

A Review of Social Entrepreneurship based on Research

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Abstract: To enhance the understanding of social entrepreneurship, researchers have to reach a consensus on the construct of definitions and, in doing so, acknowledge the diversity of research interests involved in the study of social entrepreneurship. The purpose of the paper is to present a state-of-the-art review and a bibliographical analysis of the field of social entrepreneurship. We highlight and analyse the extent to which research has devoted significant attention to social entrepreneurship, what individual researchers have published about social entrepreneurship topics, and how they have engaged in areas of discussion and made contributions. In a response to the lack of published research and incremental knowledge-building, the chapter further maps the prominent issues discussed in the social entrepreneurship literature and outlines some possible emergent research dialogues.

Keywords: Social entrepreneurship, citations, review, organizational establishment, academic institutionalization.

1. Introduction:

Despite the emergence of social entrepreneurship in both the academic and business worlds, there remains some tension in the academic literature regarding its exact definition. This tension, though, is consistent with similar issues in the broader entrepreneurship literature [1] noted, “there are fundamentally different conceptions and interpretations of the concept of entrepreneur and the entrepreneurial role, consensus on a definition of the field in terms of the entrepreneur is perhaps an impossibility.”

To better understand social entrepreneurship, [2] distinguished between two types of entrepreneurship. In their framework, commercial entrepreneurship represents the identification, evaluation, and exploitation of opportunities that result in profits. In contrast, social entrepreneurship refers to the identification, evaluation, and exploitation of opportunities that result in social value. Opportunity awareness and recognition reflect an entrepreneur’s ability to detect when either supply or demand for a value-creating product or service exists [3]. Social entrepreneurs have an acute understanding of social needs, and then fulfill these needs through creative organization. This focus on social value is consistent across various definitions of social entrepreneurship [4]. Other than this focus on social value as opposed to private wealth, the definitions of commercial and social entrepreneurship are quite similar. These similarities underlie

Dees’ declaration that “social entrepreneurs are one species in the genus entrepreneur.”

More formally, [2] define social entrepreneurship as “innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors.” There are two important points worth noting about this definition. First, the definition explicitly notes the role of innovation. Social entrepreneurship presumably involves applying a new technology or approach in an effort to create social value. This focus on innovation is consistent with the Schumpeterian view of entrepreneurship which emphasizes the role of innovation in entrepreneurship; social entrepreneurs, then, may be viewed as social innovators [5] confirms the role of innovation by suggesting that social entrepreneurs “play the role of change agents in the social sector by . . . engaging in a process of continuous innovation, adaptation, and learning.” Second, the definition highlights the various contexts in which social entrepreneurship may take place. Social entrepreneurship might involve individual entrepreneurs, new or existing organizations (both non-profit or for profit), or governments. In other words, there is no single type of social entrepreneur. According to [2], there are at least three primary ways to distinguish between commercial and social entrepreneurship. First, new commercial and social ventures differ in terms of overall mission. (For an overview of mission statements in the entrepreneurship context, [6].) While commercial entrepreneurs are primarily concerned with private gains, social

entrepreneurs are more concerned with creating social value. Of course, commercial entrepreneurs may produce social value in the process of creating private gains, and social entrepreneurs may produce private gains in the process of creating social value [7]. Despite these potential secondary gains, these two types of organizations are driven by two very different missions.

Directly related to their differences in missions, commercial and social entrepreneurship differ dramatically in terms of performance measurement [2]. In commercial entrepreneurship, performance is typically measured in terms of financial performance. Examples of such financial performance measures include profitability (i.e., return on assets, return on equity) and sales growth. (For a more comprehensive review of such performance measures, see Murphy [8]. Because financial performance metrics are standardized, they can be recognized and appreciated by entrepreneurs and investors.

As a body of literature develops, it is useful to stop occasionally, take inventory for the work that has been done,

and identify new directions and challenges for the future” [9]. This famous quote expresses the motivation behind our contribution. Social Entrepreneurship became a highly relevant topic in entrepreneurship research during recent years. In a world that faces many social challenges and with governments that are often unable to provide solutions, motivated social entrepreneurs are often key to improving socially challenging situations. Furthermore in many cases it appears that social entrepreneurs provide innovative social solutions more sustainable and effective than government invention would have been [10] for a contemporary overview on social entrepreneurship). Recognizing the importance of social entrepreneurship, a wide body of research literature and academic activities has occurred and considerable academic progress in the understanding of social entrepreneurship has been made during the last years.

However, some authors have argued that this subsequent field of entrepreneurship research seems to be still in its infant or nascent state [11]. Our goal is to use empirical measures for evaluating whether this assessment is still justified. The aim of this article therefore is to conduct a bibliometric analysis of the literature and the academic structure of the field and to draw conclusions on the advances and the sustainable nature of the field and the expectations for future research. Building on existing work and our bibliometric analyses we will provide concrete recommendations for qualitative methodological progress that would finally allow for more empirical measurement in social entrepreneurship research, a yet underdeveloped area, as we will show in a later section.

Common reviews often are particularly influenced by authors’ perceptions and preferences. Using empirical examinations of the body of literature can reduce such liabilities and can lead towards more systematic approaches on reviewing [12]. The method used to generate metrics on academic literature is accordingly called “bibliometrics” [13] defines bibliometrics as “the field of science that deals with the development and application of quantitative measures and indicators for science and technology based on bibliographic information”. Even though the advantages of bibliometric-based reviews are quite clear, bibliometrics have only rarely been used in the field of entrepreneurship [14] and the majority of those rather few publications have been encouraged by a special issue on the bibliometrics of entrepreneurship published by Entrepreneurship Theory & Practice [15], edited by three leading scholars [16].

A large number of reviews on social entrepreneurship has previously been published [17]. Only two of these reviews have been based on bibliometrics, but both used rather small data sets [18]. By employing a large scale data set for a bibliometric study, this paper is closing a research gap and thereby generating ‘economies of overview’ on social entrepreneurship as a scholarly field of interest. In the following section, we will provide a brief introduction to bibliometric methods and to sampling issues in the search for publications on social entrepreneurship.

2. What makes social entrepreneurship entrepreneurship?

[19] They speaks for many when he declares, “Social entrepreneurs are one species in the genus entrepreneur”. One place to begin a review of social entrepreneurship is with a consideration of what constitutes the genus. In what follows, it is assumed that defining “entrepreneurship” is logically linked with defining “entrepreneur” in that entrepreneurship is what entrepreneurs do when they are being entrepreneurs. Defining either term defines the other by implication.

There is no scholarly consensus on what it is that entrepreneurs do when they are being entrepreneurial. Venkataraman, editor of Journal of Business Venturing, has observed: “there are fundamentally different conceptions and interpretations of the concept of entrepreneur and the entrepreneurial role, consensus on a definition of the field in terms of the entrepreneur is perhaps an impossibility” [20]. The approach here will be, once again, to explore the range of common use and to argue for a “precising definition” [21] drawn from that range.

2.1. The “minimalist” sense

There is a relatively unsophisticated use of “entrepreneur” especially common in the popular press. An entrepreneur is simply one who starts up and/or runs a small business. Some dictionary definitions reflect this use. The Canadian Oxford Dictionary, for instance, defines “entrepreneur” as “A person who starts or organizes a commercial enterprise, especially one involving financial risk” [22]. You could call this a “minimalist” understanding of entrepreneurship. On this reading, a social entrepreneur will simply be someone who organizes and/or operates a venture or corporation, which features social goals in one of the ways explicated later in this paper.

2.2. The “business methods” approach

According to a somewhat enlarged, but still “popular” understanding of entrepreneurship, the entrepreneurial element in social entrepreneurship is linked closely with borrowing from the outlook and methods of market-driven enterprise. “The key to social enterprise,” writes [23], involves taking a business-like, innovative approach to the mission of delivering community services. Developing new social enterprise business ventures is only one facet of social entrepreneurship. Another facet is maximizing revenue generation from programs by applying principles from for-profit business without neglecting the core mission. Many accounts in the press, and in material used by not-for-profits and others for training, reflect this “business methods” emphasis.

2.3. In favor of a more developed sense

Students of social entrepreneurship who concentrate on its entrepreneurial facet are, however, inclined to draw more specifically on the scholarly literature on entrepreneurship and apply it to the social sphere. The result is a more demanding definition of the entrepreneurial component of social entrepreneurship. This is arguably the more appropriate

approach to take to understanding entrepreneurship in general and social entrepreneurship in particular. In outlining the existing range of use of the concept, it must be recognized that social entrepreneurship is sometimes understood merely as the initiation and/or management of a social enterprise, perhaps with some explicit recognition of any risks involved in these activities. It seems that the more exacting definition brings into play features that make the notion of entrepreneurship, including social entrepreneurship, a useful conceptual tool. The contention of this paper is that the more scholarly understanding of the concept allows for the recognition within the body of those who launch or administer (social) enterprises a set of individuals and groups who have the capacity to create significantly greater value, often in a shorter period of time, and thus make uncommon contributions to the world of enterprise in which they are engaged. We do not argue that a scholarly review produces a neat definition with a sharply-designated set of individually necessary and jointly sufficient conditions. Instead, the investigation points in the direction of a number of features which may be variously combined or weighted, but are positively relevant to considering something an example of entrepreneurship. The result is somewhat flexible, but still enlarged and a more useful view of the entrepreneurial function.

Researchers point to the derivation of the word “entrepreneur” from the French *entreprendre* and the German *unternehmen*, both of which mean literally “to undertake,” as in accepting a challenging task. They refer to the groundbreaking development of the concept by [24] and Say (1767–1832), and to the vital contribution of Schumpeter in the 20th Century [25]. What emerges from examining the writings of these scholars is the picture of entrepreneur as risk-taker and innovator who, when successful, contributes fundamentally to creating economic value. [26] arrive at a similar understanding of the concept by considering “intuitively plausible examples” of entrepreneurs and non-entrepreneurs, and consulting the Oxford English Dictionary. “Entrepreneurship,” they conclude, “is the process of attempting to make business profits by innovation in the face of risk”. [27] in pursuing his conviction that social entrepreneurs are one kind of entrepreneur, draws on historical and current scholarship concerning entrepreneurship. From Say he adopts the element of value creation; from Schumpeter he takes up the notion of innovation and change. He supplements these on the basis of proposals made by current-day scholars such as [28] and [29]. Dees credits Drucker with amplifying Say’s concept to stress the entrepreneurial activity of recognizing and exploiting opportunities. He applauds Stevenson for adding the notion of resourcefulness; the refusal to be constrained by prevailing resource limitations. On this basis, Dees defines the entrepreneurial aspect of social entrepreneurship as including (1) the recognition and “relentless” pursuit of new opportunities to further the mission of creating social value, (2) continuous engagement in innovation and modification and (3) bold action undertaken without acceptance of existing resource limitations. The

suggestion that emerges is that the above three elements of recognizing opportunities, innovating in some way and displaying resourcefulness should be considered prime candidates for inclusion in the amplified notion of entrepreneurship. In addition, the capacity to endure risk, which [30] represent many others in including, should be added to the list.

2.4. Entrepreneurs as commendable

Perhaps the most elaborate model of social entrepreneurship is that developed by [31]. They argue that social entrepreneurship is a “multidimensional” construct formed by the intersection of a number of defining characteristics. Referring to a variety of scholarly work on entrepreneurship [32], they state that social entrepreneurs first of all “exhibit a balanced judgment, a coherent unity of purpose and action in the face of complexity” [33]. This propensity, they argue, allows the social entrepreneur to balance the interests of multiple stakeholders and to maintain his/her sense of mission in the face of moral intricacy. Second, social entrepreneurs excel at recognizing and taking advantage of opportunities to deliver, in a superior way, the social value they aim to provide. Finally, social entrepreneurs exhibit in the social arena the risk-tolerance, innovativeness and “proactiveness” displayed by commercial entrepreneurs in their setting.

At least one characteristic in this list goes beyond what is suggested in other applications of the concept of entrepreneurship to social enterprise. The notion of balanced judgment and steadiness of purpose is an addition to the ideas of opportunity-recognition, risk tolerance, innovativeness and resourcefulness already encountered. This proposal raises a general issue in explicating the concept of entrepreneurship, perhaps especially when it is placed in the context of a social mission. It is arguable that with this suggestion, Mort et al. move from describing a social entrepreneur to describing a commendable or successful social entrepreneur. (In describing the “social” element of social entrepreneurship, they describe the social entrepreneur as “entrepreneurially virtuous” [34], and expand on that notion using concepts from virtue theory in ethics.) There appear to be echoes of this inclination even in the more restrained list given by [35]. For instance, he describes the social entrepreneur as one who “relentlessly” pursues new opportunities to pursue the social mission and engages in “continuous” innovation.

Suggestions of this kind are common in the literature aimed at elucidating the idea of social entrepreneurship. Entrepreneurs, especially social entrepreneurs, are described in terms that emphasize the value of their contributions. The aim of the description is often to celebrate their accomplishments and encourage others to emulate and/or support them. It is natural enough in these circumstances that commentators extend their “definitions” of the phenomenon to include normative characteristics, but there are good reasons to resist the temptation.

In offering their own account of social entrepreneurship, [36] argue persuasively that any plausible definition of

“entrepreneur” must allow for unsuccessful entrepreneurs, given that we would all agree there are many cases deserving that description. Similarly, we maintain that any explication of the idea of social entrepreneur must allow that some will have selfish motives behind their social mission, or be less than relentless, or be uneven in their performance, or be otherwise less than exemplary. Once again, it seems obvious that there are many examples of such things in the real world. [35] labels his own definition as “idealized”, explicitly suggesting that actual cases will exemplify his list of characteristics unevenly and partially. A plausible conclusion is that a satisfactory definition of the entrepreneurship component of social entrepreneurship should avoid building in the notions of success or estimability and allow for social entrepreneurs who may be unsuccessful, inconsistent, and otherwise less than exemplary.

3. Is social entrepreneurship really different?

Despite the differences between social and commercial entrepreneurship, some scholars claim that there exists a continuum for which commercial and social entrepreneurship serve as anchors [2]. In other words, organizations can pursue commercial entrepreneurship, social entrepreneurship, or some combination of both. In fact, some scholars even refer to organizations that pursue both commercial and social objectives as hybrids [36]. In a sense, then, these hybrids pursue two bottom lines, one of which deals with profits while the other deals with social value.

It is important to note, though, that not all agree with the notion that a person or organization can pursue two bottom lines and be considered social entrepreneurs. As [37] suggest, for example, some firms engage in cause-related marketing as a mechanism to increase sales, profits, and shareholder wealth. It is difficult to argue that employing such tactics for a purely profitable objective indicates that one is a social entrepreneur. [38] note, for example, “It is tempting to say that only ventures willing to accept a significant reduction in their profits as a consequence of their pursuit of social goals should be considered examples of social entrepreneurship.” The authors quickly point out, though, that determining motive is difficult (if not impossible) and as such, this distinction is perhaps not important.

4. Conclusion:

The most provocative and striking element of social entrepreneurship has been its ability to combine elements of the business and volunteer sectors, yet this combination may also represent the greatest obstacle to the definition of the field. With its roots in both entrepreneurship and public policy, researchers and practitioners must lay out the important questions and key defining elements of social entrepreneurship. We believe researchers can work across disciplinary barriers to study this emerging phenomenon, and we provide a number of potential research ideas for that endeavor.

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