs to provide unique opportunities to inform and extend organization theory. This means that social entrepreneurship researchers need to articulate the theoretical benefits of a focus on social entrepreneurship as distinct from other forms of entrepreneurship.

Defining Social Entrepreneurship
Our general observations on the variety of definitions appearing in the literature suggest that definitions of social entrepreneurship focus on four key factors: the characteristics of individual social entrepreneurs (Light 2009), their sphere of operation, the processes and resources used by social entrepreneurs, and the mission of the social entrepreneur. Various authors, including Dees (1998), Light (2006, 2009), Mair and Marti (2006), and Martin and Osberg (2007), also discuss some or all of these factors in characterizing their definitions in the social entrepreneurship literature.

In a review of social entrepreneurship definitions, Dacin et al. (2010, p. 41) conclude that “defining social entrepreneurship by individual-level characteristics and processes and activities will inevitably lead to yet more discussion and debate about what these characteristics should be; it is a debate which can never be resolved, because it is unlikely that a definitive set of characteristics can be applied to all kinds of social entrepreneurial activity across all contexts.” Consequently, for us, a definition of social entrepreneurship focusing on the last factor—the primary mission of the social entrepreneur being one of creating social value by providing solutions to social problems—holds the most promise for the field. This factor also appears to be common across the majority of proposed definitions in the literature and provides for the fruitful exploration of social entrepreneurship as a context in which other established types of entrepreneurs may operate.

Whereas some authors who adopt a definition focused on the mission of social entrepreneurship ignore associated economic outcomes, other authors suggest that economic outcomes do form part of the mission of social entrepreneurship (Mair and Marti 2006, Zahra et al. 2009). Still, these authors do not consider the economic mission as the primary mission. We contend that there
likely exists a hierarchical ordering of social and economic value creation (Dacin et al. 2010), and in our view, social entrepreneurs balance both sets of priorities. A social value creation mission does not necessarily negate nor diminish a focus on economic value. In fact, economic value is crucial for the sustainability of social entrepreneurial ventures and the creation of social value. At one level, the focus on social rather than economic outcomes fits nicely with an agenda associated with the identification and promotion of individuals who have succeeded in undertaking significant social change. However, it is difficult to ignore that the creation of social value is often closely related to economic outcomes that in turn produce financial resources that the social entrepreneur can use to achieve his or her primary mission.

We suggest a contextual approach based on the mission of social entrepreneurship focuses the definition of this phenomenon on the outcome (both positive and negative) of the efforts of the social entrepreneur. This focus on outcomes allows for at least two promising paths for social entrepreneurship researchers. First, it encourages researchers to examine the processes through which these outcomes are achieved and develop novel theoretical insights into social entrepreneurship, and second, this definition allows researchers across disciplines to regard social entrepreneurship as a research context (based on intended outcomes) in which other established types of entrepreneurs may operate (Dacin et al. 2010).

Theoretical and Methodological Dilemmas

One characterization of social entrepreneurship research is that it portrays a largely stylized picture of what social entrepreneurs actually do. Both theoretical and methodological dilemmas contribute to this characterization. To a large extent, work in social entrepreneurship remains largely descriptive and atheoretical. Only recently have authors begun to incorporate ideas from existing theories and approaches, such as institutional theory, network theory, and discursive approaches. With respect to institutional theory, Mair and Marti (2009) extend the ideas of institutional voids and bricolage in resource-constrained environments, Townsend and Hart (2008) develop a theoretical framework regarding the role of institutional ambiguity and the choice of organizational form in social venture creation, and Sud et al. (2008) examine the institutional context of venture formation. Recent studies also examine the role of networks in social entrepreneurial formation and execution (Haobai et al. 2007, Shaw and Carter 2007) as well as employ discursive approaches toward understanding the rhetoric and language of social entrepreneurs (Dey 2006, Parkinson and Howorth 2008).

With the exception of a study by Shaw and Carter (2007) that uses a large sample of interview data, the literature reviewed consists primarily of case studies of one or more entrepreneurial efforts. For example, some studies document single cases (Clifford and Dixon 2005, Tan et al. 2005). By placing social values above...
profitability in terms of mission, many scholars of social entrepreneurship tend to overlook those entrepreneurs that seek to maximize both social change and profitability, including entrepreneurs who focus on the symbolic management of social values to achieve their political and/or economic objectives and entrepreneurs who destroy (proactively or inadvertently) social goods through the pursuit of profitability or other objectives. An interesting example of the unintended consequences or “dark side” of social entrepreneurship is the recent criticism by Nobel laureate Muhammad Yunus, who publicly criticized organizations in the microfinance domain for marketing and privileging economic value (revenue) creation over the goal of social value creation.¹

Power Concentration and Local Embeddedness
The field of social entrepreneurship is also experiencing a set of challenges common to many nascent domains in that it is shaped or dominated by only a relatively small number of actors (Nicholls and Cho 2006). Among these actors are a few individuals (e.g., Bill Drayton, Jeff Skoll), a few foundations and affiliates (e.g., Ashoka, Skoll, Schwab, the Aspen Institute), and select media intermediaries (e.g., author David Bornstein, the magazine Fast Company, as well as PBS’s television series New Heroes). These powerful actors provide resources and celebrity to those who are able and/or willing to help them achieve their objectives, and they therefore have been very effective in shaping the agendas and initiatives put forth by both social entrepreneurs and researchers.

Local embeddedness (Shaw and Carter 2007, Mair and Marti 2009) also appears to be a driving assumption in social entrepreneurship research. Whereas many social innovations are created in locally embedded contexts, there exist powerful examples of social innovations that travel well (microfinance) and social entrepreneurial organizations that are born global, such as Cafédirect. Social entrepreneurs also exist outside of as well as within existing corporations (Hemingway 2005). More recently, Austin and Reficco (2005) suggest the need to acknowledge and sustain corporate social intrapreneurs as integral to the process of corporate social entrepreneurship. The authors’ focus is on integrating social values within organizations while cогenerating social value through partnerships with other organizations. Some recent work by Kistruck and Beamish (2010) heads in this direction by emphasizing the importance of social intrapreneurial efforts within existing organizations.

Summary
To summarize, we believe that a mission-focused definition of social entrepreneurship provides the field with the potential to offer something unique to organization science. We also believe that current theories of organization, both micro and macro, are unable to explain many of the social processes inherent in the creation of social value. This does not mean that we need to reinvent the wheel and build brand new theories of organization, but it does mean developing new insights into, for example, identity, networks, and institutions, with the potential to enrich theorizing in these areas. It also means counterbalancing purely individual-level analyses that have a tendency to idealize social entrepreneurs and social entrepreneurship with other perspectives that take context and social dynamics into account.

Research Opportunities
We now focus on a number of research directions we believe hold the most promise for social entrepreneurship scholars. Mair and Marti (2006) suggest future directions in the areas of structuration theory, institutional entrepreneurship, social capital, and social movements; Short et al. (2009) suggest a number of theoretical ideas that may be relevant to the study of social entrepreneurship. We build on their insights but also offer new ways in which to synthesize and extend some of these approaches. First, we begin with a call to better understand the institutional dimensions of social entrepreneurship, and we suggest ways to explore connections between institutional ideas and social movement approaches. Second, we support the use of network theories to understand the context of social entrepreneurship and push in particular for a greater examination of issues of power and dominance. Third, we argue for the integration of cultural approaches to the study of social entrepreneurship, with a specific focus on how rituals and narratives might support the creation of social value in this context. Fourth, drawing from organizational behavior and marketing, we call for a greater focus on issues of image and identity, which are largely neglected in the social entrepreneurship literature. Finally, we suggest that cognitive approaches in general, and effectuation theory in particular, also offer considerable promise for building a stronger theoretical basis for social entrepreneurship research.

Institutions, Social Movements, and Social Entrepreneurship
The first area of promise involves further extensions and application of ideas from institutional and social movement theories. Although researchers have made some headway examining social entrepreneurship from an institutional perspective (e.g., Battilana and Dorado 2010, Martí and Mair 2009, Tracey et al. 2011), much remains to be done. A number of interesting possibilities exist.

For example, social entrepreneurs, like all entrepreneurs, face a variety of competing institutional pressures. However, the management of these pressures and
the associated institutional complexity appears especially challenging in the context of social entrepreneurship, because it requires these entrepreneurs to draw from both for-profit and nonprofit institutional logics, which may be in conflict with one another. As a result, these individuals have to address issues that face both for-profit and nonprofit organizations in order to be legitimate and in doing so to take into account the interests of stakeholders in both fields. This leads to a number of operational tensions at an organizational level. At the heart of these tensions is the need for social entrepreneurs to simultaneously demonstrate their social and economic competence. Thus, an interesting line of inquiry is to examine how social entrepreneurship leads individuals to better understand and manage institutional conflict. Research that considers the tools or skills needed to operate within and across diverse institutional contexts in order to achieve both social and economic outcomes would represent an especially important step forward. Moreover, exploring how social entrepreneurs operate across boundaries and categories while managing diverse sets of expectations may shed further light on our understanding of impression management and the management of diverse stakeholders within the social entrepreneurship context.

In addition, given that social entrepreneurs champion a variety of social innovations that are not widely known, it is likely that they will face a liability of newness in their attempts to introduce social change. Given this liability, legitimacy is likely a critical resource needed for the success of these social ventures (Dart 2004). In light of our discussion above about social entrepreneurs needing to draw from differing institutional logics that may be in conflict, an important question concerns the extent to which the social entrepreneurship context leads individuals to make trade-offs between different forms of legitimacy as they build their ventures. Specifically, it would be interesting to examine whether social entrepreneurship presents higher legitimacy hurdles than conventional entrepreneurship, given the need to demonstrate both financial and social worthiness. Moreover, we do not have a good understanding of which forms of legitimacy are required during different phases of the social entrepreneurial process, nor do we know much about the strategies employed in social entrepreneurship to manage legitimacy needs or the extent to which these strategies differ from conventional entrepreneurship (see, for example, Zott and Huy 2007).

On a slightly different tack, the focus of much of the recent work in institutional theory is on institutional entrepreneurship—the “activities of actors who leverage resources to create new institutions or to transform existing ones” (Maguire et al. 2004, p. 657). Inasmuch as the social innovations created by social entrepreneurs lead to large-scale change, the role of social entrepreneurs appears to overlap to a large extent with that of institutional entrepreneurs. Perhaps it is reasonable for researchers to look more closely at the literature on institutional entrepreneurship to better understand social entrepreneurship. Certainly, Mair and Marti (2006) suggest that institutional entrepreneurship offers great potential for moving social entrepreneurship research forward. However, as cautioned above, a focus on heroic individuals leading social change does little to help us fully grasp the processes that underlie the dynamics of social entrepreneurship. Although social entrepreneurs might resemble institutional entrepreneurs in the sense that they need to skillfully engage with existing institutions, social entrepreneurship may require individuals to emphasize, utilize, and mobilize different sets of resource portfolios (Tracey et al. 2011), and it remains to be seen whether their motive is actually to engage in institutional transformation. Rather, it may be that social entrepreneurs are likely to concentrate their efforts more on advocacy and activism. This is consistent with Martí and Mair (2009), who suggest that social entrepreneurs are likely to focus on the enhancement of existing institutions rather than the creation of new institutions or the wholesale remodelling of existing ones.

Social entrepreneurship scholars may also wish to consider synthesizing institutional theory with social movement approaches to a greater extent. Lounsbury and Strang (2009) view social entrepreneurship and its social movement qualities as representing broader institutional patterns or logics that cross cultural categories with respect to profitability and governance. Social movement approaches could provide an especially powerful set of conceptual tools for considering how social entrepreneurship challenges and dismantles institutions. For example, researchers might consider how institutions erode and extinguish over time. More specifically, by bridging institutional and social movement approaches, scholars may be able to generate robust insights into the processes of resistance, change, deinstitutionalization, and institutional obsolescence. Clearly, the caveat outlined above concerning the need to guard against a preoccupation with heroic individuals also applies to researchers seeking to combine social movement and institutional theories.

Networks and Social Entrepreneurship

Our next area of promise is to call for a greater focus on networks and social entrepreneurship. An interesting aspect to consider vis-à-vis networks is the duality of the term “social” in understanding the activities associated with social entrepreneurship. Based on our definition, we view social entrepreneurs as focusing on a social mission; they may also be quite social in the manner in which they carry out their activities, share their knowledge, and celebrate their work. Although organizations such as Ashoka, Schwab, and Skoll all
fund and celebrate a variety of social entrepreneurs, little has been done to examine the networks that have emerged from these activities. Each year, the Skoll World Forum celebrates social entrepreneurs from all over the world. Social entrepreneurs attend the forum and share their stories, and in doing so they meet other like-minded people engaged in social entrepreneurial work. It might be interesting to assess the ways in which social entrepreneurs build and leverage these networks to carry out their work. It might also be interesting to understand the power of virtual networks or "imagined communities" in the social entrepreneurship context. Given the assumption that many social entrepreneurs are indeed locally embedded, membership in broader virtual networks allows social entrepreneurs to share their ideas and build community and allows for the rapid diffusion of their stories across geographies. As a starting point, social entrepreneurship scholars may look for insights in the existing literature on social capital (Oh et al. 2006) and conventional entrepreneurship (De Carolis and Saporito 2006, Greve and Salaff 2003). Systematic analysis of such networks within and across the scope of each of these foundations and field-configuring events would allow us to consider the potency and possibilities of network effects.

Another interesting opportunity that emerges through a consideration of social entrepreneurship from a network perspective has to do with the scalability of social entrepreneurial ventures. It would be interesting to know why some social innovations diffuse widely whereas others seem to remain more locally embedded, and whether there are network strategies or activities that might promote scalability. A focus on networks also draws attention to the role of power, politics, and dominance, which are largely absent from existing analysis of social entrepreneurship. For example, Nicholls and Cho’s (2006) analysis of the emergence of social entrepreneurship research does not address these issues. Yet power, politics, and dominance are intrinsic to any social activity as actors jostle for influence and seek to enhance their standing or position (Bourdieu 1993). An especially important question that might be addressed concerns how powerful actors (individuals, foundations, and media intermediaries) work to shape the agendas of those individuals engaged in social entrepreneurship.

Moreover, issues of scalability and power with respect to networks lead to questions about the “dark side” of social entrepreneurship: as the stakes and the rewards become greater, the potential for social entrepreneurs to be in competition for resources and/or to exploit their network position also increases. The Big Issue—a street newspaper sold by the homeless and designed to allow them to earn a wage—provides an interesting example of the tensions that can emerge when a social venture seeks to achieve scale. After a successful launch across the United Kingdom, the social entrepreneur who founded the Big Issue—John Bird—sought to expand to the United States. One of the first cities he targeted was Los Angeles, where he faced fierce resistance from another social entrepreneur—Jennafer Waggoner—who founded a local street newspaper in the city some years previously. Waggoner was able to leverage her social network, local embeddedness, and legitimacy as an ex-homeless person to lead a vociferous campaign against the Big Issue. She successfully drew parallels between the Big Issue and exploitative multinational corporations, criticizing Bird directly for “McDonald’s-izing the street paper movement by setting up shop all over the world” (Hanrahan 1998). The Big Issue was forced to withdraw from Los Angeles and incurred significant losses in the process. This raises important questions about approaches to conflict resolution over resources or competing objectives within social entrepreneurial networks. An especially interesting line of inquiry with broader relevance for organization science concerns how networks of power emerge or dissipate. Such questions are likely to become increasingly relevant as ever more social entrepreneurs seek to grow their ventures and expand to new locations.

**Culture and Social Entrepreneurship**

A cultural approach to social entrepreneurship constitutes a third intriguing opportunity for theory development. In particular, our observations of social entrepreneurial activity suggest the central importance of cultural phenomena such as ritual and narrative for the conveyance of social meaning and the creation of social value. We briefly consider each of these in turn.

It is notable that ritual forms an integral part of social entrepreneurship. Rites of enhancement, and, more specifically, public ceremonies designed to enhance the status and identities of social entrepreneurs (Trice and Beyer 1993), are especially prominent. For example, Ashoka expends considerable resources organizing international award ceremonies that are ostensibly designed to celebrate the achievements of successful social entrepreneurs. However, they also appear to serve a much broader and deeper purpose: they convey what it actually means to be a social entrepreneur to a new generation of “change makers” and crystallize the notion of success (and failure) in the context of social entrepreneurship.

At a more micro level, different kinds of ritual also feature prominently in social entrepreneurial activity. For example, accessing capital from foundations and venture philanthropists is highly ritualized: social entrepreneurs are expected to set out exhaustive plans for capital expenditure and to detail the social outcomes to be achieved in the face of very high levels of uncertainty. The practice of measuring social value through social accounting is another prominent ritual in this context: social entrepreneurs must often quantify (in monetary terms) the social value they create, despite scant
evidence that social value is amenable to quantification (Owen et al. 2003). Although these rituals could be construed as a “skillfully controlled public relations exercise” (Owen et al. 2000, p. 91), like rites of enhancement they also serve to inculcate social entrepreneurs into particular practices, again reinforcing the expectations associated with social entrepreneurship.

The study of rituals in this context therefore has the potential to illuminate the process underlying the socialization of actors into particular socially oriented values and norms through exposure to stylized behavior and invented culture material. Given that ritual studies remain surprisingly marginal to organization science (Kunda 2006), studying the role of ritual in social value creation provides an interesting opportunity to enrich theories of organization.

We noted above that stories of heroic individuals constitute a prominent feature of the academic literature on social entrepreneurship. These stories also form the basis of media accounts of social entrepreneurship. Indeed, a notable feature of presentations of social entrepreneurship is the role of sagas—narratives that evoke heroic exploits performed under conditions of adversity (Trice and Beyer 1993). Through their telling and retelling, these sagas appear to perpetuate and codify a particular set of beliefs about the nature of social entrepreneurship, and they support a particular ideology about its role in society. A particularly influential narrator of social entrepreneurial sagas is David Bornstein, who “tells the stories of people who have both changed their lives and found ways to change the world” (Bornstein 2004).

Although we argue that a focus on the stories of heroic individuals has distorted academic work on social entrepreneurship, it also illustrates the power of narrative to carry cultural messages that support the creation of social value. An interesting feature of these narratives is that they appear to resonate with a very diverse group of actors. Thus, whereas research on corporate narratives has emphasized the importance of stories for locating organizations within particular markets and legitimating products and services with particular types of investor and customers (Martens et al. 2007), social entrepreneurial narratives appear simpler and more generic, appealing to a range of actors in diverse cultural settings. This suggests that the creation of social value may require distinct types of narratives that resonate with basic notions of equity and social justice. Research on social entrepreneurship narratives might therefore shed light both on the process of social value creation and on the extant academic work on narrative and storytelling.

Image and Identity of Social Entrepreneurs

Issues of image and identity remain largely unexplored in the context of social entrepreneurship research. This is perhaps ironic because, through referencing the same handful of successful case studies and individuals, authors in the social entrepreneurship literature continue to establish and reinforce the stereotypes, identities, and expectations associated with successful social entrepreneurs. The discourse in the literature also creates an aura of strong celebrity and “brand” image for social entrepreneurship both at the societal and individual levels. Accordingly, by integrating social identity theories from social psychology (Barth and Chartand 1999; Fiske and Taylor 1991; Gilbert 1995; Tajfel 1978, 1981; Tajfel and Turner 1979) and brand-related theories from marketing (Keller 2002), a number of new and interesting research directions emerge.

One interesting direction is the manner in which individuals come to identify themselves as social entrepreneurs as well as identify with other individuals belonging to social entrepreneurial communities. Social identity theories can be very useful in providing the field of social entrepreneurship with insights into the process of identity formation. Understanding how the process of identity formation applies to the field of social entrepreneurship is relevant in that, given the recent emergence of the term “social entrepreneur,” many individuals already engaged in social entrepreneurial work have only recently come to learn that they are called social entrepreneurs.

The social identity literature also suggests that when others recognize and explicitly acknowledge an individual as possessing a certain identity, that individual’s behavior will change to be more in line with the expectations and stereotypes associated with that identity (Barth and Chartand 1999, Fiske and Taylor 1991, Gilbert 1995, Rosenthal and Jacobson 1992). In the field of social entrepreneurship, this external acknowledgement typically comes primarily to those who are successful. Foundations celebrate these successful social entrepreneurs, who become heralded as archetypal examples of this form of entrepreneurship to a broader public. Consequently, these individuals become more strongly associated with the social entrepreneurial identity/stereotype outside the context in which they emerged.

The nature of social interaction also changes once an individual becomes identified as a successful social entrepreneur because additional opportunities and resources become more readily available. And so the cycle continues. An initial story of success leads to discovery, which then leads to association with the social entrepreneur identity and community. In turn, this association begets better-crafted stories and a stronger influence on how others begin to perceive social entrepreneurship and social entrepreneurs, and how the social entrepreneurs themselves become more committed to the ways of the existing social entrepreneurship community (Tajfel 1978, 1981; Tajfel and Turner 1979), leading the way to better opportunities and access to better
resources. The successfully ordained social entrepreneur then becomes central to perpetuating the broadly held myths inherent in the social entrepreneurship discourse. This is evidenced by the repetitive showcasing of the same cases or individuals in many of the articles we reviewed. From a social identity perspective, it would be interesting to trace the rise of individual social entrepreneurs in the context of the existing and emerging dominant narratives of the field.

Another research direction could center on examining the extent to which social entrepreneurship entails a process of building a personal brand through powerful narratives and the consumption of these narratives and related discourse in the pursuit of the creation of social value. From a branding perspective, the narratives in the literature appear to be setting the norms for the expected parameters for the attributes and performance expectations of the social entrepreneurial brand. To strategically remain recognizable as a social entrepreneur, and thus maintain the “brand equity” associated with the recognition as well as access to resources available to social entrepreneurs, an individual must either perform to different degrees on those accepted attributes or establish a new acceptable narrative and, therefore, perhaps new attributes and performance expectations through which he or she may achieve his or her primary mission (see Keller 2002). A focus on image and identity also reinforces a need, highlighted above, to explore the role of storytelling both as a vehicle for sharing these narratives as well as a means of gaining status and celebrity within social entrepreneurial communities. Storytelling could also be regarded as a methodology to better understand the process of social entrepreneurship more generally.

**Cognition and Social Entrepreneurship**

A final suggestion for research involves exploring the connection between cognition and social entrepreneurship. A significant body of work in social psychology and organization science considers how actors develop distinct configurations of knowledge and information-processing capacities. The literature on entrepreneurial cognition forms an important subset of this work. Mitchell et al. (2002, p. 97) define entrepreneurial cognition as “the knowledge structures that people use to make assessments, judgements or decisions involving opportunity evaluation and venture creation and growth.” At the core of this research is a concern with understanding the distinctive ways in which entrepreneurs think and behave, and as such, it resonates with the classic work of some of the key thinkers in the field (Mitchell et al. 2007). For example, Schumpeter’s (1934) focus on the entrepreneur as a “special” person and Kirzner’s (1999) focus on “alertness” both essentially represent cognitive approaches to entrepreneurship. We believe that it would be interesting to examine the extent to which the knowledge structures and information-processing capacities required to evaluate a social entrepreneurial opportunity differ from those required for a commercial opportunity—in other words, to examine whether the context associated with social entrepreneurship requires individuals to think and behave differently than in other types of entrepreneurship.

To answer this question, there are a number of different cognitive lenses that might be used. For example, the literature on heuristics—simplifying rules that facilitate decision making—explores how actors make decisions in complex and uncertain situations (Kahneman et al. 1982). It would be interesting to compare the heuristics used in a social entrepreneurship context with those used in other entrepreneurial contexts or, more generally, in other decision-making contexts. Similarly, the concept of counterfactual thinking—an ability to envision distinctive or unexpected approaches to a particular problem—(Roese and Olson 1995, Gaglio 2004)—offers an intriguing way of thinking about the distinguishing characteristics of social entrepreneurship. Tracey et al. (2011) already suggest that counterfactual thinking may be an important aspect of opportunity recognition with respect to social entrepreneurship; it would be interesting to investigate whether their suggestion, derived from a single qualitative case study, has broader applicability.

We believe that a cognitive perspective that has particular resonance for the study of social entrepreneurship is effectuation theory (Sarasvathy 2001, 2004). This work emanates from the organizational learning literature and assumes that boundedly rational actors operate under conditions of environmental uncertainty that they cannot fully control or comprehend. Unlike conventional approaches to strategic decision making, which assume that an entrepreneur seeks to attain a predetermined goal or objective, effectuation represents a form of decision making in which the entrepreneur imagines several possible routes or strategies that his or her venture might take. Thus instead of developing detailed strategic plans and working systematically to achieve them, the entrepreneur attempts to take advantage of uncertainty in the environment and to respond to it on the basis of instinct and intuition in order to enact one path from a range of possible alternatives (Mitchell et al. 2007). This allows entrepreneurs to change tack quickly as available resource configurations shift and is therefore deemed especially suited to actors operating in uncertain and resource-poor environments. Given the high levels of uncertainty faced in social entrepreneurship contexts and the resource constraints that social entrepreneurs usually operate within, we consider that effectuation offers fascinating possibilities to study the decision-making strategies in this context.

A particular strength of effectuation theory is that it takes context into account when exploring decision making. It therefore helps to address a central criticism of cognitive psychology, which is that it often seeks to
eliminate context by aggregating behavior across situations (Mischel 2004). In addition to providing important insights into social entrepreneurial decision making, it therefore has the potential to contribute to scholarship on the “science of the person” (Mischel 2004) in social psychology and organizational behavior.

Conclusions
Our aim in this paper was to consider the promise of social entrepreneurship as a domain of inquiry in its own right. In doing so, we examined the definitional debates around the concept of social entrepreneurship and suggested that a focus on outcomes (positive and negative) and context constitutes the most meaningful way of understanding the term, both theoretically and empirically. We also considered the extant research on the topic, noting a limited engagement with theory and a number of simplifications and generalizations about the nature of the phenomenon that serve to hold back work in this area. Despite the shortcomings of the existing literature, we argued that social entrepreneurship does have the potential to augment and extend organization theory and therefore that it does hold promise as a domain of inquiry.

In the “Research Opportunities” section of the paper, we suggested five possible avenues for theory building at varying levels of analysis: institutions and social movements, networks, culture, identity and image, and cognition. This is certainly not intended to be an exhaustive list. Other approaches that may prove to be valuable for understanding social entrepreneurship include using theories of sensemaking and sensegiving in the context of social value creation, considering the role of field-configuring events in shaping social entrepreneurial activity, exploring motivation and commitment in social ventures, and studying the individual and social processes underpinning serial social entrepreneurship. However, we believe the five areas that we identified constitute especially promising directions for scholars interested in pursuing social entrepreneurship research. We hope that our suggestions will help stimulate researchers within the organization science community to engage with this important area.

Endnote
1http://feedroom.businessweek.com/?fr_story=ba3dff1cea331c -0908e140539795b72a86ff0aba.

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References


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