

## Challenging tensions and contradictions: critical, theoretical and empirical perspectives on social enterprise

This Special Issue seeks to explore critical, theoretical and empirical perspectives of an international nature on social enterprise and social entrepreneurship. The aim is to bring together studies that reflect on how far the sector has developed – both in terms of the political economy for social enterprise and social entrepreneurship, and the development of organisations that trade for social purpose. The *International Journal of Entrepreneurial Behaviour and Research* has been publishing research on this topic since 2008, namely, the collection of papers in the first Special Issue on social enterprise and social entrepreneurship with guest editor Mike Bull. Since then, interest from the readership of the journal has grown substantially. Studies in this field typically take two main forms: the study of social entrepreneurship and the individuals that are motivated by social missions, and the study of social enterprise and the organisations that deliver social transformations. Heralded as a saviour from social and economic failure, the business model for public sector reform and an alternative to capitalism, the concept is neither easily, nor universally, conceptualised. Hence, papers are still being written to develop a better conceptual understanding as well as to deepen our awareness of practice on the basis of empirical findings.

This second Special Issue captures a spirit of scholarly research from many corners of the world. Contributions are included from: Australia, France, New Zealand, Russia, Sweden and the UK. Many of the papers have been presented at the Institute for Small Business and Entrepreneurship Annual Conference (<http://isbe.org.uk/>) in the Social, Environmental and Ethical Enterprise Track. The track attracts an international audience of both early career and established researchers.

This collection ranges from qualitative case study research to quantitative research approaches. The special issue also includes papers that explore our understandings of social enterprise with different organisational structures (charity, solidarity and social business type social enterprises). The special issue also includes novel and nascent data analysis methods. In terms of impact, submitted papers specify the implications for research and/or policy development within national and international contexts, and establish a clear contribution to the current literature base.

The first group of papers are conceptual. The first, Bull's "Reconceptualising Social Enterprise in the United Kingdom through an appreciation of legal identities", starts from the diversity of organisations that are labelled "social enterprise" and the associated lack of consensus about definition. Documenting the rise of social enterprise in the UK from the 1980s, he traces the distinct organisational and philosophical heritage of different legal constitutions. This leads towards a new conceptualisation of social enterprise as three core types "Solidarity", "Charity" and "Social Business". By foregrounding organisations' logic and philosophy tied to an appreciation of legal forms, this conceptualisation goes beyond definitional debates. Moreover, it replaces the usual dichotomy of "trading" and "social purpose" in a way that is rich and expressive enough to embrace the multifaceted nature of social enterprise.

The second conceptual paper by Palakshappa and Grant, "Social enterprise and corporate social responsibility: toward a deeper understanding of the links and overlaps",

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examines the overlaps between social enterprise and corporate social responsibility (CSR) theory at a theoretic level. This debate is becoming more salient as the role of social enterprise in meeting UN Sustainable Development Goals starts to come under scrutiny. The paper tracks how “linear” representations of social enterprise have been supplanted by three-pronged (triangular) analyses of the impact and influence of state, private and civil society actors in social enterprise development. It is at this conceptual level that social enterprise and CSR overlap the most, with both social enterprise and CSR gravitating towards triple-bottom line reporting, integrated accounting and the conscious pursuit of social outcomes that are ethical, economically viability and legally defensible. Similarly, just as social enterprise scholars debate internal and external social value creation (most potently in debates about the relative merits of cooperative and charitable social enterprises), so that CSR theory has engaged debates about “implicit” and “explicit” adoption of CSR in the institutional frameworks of corporations. The authors compare ontological and epistemological perspectives on the overlaps between social enterprise and CSR. From an ontological perspective, social enterprise can be seen as a new development of CSR, focussed on start-up activities, or as a flexible alternative to bureaucratic large-scale institutions. The authors examine CSR as a more left-liberal initiative while social enterprise is positioned as more libertarian in character. However, they favour the adoption of an epistemological perspective in which social enterprise and CSR are reframed as strategies for building knowledge on cross-sectoral or multi-stakeholder engagement that promote the integration of skills and mindsets needed for sustainable development within and across communities. In this endeavour, “relational ethics” become the foundation for enterprises of all types, not just those that are explicitly “social”. They argue for research to promote critical awareness of relational ethics so we can explore “who we are to each other, and what we might legitimately expect from each other as human beings”. Such a conversation aims to stimulate “full convergence” between social enterprise and CSR in support of new organisation dynamics.

In the third paper, by Margiono, Zolin and Chang, entitled “A typology of social venture business model configurations”, the authors offer a conceptual article that proposes a business model typology for the context of developing nations, where grant-funding support is declining and many non-profits respond by transforming into social ventures. Social ventures, they argue, need business models, and these are best understood as arrangements that firms develop to cope with resource dependence. Social ventures aiming to combat poverty in neglected places are dependent on both market and non-market resources. The authors combine aspects of resource dependence theory and public administration literature to identify three different business model configurations that can strengthen autonomy and legitimacy when non-profits become social ventures. In this way, they offer new insight into models of social ventures and the management of private/public tensions.

The second group of papers are based on qualitative methods, ethnographic and case study research. The fourth paper, by Henderson, Reilly, Moyes and Whittam, entitled “From charity to social enterprise: the marketization of social care”, critically examines the transition of charities to “hybridity”. Hybridity, they note from the literature, refers to multiple (sometime conflicting) logics within an organisation and is usually considered a defining characteristic of social enterprise. The recent roll-out of self-directed support in Scotland has led to the prospect of an open market for services and put pressure on all third sector providers to shift their operational goals towards more commercial activity with weaker emphasis on charitable ethos. The authors report in-depth research in one national charity serving children with complex needs. They uncover “passive resistance” from managers, front-line staff and parents to what these stakeholders all see as forced marketisation of social care delivery. This article exposes some tensions and disruptions that have not been articulated in previous research regarding hybrid organisations.

The fifth paper, "Business tools in non-profit organizations: a performative story", by Petitgand offers an insight into a contemporary issue, how do "non-profit organisations" come to terms with a new operational structure, namely redefining itself as a social enterprise? In the case study presented, utilising an in-depth ethnographic immersion approach within a Brazilian example, we observe the impact of the utilisation of a traditional business tool, the individual development plan. Petitgand argues convincingly that the utilisation of such a tool acts as a market device which leads to managers reinforcing their control over constituencies. For the author, this leads to the creation of an unequal balance of power within non-profit organisations. The author notes the limitations of case study research. Leaving definitional issues on one side, what can be observed are similarities with obstacles confronting social enterprises within a UK context, grappling with the issues surrounding hybridity in a climate of tightening budgets. Whilst social enterprises may wish to operate with a "collective" managerial structure, the necessity to achieve financial sustainability can often lead to sacrifices being made in terms of the intended "good governance". The overall conclusion reached by Petitgand is that caution needs to be exercised in the promotion of business tools for social enterprises.

The sixth paper, by Newth, "Hands-on' vs 'arm's length' entrepreneurship research: Using ethnography to contextualize social innovation", asks how researchers can best study the process of creating social value. In complete contrast to the paper by Kachlami *et al.*, he advocates the use of ethnography, and emphasises the need to get "up close" in order to understand how social entrepreneurship is practised. He argues that replacing "arm's-length" with "hands-on" research has a number of advantages. First, ethnography provides a viable alternative for understanding how context influences practice and the "micro-level truths of the social entrepreneurship experience", particularly how social innovators deal with resistance from institutions and extant power structures. Newth argues that ethnography provides a more authentic account of entrepreneurial experience by uncovering the differences between what is said and what happens in practice. This addresses the danger of "under-contextualized research that lacks subtle and nuanced insights". He challenges the idea that there is a cause-effect relationship between factors and social enterprise creation and looks to ethnography to provide opportunities for researchers to "critically engage with structures that inhibit social progress" and which perpetuate the marginalisation and disempowerment of groups in society. Challenging the value of "dispassionate objectivity" when it comes to studying social innovation and social value creation, Newth makes a passionate case for ethnography in social enterprise research.

The seventh paper by, Gordon, Wilson, Tonner and Shaw, "How can social enterprises impact health and well-being?", addresses a gap in understanding the impacts that social enterprises can have. Structuration theory is utilised to explore social enterprise as an effective vehicle for improving health and well-being at the levels of the individual, community and wider socio-economic conditions. The articles report case study research with two community food initiatives in Glasgow. Community food initiatives have characteristics of the wider social enterprise sector and they aim (explicitly or implicitly) to tackle the social determinants of health and well-being. The case study evidence indicates that their greatest impact was on individual behaviours and living conditions. Wider structural influences were limited but there were some opportunities to increase capacity to achieve this by building networks with smaller organisations and linking them to policy makers.

The final group of papers are quantitative, survey based, empirical studies, the eighth paper "Regional demand and supply factors of social entrepreneurship" by Kachlami, Yazdanfar and Ohman examine regional factors in the supply and demand of social entrepreneurship. They offer "social value creation" as the differentiating feature that separates commercial and social entrepreneurship, and then use it in an empirical study to understand factors that affect the creation rates of social enterprises in Sweden.

Their critique of the extant literature is revealing. To date, studies have been conceptual or based on case studies. In their new study, a database was created from information provided by 290 municipal regions. This facilitated an examination of individual and environmental factors that influence the propensity of entrepreneurs to focus on social value creation. The results are challenging for the development of the field. The political narrative of social enterprise addressing the needs of people in poorer regions, promoting inclusive female-friendly approaches to entrepreneurship and securing pathways out of poverty for marginalised groups is not supported by this study. Instead, it confirms previous research that social venture creation is higher in wealthier regions (i.e. is positively correlated with higher GDP per capita), is more likely to occur where entrepreneurship is already thriving, and is positively correlated with higher levels of education and the gender of the working population. At first glance, the findings suggest that social entrepreneurship thrives best where it is least needed, where there are larger numbers of wealthier more educated men and not amongst populations characterised by poverty or disempowerment. However, other findings suggest a significant correlation with regional unemployment rates and the age profile of the local population. This suggests that social enterprise creation is addressing socio-economic needs related to low levels of employment and services for the elderly. Interestingly, unlike commercial entrepreneurship, the study found a U-shaped pattern of engagement by age (with both younger and older entrepreneurs more likely to focus on social entrepreneurship).

In the ninth paper by Granados and Rivera, entitled “Assessing the value dimensions of social enterprise networks”, considers the continued growth of the third sector generally and social enterprises in particular, having witnessed a growth of what could be described as a “social enterprise eco-system”. This “social enterprise eco-system” involves the establishment of networks offering support to social enterprises. However, whilst these networks are argued to be “a good thing”, there is little in the way of an evaluation of the added value of these networks or indeed which services offered by these network organisations do social enterprises actually utilise. The paper by Granados and Rivera attempts to fill this knowledge deficit by providing empirical evidence to assess this value. The authors employed a mixed methods approach and base their findings on 241 responses from social enterprises within the UK. The utilisation of a concurrent data collection strategy allowed for the gathering of both quantitative and qualitative information. This approach enabled the authors to test for four hypotheses which they established whilst at the same time acknowledging that a quantitative approach alone would be limited and would not identify “certain perceptions of value” which could be revealed by qualitative methods. The authors establish both “positive” and “negative” perceptions of value which they summarise in concise diagrams. These findings are further reflected in an insightful framework which the authors offer as an illustration of the three dimensions of a social enterprise network, the three dimensions consisting of content, structure and interaction. In conclusion, Granados and Rivera acknowledge the perception that the social enterprise sector is based on collaboration and there is a desire to learn and develop best practice. This desire will be achieved partly by networking. The growth in networking is based increasingly on the utilisation of online networks but the authors warn “[...] the creation of these virtual spaces or knowledge sharing platforms is not enough for the development to happen automatically”. This is due to the limited use that many social enterprises make of the wider networks which are directly related to the perceived value that the social enterprise believes it receives from the network. The authors argue that the inter-communication approach offered in their three dimensions figure would be away to overcome the infrequent use social enterprises currently make of their social enterprise networks.

In the tenth and final paper, “A mission of service: social entrepreneur as a servant leader” by Petrovskaya and Mirakyan offers insights into an established field of research within the field of entrepreneurship, namely the differences and similarities between a social

and “traditional” entrepreneur. However, this paper offers a unique lens to this research, namely analysing the similarities between the social entrepreneur and the servant leader. The authors inform us that the concept of servant leadership came to the fore in the late 1970s as a result of a “leadership crisis” which arose due to a wide disparity between the quality of society and the actual performance of the institutions that exist to serve it. Petrovskaya and Mirakyan argue that servant leadership extends outside the organisation and aims to serve multiple stakeholders including society as a whole. The authors identify five servant leadership attributes: altruism, humility, integrity, trust in others and empathy; these five attributes were “tested” against two groups of entrepreneurs, 49 “traditional” and 29 social, i.e. 78 in total in Russia. The method utilised was an online survey. The results indicate that social entrepreneurs indeed differ from traditional ones in four of the perceived servant leadership attributes, that is altruism, integrity, trust in others and empathy. No differences in humility between social and “traditional” entrepreneurs were found. The authors argue that this research is the first of its kind, identifying similarities and differences between social and “traditional” entrepreneurs through a servant leadership lens, and, therefore, is exploratory. In conclusion, the authors identify several further avenues to take this research forward.

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