Exploring the crux of social entrepreneurship:

The pursuit of blended value creation

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Acknowledgement

In 2009, I was first introduced to social entrepreneurship during my MSc in Entrepreneurship & Innovation at the University of Essex. Little did I know that this university would draw me back a few years later to start the incredibly rewarding and challenging journey of completing this thesis.

Since 2009, my mind has been fascinated with the idea that entrepreneurs can use the power of commerce for good. The idea that an individual has the capacity to shake up systems and help others improve their livelihoods in a sustainable manner is a captivating one. It is an idea that I have dedicated myself to better understanding.

Since having embarked on this journey, there have been many that have helped me shape my intrigue in this area and helped me developed my own thoughts on its answers. I would like to thank them for their contribution to this journey.

In 2010, Katherina Krell and Astrid Severin, introduced me to the concept of eco-innovation and waste-management through their work at Greenovate! Europe. They encouraged my entrepreneurial pursuits and helped me realise that this is indeed a field to which I feel called.

From 2012 till 2016 I had the honour and privilege to work closely with and receive mentorship from Fons van der Velden, Director at Context, International Cooperation. His encouragement, tutelage and generosity in providing me with applied research opportunities have been an important catalyst for me to gain a fundamental understanding of the social entrepreneurship domain. Together with Fons, I had the opportunity to contribute to my first publication entitled 'Leadership in social business'.

I have known Dr Caleb Kwong since 2009; initially as a lecturer at Essex Business School and then as my thesis supervisor. He has been instrumental in shaping my ideas and has helped me overcome significant barriers throughout the writing and research process. His

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Glossary

Blended value creation   Refers to the utilisation of strategies that foster harmony and complementarity between multiple value logics within the process of social entrepreneurship.

Social value   Refers to any contribution to unmet socio-environmental needs by a social enterprise.

Commercial value   Refers to any contribution to the commercial well-being of the social enterprise.

Abbreviations

BVC   Blended Value Creation

QMS   Qualitative-Meta Synthesis

NGO   Non-Governmental Organisation

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Chapter 1. PhD Thesis Introduction

Chapter 1. PhD Thesis Introduction

In this introductory chapter, the personal motivation and the scientific research gap are described. Furthermore, the research context and theoretical lens of this thesis is explored; namely the phenomena of blended value creation as discussed within the social entrepreneurship research domain. Finally, an outline of the research process is provided by defining the research objectives, questions and approach for this thesis as a whole.

1.1 This story's personal raison d'être

Over the last four years, I have had the opportunity to be involved in the creation and delivery of a number of social entrepreneurship courses, workshops and trainings. In Phnom Penh, Cambodia, together with Context, International Cooperation, we organised a week-long visit and workshops for seasoned practitioners in 2013. In Dhaka, Bangladesh together with Daffodil University, we organised a half-day inspiration workshop for young and inspiring social entrepreneurs in 2014. In Kampala, Uganda, we organised a 3-day social impact conference to stimulate local and foreign aid organisations to explore the capabilities of social enterprises to tackle local challenges in 2015. In the Hague, the Netherlands, through The Hague University of Applied Sciences, we have organised four editions of a 12-week incubation programme since 2017, for undergraduate students who want to experience the social entrepreneurship journey from pre-start-up to being pitch-ready. In Leiden, the Netherlands, together with the Centre4Innovation and Leiden University Honours Academy, we are currently running a 20-week design-track, where ambitious master's students tackle local problems in the city using social enterprise business modelling tools. Through these rich experiences I have been able to explore the social entrepreneurship domain through various

educational lenses. Through this journey my understanding of the social entrepreneurship process has been reshaped and changed. Most significantly, I have come to realise that, at its essence, social entrepreneurship theory and practice is concerned with the exploration of a single question: How *can we combine social value creation with commercial value creation in a single organisational model?*

Overtime, I have come to kickstart any introductory talk on the subject in one way. I walk to the whiteboard, pick up a marker, and drawing two circles. One with a smiley face and one with a dollar sign.
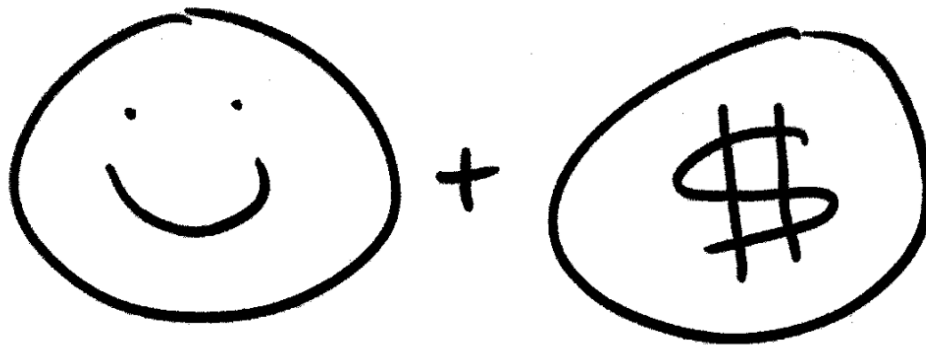
Over the years, I have come to believe that this simple image encapsulates the crux of social entrepreneurship theory and practice; it is *the* common denominator that flows through every aspect of the social entrepreneurship process, its models and its theories. As stated by Stevens and colleagues (2015) "it is the attempt to combine the social and economic missions that makes social entrepreneurial organisations unique". The need to blend social and commercial value creation is an essential "reason why the field of social entrepreneurship and sustainability have arisen" (Zahra, Newey & Li, 2014). This simple image represents the blending of social value and commercial value that social enterprises strive to achieve. It is for this reason, that I have chosen to place it on the cover page of this thesis.

One may argue that, where successful, the ability to blend a social mission within a commercially-grounded organisational model remains social entrepreneurship's most

significant potential contribution to shaping a new paradigm (Santos, 2013; Lautermann, 2013). As such, the social entrepreneurship movement has been part of a much broader ambition; to figure out if and how harmony is established between social challenges and the world of commerce. Which raises the next question: *If social enterprises want to blend social value creation with commercial practice, what is the best way achieve this?*

This powerful potential for what social entrepreneurship *could* be is what seems to have drawn a multitude of stakeholders to its research and practice. While praised for its potential, the idea of blending social and commercial value creation within a single organisational model also remains social entrepreneurship's most significant challenge (Mason and Doherty, 2016). Many argue that social and commercial value creation activities conflict with each other. As such, tension between values may be deemed the more dominant and popular discourse in social entrepreneurship research trends (Berglund and Schwartz, 2013). However, while the majority of articles analysed build on the notion of tension between values, a handful of scholars have explored the concept of BVC with more of an eye for creating "natural trade-offs and complementarities among [financial, social and environmental] dimensions of value" (Zahra and Wright, 2016). These scholarly efforts aspire to examine how a delicate balance could be achieved and maintained, where social and commercial values creation strategies complement each other.

To conclude this discussion, one may argue that social entrepreneurship is, at its essence, in relentless and constant pursuit of an answer to the question; *Can we find harmony between social value creation and commercial value creation or not?* It is this subject of integrating two seemingly paradoxical constructs that this thesis aspires to explore. Within this thesis, the process of formulating and executing strategies that foster harmony and complementarity between the social and the commercial logic within the process of social entrepreneurship will be referred to as *blended value creation.*

1.2 The research context

In this section an attempt is made to outline the scope for our research by defining the unit of measure; namely the *social entrepreneurship process*. Furthermore, as *value creation*, and more specifically *blended value creation* (BVC), are fundamental constructs of the three papers presented in this thesis, this literature review goes on to discuss and define these key constructs respectively[1].

1.2.1 Deconstructing social entrepreneurship: The *who*, the *what*, and the *how*

The field of social entrepreneurship is one which allows for considerable interpretation regarding the organisational model in question (Teasdale, Lyon and Baldock, 2013). Whether defined as a subfield of entrepreneurship and management research (Miller, Wesley and Curtis, 2010; Stevens, Moray and Bruneel, 2015) or explored as a phenomenon pertinent to the non-profit research domain (Hibbert, Hogg and Quinn, 2002; Weerawardena and Mort, 2006; Harris, Sapienza, and Bowie, 2009; Di Domenico, Tracey, & Haugh, 2009), there is a general consensus amongst researchers that, although a relatively young field of study (Zahra, Newey and Li, 2014) and although the "phenomenon remains rare" (Miller et al., 2012), social entrepreneurship research and practice are on the rise (Santos, 2012; Austin, Stevenson and Wei-Skillern, 2006; Sud, VanSandt and Baugous, 2009; Smith, Gonin and Besharov, 2013). As recognised by Santos, the social entrepreneurship research domain is at "a pre-paradigm stage of development" (2012). As such, to effectively conduct research, we must ask ourselves; what exactly do we mean when we use the term 'social entrepreneurship'?

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[1] For a more in-depth literature review regarding blended value creation within the social entrepreneurship context, reference is made to Chapter 2 of this thesis.

As one digs deeper into the literature, it is apparent that more work needs to be done to further define the constructs within, as well as the boundaries of, social entrepreneurship research (Santos; 2012, Dacin, Dacin and Tracey, 2011). Evidence suggests that social entrepreneurship theory has begun to lag behind those who practice it (Murphy and Coombes, 2009) and that the meaning of the term is often misunderstood (Thompson, 2002).

The term *social enterprise* has been coined by governments and researchers to represent 'socially driven businesses' (Di Domenico *et al.*, 2010). However, due to the multifaceted and interpretive nature of the term 'social enterprise', it may be used to refer to a broad and narrow (Austin *et al.*, 2006) range of business models that adopt some degree and form of social value creation (Alter, 2007). Today, the term 'social entrepreneurship' may be used to refer to a variety of trends, organisational modalities and activities (Roper & Cheney, 2006; Santos, 2012). Broadly speaking however, and as succinctly put by Corner and Ho (2010), the essence of social entrepreneurship boils down to two key elements, namely; "an overarching social mission *and* entrepreneurial creativity". One may position the social enterprise model between non-governmental organisations and for-profit businesses (see Figure 1). As such, this research relies on the simplistic and 'ideal-type' (Defourny & Nyssens, 2008) social enterprise[2].

To more accurately understand the social entrepreneurship research domain, a distinction may be drawn between the individual; the social entrepreneur, the model; the social enterprise, and the process; social entrepreneurship. In the following paragraphs, each of these three components is reviewed. This exercise of dissecting the concept is a useful aid in understanding the scope, limitations, and context of this thesis and the papers presented in chapters 2, 4 and 5.

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[2] Chapter 3 of this thesis provides a more detailed overview of the social enterprise definition adopted for this research.
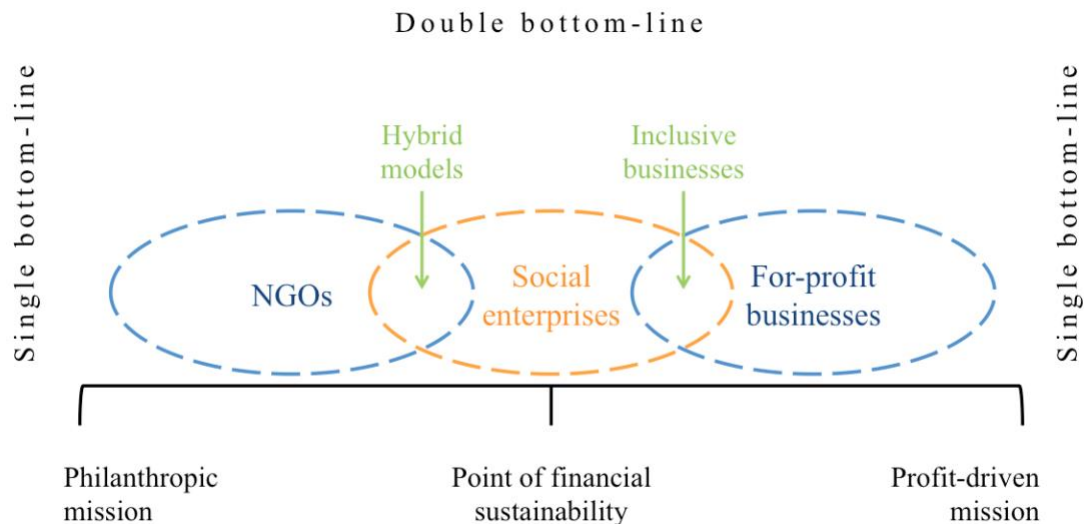
Figure 1 Positioning the social enterprise amongst other models

The social entrepreneur as an individual, i.e. the *who* of social entrepreneurship, has been the subject of significant exploration within social entrepreneurship research conducted till date (Abu-Saifan, 2012; Nga and Shamuganathan, 2010; Zahra et al., 2009). This keen interest in the individual, as the driver of the process of social entrepreneurship, comes as no surprise when one considers the unique role that social entrepreneurs play "in their dual pursuit of social and financial value creation to address pressing societal problems" (Bacq et al., 2015). This drive to achieve social change combined with a risk-taking, entrepreneurial flair is an attractive proposition; it positions the social entrepreneur as some sort of modern-day messiah of capitalism. As such, multiple awards and fellowships exist around the world today to applaud and celebrate the achievements of social entrepreneurs (e.g. Skoll Awards, Social Enterprise UK Awards, Schwab Foundation Social Entrepreneur of the Year Award, Ashoka Fellowship). Vasi describes social entrepreneurs as those who engage in "entrepreneurship with a conscience" (2009). Scholarly exploration to understand this individual often emphasise the *social*, i.e. "a predominant focus on value creation for others rather than value capture for themselves (Smith, Kistruck and Cannatelli, 2014). As appropriately stated by Mair and colleagues; "social entrepreneurs do not aim to make money without harming their environment; rather their primary objective is to achieve the social mission that they pursue"

(2012). That being said, while social entrepreneurs strive to achieve a social mission, one must not disqualify the importance of the commercial traits that social *entrepreneurs* posses, as their namesake suggests. Once they have identified a solution for a social issue, social entrepreneurs must develop plans to execute their activities "as efficiently, effectively and sustainably as possible" (Wei-Skillern, 2007). As a result, their very nature drives them to participate in commercial activities, thereby setting them aside from other individuals engaged in social movements.

The *what* of social entrepreneurship is found by looking to the social enterprise as the organisational model in question. Irrespective of how it functions, the social enterprise model is grounded first and foremost in its raison d'être (Santos, 2012); a social enterprise is directed by a social mission, as set by the social entrepreneur, which strives explicitly to tackle a social issue by creating social value (Austin, Stevenson, and Wei-Skillern, 2006). Unlike a non-profit organisation, it achieves this goal by engaging in commercial activities (Pache and Santos, 2013) (this differentiates it from charitable organisations in that it strives not to depend (solely) on subsidies, donations and funding). Due to its commercial nature, reference is often made to the need for social enterprises to strive for financial sustainability (Tracey & Jarvis, 2007; Di Domenico, Tracey, & Haugh, 2007). This commercial nature further emphasises a social enterprise's ability to utilise market-driven strategies while focusing continuously, consciously and explicitly on creating social value (Dorado, 2006). By participating in competitive markets and engaging in trade, a social enterprise can sell products or services that may allow it to sustain its operations (Battilana et al., 2015). *Operations*, in this case, are defined as those activities that contribute both to the improvement of a social challenge as well as the commercial health of the enterprise. As such, a social enterprise is not restricted to specific legal forms (Stevens, Moray and Bruneel, 2014) but instead "they straddle the well-established categories of business and charity" (Battilana et al., 2015) and adopt organisational models that

will allow them to most effectively function within their ecosystem to create social and commercial value. Essentially, social enterprises allow for a new organisational construct where one attempts to combine "elements of a for-profit focus on efficient use of economic resources with a non-profit focus on social value creation" (Townsend and Hart, 2008).

'Social entrepreneurship' in itself may be seen as a process. As such, the social entrepreneurship process is concerned with the *how* question. For further clarity, we turn to Mair and Martí, who refer to social entrepreneurship as "a process involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/or address social needs" (2006). Bacq and Janssen, further compliment Mair and Martí's definition by highlighting the dualistic social and commercial nature in their definition of social entrepreneurship as "the process of identifying, evaluating and exploiting opportunities aiming at social value creation by means of commercial, market-based activities and of the use of a wide range of resources" (2011). Finally, Santos' (2012) articulates the procedural nature of social entrepreneurship as "an innovation process in the economy that can happen in different institutional contexts, is based on value creation, and operates by its own rules and logic".

The research conducted for this thesis aspires to contribute primarily to the strategic body of work regarding social enterprise management rather than the *who* and *what* of social entrepreneurship theory. It is for this reason that this thesis primarily aims to contribute to the exploration of social entrepreneurship as a process; in other words, it explores the *how* of social entrepreneurship at the strategic level. The definition of the social entrepreneurship process, upheld as a framework for this thesis, finds its foothold in Santos' description of the concept as "an innovation process in the economy that can happen in different institutional contexts, is based on value creation, and operates by its own rules and logic" (2012). This definition firstly embraces social entrepreneurship as a process and secondly reiterates its highly contextual nature. Thirdly, it embraces the notion that social entrepreneurship as a process is one that

looks to create its *own rules and logic*, hence adopting the stance that the social entrepreneurship process is characterised by a rebellious drive to create (primarily social) value in environments that are not always accommodating to value creation. Rebellion in this context refers to the social entrepreneur's desire, eagerness, and drive to push the boundaries of existing logics, including existing social and economic constructs, to address pressing social challenges. This thesis therefore embraces and adopts 1) the procedural nature, 2) the context-specific nature and 3) the rebellious nature of social entrepreneurship as a process.

1.2.2 The curiosity of value creation

The value orientation of organisations has become a trending topic of scholarly and practitioner-led discourse within the social entrepreneurship research domain (see for example Santos, 2012; Zahra and Wright, 2016; Berglund and Schwartz, 2013; Zahra, Newey & Li, 2014; Pache and Santos, 2013). There seems to be an increasing awareness of, and growing concern for, global and local. As suggested by Gore, we are becoming more aware of the criticality of finding new solutions to these pressing challenges if we are to continue our survival as a species (2006). Coupled with the realisation that a one-size-fits-all organisational model to tackle such challenges is unlikely to exist (Van der Spek, Schreven and Van der Velden, 2014), increasingly efforts are needed, and have already been made, to define (new) organisational models[3] that tackle these challenges.

In recent times, the private sector is increasingly explored as "an effective source of solutions for a variety of social problems" (Sud, VanSandt and Baugous, 2009). As a result, we have witnessed an influx of efforts made to decipher how socially-centric and environmentally-conscious values can co-exist within a range of competitive and financially

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[3] I refer in this thesis to 'organisational models' as all models that make up the private, public and third sector including business models, non-profit models and public or (quasi) governmental models.

sustainable business models. From strategies such as shared value creation (Porter and Kramer, 2011) and models such as community-based enterprises (Peredo & Chrisman, 2006) and social businesses (Yunus, 2010), various researchers have explored, and practitioners have established, such inclusive business models in a hopeful effort to provide solutions to social challenges using business logic.

Although there may not be a "one-size-fits-all solution" (Thompson and Doherty, 2006), the one characteristic that these inclusive business models share is that they aspire to generate multiple types of values within a single organisational model. In recent times, the importance, and hence examination, of value creation within strategy development has become more explicit within management sciences (Lavie, 2007). Preliminary research suggests that this is particularly true for the social entrepreneurship research domain. To this end, multi-dimensional value creation has become a primary doctrine within social entrepreneurship. To further define this idea of multiple values, Santos makes a distinction between *value capture* and *value creation (2012)*, which is a helpful aid in clarifying the notion that social enterprises engage in multi-dimensional value creation.

> *"Value creation from an activity happens when the aggregate utility of society's members increases after accounting for the opportunity cost of all the resources used in that activity. Value capture from an activity happens when the focal actor is able to appropriate a portion of the value created by the activity after accounting for the cost of resources that he/she mobilised. This means that value creation is a concept measured at the societal or system level."* (Santos, 2012)

Within the social entrepreneurship domain, the concept of value creation is defined as the pursuit of 1) social value and 2) commercial value. In this instance, social value would relate to what Santos refers to as value creation, while commercial value would relate to value capture respectively. This simplified dissection, as Santos (2012) argues is problematic for two reasons. Firstly, commercial value may be seen as inherently social in that it may ultimately

benefits society. Secondly, social value as a holistic concept includes benefits that are complex, multi-dimensional, case-specific and difficult to measure. As such, it will always be difficult to simplify an inherently complex construction between value logics. As suggested by Choi and Majumdar, "social entrepreneurship is complex, contested and may be conceived as a cluster of related constructs" (2014 as paraphrased in Chell et al., 2016). This complexity trickles down to affect research efforts made to define and classify the concept of values within social entrepreneurship theory. Such efforts, as it turns out, have had their limitations. The concept of value creation within social entrepreneurship remains a subject of scholarly debate, is restricted by its contextual nature and, understandably, remains a complex area for scholars to find any consensus (Kroeger and Weber, 2014). However, this does not mean there is no room to strengthen this area of research. To this end, this thesis finds solace with, and hence aims to build on, Chell and colleague's assertion that:

> *"The creation of social value is a necessary condition of social entrepreneurship, it is the combination of social value creation with other elements that together constitute social entrepreneurship. Hence, to research and frame [..] social entrepreneurship, it is crucial to have a depth of understanding of the nature of the social value created ..."* *(Chell et al., 2016)*

Within existing literature, the *social* mission of a social enterprise is often posited as the cornerstone of a social enterprise (Di Domenico, Haugh and Tracey, 2010; Dees, 1998; Peredo and McLean, 2006; Zahra et al., 2009). To delineate *social* in the term 'social entrepreneurship', it is helpful to understand the relationship between social value, social issues, social benefits and the impacted beneficiaries. *Social value* creation involves the ability to tackle a *social issue*, which refers to "a putative condition or situation that is labelled a problem in the arenas of public discourse and action" (Hilgartner & Bosk, 1988). Examples of social issues may include, but are not limited to poverty, workplace equality, child labour, environmental conservation, illiteracy, water pollution, obesity, and illegal sex trade. In current

discourse social issues are often categorically discussed using the seventeen Sustainable Development Goals as established by the United Nations in 2015 (United Nations, 2016):

1. No poverty;
2. Zero hunger;
3. Good health and well-being;
4. Quality education;
5. Gender equality;
6. Clean water and sanitation;
7. Affordable and clean energy;
8. Decent work & economic growth;
9. Industry, innovation, & infrastructure;
10. Reduce inequality;
11. Sustainable cities and communities;
12. Responsible consumption & production;
13. Climate action;
14. Life under water;
15. Life on land;
16. Peace, justice, & strong institutions;
17. Partnership for the goals.

The ability to create social value, therefore, lies in the ability to solve, or at least positively contribute to a social issue. Contributing to social issues is achieved by accruing *social benefits* (Miller et al., 2012). *Social benefit* refers to "a solution to a social problem that accrues to society or a targeted segment of the population, as opposed to an individual or specific organisation" (Miller et al., 2012). These targeted segments of the population are referred to as *beneficiaries* (Austin et al., 2006). As such, social entrepreneurship concerns a social entrepreneur's ability to accrue social value by applying market-based mechanisms through an organisational model known as a social enterprise. By doing so, the activities of a social enterprise will directly or indirectly create social benefit for a specific beneficiary group that is affected by a social issue.

Although this thesis does not aspire to contribute to the definition of social value vis-à-vis commercial value, it is crucial that the two concepts are clearly defined. Using a review of the respective literature the following definitions have been formulated. It is suggested that these definitions will suffice for the purpose of this thesis, which is to further explore blended value creation in the context of the social entrepreneurship process.

Social value, for the purpose of this research, will be viewed as any contribution to unmet socio-environmental needs (Miles, Verreynne and Luke, 2014) by a social

enterprise. S*ocio-environmental needs* refer to the specific social mission (Miller et al., 2012) that the social enterprise in question aspires to achieve. The common denominator of any such social mission is that it aspires to contribute positively to a systemic, societal and/or an environmental problem. Examples of such social missions are context-specific and often driven by the core values, compassion and concern of the social entrepreneur (André and Pache, 2016). As such, social value creation is measured externally at the systemic, societal or environmental level (Santos, 2012).

Commercial value, for the purpose of this research, will be viewed as any contribution to the commercial health of the social enterprise. Commercial health refers to those activities that contribute to the social enterprise's financial sustainability (Di Domenico, Haugh, and Tracey, 2010). Contribution to commercial value is achieved through the utilisation of material resources, financial resources, human resources, and knowledge (Weidner, Weber and Göbel, 2016). As such, commercial value creation is primarily concerned with value capture and is measurable internally at the organisational level (Santos, 2012).

1.2.3 From tensions to blended values creation (BVC)

In the section above a discussion of the two value logics of social enterprises are described. Preliminary research highlights that these two value logics can be seen as inherently opposing or supporting each other. Scholarly viewpoints on this matter seem to differ.

There is an expressed desire within social entrepreneurship scholarly discourse to move away from the issue of definition (Grimes et al., 2013) toward contributions that extend into theory development that will aid the practice of social entrepreneurship (Austin, Stevenson and Wei-Skillern, 2006). As part of the theoretical evolution of social entrepreneurship, Stevenson and colleagues posit that current trends in social entrepreneurship research tend to place focus

on the "tension between social and economic goals" (2015). Pache and Santos refer to this *tension* as the "competing demands of the market logic and the social welfare logic that they [social enterprises] combine" (2013), while Dees highlights the "dual focus on concurrent economic and social value creation" (1998). Tracey, Phillips and Jarvis reiterate the challenge of combining these *logics* as they suggest that social entrepreneurship "demands that entrepreneurs fuse together key elements of different logics that may have little in common and may even be in conflict" (2011). As demonstrated in the above, preliminary research indicates that the terminology used interchangeably (tensions/logic/focus/demands) to discuss this phenomenon of tensions is vast and varied, yet more importantly, very much present within and significant to the social entrepreneurship research domain.

Scholarly discourse related to the tensions faced within social entrepreneurship is riddled with an undertone of frustration. The literature suggests that social enterprises that are not able to balance these two values sufficiently will be confronted with managerial challenges that may affect their mission-orientation, financial sustainability and resources acquisition (Battilana and Lee, 2014; Doherty, Haugh and Lyon, 2014). The concept of *blending* social and commercial value creation is particular and unique to social enterprises but also hard to achieve (Mason and Doherty, 2016).

It is this subject of *tensions* vis-à-vis *blending* that is the core driver for the development of this thesis. Where possible, the ambition of this thesis is to move away from the idea that social and commercial value creation is plagued primarily by tensions. Instead, it aims to explore the concept of value creation from a more integrative and holistic mindset; in other words, the following question is raised; What is the case for *blending* these value logics?

1.3 Defining the research gap

Section 1.1 provides a personal motivation for writing this thesis, while section 1.2 described the scope of research. However, to justify the research gap, theoretical justification is required to appropriate the potential contribution to existing theory.

A closer look at the existing social entrepreneurship literature highlights a need for further research efforts regarding the management challenge that social enterprises face in their attempt to generate both social value and commercial value through their activities (Santos; 2012, Dacin, Dacin and Tracey, 2011). As such, research for this thesis aims to contribute to the social entrepreneurship research domain by focussing specifically on expanding research efforts that explore how social enterprises can create *both* social and commercial value in a complementary and harmonious manner. Below, this research gap is delineated and justified by means of a preliminary review of the literature.

Till, date, the vast majority of social entrepreneurship research regarding the interaction between its social value creation activities and its commercial value creation activities seems to focus on their opposing natures; as posited by Stevens, Moray and Bruneel (2014), these 'constructs [social and commercial value,] are at two ends of a continuum. Gupta and Shalley (2006) speak of the 'inverse relation' between these two sets of values and suggest that they are in a constant state of tension. As such, there is a growing body of work that is built on the premonition that *tensions rather than integration* between social and commercial values is a precondition to the social entrepreneurship process (Stevens, Moray and Bruneel, 2014; Nicolopoulou, 2014; Mason and Doherty, 2016; Battilana and Lee 2014; Dacin, Dacin, and Tracey, 2011). As such, when it comes to dualistic value creation, the *tensions* between these values seems to be the more dominant and popular discourse in social entrepreneurship research (Berglund and Schwartz, 2013).

Some research efforts have however begun to suggest and explore whether, instead of tension, these two value types may be integrated to form a more harmonious and complementary relationship between social and commercial value creation strategies within social enterprises. Santos (2012) asserts that "we need to abandon the traditional distinction between economic and social value that is so often associated with definitions of social entrepreneurship". Instead, scholars are suggesting that values need not be in a state of tension but may instead be integrated or blended. To describe this, scholars refer to "pursuing *blended* value" or adopting a "*blended* value approach" (McMullen & Warnick, 2016). This idea that values can be blended is further explored by Costanzo and colleagues who refer to the concept of *blended strategic planning* as critical to social ventures that aspired to achieve both their social and commercial goals in a more harmonious manner. They suggest that blended strategic planning is "centered on a formalised, unified framework... [of both] social and economic targets" (Costanzo et al., 2014). Such scholarly efforts emphasise the idea that social enterprises "pursue blends of financial, social, and environmental values" and speak of the aspiration of organisations to achieve holistic blending of different value types (Zahra, Newey and Li, 2014). As described more stringently by Lautermann: "There is no such thing as pure financial and pure social value, … all value are inseparable blends" (2013).

Respective research efforts regarding the *blendability* of values, if proven correct, will change the way that social enterprise management research is approached; instead of assuming a constant state of tensions between the dual values, research efforts may instead explore strategic options for social enterprises that aspire to create harmony and complementarity between the two value types. However, whilst a promising prospect, respective research efforts have also highlighted a need for further research to better understand this notion that values can be blended (Smith, Gonin and Besharov, 2013; Santos, 2012) before one may understand

how a blended value creation (BVC) philosophy is injected into a social enterprise at the strategic and operational level.

Furthermore, preliminary research highlights that the social entrepreneurship research domain has begun to lag behind its practice (Murphy and Coombes, 2009). As concluded in a paper by Battilana and colleagues (2015) "social enterprises demand a deeper exploration and new theorising because they are neither typical businesses nor typical charities". This lack of robust and tested theory has led to a situation where practitioners have become experimental in their ways instead of relying on proven best practice. Most particularly, there is a need (Mason and Doherty, 2016), and hence ample room, to contribute to a more robust understanding of the interaction between social and commercial value creation (Battilana and Lee 2014; Dacin, Dacin, and Tracey, 2011). More specifically, existing research regarding the blending of values, highlights the "conceptual philosophical and practical ambiguity" of the current state of blended value creation research (McMullen and Warnick, 2016). In conclusion, as the demand for solutions to tackle social challenges becomes more pressing, so too does the demand amongst researchers and practitioners to understand how social entrepreneurship is best applied. What are the best strategies for establishing and scaling one's social enterprises? Answers to this question seems to remain scattered and lack empirical research.

To summarise, there is a clear indication that, while research attitudes are more geared at exploring the tension between, rather than the blending of, values, there exists a growing body of work that aims to explore the concept of blending values with an eye for creating "natural trade-offs and complementarities among [financial, social and environmental] dimensions of value" (Zahra and Wright, 2016). Zahra and colleagues describe blended value as "a pivotal concept of focus in social entrepreneurship" and point to the narrow mindset of traditional analyses that exclusively focus on commercial measures of success (2014). In his discussion, Emerson fundamentally puts to question the division made between different types

of values; namely financial, social and environmental values (2000). He suggests that this recognition for a need to blend values is a "part of the reason why the fields of social entrepreneurship and sustainability have arisen" (Zahra, Newey & Li, 2014). As such, the research presented in this thesis aims to contribute to the development of theory concerning the notion that social values and commercial values, created by social enterprises, can be of an integrative, harmonious and complementary nature. Furthermore, research presented in this thesis aims to answer the call for a more applied understanding of strategies that may aid social enterprises in adopting a BVC approach.

1.4 Research objectives and questions

In light of the research gap described in section 1.3, this thesis explores the challenge of blended value creation through conceptual and empirical qualitative research, with the primary goal of contributing to the social entrepreneurship strategic research domain and stimulating further empirical research in the area respectively. As such, research for this thesis aims to contribute to the social entrepreneurship domain in two ways.

Firstly, it aims to contribute to the further conceptualisation of the concept of *blended value creation (BVC).* Preliminary research clearly highlights the aspirational and philosophical nature of current BVC discourse (Zahra, Newey and Li, 2014). This is explained rather well by Sud and colleagues who highlight the challenge of genuinely understanding and regarding values as blended; "social entrepreneurship scholars are fond of talking about the 'double' or even 'triple' bottom line. We agree with the desirability of such an approach. However, until we acknowledge that only one of those lines – monetary profit – really matters to a large majority of decision makers, our calls for more social justice will remain largely unanswered" (Sud, VanSandt and Baugous, 2009).

Secondly, research aims to further expand on research efforts made to understand the application of a *blended value creation* (BVC) approach and how this effects strategy formation for social enterprises. Preliminary research clearly highlights a growing demand for a more applied understanding of the concept (Costanzo et al., 2014).

To this end, the research conducted aims to achieve two primary objectives.

The first objective is to explore and collate existing research that examines blended value creation in the social entrepreneurship process. By doing so, research aims to extract major learnings from existing research that will contribute to furthering research efforts made into the development of blended value creation strategies for social enterprises.

The second objective is to explore how a blended value creation philosophy is applied in practice within social entrepreneurship processes. By doing so, research aims to contribute to a more applied understanding of the strategic options available to social enterprises that aspire to adopt a blended value creation philosophy.

Both these objectives aim to advance existing understanding of the integration or *blending* of the social and commercial values within social enterprises. To meet these objectives, research questions have been formulated as outlined in Table 1. For each research question, the corresponding chapters that tackle these questions is included in the right column.

Research question	*Chapter*
Q1. How does existing research in the social entrepreneurship domain contribute to an improved understanding of blended value creation strategies for the social entrepreneurship processes?	1,2
Q2. How can institutional theory from a stakeholder perspective help improve our understanding of blended value creation in social entrepreneurship processes?	4,5
Q3. How can social enterprises strategically plan for and consciously create blended value?	1-6
Q4. What may be considered significant areas for future research that may help us to understand the concept of BVC?	2,4,5, 6

Table 1 Research questions for this thesis and their corresponding chapters

1.5 Research approach

The research questions presented in Table 1 are addressed using a three-paper approach. These three papers are presented as chapter 2, 4 and 5 of this thesis. Chapter 3, is a precursor to chapters 4 and 5 as it outlines, in more detail, the field research process and data that has been used to shape chapters 4 and 5. Finally, the thesis is concluded with a reflection of the research objectives in chapter 6. This research structure is presented visually in Figure 2 below.

Chapter 1
PhD Thesis Introduction: The crux of social entrepreneurship

Chapter 2
Blended value creation within the social entrepreneurship process: A qualitative review

Chapter 3
Investigating Bangladesh's social enterprises: Field research using a grounded theory approach

Chapter 4
Exploring social enterprise stakeholder interaction through the lens of multiple organisational identity theory

Chapter 5
Cultivating organisational legitimacy through NGO interactions: The case of four Bangladeshi social enterprises

Chapter 6
Conclusion: The case for Blended value creation

Process of answering research questions 1-7

Figure 2 Research structure for this thesis; a three-paper approach

The sequence of chapters aims to tackle the research objectives and questions in a systematic and logical manner. As such, chapter 1 introduces the subject matter, defines the scope of research and illustrates the research approach. Chapter 2 sketches the current stance of BVC research and uses qualitative meta-synthesis and thematic synthesis to give new meaning to the subject of BVC based on existing research. Having built a foundational understanding of the subject matter in chapter 2, chapter 3 provides a detailed insight into the field research process and respectively describes four case studies of social enterprises in Bangladesh. Next, chapters 4 and 5 adopt elements from institutional theory, namely organisational identity theory and organisational legitimacy theory, to analysis the four cases. As such, chapters 4 and 5 are more explorative by nature and step outside of the comfort of existing research to explore BVC through field research. The selection of theoretical lenses for chapters 4 and 5 are the result of a grounded theory approach to field research. Finally, Chapter 6 concludes the research process by summarising the results of the three papers, delineating the major learnings for each, and reflecting on the research objectives and the six research questions posed in Table 1.

1.6 Chapter descriptions and theoretical lens

To contribute to the research objectives and questions outlined in section 1.4, a number of theoretical lenses have been adopted for each chapter. These theoretical lenses are described, per chapter, in the section below. Below, a brief description of each chapter is provided with a focus on the theoretical lens. Finally Table 2 concludes chapter 1 by providing a bird's eye view of the research approach adopted in each chapter.

Chapter 1. PhD Thesis Introduction: The crux of social entrepreneurship

The purpose of the introductory chapter is to briefly present the research gap that this thesis aims to tackle. To this end, chapter 1 provides a brief literature review of social entrepreneurship, value creation and tension within social enterprise value creation. These constructs together clarify the scope and rationale for this thesis. Furthermore, the chapter outlines the research process by defining the research objectives, questions and approach.

The theoretical lens of chapter 1 finds its foothold within the social entrepreneurship research domain. More specifically, within this research domain, focus is placed on contributing to social enterprise strategic management theory. Chapter 1 highlights the need for further theoretical contributions to the challenge that social enterprises face as they strive to achieve blended value creation.

Chapter 2. Blended value creation within the social entrepreneurship process: A qualitative review

Chapter 2 analyses and synthesises data from 173 journal articles published between 2000 and 2015, using a qualitative meta-synthesis approach. Journal articles that have been considered for the data sample implicitly or explicitly explore the concept of blended value creation within the social entrepreneurship research domain. The purpose of this chapter it to

develop a compounded understanding of the philosophy of *blended value creation* as it is understood within social entrepreneurship research today.

The theoretical lens of chapter two is hybrid organisational management, more specifically defined as *blended value creation* within the social entrepreneurship research domain. Furthermore, chapter 2 contributes to the entrepreneurship and strategic management research domains. Most significantly however, it contributes to the demand to further conceptualise and understand the workings of the social entrepreneurship process.

Chapter 3. Investigating Bangladesh's social enterprises: Field research using a grounded theory approach

The purpose of chapter 3 is to outline the field research process that took place in Bangladesh in 2014. Respectively, this chapter presents the research design and provides a case description of the four social enterprises interviewed. This chapter is an (introductory) prerequisite for reading papers 2 and 3 (presented in chapters 4 and 5 respectively).

Firstly, Chapter 3 defines the social enterprise as organisational model using existing social entrepreneurship theory. To this end, it defines eight characteristics that define social enterprises. Secondly, chapter 3 adopts organisational modelling theories to describe and analyse the case studies of 4 social enterprises located in Bangladesh. To model each case, chapter 3 adopts organisational identification theory as defined by Alter (2007).

Chapter 4. Exploring social enterprise stakeholder interaction through the lens of multiple organisational identity theory

The purpose of Chapter 4 is to contribute to BVC theory development by analysing the stakeholder interactions of social enterprises. To this end, Chapter 4 applies Pratt and Foreman's *classification of managerial responses to multiple organisational identities* to four case examples of social enterprises. By doing so, chapter 4 provides novel insights regarding

identity management strategies that social enterprises may adopt to increase or decrease BVC through stakeholder relationships. Case data is presented from the perspective of the social entrepreneur only and not from the perspective of stakeholders.

Chapter 4 aims to develop an applied understanding of multiple organisational identity theory. As such it contributes to organisational management theory within the social entrepreneurship research domain. To do so, chapter 4 adopts Freeman's stakeholder theory (1984) in combinations with Pratt and Foreman's organisational identity theory (2000). Most significantly, chapter 4 contributes to the social entrepreneurship domain by further connecting and contextualising organisational identity theory to the social entrepreneurship research domain.

Chapter 5. Cultivating organisational legitimacy through NGO interactions: The case of four Bangladeshi social enterprises

Chapter 5 examines four cases of interaction between social enterprises and partnering NGOs. To do so, it applies the works of Suchman (1995), Cashore (2002) and Brinkerhoff (2005) regarding organisational legitimacy to analyse and synthesise case data. This chapter aspires to contribute to efforts made to develop strategic approaches and considerations for social enterprise management by studying the manner in which social enterprises garner legitimacy through their relationships with NGOs.

Similar to chapter 4, chapter 5 contributes to organisational management theory within the social entrepreneurship domain. Chapter 5 is built on the findings of chapter 4 and adopts the theoretical lens of organisational legitimacy theory (Suchman, 1995; Cashore, 2002; Brinkerhoff, 2005). Most significantly, chapter 5 contributes to the social entrepreneurship domain by further connecting and contextualising organisational legitimacy theory to the social enterprise model.

Chapter 6. Conclusion: The case for Blended value creation

Finally, chapter 6 concludes this thesis. First, chapter 6 provides a summative overview of the research process and reflects on the research objectives and questions posed in this introduction. Secondly, chapter 6 outlines the contribution of this thesis to the social entrepreneurship research domain. Finally, future areas of research, as a result of this thesis, are described.

Chapters	Objective	Theoretical Outlook(s)	Approach	Methodology
1. Introduction: Setting the scene	Posing the relevance of blended value creation, the wider research domain of social enterprise management and introducing the research process and respective chapters			
2. Blended value creation within the social entrepreneurship process: A qualitative review	To synthesise research efforts made till date with regard to BVC. This, with the intent of identifying major learnings from existing research and suggesting future research directions respectively	(Blended) value creation Hybridisation Social entrepreneurship Strategic management	Qualitative Explorative Descriptive Conceptual	Systematic literature review Qualitative meta-synthesis Thematic synthesis
3. Investigating Bangladesh's social enterprises: Field research using a grounded theory approach	To describe the field research process and provide an overview of four cases of social enterprises in Bangladesh	NA	Field research	In-depth semi-structured interviews, observation, grounded theory
4. Exploring social enterprise stakeholder interaction through the lens of multiple organisational identity theory	To explore social enterprise stakeholder interactions using organisational identity theory	Stakeholder management Organisational Identity Social entrepreneurship	Qualitative Empirical Explorative	Literature review, Case analysis, Pratt and Foreman (2002)
5. Cultivating organisational legitimacy through NGO interactions: The case of four Bangladeshi social enterprises	To explore the relationship of one prominent social enterprise stakeholder; the NGO. Specific focus is placed on understanding this relationship using constructs extracted from organisational legitimacy theory.	Non-profit management Organisational Legitimacy Social entrepreneurship	Qualitative Empirical Explorative	Literature review, Case analysis, Suchman (1995)
6. Conclusion: The case for Blended value creation	Revisiting the research objectives and questions, a summary of the major findings, research limitations and outline of future research directions.			

Table 2 A summary of the research approach for each chapter

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Chapter 2. Blended value creation within the social entrepreneurship process: A qualitative review

Abstract

Purpose: The purpose of this paper it to develop a compounded understanding of the philosophy of *blended value creation* as it is understood within social entrepreneurship research today.

Methodology: Using a qualitative meta-synthesis approach to conduct a systemic review, this paper analyses and synthesises data from 173 journal articles published between 2000 and 2015. Journal articles that have been considered for the review's data sample implicitly or explicitly explore the concept of blended value creation within the social entrepreneurship research domain.

Findings/Contribution: Content analysis through thematic synthesis has led to the clustering of actions and responses to blended value creation into seven themes; Rebellious Innovation; Self-Aware Culturalist; Cyclical Education; Collaborative bricolage; Humble Scaling; Ecosystem-driven Remodelling; and Transparent Accounting. It is proposed that these themes provide a new understanding of the interplay between strategies that contribute to the application of a blended value creation philosophy.

Keywords: Blended value creation, social entrepreneurship, strategic management

Table of Content Chapter 2

Figures

Tables

2.1 Introduction

In their philosophical exploration of dialectical materialism, Karl Marx and Friedrich Engels discuss the existence of any situation or thing as the co-existence of multiple conditions that are in opposition to each other, yet simultaneously dependent on each other within an equilibrium of tension. In his discussion of the Law of Opposites, Marx concludes that everything "contains two mutually incompatible and exclusive but nevertheless equally essential and indispensable parts or aspects" (Conze, 1936). The notion that two seemingly conflicting *parts* actually need each other to create the whole is intriguing. What exactly would this co-existence within an *equilibrium of tension* look like?

This paper is built on the belief that, similar to the Law of Opposites as posited by Marx, effective social entrepreneurship is possible only when two value logics; namely social value creation and commercial value creation, are in equilibrium. The idea that constructs have to be in a state of *tension* to remain in equilibrium however is challenged in this paper as it does not resonate with the fundamental relationship that social entrepreneurs strive to create between these two values. Instead, is it believed that social entrepreneurs strive to create harmony and complementarity between these value logics.

In the context of the social entrepreneurship process, the phrase 'equilibrium in tension' may conjure up the image of a scale where the social and commercial values are in a constant state of strain. Or, to adopt a management sensibility; a state where social value logic strategies and commercial value logic strategies must perform equally but are not necessarily conducive to each other's outcomes. Instead of focusing on this opposition and tension however, one may propose that social entrepreneurs are actually driven by the search for a means of *blending* the social and commercial values.

It is with this mind-set of embracing the notion of *blending*, as opposed to the notion of tension between values that research for this paper has been conducted. This paper explores the potential to *harmonise* two seemingly opposing values and to identify strategies of *complementarity* rather than tensions. It is proposed that the term *blended* would be an appropriate term to refer jointly to harmonisation and complementarity of values respectively. To this end, and for the purpose of this paper, the term *Blended Value Creation* (BVC) has been adopted for this paper and is defined as follows:

> **Blended value creation** is the utilisation of strategies that foster harmony and complementarity between multiple logics within the process of social entrepreneurship.

In this context, the word *blended* is used to refer explicitly to those strategies that aim to 1) reduce tensions, 2) develop harmony and 3) create complementarity between the social and the commercial logics of the social enterprise (Santos, 2012). Such strategies therefore strive to be adaptive and embrace multi-logic thinking. As a *process*, social entrepreneurship refers (in this paper) to "the innovative use and combination of resources (Mair and Martí, 2006) to create social value and commercial value[4]. Respectively, *social value* is referred to as any contribution to unmet socio-environmental needs (Miles, Verreynne and Luke, 2014) by a social enterprise, whilst commercial value is referred to as any contribution to the commercial well-being of the social enterprise. Furthermore, this paper refers to *harmonisation* as those strategies that reduce or remove the tension between the social and commercial logics and refers to *complementarity* as commercial value

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[4] For a more detailed definition of social value and commercial value, reference is made to Section 1.2.2

strategies that (also) create social value and social value strategies that (also) create commercial value.

Preliminary research suggests that the majority of multiple value logic research in the social entrepreneurship domain views social values and commercial values as inherently opposing. Stevens, Moray and Bruneel (2014) suggest that the 'constructs are at two ends of a continuum', Gupta and Shalley (2006) speak of their 'inverse relation'. As a result, there now exists a growing body of research that is built on the notion that tension between social and commercial values is a precondition to social entrepreneurship. Furthermore, it has been observed from preliminary research that social entrepreneurship research is commonly conducted within the entrepreneurship and management domain (Peredo and McLean, 2006). As posited by Martin and Osberg (2007), "any definition of the term 'social entrepreneurship' must start with the word 'entrepreneurship'. The word 'social' simply modifies entrepreneurship". As a result, there has been a trend to try and fit social entrepreneurship research within existing frameworks and theories of entrepreneurship and management studies. There is however, a danger in borrowing from existing research domains (Nicolopoulou, 2014) as one may, consciously or otherwise, wrongfully draw assumptions. This raises the question; Does something hold true for social entrepreneurship models and process simply because it holds true within management or entrepreneurship discourse? Considering the risk of such approaches is not unwarranted. As concluded in a recent paper by Battilana and colleagues (2015) "social enterprises demand a deeper exploration and new theorising because they are neither typical businesses nor typical charities". As such, this paper views the approach of modelling social enterprise discourse on existing theory with some degree of scepticism. This scepticism is further justified as research indicates that the value assumptions of commercial models do not embrace a dual logic as is the case with social enterprises

(Nicolopoulou, 2014). As such, the strategic management of social enterprises demands a radically fresh perspective that is not tainted by theories developed for other domains. Furthermore, this paper aims to look less at the tension of values and instead to focus on the potential that social and commercial values can in fact be harmonised and complementary. As such, this paper responds to the call for a clearer understanding of how social entrepreneurship as a process[5] may contribute to the creation of *both* social and commercial value (Mason and Doherty, 2016; Battilana and Lee 2014; Dacin, Dacin, and Tracey, 2011). As recognised by Mason and Doherty, *"there remains a disconnect between [...] calls for action and how much we know about the barriers that block effective social enterprise theory and practice"* (2016). This paper responds to this call by examining the key social entrepreneurship literature that discusses the concept of BVC. Most significantly, this paper proposes that, at the strategic level, actions and responses that contribute to blended value; in other words, those strategies that nurture harmonisation and complementarity of social and commercial values, may be categorized into seven strategic themes[6].

Finally, this paper contributes to the growing body of work that examines the management implication of the social entrepreneurship process (Battilana and Lee 2014; Mason and Doherty, 2016). It also opposes the growing body of research that embraces tensions between social value creation and commercial value creation as a fixed denominator and instead (in the spirit of the rebellious nature of social entrepreneurship) challenges this notion and asserts that there is potential for change in our perception regarding value harmonisation and complementarity; and thus, to instead create blended value. As such, this paper aims to contribute primarily to research objective one of this

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[5] The *process of social entrepreneurship* is defined in Section 1.2.1.
[6] These seven themes are further identified and defined in research question 2 of this paper - see Section 2.3.2

thesis: *to explore and collate existing research that examines blended value creation in the social entrepreneurship process. By doing so, research aims to extract major learnings from existing research that will contribute to furthering research efforts made into the development of blended value creation strategies for social enterprises.*

2.2 Methodology

The methodology best suited to tackle a *problem* is one which embraces the richness and complexity of the problem, understands the objectives of research and then choses the most appropriate approach (Benbasat, 1984).

Preliminary exploration, as highlighted previously, suggests that the majority of research conducted till date concerning BVC in social entrepreneurship is scattered, lacks definition and consensus. This presents a problem for the social enterprises research domain. This problem can be tackled by gathering the existing research and providing a more synthesised overview of the BVC literature published till date. Furthermore, the majority of these studies are of a qualitative nature. Although qualitative studies provide a plethora of findings there is a concern that qualitative research is often conducted in isolation and consequently does not establish reasonable links with previously conducted research (Estabrooks, et al. 1998).

This paper embraces the pluralist perspective (Knudsen, 2003) of business management scholars. As such, this paper is built on the belief that there are different ways of seeing organisational realities (Morgan, 1986) and hence draws from a diverse data pool to shape new ideas concerning BVC. Furthermore, this paper adopts the interpretivist philosophy by giving new meaning (Burrel & Morgan, 1979) to existing research. It develops a new understanding of existing constructs by looking at the concept of BVC from different perspectives. By doing so, this paper aims to develop a richer and more complex understanding of BVC. It is believed that this philosophical approach is appropriate as it embraces the fact that 1) BVC research is relatively new, and 2) that BVC is highly contextual. By adopting this approach, research aims to make predictions on the behaviour of social enterprises that appropriately respond to opportunities that allow for BVC. As such, this paper aspires to address this concern by synthesising scholarly

discussions regarding the topic of BVC within the social entrepreneurship research domain. To develop this knowledge base, this paper has conducted a systematic review of the literature. The *systematic review* approach (Phillips et al., 2015) ensures a transparent and iterative review process (see Figure 3) that reduces researcher bias by establishing a structured search framework and relying on extensive database searches and the application of inclusion and exclusion criteria (Roehrich, Lewis, & George, 2014).

Stage 1 – Planning the Review
Action 0 – Identification of the need for a review
Action 1 – Preparation of a proposal for review
Action 2 – Development of a review protocol

Stage 2 – Conducting a Review
Action 3 – Identification of research
Action 4 – Selection of studies
Action 5 – Study quality assessment
Action 6 – Data extraction & monitoring progress
Action 7 – Data synthesis

Stage 3 – Reporting & Dissemination
Action 8 – The report & recommendations
Action 9 – Getting evidence into practice

Figure 3 Stages of the systematic review (Phillips et al., 2015)

More specifically, the systematic review approach relies on the thematic clustering of data using Qualitative Meta-Synthesis (QMS). QMS has been "posited as a method of inquiry that can address these concerns" (Zimmer, 2006). QMS is a recent approach to qualitative inquiry (Zimmer, 2006) that provides a means of consolidating the qualitative contribution made with regard to a specific area of research. It does this by bringing together articles on a specific topic and consolidating these through a process of translation

and synthesis. The potential contribution of such a process is neatly summarised by Zimmer (2006) as follows:

"Identification of consensus, hypothesis development, and investigation of contradictions in patterns of experience across studies makes theorising at higher levels possible. This provides a means for enhancing the contribution of qualitative findings to the development of more formalized knowledge that is meaningful and useful to the discipline." (Zimmer, 2006)

For this paper, three steps of the QMS process as outlined by Newton (2015) were adopted. These are 1) framing, 2) searching, and 3) synthesis. Each of these three steps is described in more detail below.

2.2.1 Step 1: Framing

The purpose of framing is to identify broad research questions that will guide the searching and synthesis process (Newton, 2015). As such, the framing process is a crucial step in defining the scope of the systematic review (Roehrich, Lewis and George, 2014). Respectively, research questions were drafted prior to the QMS process using preliminary research as well as the examples of other systematic reviews (namely: Laplume and Litz, 2008; Peloza and Shang, 2011; Carroll and Shabana, 2010). These preliminary research questions were further formulated and redefined during the synthesis process. As suggested by Walsh and Downe (2005), this process of reformulation throughout the research process is typical in a QMS approach to data clustering. For this paper, two overarching research questions and six sub-questions (i.e. three for each overarching research question) were formulated and deemed relevant and sufficient to guide the QMS process. Further explanation and validation of these questions is provided in the paragraphs below.

The first research question aims to build a foundation for understanding what is meant by BVC. Preliminary research has suggested that the terminology used to describe the concept of BVC varies. As such, research question 1 firstly explores the terminology used to describe BVC. Secondly, research question 1 aims to discuss how the term has been defined within the literature. Finally, question 1 explores future research that will contribute to the conceptualisation of the BVC philosophy. To systematically tackle this question, research question 1 has been split into two sub-questions.

Research question 1. Definition and establishment:

How is blended value creation discussed and defined?

Sub-question 1.1:

What terminology is used to refer to blended value creation?

Sub-question 1.2:

How has blended value creation been defined?

The second research question explores the actions and responses that may be utilised and/or cultivated by a social enterprise to create blended value. As such, question 2 is concerned with contributing to a more practical and strategic-level understanding of BVC. Question 2 focusses on identifying and discussing implicit and explicit actions and responses that may contribute to strategic-decision making that leads to improved BVC. As such, question 2 aims to contribute to the social entrepreneurship domain by further framing strategic approaches to BVC into themes. Finally, question 2 explores future research areas that will contribute to a more applied understanding of BVC. To systematically tackle this question, research question 2 has been split into two sub-questions.

Research question 2. Action & Responses:

What actions and responses do social enterprises utilise to nurture blended value creation?

Sub-question 2.1:

How can actions and responses be clustered into strategic themes?

Sub question 2.2:

What are the main and most agreed upon actions and responses to blended value creation within each strategic theme?

Finally, the results will be summarised, and key areas of future research will be explored. These findings will be discussed in the conclusion of this paper.

2.2.2 Step 2: Searching

The purpose of the searching step is to outline and frame the process of collecting data prior to analysis. Key to the searching step is that one develops "a systematic process for selecting relevant studies" (Newton, 2015). To ensure that the data pool of studies is comprehensive, this paper has adopted the same selection process as Phillips and colleagues (2015) have in their systematic review entitled '*Social Innovation and Social Entrepreneurship: A systematic review'*. This selection process was adopted because the work of Phillips et al. (2015) represents the most comprehensive, peer-reviewed, and the most up-to-date systematic review written for the social entrepreneurship domain. To adopt the same review process as Phillips and colleagues (2015), article selection process relies on a combination of electronic search filters and hand searching to further filter down and include only those studies that explicitly and/or implicitly discuss BVC. The exact selection process is described in more detail below.

Step 2 continued: Filtering and selection of journals

For the QMS selection process, an initial search for articles and reviews was made using Scopus; a comprehensive electronic search database. The process of selecting articles was subject to multiple filters (Barosso et al., 2003), using inclusion and exclusion criteria (see Table 3). Each filter is described below starting with the four inclusion criteria.

Firstly, for the selection of this data pool, only journal articles written or translated in English were considered. This may be considered a necessary limitation of the systematic review approach as the author is only proficient in a select number of languages.

Secondly, a date filter was applied to further narrow the scope. As such, only journal articles published between 2000 and 2015 were considered for the QMS. The choice to include only journal articles published between these dates is due to preliminary research which suggests that social entrepreneurship research efforts have increased substantially in the last 10 years (Agrawal and Gugnani, 2014). As such the search was extended by an additional 5 years. To summarise, by adopting this data range, the QMS approach for this paper reflects an attempt to 1) be inclusive and 2) capture data in a time period where research on the subject matter is most prevalent.

Thirdly, to ensure that the data pool was made up of qualitatively high studies, only peer-reviewed articles have been included in the study.

Fourthly, filters were applied to the Scopus database to search for journals articles that contained the term 'social entrepreneurship', 'social enterprise', 'social business' and/or 'social venture' within the title, abstract and/or keywords.

The inclusion criteria described above was completed using digital filters within the Scopus database. This led to the selection of a total of 1,595 articles.

Next, and in line with the approach adopted by Phillips et al. (2015), a number of exclusion criteria were defined to narrow the scope of the review and ensure that only those

articles that are relevant to the chosen research domain were included. To apply the exclusion criterion to the 1,595 articles extracted from Scopus, an extensive assessment phase was completed where each paper was checked manually through hand searching (Barosso et al., 2003) to ensure relevance. This was done by first reading the abstract of a paper and checking if it met any of the exclusion criterion. In cases where the abstract failed to provide sufficient evidence to include or exclude the article in the final data set, the journal article was further skimmed or thoroughly read. This filtering phase proved most complex as BVC was often discussed implicitly or discussed using different terminology. The exclusion and inclusion criteria adopted are detailed in Table 3.

Next, the 1,595 articles were subject to an additional assessment by reviewing the abstracts to ensure that they were indeed implicitly or explicitly relevant to the research topic (Phillips et al., 2015), namely strategic insights into BVC management within the social entrepreneurship process (see exclusion criteria 9). Once all articles were assessed for relevance, they were reviewed according to the quality criteria listed in Table 3 to ensure that all articles were in fact peer-reviewed to ensure quality in terms of rigor, robustness, methodology, data and contribution to knowledge (Pittaway et al., 2004). Finally, this filtering process left a total of 173 articles that met the criteria. As such these 173 articles became the data pool for the data analysis and thematic synthesis process (See appendix for list of final articles analysed in the QMS process).

Table 3 Inclusion and exclusion criteria for QMS

#	Inclusion criteria	Justification of criteria
1	Studies translated or written in English	A limitation of the author is that studies must be accessible in the English language to be considered for this systematic review.
2	Date limit 2000 - 2015	Contributions toward the strategic management of multi-dimensional values within social

		entrepreneurship have developed in the past 15 years.
3	Articles and Reviews	Focus on high-quality peer-reviewed research
4	Use of one of the following terms in the abstract, title or keywords: "Social entrepreneurship" "Social enterprise" "Social business" "Social venture"	This systematic review regarding value creation is focused on the social entrepreneurship research domain. As such, it is not concerned with literature that explores the idea of tensions between social value and commercial value in other areas of research.
	Dataset after filtering for criteria 1,2, 3 and 4	**1,595 document results on Scopus**
	Exclusion criteria	**Justification of criteria**
5	Studies pertaining to establishment and definition only	To exclude the many studies that aim to establish, define and justify (components of) the social entrepreneurship research domain as this systematic review aims to focus on strategic implications, rather than justify and further define the field of study.
6	Studies pertaining to measurement and financial methodologies	To exclude the many studies relating to the methodologies used to measure social and/or environmental impact, as well as studies related to the financing structures of social enterprises.
7	Studies pertaining to education practice and research	To exclude the many studies focused on the educational prospects of social entrepreneurship and how this may be institutionalized within education.
8	Studies pertaining to unrelated themes such as consumer behavior, industry segmentation, health, motivation, policy	To exclude the many studies that discuss research areas within the social entrepreneurship research domain that are not explicitly related to the strategic management of multiple values.

	development and government, charity and volunteer management	
9	Studies not implicitly or explicitly acknowledge the multi-dimensional value logic of social enterprises	To exclude the many studies that look at organizational management of social entrepreneurship but do not focus, within this context, on the multi-dimensional nature of value creation.
10	Studies related specifically to the microfinance domain	While often seen as a related field, the social enterprise research domain should not be confused with that of microfinance.
	Dataset after hand filtering for criteria 5-10	**173 document results**

2.2.3 Step 3: Synthesis

To begin with, each of the 173 articles was reviewed, and its content coded and collated according to its relevance to the two research questions (as outlined in the framing step in section 2.2.1). To this end, data related to the definition and establishment (research question 1) was coded and collated and data related to actions and responses (research question 2) was also coded and collated. This coding was completed by reviewing each article and systematically labelling it to indicate its relevance to either question 1, 2 or both.

For the process of analysing and synthesising 173 for question 2, content analysis using thematic synthesis (Thomas & Harden, 2008) was applied. This allowed for further scrutiny and interpretation of the data and eventually the emergence of themes as a result of clustering the coded data. As described by Barnett-Page & Thomas, thematic synthesis is a process where "free codes of findings are organised into 'descriptive' themes, which are then further interpreted to yield 'analytical' themes. [Thematic synthesis] shares much with grounded theory, in that the approach is inductive, and themes are developed using a

'constant comparison' method" (2009). Practically, this meant that themes that emerged throughout the review process where first highlighted and broadly listed. After this themes were narrowed down and re-clustered. As such, the research process has not relied on existing classifications, but instead allowed, as much as possible, for themes to emerge organically through content analysis of the articles. As suggested by Locke, such an indicative approach to coding allows for extended theory development (2001), which is the aim of this paper. As preliminary research had highlighted the infantile state of BVC research in the social entrepreneurship domain, the opportunity to further extend theoretical development through content analysis has been deemed a relevant step in understanding the topic at hand. To complete the thematic synthesis process, each article was first reviewed through constant comparison and free coding as prescribed by Barnett-Page and Thomas (2009). This process was repeated several times to narrow down, re-word and re-assess the chosen themes.

This approach, where themes emerge through a repetitive review process, allows for the development of new findings instead of imposing a priori set of themes (Thomas and Harden, 2008). This approach was deemed suitable because 1) no previous framework of BVC themes has been found in the literature and 2) it allowed 'new' themes to be identified that may be a more appropriate fit for the research objectives of this paper. This approach led to the formulation of seven themes within which actions and responses to apply BVC were categorically listed and discussed (see section 2.3.2 for more detail regarding the seven strategic themes). This final set of seven themes was selected based on their consistent inclusion within the 173 journal articles analysed.

Next, data originally coded during the preliminary phase of the synthesis process was re-examined and categorically placed (Thomas & Harding, 2008) within one or more themes, or otherwise rejected. This coding process, described by Thomas and Harden

(2008) as 'line-by-line' coding, involved the placement of text into one or more themes. This step completed one of the key steps of the synthesis process to take place, namely to transfer and translate the concepts of one study to another (Thomas and Harden, 2008). During this process of coding it became apparent that the texts that were transferred to a theme provided further insights that helped to define the themes and to identify strategic approaches that could be adopted by social enterprises that aspired to embed a theme within their organisational model.

2.3 Results

The results of the QMS process are presented systematically in this section. Firstly, the results for research question 1: definition and establishment are presented. Subsequently, the results for research question 2; actions and responses are presented.

2.3.1 Research Question 1. Definition and establishment

Sub-question 1.1: What terminology is used to refer to blended value creation?

Content analysis suggests that the term 'blended value creation' is often used partially and/or replaced with other terms to suit a respective narrative or context. Content analysis also suggests that a plethora of words are used interchangeably to refer to BVC or aspects of it. As such, the term 'blended value creation' does not necessarily hold ground as an established and accepted term within the social entrepreneurship research domain. Below a description of the data pool is provided, followed by an analysis of the terminology used.

2.3.1.1   *Understanding the data pool*

Content analysis has provided an overview of the top forty authors most cited across the 173 journal articles analysed as discussing the concept of BVC (using their own terminology). Upon further review of these citations, it is posited that there exists a strong correlation between those authors most cited within the 173 journals and their respective exploration of the topic of BVC, either implicitly (i.e. within the context of adjacent research topics and/or using differing terminology to refer to (aspects of) BVC) or explicitly (i.e. within the context of discussion multiple value management and/or referring specifically to the term 'blended value creation' within their research). As such, this data, as presented in Figure 4, may be of value for researchers who aim to learn about and/or expand on the discussion surrounding BVC.
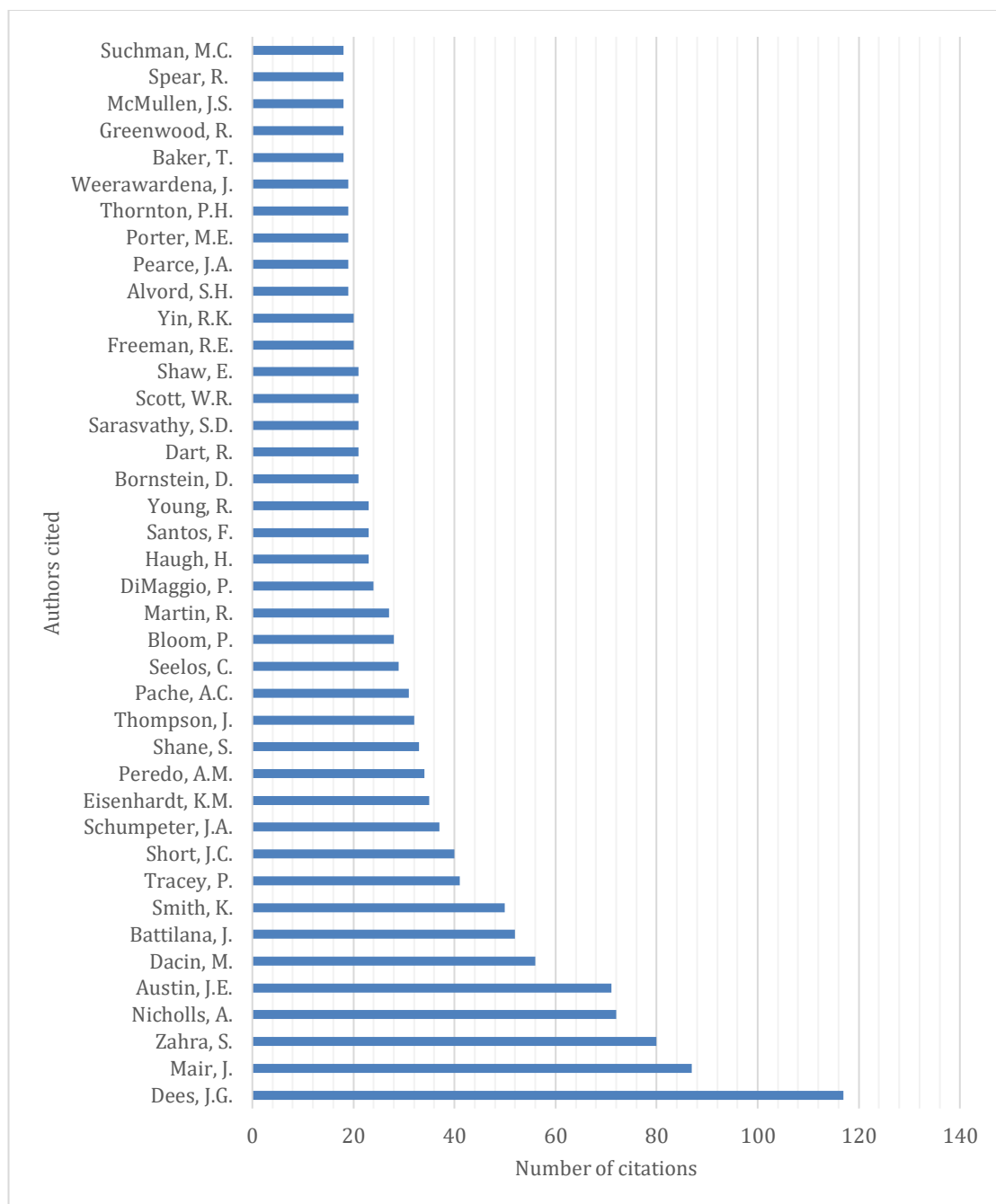
Figure 4 Top 40 authors most cited within the 173 journal articles analysed that discuss BVC

Furthermore, date filtering has been used to review research efforts conducted over the period 2000-2015. Figure 5 provides an overview of when journal articles included in the QMS data sample were written. It is noticeable that the discourse pertaining to BVC (implicitly and/or explicitly) suggests a significant increase in the last five years of the data sample, namely between 2010 and 2015. In fact, exactly 90 % of the articles included in the QMS data sample have been published between 2010 and 2015. Furthermore, it clear

that the increase in publication on the topic of BVC has dramatically increased in the last years as 63% of the entire data sample was published between 2013 and 2015. One may posit that there is a clear growing demand for, and interest in, understanding how multiple logics may be catered to within a single organisational model. Furthermore, it may be suggested that this trend is likely to increase and that BVC will become a significant subject of study within social entrepreneurship research.
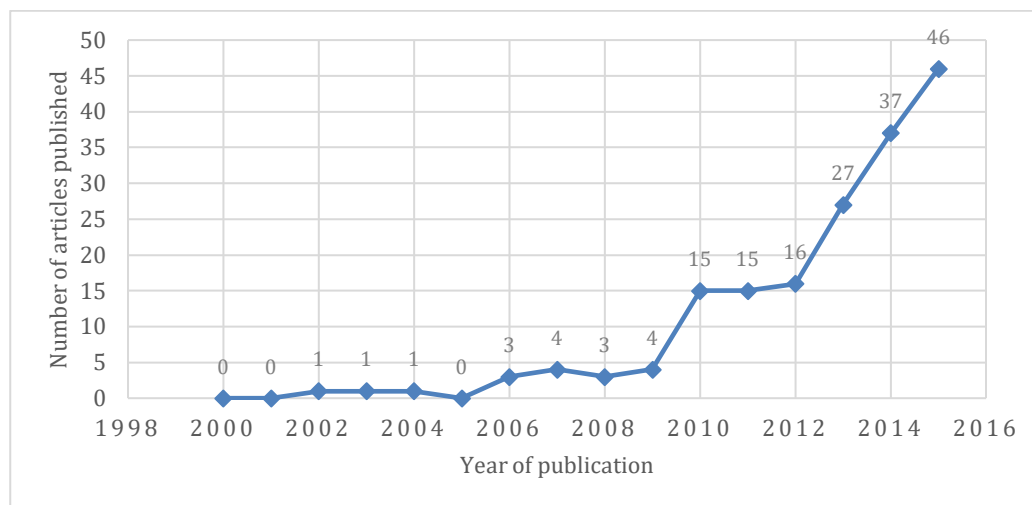
Figure 5 Date analysis of 173 journal articles

2.3.1.2 *Terminology that is used in blended value creation discourse*

To reiterate the preliminary findings of content analysis, the topic of BVC was found to be discussed either implicitly (i.e. within the context of adjacent research topics and/or using differing terminology to refer to (aspects of) BVC) or explicitly (i.e. within the context of discussing multiple value management and/or referring specifically to the term 'blended value creation' within their research).

To better understand this, terminology used to refer to BVC across the 173 journal articles was reviewed and collated. Respective terminology has been presented in a word cloud below to visually demonstrate which terms are utilised most often by scholars when discussing (aspects of) BVC. The size of the word in the word cloud suggests how commonly it is used across the articles (see Figure 6 below). Word clouds have been used

as a tool to summarize data and activate visual processing of data analysis (Tumelty, 2015; Hein, 2012). For this word cloud, emphasis was not placed on how often words were used within one particular article, but rather what kinds of words were used most often across different articles. For this reason, terms that were reused multiple times in one article were only listed once per article. This form of data analysis must not be considered robust or complete, but a first step in efforts to better understand the current context and nature of discourse regarding BVC. Most common terms used to refer to or replace BVC (in order of frequency) include: identities, dual, values, hybrid, blended, multiple, tensions, goals, social, versus, organisational, commercial, competing, logics.

Figure 6 Word cloud of terminology used to discuss BVC

A closer look at the terms used, suggests that many articles refer to the 'hybrid' nature of values (e.g. Battilana et al., 2015; Pache and Santos, 2013). In this context, hybridity is often used to reflect the co-existent (as opposed to co-dependent or innately complementary) nature of values. Content analysis highlights that scholarly preference to use terminology to describe value creation such as "competing objectives" (Miller et al., 2012), "distinctive identity" (Smith, Gonin and Besharov, 2013), "multiple constituencies" (Battilana et al., 2015), "productive tensions" (Battilana et al., 2015), "dual logic" (Thorgren and Omorede, 2015) and "competing institutional logic" (Pache and Santos,

2013), lean more toward the separation rather than the integration of values. Such terms have been found to indicate an inherently negative or tense relationship between values. This affirms preliminary research findings which suggested that value creation discourse in the social entrepreneurship domain embraced the existence of tensions between values as an accepted, logical and agreed upon philosophy that consequently has become the underpinning approach for a growing sample of subsequent and/or related research efforts. This is well-documented by Berglund and Schwartz (2013) in their assessment that "tensions are acknowledged as part of a definition of the research field of social entrepreneurship, but also of practising social entrepreneurship."

Furthermore, it was found that numerous authors used multiple terms within one article to refer to BVC. This further confirms the exploratory, complex and discrepant state of the concept. This explains, to some extent, why the term 'identities' is preferred by scholars as it keeps the discussion at a rather corporate and philosophical level (i.e. discourse focussing on mission-orientation) as opposed to utilising terms such as 'strategy' or 'operations', which would, in theory, demand a more applied understanding of the concept. Scholars speak of "pursuing blended value" or adopting a "blended value approach" (McMullen, Warnick, 2016), further highlighting its exploratory nature, and hence one that needs to be developed further (Smith, Gonin and Besharov, 2013; Santos, 2012) before one may understand how to inject a BVC philosophy at the strategic and/or operational level. In short, content analysis suggests that the discourse pertaining to BVC remains speculative, aspirational and philosophical. As a result, few explicit steps have been taken to understand how it may be applied.

To summarise, it may be posited that the term 'blended value creation' 1) is most often discussed implicitly within a larger narrative, 2) lacks establishment 3) is used interchangeably with other terms, and 4) is discussed mainly at the philosophical and

speculative level. Particularly the third finding (that the term is used interchangeably with other terms) threatens the establishment of scholarly discourse that focusses on the harmonising and complementarity potential of BVC as many of these terms suggest an inherent separation and/or tension between values. In other words (and although a strong claim that demands further validation) there exists a likelihood that, due to current trends in research, the *tensions* between, instead of the *blending* of, values is likely to (continue to) become the more dominant discourse for social entrepreneurship research.

Sub-question 1.2: How has blended value creation been defined?

To better define BVC, it is useful to understand where and by whom the term has been introduced and discussed. Preliminary research indicates that the term 'blended value creation' has not been widely adopted within the social entrepreneurship research domain. Content analysis of 173 articles has further confirmed this. The term *blended value* is discussed in a small number of articles. In total, 11 papers were found to explicitly use the term 'blended value' (see Table 4 Articles that explicitly refer to the term 'blended value').

Ormiston, J. and Seymour, R., 2011. Understanding value creation in social entrepreneurship: The importance of aligning mission, strategy and impact measurement. Journal of Social Entrepreneurship, 2(2), pp.125-150.
Antadze, N. and Westley, F.R., 2012. Impact metrics for social innovation: barriers or bridges to radical change? Journal of Social Entrepreneurship, 3(2), pp.133-150.
Ormiston, J., Charlton, K., Donald, M.S. and Seymour, R.G., 2015. Overcoming the challenges of impact investing: Insights from leading investors. Journal of Social Entrepreneurship, 6(3), pp.352.
Costanzo, L.A., Vurro, C., Foster, D., Servato, F. and Perrini, F., 2014. Dual-Mission Management in Social Entrepreneurship: Qualitative Evidence from Social Firms in the United Kingdom. Journal of Small Business Management, 52(4), pp.655-677.
Lautermann, C., 2013. The ambiguities of (social) value creation: towards an extended understanding of entrepreneurial value creation for society. Social Enterprise Journal, 9(2), pp.184-202.
Miller, T.L., Grimes, M.G., McMullen, J.S. and Vogus, T.J., 2012. Venturing for others with heart and head: How compassion encourages social entrepreneurship. Academy of management review, 37(4), pp.616-640.
Santos, F.M., 2012. A positive theory of social entrepreneurship. Journal of business ethics, 111(3), pp.335-351.
VanSandt, C.V., Sud, M. and Marmé, C., 2009. Enabling the original intent: Catalysts for social entrepreneurship. Journal of Business Ethics, 90, pp.419-428.
Zahra, S.A., Newey, L.R. and Li, Y., 2014. On the frontiers: The implications of social entrepreneurship for international entrepreneurship. Entrepreneurship Theory and Practice, 38(1), pp.137-158.

McMullen, J.S. and Warnick, B.J., 2016. Should we require every new venture to be a hybrid organization? Journal of Management Studies, 53(4), pp.630-662.
Zahra, S.A. and Wright, M., 2016. Understanding the social role of entrepreneurship. Journal of Management Studies, 53(4), pp.610-629.

Table 4 Articles that explicitly refer to the term 'blended value'

An analysis of these papers suggests that the authors most referenced within the social entrepreneurship literature with regard to defining the term 'blended value' are Emerson and Nicholls (see Table 5 Key articles referenced when discussing or defining 'blended value'). These authors first discussed the term in the context of accountability and measurement of social and commercial values (Emerson, 2003; Nicholls, 2009), impact investing (Spitzer, Emerson and Harold, 2007; Bugg-Levine and Emerson, 2011; Emerson, 2000) and social innovation (Nicholls and Murdock, 2011).

Emerson, J. (2000). The nature of returns: A social capital markets inquiry into elements of investment and the blended value proposition. Harvard Business School working paper, Social Enterprise Series, No. 17.
Spitzer, J., J. Emerson, and J. Harold. 2007. "Blended Value Investing: Innovations in Real Estate." Working Paper. Oxford: Skoll Centre for Social Entrepreneurship.
Emerson, J. 2003. "The Blended Value Proposition: Integrating Social and Financial Returns." California Management Review 45 (4): 35-51.
Nicholls, A., and A. Murdock. 2011. "The Nature of Social Innovation." In Social Innovation: Blurring Boundaries to Reconfigure Markets, ed by A. Nicholls and A. Murdock, 1-30. Basingstoke: Palgrave MacMillan.
Nicholls, A. 2009. "We Do Good Things, Don't We? Blended Value Accounting in Social Entrepreneurship." Accounting, Organizations and Society 34 (6-7): 755-769.
Bugg-Levine, A. & Emerson, J. (2011). Impact investing: Transforming how we make money while making a difference. San Francisco: Jossey-Bass.

Table 5 Key articles referenced when discussing or defining 'blended value'

To understand BVC, it is important to look at the roots of the concept; how has it entered the social entrepreneurship domain to begin with? Scholarly efforts in the social entrepreneurship domain that explore BVC seem to find a foothold in, or build their work on two studies in particular; one by Emerson titled 'The Blended Value Proposition: Integrating Social and Financial Returns' (2003), and one by Nicholls titled 'We Do Good Things, Don't We? Blended Value Accounting in Social Entrepreneurship' (2009). As exemplified in the works of Emerson and Nicholls, a correlation may be drawn between

scholarly exploration of impact investing and the concept of BVC (see for example Ormiston et al., 2015; Zahra, Newey and Li, 2014) in the social entrepreneurship domain. To affirm this, Miller and colleagues referred to *blended value* accounting as an "increasingly legitimate way of accounting for prosocial gains" (2012). Content analysis further strengthens this finding and suggests that the concept of BVC is often discussed within social entrepreneurship discourse that focuses on measurements, such as impact measurement, accounting and impact investing. As suggested by Ormiston and colleagues, "impact investment attempts to challenge the traditional dichotomy that asserts an inverse relationship between social impact and financial returns by striving for 'blended value creation' that generates both" (2015). A significant finding is that foundational studies linking BVC to the social entrepreneurship domain highlight the notion that the application of BVC demands a quantifiable and formalised approach to be properly understood. This would explain why it is commonly linked to the study of accountability, impact investing and measurement (e.g. Emerson, 2003; Nicholls, 2010) as these denote subfields of social entrepreneurship research that demand formalisation and some level of quantification. This is further confirmed by Costanzo and colleagues who refer to the concept of *blended strategic planning* as critical to social ventures that aspired to achieve both their social and commercial goals. They suggest that blended strategic planning is "centered on a formalised, unified framework ...[of] social and economic targets" (Costanzo et al., 2014).

Having looked at the root as well as the context in which BVC has been adopted within the social entrepreneurship research domain, the next step in answering sub-question 1.2 is to dig deeper into the discourse to understand how BVC has been defined by others. To this end, the work of Santos (2012) has been particularly useful in further understanding what it may mean to apply a BVC approach. Santos' work is rather unique in that he decisively rejects the "dichotomy between economic and social outcomes"

(2012). Santos suggests that theory development should focus instead on "a generic concept of value, defined in terms of the increase in the utility of society's members. This proposed switch in approach to theory development seems quite radical and original within the more commonly-held attitudes in social entrepreneurship research. Although seemingly radical, Santos' approach is very much in line with the concept of BVC as defined for this paper (see section 0); Santos aspires to look at value creation as a *holistic* or singular end result rather than the tension between (separate) logics. To this end, Santos draws a distinction between value *capture* and *value creation*, stating that:

> *"value creation from an activity happens when the aggregate utility of society's members increases after accounting for the opportunity cost of all the resources used in that activity. Value capture from an activity happens when the focal actor is able to appropriate a portion of the value created by the activity after accounting for the cost of resources that he/she mobilised. This means that value creation is a concept measured at the societal or system level." (Santos, 2012)*

Santos goes on to hypothesise that social enterprises engage predominantly in the activity of value creation while commercial firms engage predominantly in the activity of value capture. If found to be true, this distinction may be valuable in further narrowing the scope of research regarding BVC.

As previously highlighted, data analysis clearly indicates that research attitudes are more geared at exploring the tension between, rather that the blending of, values. As such, tension between values may be deemed the more dominant and popular discourse in social entrepreneurship research trends (Berglund and Schwartz, 2013). However, whilst the majority of articles analysed build on the notion of tension between values, a handful of scholars have explored the concept of BVC with more of an eye for creating "natural trade-offs and complementarities among [financial, social and environmental] dimensions of value" (Zahra and Wright, 2016). Such scholarly efforts emphasise the idea that social

enterprises "pursue blends of financial, social, and environmental values" and speak of the aspiration of organisations to achieve holistic blending of different value types (Zahra, Newey and Li, 2014). As described more stringently by Lautermann: "There is no such thing as pure financial and pure social value, … all value are inseparable blends" (2013) and Santos' (2012) assertion that "we need to abandon the traditional distinction between economic and social value that is so often associated with definitions of social entrepreneurship."

Furthermore, content analysis suggests that the notion of a blended value approach seems to have been birthed from a growing recognition that decision making based solely on financial metrics is 'traditional' and 'historic' (Zahra, Newey & Li, 2014). Zahra and colleagues describe blended value as "a pivotal concept of focus in social entrepreneurship" and point to the narrow mind-set of traditional analyses that exclusively focus on economic measures of success (2014). In his discussion, Emerson fundamentally puts to question the division made between different types of values; namely financial, social and environmental values (2000). He suggests that this recognition for a need to blend values is a "part of the reason why the fields of social entrepreneurship and sustainability have arisen" (Zahra, Newey & Li, 2014). As such, there seems to be a growing consensus that values should be viewed as indivisible from each other (Zahra, Newey & Li, 2014) and hence must co-exist within any organisations. Such research efforts posit that "the interplay among dimensions of values could be enriching" and could even lead to the creation of new opportunities and business growth (Zahra and Wright, 2016). Within such scholarly schools of thought, BVC strategies seem to emphasise *integration approaches* over *compartmentalisation approaches* (Costanzo et al., 2014). As posited by Zahra and colleagues, "a blended value approach asserts that all organisations create and destroy multiple value types – financial, social and environmental" (2014).

Taking all these points into consideration, the idea of combining institutional logics (Greenwood et al., 2011) is associated with "heightened challenges" (Besharov and Smith, 2012). As such, content analysis highlights the "inherently confused" (Pache and Santos, 2013) nature of theory development regarding BVC in the social entrepreneurship research domain. On the one hand, *blending* seems to be more and more encouraged, whilst on the other end, tensions are stressed. As such, discourse regarding the notion of combining values within social entrepreneurship research seems to suggest two opposing schools of thought. While some scholars emphasise the move toward blending as a term that advocates indivisibility and holism between values (Santos, 2012; Ormiston and Seymour, 2011), others speak of blending as the idea of "*balancing* the creation of financial, social and environmental wealth" (Zahra and Wright, 2016; Sud, VanSandt and Baugous, 2009). Although nuanced, there is a clear and fundamental difference as the latter fundamentally views values as separate whilst the first takes a more unified approach. It will be interesting to see how this research area evolves and to see if the two schools of thought will merge or create separate strands of research.

Furthermore, during content analysis, it was observed that scholars often refer to BVC as a "notion", "philosophy" (Zahra, Newey & Li, 2014), "concept" (Lautermann, 2013), "attempt", or "striving" (Ormiston et al., 2015). This reflects the "conceptual philosophical and practical ambiguity" of the current state and understanding of BVC (McMullen and Warnick, 2016). It may be hypothesised that this conceptual nature is reflective of the complexity of the topic, thereby explaining why relatively less research that explores the application of BVC has been identified till date. This apparent lack of conceptualisation of the concept is rationalised rather well by Sud and colleagues who highlight the challenge of genuinely understanding and regarding values as blended; "social entrepreneurship scholars are fond of talking about the 'double' or even 'triple'

bottom line. We agree with the desirability of such an approach. However, until we acknowledge that only one of those lines – monetary profit – really matters to a large majority of decision makers, our calls for more social justice will remain largely unanswered" (Sud, VanSandt and Baugous, 2009). This need to acknowledge values more equally that Sud and colleagues stress, seems to be finding foothold in more progressive descriptions of social entrepreneurship as the "recognition, formation, evaluation, and exploitation of opportunities to create new businesses, models and solutions with a focus on achieving blended value." (Zahra, Newey & Li, 2014).

While there seems to be a growing demand for a more blended mind-set in research, discourse remains largely at the theoretical and corporate level (referring mainly to mission and vision related thinking), as opposed to being worked out thoroughly at the strategic and operational level of social enterprise management. Whilst Ormiston and Seymour do refer to the 'method' of blended value; their contribution focusses mainly on what types of values social enterprises create. At the strategic level, their work contributes by dissecting value at the *content* and *process* level, whilst also recognising the need to evaluate multiple values. "Understanding value invites holism rather than particularisation, as value creation can simultaneously refer to content and process, and thus requires an understanding of the evaluation of value as well as the processes involved in creating it" (Ormiston and Seymour, 2011). The fact that multiple values may co-exist does not however necessarily correlate to harmony and complementarity of values; to get to this next level, there is a need to understand how BVC can be nurtured at the strategic and operational level. Zahra and Wright highlight the short-term costs of applying a blended value strategy that are potentially "offset by long-term success and survival" (2014). This approach is further discussed by McMullun and Warnick (2016) who posit that, "blended value is likely to play a moderating role in preventing attention and action from being too

narrow and short-sighted". This switch in mind-set from short-term thinking to long-term thinking sounds attractive in theory, but one cannot help but struggle to imagine that social enterprises would willingly incur short-term costs for a long-term hypothetical gain. This raises the fundamental issue that in its philosophical state, "pursuing blended value raises significant challenges relating to the expertise needed to deliver it" (Nicholls, 2009). It is this process of applying the philosophy of blended value to delineate areas of expertise that this paper aims to shed light on in research question 2.

2.3.2 Research Question 2:   Actions and Responses:

Sub-question 2.1 How can actions and responses be clustered into strategic themes?

In this section, an outline of the results gained during thematic synthesis is provided. Content analysis using thematic synthesis (Thomas & Harding, 2008) to extract overarching themes has proven to be a complex and all-consuming process. How does one remain unbiased and thorough when dissecting data and subsequently formulating this data into themes? As argued by Paterson and Canam, there is no "absolute" truth in qualitative meta-studies as results are in part a product of their context as well as the author's prior knowledge and opinion (2001). Despite the challenging and inductive nature of meta-study approaches, it is suggested that through constant and repetitive comparison of the data, respective challenges may be partially circumvented (Barnett-Page and Thomas, 2009). As such, considerable time has been dedicated to analysing, clustering, re-analysing, and re-clustering data into themes. As posited by Lucas et al, although not fool proof, content-analysis using thematic synthesis is a valuable method in efforts to reveal commonalities and thus shape areas for future research. As such, this method of categorically synthesising data has proven to be appropriate and effective in tackling sub-question 2.1.

2.3.2.1   *Formulation of the themes*

Themes have been formulated firstly with the aim to reflect those actions and responses which have been found to resonate most strongly within respective scholarly discourse. Secondly, themes have been formulated to remain inclusive and suitably comprehensive, considering the range of discussions that have been observed. Finally, themes have been articulated in the spirit of striving to a more applied (strategic and operational vis-à-vis conceptual and philosophical) understanding of BVC. As such, the wording chosen strives to be action-oriented. During content analysis, I carried the image of a social entrepreneur and her/his team experimenting with strategies that might inject the philosophy of BVC within their organisation and environment, and asked myself the question; how would they do this? As posited in the results and discussion regarding research question 1 (Section 2.3 – Sub-question 1.2), content analysis highlights the philosophical nature of current BVC discourse (Zahra, Newey and Li, 2014). Simultaneously, there is a growing demand for a more applied understanding of the concept (Costanzo et al., 2014). As such, these two factors; the current philosophical state combined with a growing demand for an applied understanding, have become the guidelines for shaping themes. It is with this mind-set that content-analysis and thematic synthesis were approached to identify strategic considerations that may contribute to a more applied understanding of the subject matter. Following inductive content analysis of 173 journal articles, it is proposed that actions and responses may be discussed categorically within seven key themes. These themes are:

Theme 1. Rebellious Innovation   Theme 5. Humble Scaling

Theme 2. Self-Aware Culturalist   Theme 6. Ecosystem-driven Remodelling

Theme 3. Cyclical Education   Theme 7. Transparent Accounting

Theme 4. Collaborative bricolage

It is suggested that these themes are likely to be mutually reinforcing and co-dependent. In other words, a social entrepreneurial process that strives to inject the philosophy of BVC within its strategic and operational logics cannot do so by merely adopting one of the themes but must incorporate the themes jointly and holistically. An attempt to depict this graphically has been made in Figure 7.

7 THEMES FOR
BLENDED VALUE CREATION

THEME 1
REBELLIOUS
INNOVATION

THEME 7
TRANSPARENT
ACCOUNTING

THEME 2
SELF-AWARE
CULTURALIST

THEME 6
ECOSYSTEM-DRIVEN
REMODELLING

THEME 3
CYCLICAL
EDUCATION

THEME 5
HUMBLE
SCALING

THEME 4
COLLABORATIVE
BRICOLAGE
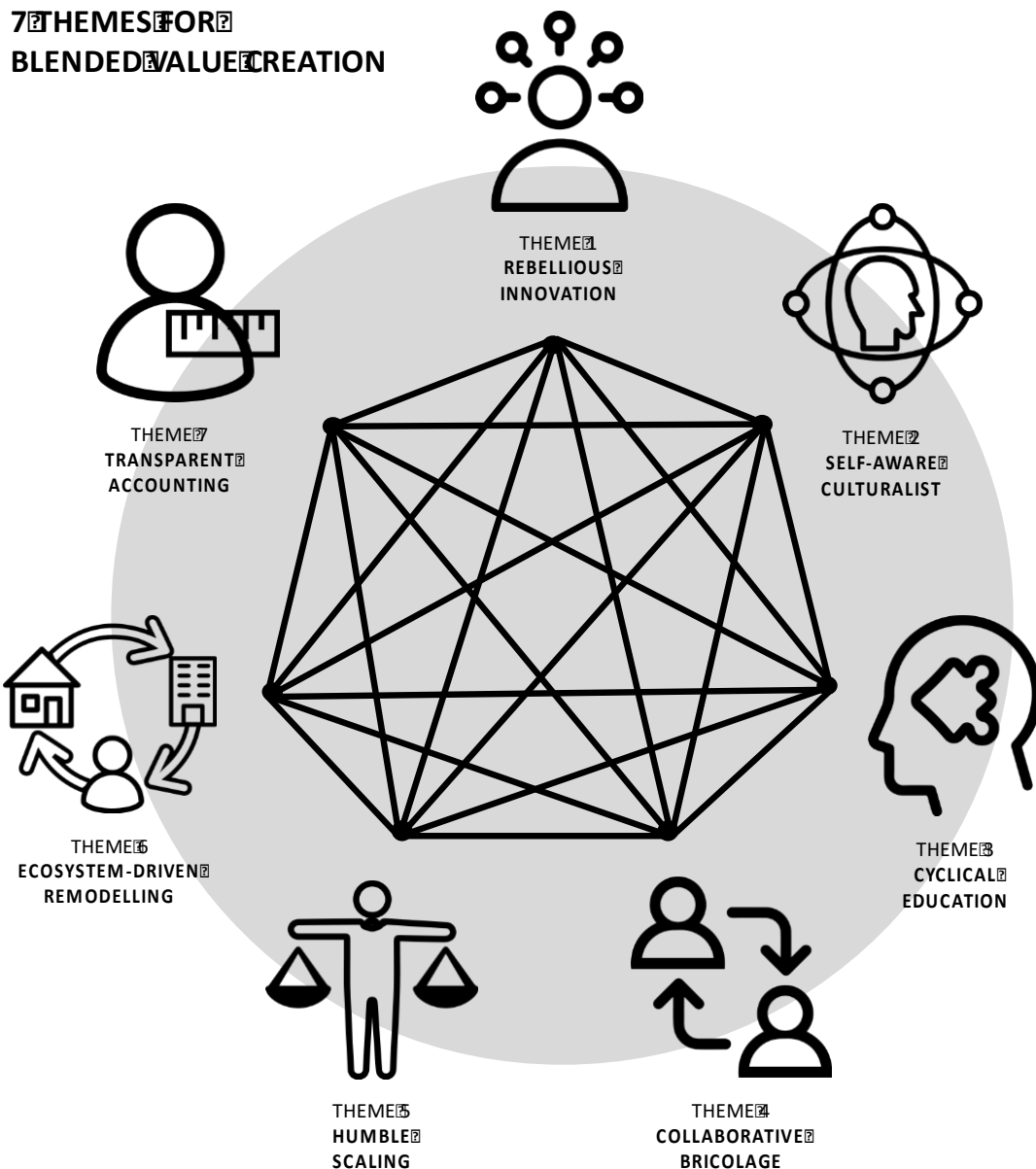
Figure 7 The 7 themes of blended value creation[7]

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[7] Anna Pelgrim is an art student at the Royal Academy of Arts, The Hague. The icons for each theme were developed in collaboration with Anna. Subsequently, Figure 7 has been developed to visualise the interplay between the 7 themes.

Themes may also be regarded as strategic capabilities that social entrepreneurs may consider in efforts to improve their ability to blend value creation. Figure 8 provides a snapshot of how often each theme is discussed across the 173 journal articles analysed. Sub-question 2.2 expands on this discussion by examining the actions and responses that have led to the formulation of each themes through the QMS approach.
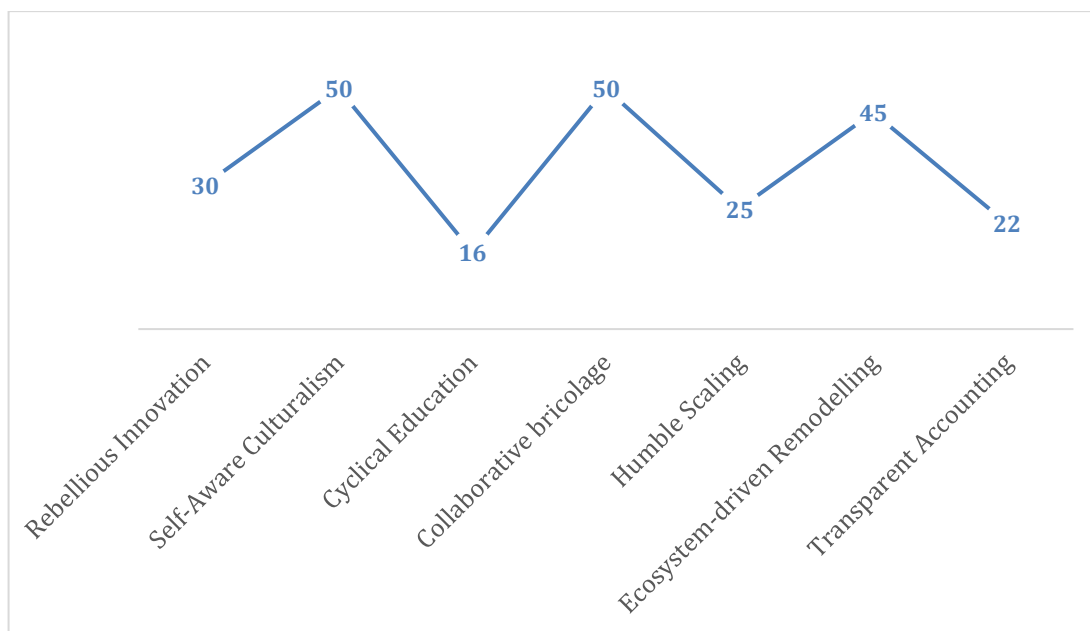
Figure 8 Frequency of theme inclusion in journal articles analysed during QMS

2.3.2.2 *Review of the themes against existing frameworks*

After having formulated the seven themes, content analysis was additionally conducted to see if any other scholars had proposed similar or complimenting classifications. Below a brief review is provided of four articles identified that propose a similar classification. Where an overlap has been identified, themes from our content analysis have been named (e.g. theme 1) and placed in brackets in an effort to more accurately present complementarities in classification with other articles.

Firstly, a study published by Gupta, Beninger and Ganesh (2015), proposes a list of capabilities for social enterprise success within the African context that correlates at multiple points with the themes proposed in this paper. Their study proposes five key capabilities for ideological social entrepreneurial success, namely: 1) comprehending the

context (theme 6); 2) creating innovative (theme 1) products/services, markets, infrastructure and scale (theme 5); 3) connecting with a variety of stakeholders (theme 4); 4) engaging in capability-building and education (theme 3); and 5) cultivating trust with the communities (theme 2 and 7). Other studies as well, show correlations to the themes.

Secondly, in their discussion about social enterprise tensions, Smith and colleagues (Smith, Gonin and Besharov, 2013) explore the categorisation of tensions in social enterprises. Their exploration suggests that tensions may be dissected into four categories, namely; performing tensions (theme 7), organising tensions (theme 6), belonging tensions (theme 2) and learning tensions (theme 3). Furthermore, Smith and colleagues frame their discussion around four theories that have been prominently applied to social entrepreneurship theory by scholars; institutional theory (theme 6), organisational identity (theme 2), stakeholder theory (theme 4), and paradox theory (theme 2). It is interesting to note that the theories, identified as prominent by Smith and colleagues exhibit a clear correlation to the thematic synthesis of this paper. As such, one may hypothesise that the topic of BVC is similarly fundamental to social entrepreneurship strategy development.

Thirdly, an overlap has also been found in Stephan and colleagues' (Stephan et al., 2016) work to explore organisational practices that stimulate social change engagement. Their study posits a plethora of practices by means of a mapping exercise some of which show a strong correlation with the thematic clustering presented in this paper, namely; building a share vision (theme 2), evaluating and providing feedback (theme 3), building on local knowledge and capacity (theme 4), involving stakeholders (theme 4), creating inclusive governance (theme 4), leveraging project relationships (theme 4), and innovating new opportunities (theme 1).

Finally, Bruneel and colleagues' (Bruneel et al., 2016) exploration of imbalances in competing logics within social enterprises suggests that social enterprise governance

must be viewed at three levels; internal governance, referring to the management of tensions within the organisations (theme 2); hybrid governance, referring to the management of tensions as the founder (i.e. social entrepreneur) and board level (theme 2); and external governance, referring to management of tensions in the environment and amongst stakeholders (theme 4, 6 and 7).

To conclude, scholarly efforts presented above provide some reassurance and evidence that thematic synthesis has been effective in clustering data appropriately. Furthermore, these correlations suggest that the management of values is a topic of significant debate within discourse that explores optimal social entrepreneurship strategy development.

2.3.2.3   Description of themes, actions and responses

Sub question 2.2.   *What are the main and most agreed upon actions and responses to blended value creation within each strategic theme?*

Initially, content analysis as part of the synthesis step of the QMS process broadly explored and identified actions and responses that may contribute to a more applied understanding of BVC. This process led to the clustering of actions and responses to form seven themes using thematic synthesis. Sub-question 2.2 goes on to explore each theme in more depth using the structure outlined below.

Firstly, a description of each theme is provided. These descriptions have been written in the form of a short discussion developed by means of reviewing the action and responses clustered around a particular theme. As such, each description aims to 1) describes the respective theme and 2) outline some key examples of respective actions and responses. Secondly, the interplay between themes is briefly reflected to show how the reflective theme is linked to other themes. Finally, a table is included to outline the journal articles and specific theories that have shaped the theme. In this table, the various theories,

actions and responses explored by other articles, which show a correlation to the theme in question, are listed. As such, this table acts as a reference list for further reading to understand the theories, actions and responses that could be utilised to develop (more robust) strategies to apply a respective theme.

Theme 1. Rebellious Innovation

Content analysis suggests that as a process, social entrepreneurship demands a more *rebellious* and *innovative* orientation in its pursuit of BVC (Zahra, Newey and Li, 2014). These characteristics; being rebellious and innovative, are posited as key ingredients within social enterprises that want to stimulate and nurture BVC. Below, a brief discussion is provided to outline some of the key findings from content analysis that have shaped theme 1. For further reading, reference is made to Table 6.

The social entrepreneurship process is described as one where "ethics meets innovation" (Ziegler, 2010). Stevens, Moray and Bruneel (2015) suggest that innovation and tolerance of risk are key constructs in the social entrepreneurial process, and more important even than organisational structures and legal form. Smith and colleagues (Smith, Gonin and Besharov, 2013) suggest that social entrepreneurs "who have the ability to manage contradictory demands that emerge from multiple logics, including a capacity for counterfactual or paradoxical thinking" may be better suited to manage multiple logics effectively. This suggest a nuanced need for social entrepreneurs to develop an openness to innovative approaches that may seem, at the offset, confused and unnecessarily complex (i.e. approaches that may be interpreted as unorthodox or rebellious). The idea of dual logic strategy building is challenging and demands that social entrepreneurs remain open to riskier attitudes to problem-solving. As such, the job of a social entrepreneur is to

"overcome resistance" (Ziegler, 2010) and engage in "social innovations [that] lead to creative destruction" (Swedberg, 2009). To further this line of thought, the theory of social bricolage suggests that social entrepreneurs "consciously and consistently tested conventional limitations imposed by their environment" (Di Domenico, Haugh and Tracey, 2010). This highlights the predisposition of social entrepreneurs 'refusal to be constrained by limitations' (Di Domenico, Haugh and Tracey, 2010), and to be rebellious 'change agents' (Nicolopoulou et al., 2015) who rely on improvisation and 'making do with' (Baker and Nelson, 2005) those resources that their environment provides. As such social entrepreneurs are able to "remain creative under pressure …and they proceed with whatever materials are at hand …to form the materials or insights into novel combinations" (Weick, 1995). Pache and Santos (2013) further this discussion by suggesting that this rebellious nature is also part of stakeholder strategic management. In their study they discuss how social enterprises interact with their external environment and suggest that social enterprises apply the concept of *decoupling* as a strategy that can be used to discreetly follow one's own strategic ambitions whilst seemingly conforming to the logics promoted by its external environment. "Under conditions of competing institutional logics, organisation [i.e. social enterprises] symbolically endorse practices prescribed by one logic while actually implementing practise promoted by another logic, often one that is more aligned with organisational goals" (Santos 2013). As such, social enterprises that adapt a decoupling strategy may be able to rebel against existing logics whilst simultaneously minimising legitimacy threats (Boxembaum & Jonsson, 2008).

With regard to the innovative nature of social entrepreneurship as a process that emphasises BVC, content analysis stresses the importance of establishing an innovative culture at various levels of the organisation and in strategy development to engage the external environment. Ziegler (2010) for examples, proposes that social innovation

involves social entrepreneurs being able to imagine and carry 'new combinations of capabilities' at the organisational level. Content analysis also suggests that higher perceived levels of innovation may improve a social enterprise's ability to create blended value through external constructs (i.e. in collaboration with external stakeholders). Azmat (2013) similar highlights that social entrepreneurs who embrace "innovative approaches and creative thinking" are able to create win-win situations between different organisational objectives. Miller and colleagues (Miller, Wesley and Curtis, 2010) for example, demonstrate that social venture capitalists are more likely to consider social enterprises for funding when they are able to demonstrate strong innovation capabilities that "represent a substantial departure from existing practices". There is also evidence to suggest that the application of an entrepreneurial mind-set is about collaborating with innovative stakeholders. In their study of opportunity identification, Corner and Ho (2010) suggest that *collective action* is needed within the social enterprise's ecosystem, "because the knowledge needed in each innovation episode was not possessed by a single person but was dispersed across multiple actors". Furthermore, Walkse and Tyson (2015) indicate that "product, service and/or business model innovation is essential for a social enterprise to garner the initial attention of investors, partners and customers", highlighting the importance of an innovative mind-set in efforts to acquire and absorb resources within a respective ecosystem.

Theme 1: *Rebellious Innovation*, posits that the social entrepreneurship process is concerned with the "pushing through or successful introduction of social change, through a new combination of elements that make up some way of doing things" (Swedberg, 2009). It suggests that social entrepreneurs (as leaders), social enterprises (as organisations), and stakeholders (as ecosystem players, resources and influencers), must relentlessly pursue social innovation at any cost. As such the terms, *rebellious* and *innovation* seem befitting

and further amplify the fundamental notion that social entrepreneurship is concerned with *transformative* systems change (Zahra, Newey and Li, 2014; Ziegler, 2010). What is unique about the process of social entrepreneurship is that it is a process that must be rebellious and innovative in order to improve its ability to create blended value within challenging environments. As such, it is proposed that theme 1 is an important cultural construct to drive forward the approach adopted within the other 6 themes and is therefore a core-driver for organisational culture-building and learning within social enterprises as discussed in themes 2 and 3 respectively. Furthermore, relying more actively on collaboration (versus competition) and being humble about the potential attainable scale (versus exponential commercial growth goals), as highlighted in themes 4 and 5 respectively, are fundamentally different (i.e. these themes are both rebellious and innovative in their very nature) from principles and cultural traditions commonly posited within (commercial) entrepreneurship theory. As such these themes go against the grain of more developed and accepted theories of competitive practices, scale and growth. Finally, the complexity of impact measurement in theme 7 requires social enterprises to remain innovative in the manner in which they measure their impact and utilise this data to further their ability to garner social change. It may be posited that the transparent nature of accounting in theme 7 is equally challenging and requires social enterprises to instil equally innovative approaches with regard to public relations, governance and accountability. In total, 30 journal articles were found to discuss theories, actions and responses that provide strategic considerations for the theme: Self-Aware Culturalist (see Table 6)

Journal articles	Key theories, actions or responses
Pache and Santos, 2013	Decoupling
Miller et al., 2012	Social entrepreneur as *passionate* leader
Smith, Gonin & Besharov, 2013	Fostering counterfactual & paradoxical thinking
Miller, Wesley and Curtis, 2010	Social venture capitalists & innovation capabilities

Stevens, Moray and Bruneel, 2015	Employing innovation
Zahra, Newey and Li, 2014	Entrepreneurial orientation
Domenico, Haugh and Tracey, 2010	Improvisation, Social bricolage, Limitation refusal
Renko, 2013	Nascent entrepreneurship motivation
Corner & Ho, 2010	Opportunity identification
Haugh, 2007	Community-Led resource and network creation
Bacq et al., 2015	Creative resource mobilisation
Walske and Tyson, 2015	Reason for scale
Crucke, Moray and Vallet, 2015	Board performance
Desa and Koch, 2015	Understanding early development
Mair, Battilana and Cardenas, 2012	Leveraging capital
Ortega et al., 2014	Social Impact models
Sud, VanSandt and Baugous, 2009	Legitimacy and Isomorphism
Montgomery. Dacin and Dacin, 2012	Collective social entrepreneurship
Perrini, Vurro, & Costanzo, 2010	Process based view
Agrawal and Gugnani, R. 2014	Financially sustainable innovation
Nga and Shamuganathan, 2010	Personality traits
Agafonow, 2014	Value capture
Goyal and Sergi, 2015	Sustainable model system
Ziegler, 2010	Capability approach
Florin and Elizabeth, 2011	Learnings from shared value creation
Auvinet, and Lloret, 2015	Catalytic innovation
Patel and Mehta, 2011	Life's principle – biomimicry
Uygur and Marcoux, 2013	Theory of the firm
Bargsted et al., 2013	Psychosocial profiling
Newth and Woods, 2014	Context dependent manifestation
Bacq and Lumpkin, 2014	Learnings from family business scholarships
Lehner and Kaniskas, 2012	Opportunity recognition
Mueller et al., 2015	Social innovation process
Costanzo et al., 2014	Dual-mission management
Mswaka, 2015	Scenario planning
Powell and Osborne, 2015	The role of marketing
Gupta, Beninger and Ganesh, 2015	Social innovation in the African context
Young and Kim, 2015	Resiliency theory

Table 6 Key actions, responses and/or theories relevant to theme 1, collected during QMS

Theme 2. Self-Aware Culturalist

Content analysis has repetitively highlighted the importance of the social entrepreneur as a driver for social change through selfless motivation, and his or her ability to distil this new-found motivation amongst staff and stakeholders through culture-building. These innate characteristics; understanding one's own motivations combined with the ability to build a culture upon one's passion to tackle a socio-cultural problem, are posited as key ingredient within social enterprises that want to embed a BVC approach within their strategies. The discussion below provides an insight into the theories, actions and responses that have been categorised under theme 2 during content analysis. For further reading, reference is made to Table 7.

To begin with, Miller et al., (2012) show that the effects of compassion-motivated entrepreneurs increase the likelihood of launching a social enterprise. As such, the *social value orientation* of a social enterprise may act as a catalyst for (potential) social entrepreneurs to establish enterprises in the first instance. Additionally, (once having established a social enterprise) social value orientation allows social entrepreneurs to come up with (improved) innovative solutions to social problems in seemingly challenging circumstances. Particularly in situation where social enterprises are threatened by mission drift, it is suggested that the integrity of the social entrepreneur may aid in risk reduction (Achleitner et al., 2013). Stevens, Moray and Bruneel (2015) suggest that a key dimension "that informs on the social and economic missions of a social enterprise, is the level of other-regarding and self-regarding values of the social entrepreneur". Miller et al., (2012) suggest that without this element of 'other-orientation', "a rational cost-benefit analysis is unlikely to yield sufficient motivation to create a social enterprise". Pache and Santos

(2013) suggest that social enterprises need to craft a strong identity and "mobilise different response strategies to cope with internal conflicts". In their study of social entrepreneurial traits in social enterprises active in sub-Saharan Africa, Thorgren and Omorede (2015) suggest that those social entrepreneurs that are "passionate about engaging in a social enterprise and have internalised social enterprising as part of who they are can spread that passion to the organisation". This research signifies the importance of the social entrepreneur's ability to inject her/his own identity and internal motivations into the organisational culture. This isn't always easy. As highlighted by Berglund and Schwartz tensions between values can cause disharmony and identity struggle for the social entrepreneur. Smith and colleagues (Smith, Gonin and Besharov, 2013) suggest that social entrepreneurs who have "an exceptional commitment to and passion for the social mission and [possess] an ethic of care to sustain the focus on social welfare" may be better suited to "accommodate divergent logics". Beugré (2013) supports this claim by suggesting that intention is an important factor to drive a social entrepreneur's moral engagement. This highlights the importance of a passionate and committed mind-set held by the social entrepreneur, in efforts to embed a BVC attitude within the organisational culture of the social enterprise. To this end, Battilana et al., (2015) propose that *founder's imprint*, i.e. the founder's goals and values, have a lasting effect on organisational practice and routines. As such, social enterprises are likely to improve their social imprinting if their founder is first and foremost mission-driven. Furthermore, Battilana et al. posit that social enterprise must initiate a structural approach "that assigns responsibility for social and commercial activities to distinct groups" that are responsible for differing social and commercial activities. By doing so, a social enterprise is able to mitigate an over-emphasis on one or the other and retain a better equilibrium between the two. Battilana et al. conclude by suggesting that "this approach needs to be accompanied by 'spaces of negotiation', which

we define as arenas of interaction that allow staff members to discuss and agree on how to handle the daily trade-offs that they face across social and commercial activities. These spaces of negotiation maintain a productive tension between the staff members in charge of each of these activities."

Miller et al., (2012) posit that social entrepreneurs that are driven by compassion are likely to "foster integrative solutions to seemingly intractable social problems, distort cost-benefit analysis in other-serving wats, and encourage the commitment needed to undertake demanding and difficult responses." Thorgren and Omorede (2015) similarly suggest that the social entrepreneur's passion may contribute to three concrete outcomes, namely; mobilising resources, generating in-house commitment and being perceived as attractive. Studies such as this show a strong and important correlation between the social entrepreneur's identity, organisational culture and organisational performance with regard to both social and commercial value creation. Cho and Sultana (2015) reiterate this in their development of the 'BRAC-Model' and suggest that "visionary leadership and competent management with proper organisational foundation assist the organisation in its capacity to become a sustainable and successful social enterprise". The concept of *social imprinting* is extended to the organisational team and may be defined as "the founding team's early emphasis on accomplishing the organisation's social mission" and "promotes the recruitment of permanent staff with a background in social work as well as the design of social-mission-oriented systems and processes" (Battilana et al., 2015). In their dissection of tensions, Smith and colleagues (Smith, Gonin and Besharov, 2013) include *belonging tensions*; referring to the (mainly) internal leadership "struggle to articulate 'who we are' and 'what we do' both individually and collectively". A weakened understanding of identity may lead to the creation of subgroups and general organisational conflict. Smith and colleagues posit that this belonging tension has a spin off effect in that it can also

surface within stakeholder relations. As different clusters or types of stakeholders each react and relate differently to different value-orientations exhibited by a social enterprise. A supplier for example, may care more about reliability and timely payment (commercially-oriented values) while a Non-Governmental Organisations or a local municipality may be more concerned with the future potential for social impact (social-oriented values). Smith and colleagues (Smith, Gonin and Besharov, 2013) posit that, regardless of whether social enterprises opt for a differentiated or integrated approach to emphasising their multiple identities to stakeholders, social enterprises were constantly plagued with the need to (re)find this balance and hence position themselves differently toward stakeholders over time. In their study of nascent social entrepreneurs, Renko (2013) suggests that stakeholders must be "compelled by the [social entrepreneur's] motivation to make a prosocial difference" and must "share an affective commitment" to the social cause as well as the commercial feasibility of the enterprise, before they are willing to invest time, financial capital and other resources. The process of social entrepreneurship is therefore one which highlights the importance of ethical value as an *influencing force* (Gernier 2006). Social entrepreneurs are able to "effuse particular moral sentiments that are genuinely concerned with addressing inequality while encouraging social ventures to behave above pure self-interest" (Zahra, Newey and Li, 2013). Zahra, Newey and Li, suggest that this influence can be extended outside of the social enterprise to garner stakeholder support in "deal negotiations, where relationships are defined in broader terms than profit". Thorgren and Omorede (2015) go on to posit that this passion-driven organisational culture can become a powerful resource for positive community change, by strengthening external communication and stakeholder strategies. To further extend the discussion of stakeholder relations, Di Domenico and colleagues (Di Domenico, Haugh and Tracey, 2010) suggest that *persuasion* is a strategic construct available to social

entrepreneurs who actively involve stakeholders (linkage to Theme 4). To this end, persuasion may be "used to solve problems deemed to be of social benefit while not sacrificing the commercial imperative". Strong external legitimacy is however a prerequisite for a social enterprise that wants to be persuasive. However, the creation and nurturing external legitimacy demands, in the first place, a higher level of self-awareness and the embedding of a strong organisational culture that conveys both trust and reliability. Furthermore, Thorgren and Omorede (2015) suggest that social entrepreneurs who exude passion are able to raise awareness more effectively, which may contribute to the social enterprise being perceived as "attractive to both community members and external agents". The study posits that awareness-raising strategies for social enterprises include public relations, media engagement, one-on-one communication and communication with the larger community. It may be hypothesised that such strategies will contribute to potential collaboration and the ability for the social enterprise to obtain resources. Miller and colleagues' (Miller, Wesley and Curtis, 2010) study of venture capitalist active in social enterprise investment suggests that social entrepreneurs with a "strong personal mission, commitment and enthusiastic desire to change society" are perceived by social venture capitalists as more likely to succeed. This, again, reiterates from an external funding position (which may contribute to both social and commercial value), the usefulness of embedding the social mission into the organisation and its activities in efforts to create blended value.

Theme 2; *Self-Aware Culturalist*, is concerned with those actions and responses that build values, character, solidarity and motivation in spite of perceived tensions and challenging environmental constructs. In their review of the concept of tensions in social enterprises, Stevens, Moray and Bruneel (2015) suggest that these are "reflected in the organisation's goals, values and identity". Townsend and Hart (2008) support this

viewpoint in suggesting that the embedding of both a social and a commercial mission is challenging and requires multiple differentiated legitimisation strategies. Preliminary research brought about the realisation that within the context of actions and responses to BVC, one cannot ignore the concept of *mission drift* as the tendency for social enterprises to focus excessively on commercial value creation. Mission drift may be defined as "a process of organisational change, where an organisation diverges from its main purpose or mission…it has often been used with respect to organisations that have a social mission [and] that diverge from their original mission" (Cornforth, 2014). Mission drift may (amongst others) be the result of the inability for social entrepreneurs to embed a strong mission-driven organisational culture. To this end, Moss et al., (2011) point to organisational identity as a vital contributor to the ability for social enterprises to establish long-term strategies.

In this theme, the word *culturalist,* which may be defined as 'one that emphasises the importance of culture in determining behaviour' (Merriam-Webster, 2018), is used to describe the process of creating and nurturing an organisational identity that is mission-driven, fosters external legitimacy and motivates staff and stakeholders. Content analysis points to the central role of the social entrepreneur as the driver for organisational identity building. As such, the word *self-aware* in this theme is used to reflect the need for social entrepreneurs to have a grounded understanding of their own intrinsic motivation and values in order to drive forward both social-mission orientation and commercial value creation by imprinting these motivations and values onto the organisation's culture and its relevant stakeholders. As posited by Zahra, Newey and Li (2013) social enterprises must develop an organisational culture and orientation toward enterprising "that employs innovative approaches to both social impact and the generation of earned income." A strong awareness of self seems to be a prerequisite for good social entrepreneurs as they

must "be skilled at managing a wider diversity of relationships with funders, managers, and staff from a range of backgrounds, volunteers, board members, and other partners, with fewer management levers" (Austin, Stevenson and Wei-Skillen, 2006). Content analysis suggests that the differentiated legitimacy strategies needed to manage these complex social and commercial stakeholder relationships, demand a robust organisational culture and intrinsic motivation.

It is proposed that theme 2 is closely related to theme 1 as both themes aspire to contribute to a new mind-set at the leadership and organisational level. Content analysis highlights that culture building and harvesting may contribute to improved stakeholder-facing strategies and is thus relevant to themes 4, 5 and 6. In total, 50 journal articles were found to discuss theories, actions and responses that provide strategic considerations for the theme: Self-Aware Culturalist (see Table 7).

Journal articles	Key theories, actions or responses
Pache and Santos, 2013	Identity (re)crafting & multiple response strategies to reduce institutional conflict
Battilana et al., 2015	Social imprinting, group separation, spaces of negotiation, & founder imprinting
Miller et al., 2012	Self-interested vs prosocial motivator
Smith, Gonin and Besharov, 2013	Belonging tensions & commitment to social mission
Thorgren and Omorede, 2015	passionate leadership, organisational power, & in-house commitment
Miller, Wesley and Curtis, 2010	passion for social change and venture capitalists
Stevens, Moray and Bruneel, 2015	Tensions in organisational goals, values and identity
Townsend and Hart, 2008	Differentiated legitimisation process
Zahra, Newey and Li, 2014	Entrepreneurial orientation
Theme 2 - Di Domenico, Haugh and Tracey, 2010	Stakeholder persuasion
Renko, 2013	Nascent entrepreneurship motivation
Corner & Ho, 2010	Opportunity identification
Moss et al., 2011	Organisational identity
Cho and Sultana, 2015	BRAC Model
Austin, Stevenson and Wei-Skillern, 2006	Business entrepreneurship theory transfer
Townsend and Hart, 2008	Organisational form
Choi and Kiesner, 2007	Entrepreneurial environment

Bacq et al., 2015	Creative resource mobilisation
Desa and Koch, 2015	Understanding early development
Sud, VanSandt and Baugous, 2009	Legitimacy and Isomorphism
Montgomery. Dacin and Dacin, 2012	Collective social entrepreneurship
Nga and Shamuganathan, 2010	Personality traits
Miles, Verreynne and Luke, 2014	Vincentian Marketing Orientation
Ruebottom, 2013	Rhetorical strategy
McNamara, Pazzaglia and Sonpar, 2015	Resource mobilisation
Khavul and Bruton, 2013	Sustainability enhancing innovations
Ziegler, 2010	Capability approach
Shockley and Frank, 2011	Schumpeterian and Kirzner entrepreneurship
Bhowmick, 2011	Social cause venturing as distinct domain
Mueller et al., 2011	Mainstream social entrepreneurship
Ormiston and Seymour, 2011	Mission and Measure alignment
Gravells, 2011	Leadership 'being', 'doing' and 'style'
Florin and Elizabeth, 2011	Learnings from shared value creation
Patel and Mehta, 2011	Life's principle – biomimicry
Meyer and Gauthier, 2013	Organisational fitness
Uygur and Marcoux, 2013	Theory of the firm
Berglund and Schwartz, 2013	Disharmony
Bargsted et al., 2013	Psychosocial profiling
Chalmers & Balan-Vnuk, 2013	Internal and external absorptive capacity
Baierl et al., 2014	Individual general social appraisal
Zhang and Lee, 2014	Social entrepreneurship vis-à-vis sustainability
Smith, Meyskens and Wilson, 2014	Strategic alliances
Achleitner et al., 2013	Reputation
Christopoulos and Vogl, 2015	Altruistic economic actors
Nicolopoulou et al., 2015	Social enterprise legitimacy
Smith and Woods, 2015	Stakeholder engagement
Costanzo et al., 2014	Dual-mission management
Sharpen, 2006	Growth factors for UK social enterprises
Moreau and Mertens, 2013	Manager competencies
Sarpong and Davies, 2014	Organisational practice and legitimacy
Tandon, 2014	Boundary perspective of learning
Gupta, Beninger and Ganesh, 2015	Social innovation in the African context
Young and Kim, 2015	Resiliency theory
Ruta, 2015	Organisation and stakeholder theory

Table 7 Key actions, responses and/or theories relevant to theme 2, collected during QMS

Theme 3. Cyclical Education

Content analysis suggests that, at various levels of the social entrepreneurship process, learning loops need to be incorporated to ensure that the social enterprise continuously understands how to (re)position itself within a highly contextual and fluctuant ecosystem. It is proposed that strategic cycles and a culture of learning are necessary to ensure that BVC is 1) being attained, 2) being accounted for and 3) being optimised. Below, a brief discussion is provided to outline some of the key findings from content analysis that have shaped theme 3. For further reading, reference is made to Table 8.

In their analysis of social enterprise cases, Costanzo and colleagues (Costanzo et al., 2014) highlight the criticality of building skills and knowledge to improve blended governance and management structures that contribute to improved "dual mission management". Their research posits that "professionalism, combined with a high sensitivity to/vision of blended social and economic targets, and adoption of an open learning culture emerged as common aspects of those situations where integrative goals were emphasized over compartmentalisation" (Costanzo et al., 2014). The social entrepreneurship process, as one that exemplifies the dual mission management that Costanzo and colleagues speak of, is plagued with a plethora of challenges in its pursuit of both social impact and commercial sustainability in areas where others may not yet have ventured. As a result, these processes demand an increased desire to explore and learn. It is this learning nature which is repeatedly emphasised within the journal articles analysed.

In their dissection of tensions, Smith and colleagues (Smith, Gonin and Besharov, 2013) include *learning tensions* as tensions that "emerge from the juxtaposition of multiple time horizons, as organisations strive for growth, scale, and flexibility over the long term,

while also seeking stability and certainty in the short term". For social enterprises, this problem is mainly exemplified in the different time horizons between social and commercial performance; typically, social performance demands a long-term time horizon (e.g. increasing literacy in a community can take several years), whilst commercial performance metrics "such as profits, revenues, and costs can be easily measured in the short term" (Smith, Gonin and Besharov, 2013). The tension in such cases arises during strategy formation as social entrepreneurs must align goals that are different in nature, different in their demand on resource, and different in length. As such, social entrepreneurs need to explore and learn to develop unique strategies and implementation approaches that allow for the harmonising of long term and short-term goal setting across different value types. Miller and colleagues' (Miller, Wesley and Curtis, 2010) study of social venture capitalists suggests that social venture capitalists perceive venture success positively where the social entrepreneur's educational level achieved, and her/his management experience are high. This suggests that higher levels of experience and past-learning show a positive correlation between social entrepreneurs, enterprises and their external environment. Thorgren and Omorede (2015) suggest that social entrepreneurs as leaders who truly desire to achieve their social mission can only do so by obtaining resources, most notably information. This information fosters "their creativity in identifying and exploiting social opportunities" (Thorgren and Omorede, 2015).

Furthermore, content analysis suggests that the social entrepreneur as agent of systemic change also demands cyclical learning to be adopted within the strategy of the social entrepreneurship process. To this end, Zahra, Newey and Li (2014) suggest that social enterprises need to develop key social system change capabilities, which include the development of particular knowledge and skills. In the case of work-integration social enterprises, Battilana and colleagues (Battilana et al., 2015) found that continued

supervision and training of staff and stakeholders has a positive impact on both social impact and commercial productivity. Corner and Ho (2010) highlight the importance of learning at the leadership, organisational and environmental levels when they suggest that the key challenge of social entrepreneurship is "aggregating knowledge that is dispersed across many individuals in order to exploit the potential for value creation. As such, challenges typically associated with the social entrepreneurial process, such as resource limitations and unique collaborative constructs (see theme 4), demand that social entrepreneurs as leaders and the social enterprise as organisation are in a constant state of exploration, learning, and knowledge building to improve their ability to create legitimacy toward stakeholders and develop innovative strategies to create and nurture blended value.

Theme 3: *Cyclical education*, as content analysis suggests, is discussed more implicitly (rather than explicitly) when compared to other themes. That being said, this paper proposes that Theme 3 is a critical building block and enabler for social enterprises to develop robust strategies for the other six themes. Therefore, its relationship with other themes is constant; i.e. learning is a common denominator across all themes for further exploration of the fundamental learning nature of social enterprises). The relevance of theme 3 may become more apparent when one considers the young (Zahra, Newey and Li, 2014) state of social entrepreneurship as a sector as well as its relatively rare (Miller et al., 2012) occurrence; it is proposed that learning is a critical trait that social entrepreneurs must adopt to ensure survival in varying ecosystems. Therefore, it is suggested that learning and the manner in which social entrepreneurs can effectively learn, should gain more attention in future research efforts. Theme 3 is composed of two constructs. Firstly, theme 3 posits that those engaged in the social entrepreneurship process must be *willing to learn* and collect knowledge. Secondly, the fluidity and reflexivity (see Theme 4) that social enterprises must adopt, demands that this *learning is constant and cyclical*. In total,

16 journal articles were found to discuss theories, actions and responses that provide strategic considerations for theme 3: Cyclical education (see Table 8).

Journal articles	Key theories, actions or responses
Battilana et al., 2015	Supervision and training
Smith, Gonin and Besharov, 2013	Learning tensions
Thorgren and Omorede 2015	Leaders gathering information
Miller, Wesley and Curtis, 2010	Educational prestige & management experience
Goyal and Sergi, 2015	Sustainable model system
Zahra, Newey and Li, 2014	Social system change capabilities
Corner & Ho, 2010	Opportunity identification
Mswaka, 2015	Scenario planning
Bacq et al., 2015	Creative resource mobilisation
Gravells, 2011	Leadership 'being', 'doing' and 'style'
Montgomery. Dacin and Dacin, 2012	Collective social entrepreneurship
Nga and Shamuganathan, 2010	Personality traits
Ormiston and Seymour, 2011	Mission and Measure alignment
*Patel and Mehta, 2011	Life's principle – biomimicry
Berglund and Schwartz, 2013	Disharmony
Kong, 2010	Intellectual capital
Moreau and Mertens, 2013	Manager competencies
*Tandon, 2014	Boundary perspective of learning
Perrini, Vurro, & Costanzo, 2010	Process based view
Gupta, Beninger and Ganesh, 2015	Social innovation in the African context
Pinch and Sunley, 2015	Neo-institutional theory, organisational logics

Table 8 Key actions, responses and/or theories relevant to theme 3, collected during QMS

Theme 4. Collaborative bricolage

Content analysis suggests that the social entrepreneurship process is one which emphasises social value creation, "while the question of who and how the social value is reached is of less importance" (Stevens, Moray and Bruneel, 2014). Theme 4 recognises that, in its pursuit of BVC, social enterprises are willing to formulate unique constructions for collaboration (as opposed to exploitative and/or monopolistic practices) and resource acquisition (within ecosystems that are typically plagued with resource limitations), that

will contribute simultaneously to commercial and social value creation. By emphasising the collaborative nature of social entrepreneurship processes, theme 4 indirectly highlights the need for further research to understand the role of competition vis-à-vis collaboration within social enterprises strategy development. Below, a brief discussion is provided to outline some of the key findings from content analysis that have shaped theme 4. For further reading, reference is made to Table 9.

Content analysis has identified a plethora of studies that encourage active stakeholder participation through collaboration strategies in order to contribute to both social and commercial value creation. Miller and colleagues' (Miller, Wesley and Curtis, 2010) exploration of 274 social venture capitalists' activities suggests that social venture capitalists perceive social enterprises more likely to succeed in cases where social entrepreneurs have "a large network of professionals (lawyers, accountants, community leaders, public officials and involvement of professional associations)". In their analysis of social enterprise case studies, Di Domenico and colleagues (Di Domenico, Haugh and Tracey, 2010) found that stakeholder involvement was key, not only to the "creation, management, and governance of their social enterprise", but also in efforts to generate "new contacts and links with key players or to those with valuable resources or expertise that might benefit the enterprise". Cornforth (2014) indicates that actions that stimulate BVC "may need to take place at the micro-organisational and macro-level", implying that "key actors" (both internal and external) play a vital role in managing tensions. The concept of *social system change capabilities*, as proposed by Zahra and colleagues (Zahra, Newey and Li, 2014), suggests that in order for social enterprises to optimally realise systemic change within an ecosystem, they must cooperate with government, education institutions, non-profits, employment agencies, etc.," to persuade "ecosystem stakeholder" to participate in the process of change. In their discussion of *decoupling strategies*; a

strategy that promotes a seemingly collaborative stance toward external institutional logics whilst actually pursuing one's own goals, Pache and Santos (2013) suggest that social enterprises have a natural instinct to find ways of compromising and being in agreement with stakeholders. By adhering to external "institutional prescriptions", social enterprises are able to better "balance between the conflicting expectations of external constituents" (Pache and Santos, 2013), thus contributing to a more effective BVC approach within their strategies

Fundamental to theme 4 is the concept of *social bricolage* as introduced by Johannisson and Olaison (2007) and further examined by various scholars (e.g. Zahra et al., 2009; Di Domenico, Haugh and Tracey, 2010) who examine the "micro-processes of social enterprise creation" (Di Domenico, Haugh and Tracey, 2010) through the lens of bricolage. Bricolage was introduced by Levi-Strauss (1967) to refer to the process of "making do with what is at hand". The concept has been adapted to various disciplines and has found its way to entrepreneurship theory as well as a means of analysing entrepreneurial activities and strategies in environments characterised by limited resources (e.g. Garud & Karnøe, 2003). Baker and Nelson (2005) posit bricolage within the entrepreneurship domain as a process where the *enterprise* makes do "by applying combinations of the resources at hand to new problems and opportunities" that refuse to be restrained by limitations. The concept of bricolage suggests a strong affiliation to values, challenges and approaches fundamental to social entrepreneurship theory. As such the term, *social bricolage,* was introduced by Di Domenico and colleagues (Di Domenico, Haugh and Tracey, 2010) to the field of social entrepreneurship. Respective research suggests that the concept of social bricolage offers insights with regard to the ability to remain creative and solution oriented under pressure (Weick, 1995); both traits that would be conducive to the tensions associated with adopting a BVC philosophy.

Theme 4; *Collaborative Bricolage,* is built on scholarly findings that suggest that active stakeholder participation strategies, that take on a collaborative mind-set, are vital constructs to generate both social and commercial value in environments that are plagued with resource limitations. Stevens, Moray and Bruneel (2015) suggest that the process of social entrepreneurship is one where "the ability to leverage resources that address social problems is central" and that social enterprises must decline "to accept limitations in available resources". As such, Theme 4 has adopted the concept of social bricolage, a concept that seems to be gaining traction in the social enterprise research domain, and one that proposes that social enterprises adopt innovative problem-solving strategies to scarce resources in order to maintain their commercial viability whilst maximising on potential social impact.

Thorgren and Omorede (2015) suggest a correlation between the passion of social entrepreneurs and the ability for the social enterprise to mobilise increased access to "resources essential to create, develop, and maintain the goals established for the organisation". This in turn shows a correlation between Theme 2 and 4. In order to *make do with what is at hand (*Levi-Strauss, 1967), social enterprises must build knowledge, be creative and steadfast in their pursuit of resource, and actively shape themselves according to their environment, thus showing a dependency on themes 3, 1 and 6 respectively. Finally, social enterprises must generate trust and reliability in their ability to deliver social impact if they wish to create strong collaborative ties with stakeholders. As such, Theme 4 is dependent on accurate performance measurement (Theme 7) and realistic growth projections (Theme 5) so as not to disappoint stakeholders from participating in future collaboration. In total, 50 journal articles were found to discuss theories, actions and responses that provide strategic considerations for the theme: Collaborative bricolage (see Table 9

Journal articles	Key theories, actions or responses
Pache and Santos 2013	Decoupling & compromise
Thorgren and Omorede, 2015	Mobilising resources
Miller, Wesley and Curtis, 2010	Community-based network size
Stevens, Moray and Bruneel, 2015	Unacceptance of resource limitations
Bhatt, & Altinay, 2013	Development stage of the social innovation
Domenico, Haugh and Tracey (2010)	Social bricolage
Renko, 2013	Nascent entrepreneurship motivation
Corner & Ho, 2010	Opportunity identification
Austin, Stevenson and Wei-Skillern, 2006	Business entrepreneurship theory transfer
Haugh, 2007	Community-Led resource and network creation
Tracey and Jarvis, 2007	Social venture franchising
Townsend and Hart, 2008	Organisational form
Choi and Kiesner, 2007	Entrepreneurial environment
Bacq et al., 2015	Creative resource mobilisation
Desa and Koch, 2015	Understanding early development
Hibbert, Hogg and Quinn, 2002	Consumer response
Mair, Battilana and Cardenas, 2012	Leveraging capital
Di Domenico, Tracey, & Haugh, 2009	Social exchange theory
Montgomery. Dacin and Dacin, 2012	Collective social entrepreneurship
Nga and Shamuganathan, 2010	Personality traits
Agafonow, 2014	Value capture
Miles, Verreynne and Luke, 2014	Vincentian Marketing Orientation
McNamara, Pazzaglia and Sonpar, 2015	Resource mobilisation
Khavul and Bruton, 2013	Sustainability enhancing innovations
Mueller et al., 2011	Mainstream social entrepreneurship
Frumkin and Keating, 2011	Revenue diversification
Florin and Elizabeth, 2011	Learnings from shared value creation
Patel and Mehta, 2011	Life's principle – biomimicry
Gras and Lumpkin	Learnings from commercial entrepreneurship
Tjornbo and Westley, 2012	Government involvement
Uygur and Marcoux, 2013	Theory of the firm
Gimmon and Spiro, 2013	Survival and growth - sustainability
Bargsted et al., 2013	Psychosocial profiling
Zhang and Lee, 2014	Social entrepreneurship vis-à-vis sustainability
Bacq and Lumpkin, 2014	Learnings from family business scholarships
Bacq et al., 2015	Scaling through bricolage
Smith, Meyskens and Wilson, 2014	Strategic alliances
Cristina et al., 2014	Learnings from micro-finance organisations
Desa, 2012	Resource mobilisation

Christopoulos and Vogl, 2015	Altruistic economic actors
Nicolopoulou et al., 2015	Social enterprise legitimacy
Mswaka, 2015	Scenario planning
Smith and Woods, 2015	Stakeholder engagement
Lehner and Kaniskas, 2012	Opportunity recognition
Choi, 2015	Partnerships in the Korean social enterprise context
Azmat, Ferdous and Couchman 2015	Resource-constrained marketplaces
Daskalaki, Hjorth, & Mair, 2015	New organizing assemblages
Kodzi Jr, 2015	Duality trade-offs
Ormiston et al., 2015	Impact investment strategies
Costanzo et al., 2014	Dual-mission management
Moreau and Mertens, 2013	Manager competencies
Bridgstock et al., 2010	Diversity management
Cornforth, 2014	Mission drift
Sarpong and Davies, 2014	Organisational practice and legitimacy
Perrini, Vurro, & Costanzo, 2010	Process based view
Gupta, Beninger and Ganesh, 2015	Social innovation in the African context
Chen and Kelly, 2015	B-Corps
Ruta, 2015	Organisation and stakeholder theory
Desa and Basu, 2013	Resource constraints
Stevens et al., 2015	Attention based view

Table 9 Key actions, responses and/or theories relevant to theme 4, collected during QMS

Theme 5. Humble Scaling

Content analysis suggests that a social enterprise may experience growth limitations due to the challenge of "making do with" (Baker and Nelson, 2005) limited resources (Garud & Karnøe, 2003) within challenging environments (Weick, 1995). As such, theme 5 proposes that social entrepreneurs must understand and accept that their potential for social and/or commercial growth may have a limit. Furthermore, it is proposed that awareness of growth limitations may act as a deterrent for mission drift (Cornforth, 2014) to occur. As such, theme 5 highlights the need for social entrepreneurs to consciously consider their potential for scale whilst remaining humble in their respective growth goals. Furthermore, theme 5 highlights the complexity of scaling strategies in a

social entrepreneurship process as both commercial and social growth objectives must be considered, hence demanding a multi-dimensional approach when developing scaling strategies. It is proposed that this combination of awareness of growth potential and humility allows for the development of strategies that are (more) conducive to BVC. Below, a brief discussion is provided to outline some of the key findings from content analysis that have shaped theme 5. For further reading, reference is made to Table 10.

Content analysis points to the fact that *scale*; i.e. the ability to expand ones commercial (and social) objective, is a challenging topic of debate within the social entrepreneurship research domain and thus demands more attention (Dees, Anderson & Wei-Skillern, 2004; VanSandt, Sud, Marmé, 2009). Olson (1994) suggests learning from the observation made by former US president Bill Clinton that "nearly every problem has been solved by someone, somewhere. The frustration is that we can't seem to replicate (those solutions) anywhere else'. This statement reiterates the highly contextual nature of social innovations and insinuates that perhaps social enterprises are not able and hence not meant to strive to tackle social change outside of their knowledge area, resources and capabilities.

When one speaks of *scaling* the first question that arises is; do you mean commercial or social scaling? Fundamentally, the issue of scale in social entrepreneurship is convoluted by the fact that *scale* may refer to scaling impact and/or scaling commercial activities. Content analysis suggests that this distinction is often overlooked and discussions revolving around scale focus largely on commercial growth (that being said there is a handful of research that takes a more multi-dimensional approach to scale as is highlighted in the discussion below). There seems to be an assumption that expansion of the commercial value will automatically increase the ability to generate social value. Fundamentally, theme 5 puts to questions the age old and "basic assumption in business

that growth is good" (VanSandt, Sud, Marmé, 2009) and reiterates the danger of discussing social entrepreneurship as a subset of 'traditional' entrepreneurship theory (as discussed in the introduction to this paper). Within traditional entrepreneurship theory, the inherent advantages associated with commercial growth is a given (VanSandt, Sud, Marmé, 2009). Concept such as survivability and gaining economies of scale are obvious benefits when looking narrowly through the lens of commercial value creation. The problem, however, with this approach is that within the social entrepreneurship process, commercial value creation is not (or should not be) the only driving force behind strategies (Smith, Gonin and Besharov, 2013; Bacq et al 2015) in order to avoid mission drift (Cornforth, 2014). Failure to recognise the multi-dimensional nature that scaling strategies needs to embrace may lead to the development of strategies that cause tensions rather than blending (complementarity and harmonisation) between values. Stevens and colleagues suggest that without this multi-dimensional approach to scaling, social enterprises are likely to develop organisational strategies that incite social and commercial goals to compete for scarce resources (Stevens, Moray and Bruneel, 2015). In their critique on the work of Santos (2012), Agafonow (2015) warns social entrepreneurs of the importance of understanding the motivations behind their actions as an excessive focus on (commercial) value capture can create an unhealthy focus on funding acquisition and eventually cause mission drift to occur. Whilst some researchers suggest that social value and commercial must be equally considered in social enterprise scale strategy development, content analysis suggests that in more radical viewpoints of scale in social entrepreneurship, social impact (as opposed to commercial impact) is being considered as a "key dependent variable" (Bacq et al., 2015) in measuring the ultimate performance of social enterprises (Dees, 2008; Bacq et al., 2015; Austin et al, 2006; Zahra et al, 2008). This implies that social value logics supersede commercial value logics in overall importance. Bacq and colleagues (Bacq et

al., 2015) support this step by drawing a clear distinction between for-profit businesses and social enterprises by suggesting that "superior performance in the context of social entrepreneurship can be measured in terms of scaling of social impact; that is, a social enterprise's ability to scale its reach so as to address the magnitude of a social need of problem more effectively" (Bacq et al., 2015). Bacq and colleagues (Bacq et al., 2015) define social impact as "the process of expanding or adapting an organization's output to better match the magnitude of the social need or problem being tackled". Building on the work of Desa and Koch (2014) Bacq and colleagues further propose that scaling strategies related to social impact can be categorised as "breadth impact" strategies and "depth impact". Breadth impact in this case refers to "quantitative growth of impact, designed to reflect geographic expansion or increases in the number of people benefiting from the solution," whilst depth impact "refers to a qualitative improvement in terms of development of product/service scope in serving the needs of the target community" (Bacq et al., 2015). This distinction is significant as it again displays a strong step away from quantifiable commercial growth. It suggests that growth goals are more complex and layered in efforts to attain BVC.

Content analysis suggests that the existence of multi-dimensional logics (i.e. creating social value alongside commercial value) demands that approaches to scaling are carefully reconsidered within future social entrepreneurship research efforts. In such a multi-dimensional approach, questions that may oppose traditional commercial growth strategies quickly come to mind. Should a social enterprise strive to survive (commercially) even if it is ineffective in its social impact? Or, what happens if a social enterprise is no longer able to further increase its social impact within a given region?

Dees et al. (Dees, Anderson & Wei-Skillern, 2004) warn those who have accepted growth as a given construct within social entrepreneurship theory to be cautious; there is a

"need to take a step back and take a more strategic and systematic approach on the issue of spreading social innovation …[as] failure to place them within a broader strategic framework can blind promising options and create a bias towards a limited set of strategies". Dees and colleagues remind us that the rebellious and nature innovative (theme 1) of social entrepreneurship spans across all strategic considerations including scale and growth. Research conducted by Cooney (2010) supports this by suggesting that slow growth strategies are better suited to social enterprises that wan to balance their commercial goals and social aims. Austin and colleagues (Austin, Stevenson and Wei-Skillern, 2006) recognise that social entrepreneurs must "be more deliberate about planning a long-term impact strategy" when considering scale strategies. As such, their research again reiterates the rebellious nature of social entrepreneurs as agents who "have great latitude in the ways they can choose to pursue these opportunities" (Austin, Stevenson and Wei-Skillern, 2006).

Content analysis implies that the process of developing scale strategies is one which demands sensitivity and careful attention. As stated by Vansandt and colleagues "without a finer understanding of the issues involved, we fear that social entrepreneurs risk compromising the potential impact that they seek through growth" (VanSandt, Sud, Marmé, 2009). Criticism of the notion of growth simply for the sake of growth (Austin, Stevenson and Wei-Skillern, 2006) may find some solace in Murdoch's (1999) realisation that social enterprises are "inherently less profitable than their for-profit counterparts… [because they] externalise benefits and internalise costs more than other economic actors" (Murdoch, 1999 as cited in VanSandt, Sud, Marmé, 2009). Murdoch highlights the fundamental difference in growth goals of social enterprises vis-à-vis for-profit businesses. This fundamental difference lies in the fact that social enterprises (should) place a

continued and necessary (re-)emphasis on social value creation as an equal or dominant goal to commercial value creation.

As highlighted eloquently in the quote by Lisbeth Schorr ""We have learned to create the small exceptions that change the lives of hundreds, but we have not learned how to make the exceptions the rule to change the lives of millions." (Lisbeth Schorr quoted by Dees et al., 2004, p. 26). It is clear that social impact is a complex and highly contextual concept, thus making replications, survivability and economies of scale more challenging scale objectives. Beckman and Zeyen (2013) highlight, for example that social enterprises often take on a "small group logic" in the startup phase and then find it difficult to scale and shift their operations toward "big group logic". Content analysis proposes that scaling strategies within social entrepreneurship should be approached with caution, particularly given the model's complex operating environment and distinctive nature (Austin, Stevenson, & Wei-Skillern, 2006). Within the discourse pertaining to environmental challenges, content analysis suggests that scaling ambitions suffer from isomorphic pressures (Nicholls, 2010) referring to the tendency for organisations to begin to resemble each other as they continue to compete for institutional legitimacy (DiMaggio & Powell, 1983). Nicholls (2010) suggests that isomorphic tendencies may hamper a social enterprise's ability to achieve its goals, further highlighting the need for social enterprises to be aware of their environment when planning for growth.

The use of the word 'humble' in the title of theme 5 may allude to a diminished importance placed on need to scale. This is however not the case. In fact, the very recognition of scale as a distinctive theme implies that scaling is crucial but must be handled in a self-aware and conscious manner. This is made clearer through Phillips' (2006) research regarding social entrepreneurship scaling strategies. Their research suggests that social enterprises that do not scale will not survive, whilst those that do scale

tend to develop monopolistic tendencies and acquire a disproportionate amount of the resources available in their ecosystem. Respectively, it may be hypothesised that neither a lack of emphasis on scale nor an overzealous emphasis on scale are good for optimal social entrepreneurship strategy development. Theme 5 therefore calls social entrepreneurs to, on the one hand, signify growth, but on the other hand, do so in a much more responsible and humble manner (when compared to their for-profit counterparts). By adopting this humble approach to scaling, strategies conducive to BVC are more likely to be formulated. As eloquently explained by Austin and colleagues, "growth may not be the best approach to achieve the organization's goals or to have the greatest social impact. Growth for the sake of growth has the potential to squander organizational resources and can actually detract from the organization's overall impact" (Austin, Stevenson and Wei-Skillern, 2006). To add to the fundamental challenge of scale, VanSandt and colleagues (VanSandt, Sud, and Marmé, 2009) call into question the suitability of social enterprises to provide solutions on a scope necessary to address large-scale social issues", suggesting that till date the efforts of social enterprises have typically achieved local and relatively small-scale impact. VanSandt and colleague's proposition reiterates the humility and care with which scaling of social entrepreneurial endeavours should be approached.

Content analysis points to the importance of organisational culture and a strong social value orientation as key constructs to develop strategies that are conducive to BVC. Smith and colleagues (Smith, Gonin and Besharov, 2013) describe the *learning tension* (note co-dependency on theme 3) for social enterprises that are in a growth and scalability phase. They suggest that factors such as local ties, communal trust-building and founder imprinting, which strengthen the values and mission-orientation of social enterprises, may be threatened by "mission drift and value violations" as these factors are more difficult to foster in organisations that are growing. Similarly, the participatory forms of government,

that are typical to social enterprises, may be difficult to sustain. The question that may be raised in reflecting on Smith and colleagues work is: how does and/or should the social value oriented organisational culture of a social enterprise change as it scales? Content analysis suggests that, as smaller organisations, social enterprises are motivated by a strong embedded social value orientation driven mainly by founder imprinting. This, as argued by (Battilana et al., 2015) is necessary in the early stages of social enterprise establishment and is likely to have a lasting effect on organisational culture. As such, it may be posited that as social enterprises plan for growth and scale, a more blended value orientation needs to be nurtured that makes way for formalised commercial value logics to be embedded in the company that do not necessarily impact the organisational culture; formal logics may be differentiated from organisational culture in that they do not directly contribute to the values and mission of smaller organisations but instead provide the means to achieve scale. Content analysis further suggests that stakeholder engagement, involvement and legitimacy are further catalysts to nurturing a blended value approach within scaling strategies. For example, Zahra, Newey and Li (2014) reiterate the importance of community development as a strategy that allows for improved growth whilst achieving BVC. On the one hand community development motivates different (types of) members of the community to become involved in working together toward the common good. On the other hand, community development is simultaneously key to commercial value creation as "community development skills can be effective in building a market and improving product sales" (Zahra, Newey and Li, 2014). To this end, community development strategies may positively affect both social and value creation objectives. In efforts to scale social impact, Baker and Nelson (2005) reemphasise the importance of effectively combining and applying "the resources they have to new problems and opportunities", again pointing to the concept of bricolage (corresponding to theme 4).

However, in later research, Bacq and colleagues question the robustness of bricolage over time, considering that bricolage may diminish scaling efforts of time and may only be effective to a point. VanSandt and colleagues propose a model of *effectual logic* (see Figure 9) for social enterprises to scale which emphasises stakeholder inclusion and acceptance, hence corresponding with themes 4 and 6). Furthermore, their model proposes that scaling strategies must incorporate feedback loops (hence also corresponding with theme 3), where "results become visible, [and] new sets of means and goals emerge" (VanSandt, Sud, and Marmé, 2009).
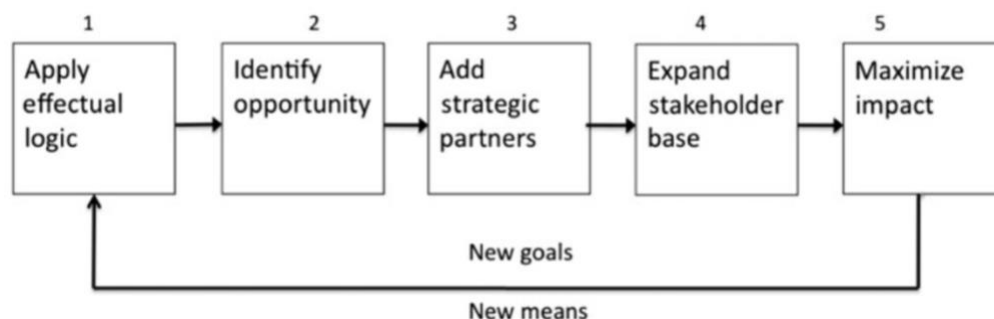
Figure 9 Scaling model of effectual logic (VanSandt, Sud and Marmé, 2009)

In combination with the assumption that "mind-sets and organisational routines that encourage social mission may be completely different from those needed for achieving the economic mission", Stevens and colleagues suggest that further research is needed to understand the implication for enterprise continuity. In other words, how does the interplay between resources affect the potential scale and permanency of the social enterprises' ability to realise social value as its core function?

A BVC approach suggests that scaling strategies must strive to be complementary and/or harmonious in nature. This means that social enterprises should strive to only implement those strategies that take into consideration both social and commercial growth. As such, a social enterprise that wants to expand its commercial operations must consciously reflect on how respective scaling strategies may affect its social value objectives before implanting them. Only those commercial strategies that will not hamper

social value creation should be considered (and vice versa). To give an example of such blended strategies, Walske and Tyson (2015) identify three abilities that stimulate blended growth (i.e. stimulate both commercial and social growth). These abilities being: 1) the ability to raise financial capital; 2) the ability to establish supply chains and distribution channels; and 3) the ability to ensure continuous media presence. These abilities in turn will increase "the social enterprise's visibility and credibility with investors, partners and, eventually customers and/or beneficiaries" (Walske and Tyson, 2015).

Theme 5; *Humble scaling,* is built on scholarly findings from content analysis that 1) strongly suggests that scaling research is lacking and demands more attentions and 2) that social impact scaling must be managed in a careful and sensitive manner. Content analysis regarding scale suggests that scaling strategies show a strong correlation and dependency on other themes. Research conducted by Di Domenico and colleagues (Di Domenico, Haugh and Tracey, 2010) regarding bricolage suggests that social entrepreneurs who "acquire resources and recombine them in novel ways to solve problems and responds to opportunities" have, in certain case examples, resulted in a rapid process of enterprise growth and generated further demand for services. This again ties scale to theme 1 and suggests that scaling efforts for social enterprises demand innovative products and/or services and also highlights the need to external legitimacy and awareness (theme 4) when shaping scaling strategies for BVC. As highlighted by Bacq and colleagues (2015), social bricolage has a positive effect on efforts to scale impact, thus further linking theme 4 and theme 5. Furthermore, it is suggested that theme 5 strongly opposes the notion that social enterprises should aim for growth, simply for the sake of growth, but should instead develop a strong understanding of their environment, resources and social impact goals. As such, a clear linkage can be established between theme 5 and theme 6, 4 and 7 respectively. Furthermore, the novel and experimental nature of scale strategies for social

enterprises shows a clear need for continuous learning, hence connecting theme 5 to theme 3. In total, 25 journal articles were found to discuss theories, actions and responses that provide strategic considerations for the theme: Humble Scaler (see Table 10)

Journal articles	Key theories, actions or responses
Smith, Gonin and Besharov, 2013	Learning tensions
Stevens, Moray and Bruneel, 2015	Enterprise continuity
Zahra, Newey and Li, 2014	Social system change capabilities, Community development
Lehner and Kaniskas, 2012	Opportunity recognition
Di Domenico, Haugh and Tracey, 2010	Social bricolage, Resource limitations
Renko, 2013	Nascent entrepreneurship motivation
Austin, Stevenson and Wei-Skillern, 2006	Business entrepreneurship theory transfer
Tracey and Jarvis, 2007	Social venture franchising
Bacq et al., 2015	Creative resource mobilisation
Cooney, 2010	SPB organisational models
Walske and Tyson, 2015	Reason for scale
Montgomery. Dacin and Dacin, 2012	Collective social entrepreneurship
Perrini, Vurro, & Costanzo, 2010	Process based view
VanSandt, Sud and Marmé, 2009	Expansion catalysts, effectual logic model
Bacq et al., 2015	Scaling through bricolage
Ortega et al., 2014	Social impact models
Miles, Verreynne and Luke, 2014	Vincentian Marketing Orientation
Bloom and Smith	Scaler model
Ormiston and Seymour, 2011	Mission and Measure alignment
Patel and Mehta, 2011	Life's principle – biomimicry
Bridgstock et al., 2010	Diversity management
Blundel and Lyon, 2015	Long view growth processes
Tjornbo and Westley, 2012	Government involvement
Antadze and Westley, 2012	Developmental evaluation
Gimmon and Spiro, 2013	Survival and growth - sustainability
Desa and Koch, 2014	Scaling social impact
Desa, 2012	Resource mobilisation
Backmann and Zeyen, 2013	Social franchising
Smith, Meyskens and Wilson, 2014	Strategic alliances
Auvinet, and Lloret, 2015	Catalytic innovation
Sharpen, 2006	Growth factors for UK social enterprises
Bhatt, & Altinay, 2013	Scaling phase of social innovation

Moreau and Mertens, 2013	Manager competencies
Mswaka, 2015	Scenario planning
*Young and Kim, 2015	Resiliency theory
Desa and Basu, 2013	Resource constraints
Agafonow, 2015	Humble scaling

Table 10 Key actions, responses and/or theories relevant to theme 5, collected during QMS

Theme 6. Ecosystem-driven remodelling

Content analysis continuously reiterates the highly contextual nature of social entrepreneurship processes. A social enterprise's ability to generate social and commercial value lies in its ability to 1) understand and interact with its ecosystem and 2) model itself according to the conditions and constructs of the respective ecosystem. It is suggested that social entrepreneurs that wish to create strategies conducive to BVC must embrace their ecosystems and remodel themselves continuously to suit their environment. Below, a brief discussion is provided to outline some of the key findings from content analysis that have shaped theme 6. For further reading, reference is made to Table 11.

Till date, the environmental influence on social entrepreneurial activities has received little attention (Bacq and Janssen, 2011). On the other hand, content analysis suggests that external institutional logics and constructs, which we refer to as the *ecosystem,* is receiving increased attention in light of the fact that "social entrepreneurship has different facets and varies according to the socioeconomic and cultural environment" (Mair and Marti, 2006). To signify the importance of the ecosystem, Littlewood and Holt (2015) adopt Gartner's (1985) framework for new venture creation to the social entrepreneurial process (see Figure 10). The suggestion is made that the *process* of engaging in social entrepreneurship may be affected by a plethora of environmental constructs including the types of legal forms available, national contexts, the quality of

economic and physical infrastructure, and the formal and informal institutional constructs. These constructs, in combination with the fact that social enterprises are often challenged with limited resources (see Theme 4), demand that the process of social entrepreneurship "creates *new models* for the provision of products and services" (Seelos and Mair, 2005). To this end, Agrawal and Gugnani, (2014) refer to the process of social entrepreneurship as a "continuously evolving business model" that needs to be adaptive and responsive to its environment.
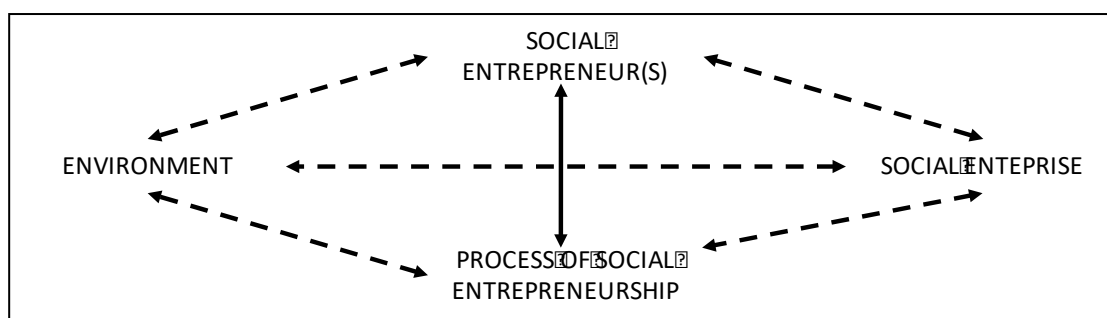
Figure 10 Gartner's framework for social entrepreneurial processes (Littlewood and Holt, 2015)

In another study of social enterprises active in sub-Saharan Africa, Thorgren and Omorede (2015) draw a connection between social entrepreneurial success and the ability for social entrepreneurs to "manage specific contextual conditions". The industry for tackling social problems is increasingly composed of "eclectic groups of interest, each with its own pragmatic claims regarding the most effective and efficient means of solving social problems" (Miller et al., 2012). The importance for modelling organisational strategies according to one's ecosystem is further highlighted by Pache and Santos (2013), who suggest that "hybrids are not limited to organisations blending market and social logics", but instead can "take different forms". Combined with the fact that the context in which social enterprises establish themselves are often challenging and risky (Mair and Marti, 2006), it is deemed vital that social enterprises secure support and resources from external institutional players (Pache and Santos, 2013) while simultaneously moulding their organisation to suit the institutional logics and constructs. Furthermore, Pache and Santos

(2013) suggest that engagement with external logics and constructs will help social enterprises to uncover sustainable routes to achieving their social and commercial goals and, as a consequence, will allow them to "go about internally blending the multiple goals that they incorporate". As such, Theme 6 suggest that the improved management of the external institutional logics will positively affect internal ambitions to instil the philosophy of BVC. Finally, we are reminded by Zahra and colleagues (Zahra, Newey and Li, 2014) that social entrepreneurship is about *systems change* first and foremost. Systems change demands that social enterprises strategically interact with their respective ecosystem. As such, social enterprises must develop *social system change capabilities*, which consist of "particular knowledge, skills, and routines" (note demand of Theme 3) that may "help persuade, incentivise, and guide the ecosystem stakeholders through a process of change" (Zahra, Newey and Li, 2014). Zahra and colleagues propose that "the more transformative and systemic the proposed social impact, the more social ventures need to develop accompanying social system change capabilities".

Theme 6; *Eco-system-driven remodelling*, has been formulated around the claim that social enterprises need to understand, and embed themselves into, the logics and constructs of their respective ecosystems by (re)modelling their activities, revenue streams, distribution channels and engagement with stakeholders. As such, it is suggested that the organisational model and strategy most suitable for social enterprises will always be different, just as each ecosystem is different. The '*re*' in *ecosystem remodelling* has been included to emphasise the continuous nature of this process as ecosystem logics and constructs are not fixed, but rather constantly changing; social enterprises have "access to a much broader repertoire of institutionalised templates that they can combine in unique ways" (Pache and Santos, 2013). To this end, the process of social entrepreneurship relies heavily on the implementation of strategies and models that effectively utilise these

constructs and logics in a fluid and reflexive (Pache and Santos, 2013) manner to the ultimate benefit of its aspired social and commercial goals. Using ecosystem logics and constructs, social enterprises will be able to create unique partnerships and attain resources in innovative ways, thus tying Theme 6 closely to the ambitions of Theme 4 and 1. Furthermore, to exercise ecosystem remodelling, social enterprises must build legitimacy and act as a positive and transparent player in its environment, thus demanding linkages with Theme 2 and 7. Finally, the successful interaction with external institutional players is dependent on a social enterprise's realistic understanding of their potential impact and scalability, thus reflecting Theme 5. This understanding may be developed through the constant accumulation of knowledge and skill building, thus demanding Theme 3. In total, 45 journal articles were found to discuss theories, actions and responses that provide strategic considerations for the theme: Ecosystem-driven Remodelling (see Table 11

Journal articles	Key theories, actions or responses
Pache and Santos, 2013	Selective coupling, Important vs. flexible signalling elements, Hybrid as public-private partnerships, Innate reflexivity and access to variety of institutionalised templates
Smith, Gonin and Besharov, 2013	Organising tensions
Littlewood and Holt, 2015	Environmental influence research gaining traction.
Thorgren and Omorede, 2015	Developing market context
Zahra, Newey and Li, 2014	Social system change capabilities
Di Domenico, Haugh and Tracey, 2010	Social bricolage
Austin, Stevenson and Wei-Skillern, 2006	Business entrepreneurship theory transfer
Tracey and Jarvis, 2007	Social venture franchising
Townsend and Hart, 2008	Organisational form
Choi and Kiesner, 2007	Entrepreneurial environment
Desa and Koch, 2015	Understanding early development
Hibbert, Hogg and Quinn, 2002	Consumer response
Mair, Battilana and Cardenas, 2012	Leveraging capital
Sud, VanSandt and Baugous, 2009	Legitimacy and Isomorphism

Montgomery. Dacin and Dacin, 2012	Collective social entrepreneurship
McNamara, Pazzaglia and Sonpar, 2015	Resource mobilisation
Khavul and Bruton, 2013	Sustainability enhancing innovations
Ziegler, 2010	Capability approach
Mueller et al., 2011	Mainstream social entrepreneurship
Bridgstock et al., 2010	Diversity management
Frumkin and Keating, 2011	Revenue diversification
Florin and Elizabeth, 2011	Learnings from shared value creation
Patel and Mehta, 2011	Life's principle – biomimicry
Gras and Lumpkin, 2012	Learnings from commercial entrepreneurship
Tjornbo and Westley, 2012	Government involvement
Daskalaki, Hjorth, & Mair, 2015	New organizing assemblages
Meyer and Gauthier, 2013	Organisational fitness
Gimmon and Spiro, 2013	Survival and growth - sustainability
Bargsted et al., 2013	Psychosocial profiling
Gidron, 2014	Participants perspective
Zhang and Lee, 2014	Social entrepreneurship vis-à-vis sustainability
Newth and Woods, 2014	Context dependent manifestation
Bacq and Lumpkin, 2014	Learnings from family business scholarships
Curtis, 2011	Danwei
Cristina et al., 2014	Learnings from micro-finance organisations
Christopoulos and Vogl, 2015	Altruistic economic actors
Moreau and Mertens, 2013	Manager competencies
Chalmers & Balan-Vnuk, 2013	Internal and external absorptive capacity
Cornforth, 2014	Mission drift
Sarpong and Davies, 2014	Organisational practice and legitimacy
Chen, 2011	International new ventures
Tandon, 2014	Boundary perspective of learning
Powell and Osborne, 2015	The role of marketing
Perrini, Vurro, & Costanzo, 2010	Process based view
Gupta, Beninger and Ganesh, 2015	Social innovation in the African context
Desa, 2012	Resource mobilisation
Agrawal and Gugnani, 2014	Evolving business models
Young and Kim, 2015	Resiliency theory
Mswaka, 2015	Scenario planning
Pinch and Sunley, 2015	Neo-institutional theory, organisational logics
Goyal and Sergi, 2015	Sustainable model system
Ruta, 2015	Organisation and stakeholder theory
Lehner and Kaniskas, 2012	Opportunity recognition
Desa and Basu, 2013	Resource constraints
Perrini, Vurro, & Costanzo, 2010	Process based view
Stevens et al., 2015	Attention based view

Table 11 Key actions, responses and/or theories relevant to theme 6, collected during QMS

Theme 7. Transparent Accounting

Content analysis has highlighted that BVC is a complex and multi-dimensional concept. To embrace and accommodate this complexity, social entrepreneurs must develop robust and in-depth understandings of the outcomes of their activities. Furthermore, as highlighted in themes 4 and 6, a social enterprise's ability to sustain itself and increasingly generate social change is highly dependent on its relationships with stakeholders. Respectively, content analysis points to the need for social enterprises to consciously, consistently and (as much as possible) accurately measure their social and commercial performance. Furthermore, theme 7 highlights the need for social enterprises to measure their impact in a transparent way so has to garner the support of stakeholders and also develop a more self-aware understanding of the effects of their organisation's activities. Theme 7 proposes that social enterprises that actively measure and share their performance are more likely to avoid mission drift and improve their ability to generate blended value. Finally, theme 7 proposes and defines the term *blended performance measurement* to refer to performance measurement strategies that stimulate BVC. Below, a brief discussion is provided to outline some of the key findings from content analysis that have shaped theme 7. For further reading, reference is made to Table 12.

At its essence, a social enterprise is a model that strives for "the innovative use of resources to explore and exploit opportunities that meet *social needs* in a *sustainable manner*" (VanSandt, Sud and Marmé, 2009). This implies that when exploring the concept of performance measurement in social entrepreneurship, such exploration should be concerned with ensuring that social needs are being met and that the social enterprise operates in a sustainable manner. This implies that (in the ideal situation) performance

measurement that embraces blended value thinking must embrace both the social and the commercial logics respectively. As reflected in Bagnoli and Megali's (2009) research regarding performance measurement, the measurement of 'success' in a social enterprise demands a multi-dimensional understanding of the term. Content analysis however, suggests that, in practice, this is not always easy. Discourse pertaining to performance measurement of social enterprises highlights 1) the difficulty of measuring *both* social and commercial performance together, and 2) the complexity of measuring social value.

With regard to the challenge of measuring dual logics, Smith and colleagues (Smith, Gonin and Besharov, 2013) refer to *performing tensions*; a form of tensions where social enterprises need to develop divergent metrics for measuring performance "across contradictory goals". Miller and Wesley (2010) suggest that social entrepreneurs are increasingly adapting constructs from for-profit business models to figure out how to measure their impact. This has allowed for the development of "a more systematic approach [to measurement] in order to make stakeholders more confident, informed, and educated on the value produced by the venture" (Miller and Wesley, 2010). Although content analysis clearly highlights that blended performance measurement (referring to social and commercial performance measurement that is complete in a harmonious and complementary manner) is the best approach, Smith and colleagues (2013) suggest that the more quantifiable metric (usually commercial value) tends to be dominant as it involves more established, credible and manageable metrics. As a result, social enterprises have a tendency to sacrifice or ignore social metric and instead focus largely on commercial metrics.

With regard to the challenge of measuring social impact, content analysis suggests that accountability practices are challenged by the premonition and/or reality that social impact measurement is a difficult practice to operationalise. As explained by Ziegler

(2010); "social entrepreneurs are widely perceived as agents of change… [yet] the meaning of 'change' needs to be specified". The art of explaining the specificity of 'change' has however become increasingly complex. This complexity is partly due to the fact that few formal social impact measurement tools exist that are able to capture social performance effectively (Renko, 2013). As a result, social enterprises are often "slow to adopt robust metrics for measuring performance" and social performance measures are typically "less standardized and more idiosyncratic … leading to more uncertainty as to the value created" Miller and Wesley, 2010). Content analysis also seems to suggest that the challenge of measuring social performance lies also in its long-term nature, whilst reporting and accountability demands are typically short-term. This is articulated rather well by Smith and colleagues (2013), who state that "financial outcomes such as profits, revenues, and costs can easily be measured in the short term, whereas social mission outcomes such as alleviating poverty, increasing literacy, or overcoming economic injustice, often require a long-time horizon." This plethora of difficulties associated with social impact measurement can be at the detriment of the social enterprise as the social value orientation remains more informally- and emotionally-led. In extreme cases a deep yet unmeasurable commitment to social value can lead social enterprises to sacrifice their commercial values at the risk of organisational demise. As such, Smith and colleague's discussion point to the need for more holistic accounting for improved BVC. (Smith, Gonin and Besharov, 2013).

Theme 7 suggests that transparency in accountability may catalyse the development of more robust blended measurement systems. The first word in the title of theme 7, namely 'transparent' highlights the need for social enterprises to interact effectively with their environment to increase BVC. As such, this paper posits the term *blended performance measurement* to refer to the following:

Blended performance measurement may refer to performance measurement activities and systems established by a social enterprise to qualify and quantify contributions to unmet social-environmental needs (i.e. social value) <u>as well as</u> contributions to its own commercial well-being (i.e. commercial value). Respective, blended performance measurement strategies must aim foster harmony and complementarity within the process of social entrepreneurship, hence contributing to the institutionalisation of BVC.

Content analysis highlights a growing demand on social entrepreneurs to measure and communicate their performance to stakeholders (Miller and Wesley, 2010; VanSandt, Sud and Marmé, 2009; Oster et al. 2004). Content analysis also highlights that, whilst blended performance measurement is a challenging topic of discourse, there is a growing underlying tone in research that implies an "increased emphasis on transparency" (VanSandt, Sud and Marmé, 2009). Hence, theme 7 draws a connection between optimising stakeholder relations and transparency. A closer look at the content suggest that transparency in reporting and measurement demands and nurtures a higher level of ethics which may have a trickle-down effect and hence positively impact external moral sentiment (Zahra, Newey, and Li, 2014) and legitimacy of a social enterprise in its environment. Transparency in reporting is thus closely linked to nurturing legitimacy from stakeholders and, as a result, gaining access to increased resources. Miller and Wesley (2010) further emphasise this need for transparent reporting of performance to stakeholders by suggesting that social enterprises "have an increasing responsibility to communicate their current and future performance results to stakeholders". They suggest that social entrepreneurs that engage in systematic measurement of their performance (both social and commercial) are able "to make stakeholders more confident, informed and educated on the value produced" by the social enterprise. Similarly, Arena and colleagues

2015 suggest that social enterprises must measure performances "in a systemic way", to 1) support decision making and 2) improve accountability towards stakeholders. Furthermore, research conducted by Bacq and Eddleston (2017) suggests that a social enterprise's "capabilities to engage stakeholders, attract government support, and generate earned-income" is linked to improved scale of impact (thereby also linking theme 7 to theme 5). Content analysis suggests that performance measurement is a key example of such a capability that allows for improved engagement with stakeholders. As eloquently stated by Miller and Wesley (2010); "there is a new market consciousness for social ventures whereby the value proposition and theory of making a social change is important; an understanding of the desired impact and the incorporation of a means to measurement of that impact are equally crucial". Mair & Martí (2006) suggest that those social enterprises that are in fact able to successfully measure their social performance are "more likely to establish their venture as legitimate with stakeholders" (Mair & Martí 2006 as adapted by Miller and Wesley, 2010). This need for external validation through robust and transparent measurement practices has been a recurring finding during content analysis. In their study of social investment in social enterprises, Achleitner and colleagues (2013) find that the integrity of the social entrepreneur and their willingness to participate in voluntary accountability greatly increased 1) likelihood of investment and 2) external legitimacy toward stakeholders. In their study regarding social enterprise venture capitalist approaches, Miller and colleagues (Miller, Wesley and Curtis, 2010), analyse the funding habits of 274 program analysts and executives that are employed by so-called *social venture capitalists*. They suggest that their funding habits are unique and different to those of for-profit venture capitalists, "because of the dual organisational identities of the venture they assess". In the context of performance measurement, Miller and colleagues found that social enterprises that used "established and tested methodologies for measuring social

return that capture economic, social and environmental returns" were perceived by social venture capitalists as more effective and potentially more viable business cases. Studies such as these imply that robust and transparent social measurement practices are perceived as an indicator of commercial feasibility and as such, contribute to both the commercial and social value of the social enterprise.

Theme 7; *Transparent accounting* has been included to highlight the need to more emphasis on an area of strategic management in social entrepreneurship that is, on the one hand crucial, yet on the other hand remains complexity. Content analysis has highlighted the importance of impact measurement for BVC. Theme 7 proposes that social enterprises that engage in active, robust and continued blended performance measurement practices are less likely to incur mission drift and are more likely to improve stakeholder legitimacy, improve internal performance and gain access to (limited) resources. Content analysis of theme 7 suggests that a core aspect of transparent accounting is connecting to nurturing legitimacy with stakeholders. As suggested in Grimes' (2010) case analysis of performance measurement practices in social enterprises, he found that measurement systems were a "tool to social construct meaning and organisational identity". This shows a strong connection between theme 7 and themes 4 and 6. The complexity and lack of establishment of blended performance measurement metrics combined with a lack of established practices, highlights its explorative and confused state. As a result, social entrepreneurs must be willing to try adopted innovative approaches and learn as they go, thus linking theme 7 to theme's 1 and 3 respectively. In total, 22 journal articles were found to discuss theories, actions and responses that provide strategic considerations for the theme: Transparent Accounting (see Table 12).

Journal articles	Key theories, actions or responses
Smith, Gonin and Besharov, 2013	Performing tensions
Miller, Wesley and Curtis, 2010	The viewpoint of social venture capitalists

Renko, 2013	Nascent entrepreneurship motivation
Corner & Ho, 2010	Opportunity identification
Moss et al., 2011	Organisational identity
Austin, Stevenson and Wei-Skillern, 2006	Business entrepreneurship theory transfer
Montgomery. Dacin and Dacin, 2012	Collective social entrepreneurship
VanSandt, Sud and Marmé, 2009	Expansion catalysts
Nga and Shamuganathan, 2010	Personality traits
Miles, Verreynne and Luke, 2014	Vincentian Marketing Orientation
Fedele and Miniaci, 2010	Capital structures and entrepreneurial motivation
Bhowmick, 2011	Social cause venturing as distinct domain
Pozzoli, & Romolini, 2013	Social reporting
Ormiston and Seymour, 2011	Mission and Measure alignment
Frumkin and Keating, 2011	Revenue diversification
Arena, Azzone, & Bengo, 2015	Systematic account to stakeholders
Antadze and Westley, 2012	Developmental evaluation
Manetti	Blended Value Accounting, and Social Return on Investment
Nicholls, 2013	The role of impact measurement
Uygur and Marcoux, 2013	Theory of the firm
Meadows and Pike, 2010	Balanced Scorecard model
Andersson and Ford, 2015	Reframing impact
Achleitner et al., 2013	Voluntary accountability
Bagnoli and Megali, 2009	multidimensional controlling framework
Ormiston et al., 2015	Impact investment strategies
Gibbon and Affleck, 2008	Social accounting resistance
Moreau and Mertens, 2013	Manager competencies
Gupta, Beninger and Ganesh, 2015	Social innovation in the African context

Table 12 Key actions, responses and/or theories relevant to theme 7, collected during QMS

2.4 Discussion

Research conducted for this paper proposes a number of novel insights in to the concept of BVC. Firstly, it has been a valuable exercise to reflect on work done on this topic thus far, as this has allowed for a more grounded understanding of the concept and where its roots lay. Secondly, by clustering data and thematic synthesis within a QMS approach, a number of noteworthy findings have come to light. This process of deconstructing BVC has been particularly helpful in shaping an understanding of the

potential for BVC and how it may be understood and the more applied level of social enterprise management theory.

In the section below, a reflection on the concept of BVC is provided as tackled in research question 1. Furthermore, in relation to research question 2, a hypothetical framework is presented, which has been dubbed the 'BVC ecosystem framework'. This framework has been developed to visualise the interplay between themes identified during the QMS process. It is suggested that this framework, although untested, provides ample food for thought regarding the application and institutionalisation of a BVC philosophy within social entrepreneurship management theory and approaches.

2.4.1 Research outcome 1; there is a need for more consensus.

At the beginning of this research process, the term 'blended value creation' was defined by means of a preliminary review into the multiple value creation literature within the social entrepreneurship research domain. This has led to the formulation of the following definition for the term BVC.

Blended value creation is the utilisation of strategies that foster harmony and complementarity between multiple logics within the process of social entrepreneurship.

The purpose of defining this term was 1) to highlight the need for a fresh perspective into multiple value creation management, 2) to differentiate the term from other similar terms and reduce confusion, and 3) to define the scope and boundaries of research for this paper. Consequently, research conducted in relation to research question 1, has focused on laying down the foundations of BVC research by painting a picture of the roots of the term. The purpose of research question 1 has been to 1) understand how

the term BVC has been used by research till date (between 2000 and 2015) and how one might define BVC as a result of these passed research efforts.

Research conducted in relation to research question 1, has indicated that the term 'blended value creation' does not hold ground as an established and accepted term within the social entrepreneurship research domain. As such, there are no grounds to suggest that research has been nor is expected to uphold the term BVC to encompass strategies, actions and theories related to dual logic management that embraces harmonisation and complementary. Instead, content analysis for research question 1 has highlighted the puzzled state of BVC research as there seems to be a lack of consistency and agreement regarding the use of terminology. It is proposed that this lack of consistency and agreement has made it difficult for researchers to see dual logic management as a significant and distinct research domain. Furthermore, this lack of consistency and agreement, has led to an overall lack in explicit research efforts to 1) develop consensus and 2) debate the topic of dual logic management explicitly. Instead it is often touched upon within the context of a larger research domain. To this end, solace can be found in Zimmer's statement that;

> *"Identification of consensus, hypothesis development, and investigation of contradictions in patterns of experience across studies makes theorising at higher levels possible. This provides a means for enhancing the contribution of qualitative findings to the development of more formalized knowledge that is meaningful and useful to the discipline"* (Zimmer, 2006).

Furthermore, research has indicated that the philosophy of BVC is often discussed implicitly using a plethora of terms to refer to specific aspects of BVC. For example, the term 'hybrid' is used to refer to organisational modalities that aspire to manage dual logics. Another example would be the term 'identities', which refers to the corporate character and organisational flavour that an enterprise conveys to its stakeholders. Finally, another example of a term used to refer to a specific aspect of BVC is 'multiple', which is used to

refer to the distinctive and categorical dissection of values within an enterprise. Such discussion related to the distinctiveness of values often highlights another important term, namely 'tensions' which is used to describe the complexity and friction between different values. The fact that the term BVC is not commonly used in an explicit manner, is not a surprising outcome, as the term 'blended value creation' was indeed coined solely for the purpose of this paper. An interesting finding of this process has been that whilst a plethora of terms are used within research to refer to *specific* aspects of BVC, there is no all-encompassing term to refer to them as a whole. In this way, BVC differentiates itself from other terms as an umbrella term that is more all-encompassing. It is posited that BVC may be a suitable and necessary term to refer to the holistic body of work that discusses actions, theories and terms which embody the philosophy of dual logic management. As such, terms such as 'multiple identities, 'dual logics' and 'tensions' could be seen as part of the larger BVC debate. This is not to say that this all-encompassing term must be BVC, but rather that it could be proposed as a suitable umbrella term[8] to refer to all actions, theories and terms that fall under the common topic of dual logic management. It is proposed that the selection or development of such a term is necessary in efforts to improve future research efforts into dual logic management with social entrepreneurship processes.

2.4.2 Research outcome 2; The BVC ecosystem framework

Research conducted in relation to research question 2 has led to the clustering of data around 7 themes. This is the most novel research outcome of this paper and poses ample food-for-thought for future BVC research efforts. Findings as presented in section 2.3.3 address each theme individually as this has been the scope and purpose of this paper. However, it is suggested that the proposed themes are likely to be mutually reinforcing and

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[8] The Collins dictionary (2018) defines an 'umbrella term' as a "term used to cover a broad number of functions or items that all fall under a single common category."

co-dependent. In other words, a social entrepreneurial process that strives to inject the philosophy of BVC within its strategic and operational logics cannot do so by merely adopting one of the themes but must incorporate the themes jointly and holistically. As such, it is suggested that the effective application of these 7 themes demands a complex level of interplay between the social entrepreneur (leadership-function), the social enterprise (organisational management) and the institutional environment (environment influence). It is proposed that content analysis has posited that these three levels are significant constructs within shaping robust social entrepreneurship management strategies. Firstly, the literature emphasises the importance of the social entrepreneur as an individual and her/his "central role in a social enterprise" (Stevens, Moray and Bruneel, 2015). Secondly, the literature emphasises the centrality of the social enterprise as the organisational model within which the challenge of multiple value creation is exercised and responded to (Smith, Gonin and Besharov, 2013). Finally, the literature repeatedly reiterates "the significant influence of the environment on social entrepreneurship in practice" (Littlewood and Holt, 2015). Content analysis has highlighted for example, the importance of stakeholder management and legitimacy in light of competitive environmental conditions and limited resources.

As such, it is proposed that the 7 themes proposed in this paper may be further validated by bearing two considerations in mind. Firstly, themes are co-dependent and further research is needed to show how their interaction is best understood. Secondly, themes highlight that an improved approach to BVC demands that strategic planning takes place at three levels; the leadership-level (i.e. the social entrepreneur), the organisational-level (the social enterprise as organisational model) and the environmental-level (environmental influence from the ecosystem). In an effort to highlight the criticality of continuous and cyclical learning as discussed in theme 3, this paper offers the following

visualisation to depict the various learning loops that stretch across boundaries to connect the social entrepreneur(s), the social enterprise (as organisation), and the ecosystem (including resources and stakeholders). This visualisation has been dubbed the 'BVC ecosystem framework'. It is proposed that similar to the lean start-up model (Reis, 2011), the social entrepreneurship process is characterised as one that stimulates experimentation (as highlighted in theme 1), the efficient use of resources (as discussed in theme 4), short development cycles (as discussed in theme 3), and continuous performance measurement (as discussed in theme 7). Content analysis implies that these cyclical learning loops must be deliberately constructed as part of the leadership function and the organisational management function of the social enterprise. An attempt to visualise this process is made in Figure 11 The BVC ecosystem framework; imagining the interaction of themes within learning-loops. To indicate the interplay between this cyclical learning loop and the other themes, the numbers 1-6 (circled in orange) have been used to hypothesise theme interaction. Further empirical research is, of course, needed to test these interactions for further validation.

To summarise, although the research question has highlighted that there exist multiple themes that may catalyse the uptake of a BVC philosophy within a social enterprise, reliance on one theme alone will not suffice. Instead, the process of social entrepreneurship is one where the social entrepreneur must push for the adoption of holistic strategies that take on a multi-theme approach.
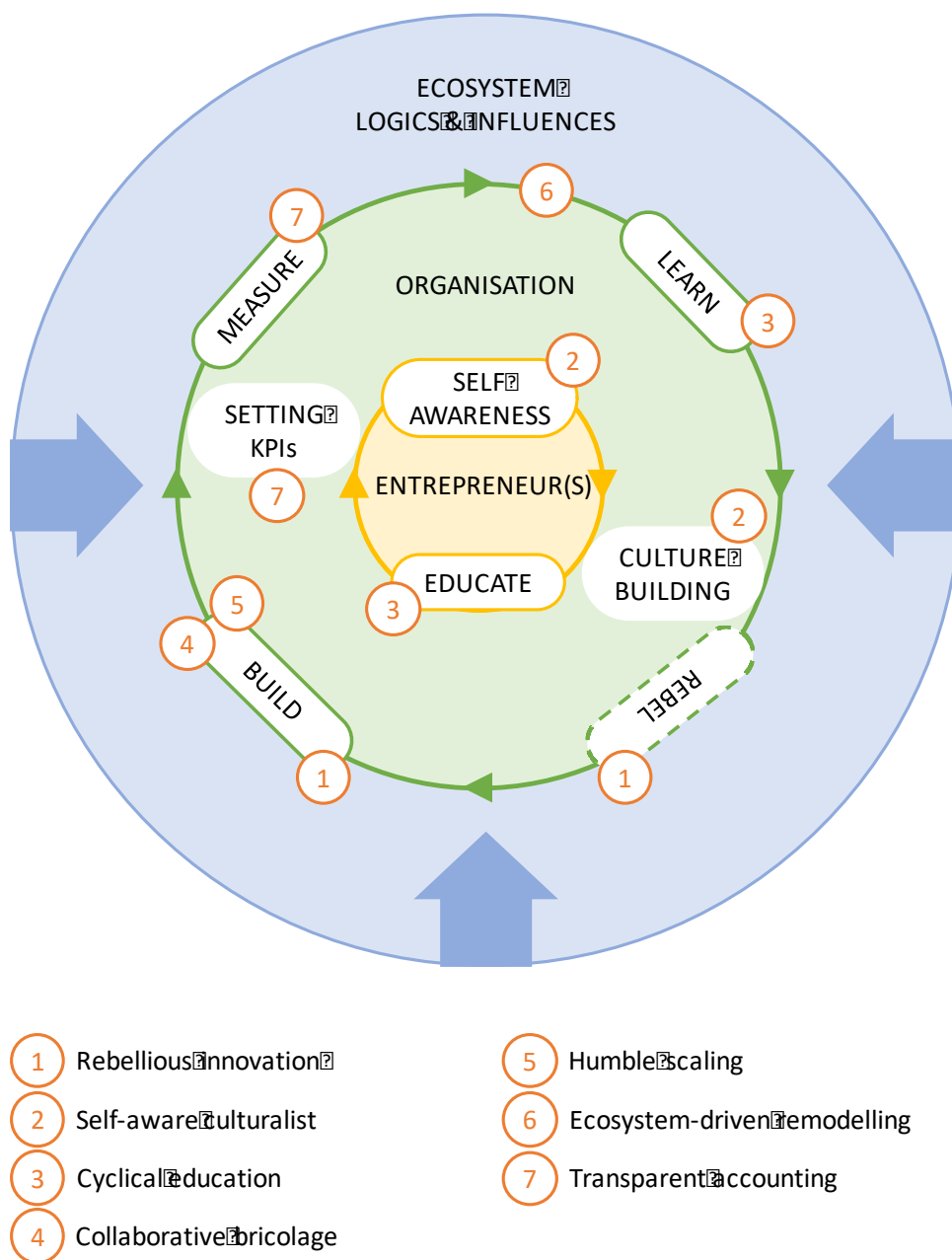
Figure 11 The BVC ecosystem framework; imagining the interaction of themes within learning-loops

2.5 Future research efforts

Research findings have highlighted the need to move from the philosophical notion of BVC to a more tested and applied understanding of the concept. As such, efforts to further understand BVC may contribute categorically to two dimensions of research; 1) validity and 2) application. In an effort to also adopt learnings from the QMS approach, the discussion below includes future areas of research identified by other scholars. Furthermore, future areas of research as a direct result of this paper's findings have been included.

2.5.1 Future research dimension one: Validity

Validity refers to research gaps that have been identified during content analysis that must be addressed to further shape the concept of BVC and legitimise (or delegitimise) it as a significant concept within social entrepreneurship management theory. Key areas of future research in this area of presented below.

Firstly, there is a clear need for improved consensus regarding the question; what is it that we are talking about when we speak of BVC? and; How does BVC differ from other terms such as dual objectives, multiple logics, tensions, etc.? Without consensus and a clear definition of scope, it will become increasingly difficult to gain further legitimacy for the exploration of the concept of BVC. Furthermore, in order for research efforts to move from theoretical discussion at firm corporate level, to a more applied understanding at the strategic and operational level, there is a need for a unified consensus regarding the term 'blended value creation'. By decisively selecting such a term it will allow for more focussed scholarly exploration of the harmonisation and complementarity of values. Whilst terms such as hybrid and dual have become more commonplace, these do not solely embrace the *blended* approach, but may instead (and more commonly) adopt the mind-set that values are in tension with each other.

Secondly, explicit research regarding the strategic and operational actions and responses available to social entrepreneurs who aspire to adopt a BVC approach seems to be rather lacking. As suggested by Miller and colleagues (Miller et al., 2012), social entrepreneurship is a "field where enthusiasm has outpaced conceptual development and refinement". Till date, the concept of BVC remains more of a philosophy or a notion to which to aspire. Focussed research efforts are therefore needed to understand how social enterprises have been able to successfully integrate a BVC approach within their organisation. This will contribute to the framing and definition of BVC as a clear and applied concept.

Thirdly, research suggests a lack of empirical, quantitative scholarly efforts to further our understanding of BVC. Respectively, Costanzo and colleagues suggest the need for longitudinal case studies to further our understanding of how BVC manifests itself at different phases of an organisation and what the key drivers are respectively (2014). Such a longitudinal study may shed light on the balance between socio-environmental value orientation versus commercial value-orientation over time. Understanding if and when one value is more dominant in the life cycle of a social enterprise would provide critical learnings and support efforts to validate BVC as a strategic approach suitable for social enterprises that want to improve their ability to manage dual logics.

Finally, there is a clear demand for research that explores the role not just of social entrepreneurs but of commercial entrepreneurs as well in creating social value (Zahra and Wright, 2016). As such, BVC research efforts may be extended to the for-profit entrepreneurship field to 1) identify correlations and differences to improve current understandings of BVC within the social entrepreneurship domain and 2) further test its validity as a domain of research that is not relevant only to social enterprise models. Similarly, it would be equally valuable to test the concept of BVC within non-profit

organisation such as charities and governmental organisations. A common viewpoint amongst scholars within the content analysed is that the development and understanding of managing dual logics or values is becoming increasingly important as not just social enterprises by all present-day organisations are "increasingly straddling the boundaries of multiple sectors as they purse multiple objective". As such, it may be suggested that an applied understanding of BVC is significant to the larger body of management studies.

2.5.2 Future research dimension two: Application

Application refers to research gaps that have been identified during content analysis that may contribute to a more applied understanding of the philosophical notion of BVC. As highlighted by Battilana and colleagues (2015); "research will need to explore in more detail how hybrids like social enterprises, which combine aspects of business and charity at their core, can sustain a focus on both the accomplishment of their social mission and the establishment of productive operations…Much remains to be explored about the way in which these organisations function". The term *applied* in this chapter refers to research that will contribute to a more strategic and/or operational understanding of BVC and how this may actually be implemented in practice. Such a discussion may distinguish between internal research areas; namely research to understand BVC at the organisational level, and external research areas; namely research to understand BVC within stakeholder relationships and its effects of managing environmental conditions. Respectively, key areas of future research in this area are presented below.

With regard to the institutionalisation of BVC at the organisation level, content analysis has highlighted that such discussions often remain conceptual and therefore lack applicability to real life cases. As identified by Pache and Santos (2013), "there is little revealed about the way in which the combination of logics is actually achieved at the intra-organisational level." That being said, content analysis, particularly with regard to theme

2 has highlighted that various actions and responses already exist that may support the institutionalisation of a BVC approach at the organisational level. It would be interesting to further this research area by developing a more focussed and tested framework of strategic actions and responses that nurture BVC at the organisational level. In theory, social entrepreneurs could utilise such a framework to benchmark their current practices and develop a more coherent understand of how their organisations can implement an approach conducive to BVC. This may aid efforts to further unpack the internal functioning of hybrids and for understanding how they may survive and thrive in the midst of pluralistic environments" (Pache and Santos, 2013). This also points to the need for future research to understand that underlying motivation of social entrepreneurs and how this motivation affects the performance (both social and commercial) of social enterprises. Does, for example, the fact that social enterprises are (typically more) risk averse and hence assume more risk mean that they are likely to experienced diminished performance over time (Miller et al., 2012)?

Future research needs at the organisational level also point to the managerial aspects of a social enterprise. To this end, Zahra and Wright (2016) point to the need for research to understand the roles of boards, organisational structures and employee incentives in enabling and regulating for BVC. What kind of expertise should top management possess? What is the 'right' combination of commercial and social cultures within an organisation? These are some examples of questions that still need to be addressed. Zahra and Wright (2016) go on to suggest that research is also needed to understand if a BVC approach is best implemented through formal and/or informal actions. This is another substantial research area related to organisational management of BVC.

It is hypothesised that a BVC approach is as much concerned with external strategic management as it is with internal organisational management. Content analysis has

repeatedly highlighted the correlation between social entrepreneurial success in challenging environments and the ability to engage effectively with key stakeholders. As highlighted in the section (see amongst others, results for themes 4 & 6), effective strategies to implement a BVC approach are not only concerned with internal organisational change but must consider potential changes stakeholder relationships and approaches to environmental conditions. Research conduct has, for example, repetitively highlighted the need for a collaborative spirit and transparent accountability practices in efforts to adopt a BVC approach within stakeholder relationships. Further research is therefore needed to understand stakeholder management within a BVC approach (Costanzo et al., 2014). The question posed here is; what role will different stakeholders play in nurturing or challenging BVC efforts?

Additionally, research regarding external strategic management of BVC must be conducted to understand the effects and role of environmental conditions. Zahra and Wright point to the need for research regarding the types of institutional support that "make it sensible and even profitable for entrepreneurs to pursue the perplexing issues a society faces" (2016). They point to the need for incentives and regulations at the macro level that will create an ecosystem that is conducive for social entrepreneurs to create blended value. How will, for example, competitive forces, tax incentives and governmental subsidies affect efforts to implement BVC?

Finally, with regard to external environmental conditions, it is found that till date, the implementation and effects of BVC are very much context dependent (Costanzo et al., 2014). As pointed out by Zahra and Wright (2016), future research should explore the heterogeneity of contexts and how this may affect the strategies applied to create blended value. Further research is thus needed to understand if there exists 1) a case for BVC

strategies that may be suitable in all contexts and/or 2) how blended value may be approached in different types of contexts.

2.6 Conclusion

"It is the attempt to combine the social and economic missions that makes social entrepreneurial organisations unique. Balancing social wealth with the desire to make profits and maintain economic efficiency is no simple matter."

(Stevens, Moray and Bruneel, 2015)

Prior to exploration of the concept of BVC, my preliminary interest in the matter was very much built on my opposition to accepting that values must be categorically separated. Throughout the process of preparing this paper, I have come to a stronger realisation that separation is necessary in the process of figuring out how a blended value construct might look like. As eloquently stated by Billis, "Any study of hybridity must inevitably begin by establishing the nature of the 'non-hybrid' state of the phenomenon" (2010).

This paper set out to explore and review the implications of social entrepreneurs adopting a blended value approach. Using a Qualitative Meta-Synthesis approach, the content of 173 journal articles was analysed to firstly deepening our understanding of the concept and secondly, collate actions and responses that may shed light on the strategic implications of adopting a BVC approach to social entrepreneurship management.

It was found that although discourse pertaining to the topic of blended value creation is prevalent, the concept as a whole lacks consensus. Furthermore, it was found that the concept of blended value creation is, till date, debated largely at the philosophical level. As suggested by Stevens and colleagues (2015) the exploration of social and economic value creation has been treated 'largely as a black box'. This paper takes a significant step toward collating research efforts between 2000 and 2015 that explore the topic of blended value creation. More specifically, this paper set out to capture conceptual

and empirical dimensions of blended value creation within the social entrepreneurship process. This has led to the development of 7 themes, which are posited as co-dependent considerations that social entrepreneurs can use to institutionalise a blended value creation approach within their management strategies.

Through the research conducted for this paper, it has become apparent that the strategic implications of BVC are so contextual that it is almost impossible to define a substantive framework of strategic options for the field of social entrepreneurship as it is defined today. It is simply too broad. One may argue that the failure of SE research is that we have decided to call apples and pears by the same name. This, in part to create, promote and nurture a new organisational model, with all the best intentions, has led to confusion and a weakening of the framework within which discussions are held.

Research has pointed out that although there exists a growing body of discourse that debates the philosophy of BVC, there is a lack of work that directs those involved in the entrepreneurship process (as entrepreneurs or support providers such as NGO, governments or incubators) in an applied manner. In other words, the question remains: how can a BVC philosophy be applied at the strategic and operational level?

Simply acknowledging the fact that multiple values may co-exist does not necessarily correlate to understanding how organisations can create harmony and complementarity between values; to get to this next level, there is a need to understand how BVC can be nurtured at the strategic and operational level. A clear and promising outcome of this paper is that the concept of BVC has been gaining traction over the years and research efforts, though scattered, are already being made to better understand it. To this end, and in the conclusion of this paper, I echo the words of Lautermann (2013) who states that "there is no such thing as pure financial and pure social value, … all value are inseparable blends."

In conclusion, the research conducted for this paper has brought to light a plethora of thoughts regarding the BVC philosophy and how future research endeavours may shape its development. The clustering of actions and responses to dual logic management has led to the formation of 7 themes, which demand further research and validation. Most significant however, has been that research has indeed pointed out that dual logic management is an area of research that is gaining traction as well as legitimacy. There seems to be a growing implied consensus that understanding how social and commercial value may be created simultaneously is important. As pointed out by Wood (2001) 'we need not choose between the demands of economics and the demands of ethics'. It is with this thought that I would like to conclude this paper.

2.7 References – Chapter 2

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Chapter 3. Investigating Bangladesh's social enterprises: Field research using a grounded theory approach

The purpose of this chapter is to outline the field research process that took place in Bangladesh in 2014. Respectively, this chapter presents the research design and provides a case description of the four social enterprises interviewed. This chapter may be considered an introductory prerequisite for reading papers 2 and 3 (chapters 4 and 5 respectively).

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3.1 Introduction

From the onset, research for this thesis aims to examine and shed light on the question; *How can social enterprises better understand BVC at the strategic and operational level?*

As identified through preliminary research, social entrepreneurship research is on the rise (Tracey & Phillips, 2007). An emerging theme of research resulting from this increasing interest revolves around the management of dual logics, or dual values, within social enterprises. It is this challenge of examining the concept of *blended value creation* (BVC), which was the driving force and inspiration to conduct research in social enterprise management practices and contribute to this growing yet relatively young body of work.

Paper 1 (as presented in chapter 2 of this thesis) develops an in-depth understanding of BVC based on existing literature. As such, paper 1, sets the tone for this thesis. Findings from paper 1 identify that, whilst discourse pertaining to dual logic management in social enterprises is on the rise, "scholarship does not yet fully capture [this] complexity of the social enterprise phenomenon" (Smith, Gonin, and Besharov, 2013). As further validated through research conducted for paper 1, there is still ample scope and demand for research that pushes the topic of BVC to a more applied understanding. This has coincidentally also been the ambition of the author, who has been involved in social entrepreneurship consultancy and recognises the need for a more applied understanding of dual-logic management and fundamental in shaping management theory for the social entrepreneurship domain.

In the quest for a more applied understanding of social enterprise management, 4 months of field research were undertaken. To this end, the author travelled to Dhaka, Bangladesh in early 2014 to gain first-hand insights into the management practices of social enterprises. During this time, in-depth interviews were held with four locally-based

social enterprises. This was done with the intent of better understanding the management practices of this unique and growing breed of enterprises. More specifically, field research focussed on understanding how social enterprises position themselves toward a range of commercially- and socially-oriented stakeholders. This specific interest in stakeholder management was developed during data research carried out within the framework of paper 1, which has repeatedly highlighted the importance of stakeholders in achieving BVC (see themes 4 and 6 of paper 1). Findings from this field research have led to the development of papers 2 and 3.

3.2 Purpose & use

The purpose of this chapter is to outline the field research process. Firstly, a description of the approach and methodology of field research will be presented. Secondly, the unit of research, namely social enterprises will be addressed. This is significant as it provides a robust framework and lens within which research findings for papers 2 and 3 should be viewed. In this regard, the purpose of this chapter is also to validate the respective research process and findings. Finally, the four case studies of social enterprises that were visited during field research are presented.

This chapter may be used as a precursor for chapters 4 and 5. As such, it may be seen as prerequisite or as recommended reading for those who wish to better understand the findings presented in papers 2 and 3. It is advised that the reader uses this chapter as a reference whilst reading papers 2 and 3 in order to develop a fuller understanding of the findings presented.

3.3 Field research: Approach & Methodology

The methodology best suited to tackle a *problem* is one which embraces the richness and complexity of the problem, understands the objectives of research and then choses the most appropriate approach (Benbasat, 1984). As such, research undertaken for the purpose of this paper has adopted a qualitative research approach (Estabrooks, Field and Morse, 1994) that "relies on inference, insight, logic… and eventually with hard work and creativity the results emerge as a coherent whole" (Goulding, 2002). This paper adopts the positivist position to the development of knowledge by observing and describing the phenomena being studied from an objective viewpoint (Baxter and Jack, 2008). By adopting this approach, research aims to make predictions on the behavior of social enterprises that appropriately respond to opportunities that allow for BVC. Furthermore, as much as was possible, field research adopted a grounded theory approach, which emphasises the collection of data using social research to systematically generate (new) theories and verify them (Glaser and Strauss, 1967). Grounded theory is posited as an effective approach to generate new theories in research domains "where little is already known, or to provide a fresh slant on existing knowledge" (Goulding, 2002). As such, this research approach is suggested to be an appropriate choice to building new theories for the concept of BVC in the social entrepreneurship research domain.

Whilst the overarching research objective of this thesis is to contribute to an applied understanding of the philosophy of BVC, the scope was narrowed during field research. More specifically, the research undertaken was limited to stakeholder management and how this can be understood within the context of BVC. During the synthesis of seven themes as presented in paper 1, it was found that stakeholder management is a crucial element that affects multiple themes including theme 2 *Self-aware Culturalist*, theme 4 *Collaborative Bricolage*, theme 5 *Humble scaling* and theme 6 *Ecosystem-Driven*

Remodelling. In this regard the objective of field research has been to understand and analyse the various relationships that social enterprises form with their stakeholders. To systematically analyse this relationship and contribute to theory building, field research has adopted a four-step qualitative cognitive process as adopted from Estabrooks and colleagues (1994), who provide the following guideline:

1. The first step is *comprehending*; "learn about the setting in order to distinguish the norm from the exception".

2. The second step is *synthesising*; "The collection of 'stories' and the identification of critical junctures, variations and patterns of alternative stories" to identify and categorise commonalities.

3. The third step is *theorising*; "the process of constructing alternative explanations until a best fit that explains the data most simply is obtained."

4. The fourth step is *contextualisation*; "place the results in the context of established knowledge and to claim new contributions."

The field research undertaken was most concerned with step's 1 and 2 from Estabrook and colleague's cognitive process. After having completed the field research visit, steps 2 and 3 of the process were addressed. These steps of the research are presented as papers 2 and 3 of this thesis (chapters 4 and 5 respectively).

The positivist position allows for a range of methodologies including case studies (Benbasat, 1984). Case studies allow for significant detail to be captured in an observer-researcher approach. This allows for the analysis of more variables and the emergence of more findings in a grounded theory approach (Glaser and Strauss, 1967). As such, case studies were selected as an appropriate methodological approach to exploring the phenomena of BVC as practiced by social entrepreneurs. However, as highlighted by Benbasat (1984), the case study approach is weak in that it typically restricts the analysis

to a single organization. This makes it difficult to generalise and test for its validity across a larger data sample. To circumvent this weakness (Benbasat, 1984), the research approach adopted in this paper focusses on 4 case studies rather than one. This multi-case design, as highlighted by Baxter and Jack (2008), is preferable for research questions that aim to formulate (new) generalized theories as it allows for cross-case comparison.

The process of formulating these four case studies started with a four-month field visit to Bangladesh in 2014. In the first few weeks of this visit, four local social enterprises were approached and were found to be willing to partake in an interview process. This ultimately led to the development of the four case studies. Each case consisted of three distinct data collection phases; an exploration phase, an interview phase and a field visit phase. Each of these phases is briefly described below.

During the exploration phase, interviews were held with senior employees to understand how the social enterprise functioned and if the research requirements were met; i.e. could be considered a social enterprise according to the established definition. Prior to leaving, ethical approval to conduct interviews was completed (see 6.5 appendix 5). The exploration phase was also used to build a rapport with respective social entrepreneurs to ensure engagement and willingness for the staff to be involved in the remaining two phases of research. For this phase, interviews were held with the social entrepreneur in three of the cases and the managing director in one of the cases.

During the interview phase, in-depth interviews were held with the social entrepreneurs and the managing director. Where possible and applicable, interviews were held with other staff members to complete gaps in research. In an effort to specify in advance the issues to be explored and to impose some degree of structure with regard to the interviewing process (Ritchie & Lewis, 2003) and hence improve reliability of the results (Easterby-Smith et al., 2012), an interview guide was composed. This interview

guide was created by exploring works concerning legitimacy theory, stakeholder management and social entrepreneurship theory. The questions in this guide were formulated by reviewing the existing literature regarding organisational legitimacy theory. To aid in the interview process, each construct of legitimacy theory is briefly defined alongside the questions in the guide (see sample in 6.2 appendix 2). Furthermore, each social enterprise was provided a research guide which outlined the research process, needs and timeframe (see sample in 6.1 appendix 1). This guide emphasised a broad structure of the topics to be discussed so as to provide flexible direction (Ritchie & Lewis, 2003) during interviews. Finally, all interviews were recorded to allow for future data analysis (Saunders, Lewis, 2012).

To collect primary data, semi-structured interviews (Saunders, Lewis, 2012) were held with the social entrepreneurs from each case. Because research is explorative, rather than descriptive or explanatory (Saunders, Lewis, 2012) in nature, semi-structured, in-depth interviews were deemed appropriate (Saunders, Lewis, 2012) in order to explore the four cases – see Figure 12.

	Exploratory	Descriptive	Explanatory
Structured		✓✓	✓
Semi-Structured	✓		✓✓
In depth	✓✓		

Figure 12 Appropriation of interview techniques (Saunders and Lewis, 2012)

Wass and Wells (1994) suggest that semi-structured interviews allow for a combination of styles, allowing the researcher to put forward factual questions and questions to explore emerging themes. Similarly, Robson and McCartan, (2016), suggests that in-depth interviews are helpful to "find out what is happening [and] seek new insights". During interviews, the role of *participant as* observer was adopted (see Figure 13) (Gill and Johnson (1997). In this role, the purpose of the researcher is made clear to those being observed and the observer aims to gain the trust of those she/he is observing.

This approach was deemed suitable considering the research goals (Gill and Johnson (1997). After having collected data by means of interviews, data analysis for this paper started by dissecting and reviewing the data from in-depth interviews to study the interactions between social enterprises and their stakeholders.
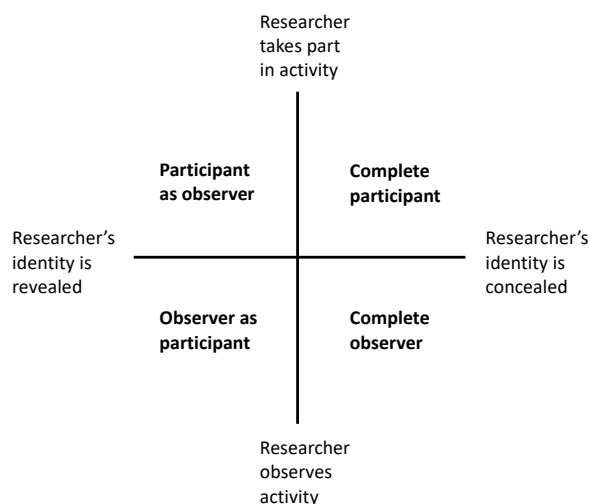
Figure 13 Typology of participant observation/researcher roles (Gill and Johnson, 1997)

During the preparation for field research, it was decided that case research would focus on the perspective of the social entrepreneur. At the time, it was felt that this would be an interesting and unique lens through which to view BVC. Furthermore, as BVC research has highlighted in paper 1, the role of the social entrepreneur is crucial in applying a BVC philosophy. Hence, this approach was deemed suitable for the purpose of research. As such, interviews were held with social entrepreneurs at their convenience, with each session lasting an average of one to two hours. Each social entrepreneur completed approximately four of such sessions, with (on average) seven-day breaks between sessions. This approach allowed for increased reflection, the inclusion of follow-up questions and probing to ensure comprehensive exploration of the constructs under investigation and generate (as much as was possible) complete accounts of the factors and consideration surrounding a construct (Ritchie & Lewis, 2003). Amongst others, Kvale (1996) proposes the *traveller metaphor*, as a position that researchers may adopt during in-depth interviews.

"The traveller… asks questions that lead the subject to tell their own stories of their lived world, and converses with them in the original Latin meaning of conversation as 'wandering together with". (Kvale, 1996)

During in-depth interviews, the traveller metaphor was adopted and found to be most applicable as 1) it was important for the social entrepreneurs to understand the meaning of the constructs being discussed to allow for appropriate reflection of their case and 2) social entrepreneurs were themselves keen to learn more about the scholarly efforts in the field of social entrepreneurship. In effect, the interview process was often found to represent more of a knowledge exchange through conversation (Lofland and Lofland 2006), rather than a one-way knowledge transfer process. Furthermore, the research methodology adopted a narrative interview approach (Kvale and Brinkmann, 2009) so as to allow interviewees to express their own reflection and knowledge of the subject matter.

Finally, the field visit phase of research was concerned with collecting observational data, which would complement the interviews (Goulding, 2002). Observation is concerned with the gathering 'real' impressions in their own authentic surroundings (Grove and Fiske, 1992). During this phase of research, photography was used to capture moments during field visits where possible and allowed. More importantly however, memos were used to collect data in the moment (Goulding, 2002). As described by Goulding (2002) "memos are vital as they provide a bank of ideas which can be revisited. They help map out the emerging theories and are used to identify concepts and the properties." The field visits have proven to be extremely valuable experiences in efforts to better understand how each social enterprise functions and identify further findings in relations to their management of logics. As such, interview data was coded and memos (Miles and Huberman, 1994) were written to collect thoughts on meaningful

findings and topics that may emerge from the data (Easterby-Smith et al., 2002) (see appendix for sample of data coding).

For data analysis, a research design was developed that combined case analysis and cross-case-comparison (Glaser and Strauss, 2017). Cases are the result of inductive, qualitative field research (Strauss and Corbin, 1997) conducted in Bangladesh to explore the management practices of four social enterprises based in Bangladesh. Respective research was based on three kinds of information: secondary data (including company reports, websites and articles), semi-structured interviews (Saunders, Lewis, 2012) with key employees in each case (mainly founders or management), and observations (Gill and Johnson, 1997) through field visits. The field research adopted a grounded theory approach that enabled the analysis of qualitative data to unearth new ideas, concepts and elements through the coding of data (Glaser and Strauss, 2017).

For the coding process, all interviews were transcribed (Kvale and Torhell, 1997). This involved repeatedly reading the interview material. This allowed patterns to emerge and be categorised. This process was further supported by impressions collected through field trip visits as well as hand written notes that were written during interviews as part of the reflective process of field-based interviews (DiCicco-Bloom and Crabtree, 2006). These notes were reflected upon and helped to further cluster and shape the findings and thoughts for papers 2 and 3. The transcribed interviews were coded using the process of content analysis and 'sense-making efforts' (Patton, 2002). Coding was completed after the theoretical lenses were defined for both papers 2 and 3. This meant that it was already clear what I was looking for within the data. For example, for paper 2 I wanted to 1) identify the stakeholders and 2) collected and interpret data regarding the use of identities as presented by Pratt and Foreman (2000). As such, the transcribed interviews were colour coded according to the stakeholders and comments were placed were interpretations arose.

This process brought order, structure and meaning to the raw data (Yin, 1984). As such, while coding and interpreting the data to search for patterns and themes, I was 'pre-sensitised' (Shaw and Carter, 2007) by 1) my existing understanding of the social entrepreneurship process and 2) the theoretical lenses adopted for papers 2 and 3.

The research approach adopts the outlook that social enterprise activities are largely impacted by external influences (Hackett, 2010) and that the highly contextual nature of social enterprises influences decision-making and practices (Baker and Nelson, 2005; Pache and Santos, 2013). In this respect, the research approach adopted is based on the notion that the learning culture of social enterprises is both internal and external and that knowledge building is a key contributory factor to strategic decision-making (Kong, 2010). In this regard, research focused on the external elements by analysing stakeholder interactions.

As field research aims to focus on stakeholder management through the lens of BVC, a stakeholder map will be presented for each case. As defined by Freeman (1983), stakeholders are "any group or individual who can affect or are affected by the achievement of the firm's objectives". Furthermore, building on Freeman's work, Elias and Cavana (2000) suggest that stakeholder maps can also be prepared around a major strategic issue. In order to position the stakeholder maps within the context of BVC, an attempt is made to distinguish between social stakeholders; i.e. stakeholders that primarily[9] contribute to the socio-environmental impact activities of the social enterprises, and commercial stakeholders; i.e. stakeholders that primarily contribute to the commercial

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[9] It should be noted that the word *primarily* has been included to acknowledge that no stakeholder is of purely social or commercial interest. Each stakeholder will be a blend of the two. However, it is argued that their relevance to social value creation and commercial value creation is never equal.

activities and well-being of the social enterprise. The results of the stakeholder mapping are presented in chapter 4 of this thesis.

3.4 Defining the unit of measure

The core aim of field research was to gain an understanding of management practices of social enterprises and contribute to strategic management theory respectively. In other words, the aim has not been to unearth the management practices of a single social enterprise but rather identify practices that may hold true for many social enterprises. To make this possible, it is critical that a framework is adopted that allows for external validity, (Yin, 2009). By understanding the recurring themes, actions and responses of management, field research was conducted with the hope of defining clear theories to be tested. To this end, research can be said to have been successful, as it has led to two areas of focus; the application of BVC through the lens of organisational identity theory and organisational legitimacy theory. Consequently, these two theories have become the key frameworks for papers 2 and 3 respectively.

For field research, a multiple-case design as outline by Yin (2009) was adopted. In this multiple-case design social enterprises were carefully selected to allow for the prediction of similar results (Yin, 2009). Social enterprises were selected based on the theoretical definition as well as pragmatic considerations (Yin, 1984). Of course, in reality there are limits to pre-emptively ensuring the homogeneity of the social enterprises that make up the final data sample. However, in an effort to select similar social enterprises, desk research was first conducted to define the organisational model that was being studied; the social enterprise. Field research aimed to identify and approach only those social enterprise which adhere most closely to the established definition of a social

enterprise. In the section below, the definition of a social enterprise used during field research is provided.

Firstly, in defining social entrepreneurship for the purpose of research, it is useful in understanding differences in regional and sectoral dissection of the model in question. Preliminary research highlights that till date, the social entrepreneurship debate may be classified as having developed within various geographic regions. The work of Defourny and Nyssens (2008) explores and classifies this regional conception of social entrepreneurship research in some depth. This research has established that the majority of scholarly papers developed for the social entrepreneurship research domain may be attributed to Anglo-American and European research. The organisational form of *social enterprise* was first introduced in an Italian journal in the 1990s entitled *Impresa sociale* (Defourny & Nyssens, 2008). The concept of social enterprises then established itself on a European level before emerging in the USA. Within the terminology discourse, it is possible to argue, from different (regional) viewpoints that varying degrees and forms of social entrepreneurial activity may be classified as subsets of the 'private for-profit sector and the public sector' (Defourny & Nyssens, 2008). As the concept of a social enterprising organisational model developed, scholars have attempted to classify the model as functioning and operating within a *third sector* (Defourny & Nyssens, 2008). The 'third sector' is comprised of all 'not-for-profit' social economy organisations (Evers & Laville, 2004) or as 'embracing non-profit organisations as well as co-operatives and related not-for-profit private forms of enterprise' (Defourny & Nyssens, 2008). While some emphasise the third sector as distinct and separate, for the purpose of this research, the European approach regarding third sector definition has been adopted in an effort to avoid creating presumptuous boundaries of research before better understanding the economic arena within the South Asian context; i.e. a non-western context. The European definition places

a strong emphasis on the third sector as a mixed economy (Johnson, 1998) and adheres to the notion of rejecting *sectors* altogether. Instead it views the third sector as "embedded in the framework of a tripolar system of market, state and informal communities and economies" (Evers & Laville, 2004). For the purpose of field research, this thesis builds on the premonition that social enterprises are competitive entities that may operate across sectoral boundaries. Furthermore, as the key economic and political constructs in Bangladesh may differ from those in western regions, the European approach to the third sector allows for a more flexible and interpretable framework.

Having understood the regional and sectoral outlooks on the concept of social entrepreneurship, the definition of the organisational model 'social enterprise' must be addressed. The term 'social enterprise' has been coined by governments and researchers to represent 'socially driven businesses' (Di Domenico *et al.*, 2010). However, due to the multifaceted and interpretive nature of the term 'social enterprise', it is used to refer to a broad (Austin *et al.*, 2006) range of business models that adopt some degree of social value creation (Alter, 2007). Consequently, the definition of a social enterprise remains controversial (Rametse & Shah, 2012) and may be received with some degree of uncertainty and scepticism when the organisational model in question is not clearly defined for the purpose of research.

Respectively, field research relies on the simplistic and 'ideal-type' (Defourny & Nyssens, 2008) social enterprise. To this end, research will be bound by the following definition of social enterprises.

Firstly, field research has adopted the UK government's definition of social enterprises as it emphasises the commercial nature of the model and reiterates the need for, but not an overemphasis on, a strong social mission.

"A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners." (DTI, 2002).

Despite ambiguity regarding the definition of a social enterprise, certain agreed characteristics can be identified across the spectrum of existing theory. For the purpose of this study, the social enterprise model will be defined using a review of the constructs in the existing social entrepreneurship literature. As such, a social enterprise that was considered for field research strongly indicated that it:

1. Defines socio-political change as its core purpose

2. Operates in competitive markets using a business model.

3. Be financially sustainable

4. Be established by a social entrepreneur

5. Be socially and financially accountable

6. Active citizen involvement in business model.

7. Be innovative in providing products or services that are unmet by private businesses.

8. Actively participate in lobbying and advocating the cause and business form.

For further supporting literature regarding these 8 defining characteristics, reference is made to Table 13.

Finally, as the field research was focused on stakeholder management specifically, only those social enterprises that interact with a range of commercial- and socially-oriented stakeholders were deemed as suitable cases. To this end, field research has adopted the EMES network's definition regarding stakeholder engagement and social embedding.

"[Social enterprises] rely on a collective dynamic involving various types of stakeholders in their governing bodies, they place a high value on their autonomy

and they bear economic risks linked to their activity." (EMES network as paraphrased by Defourny & Nyssens, 2008)

Characteristics	Description	Supporting Research
Defines socio-political change as its core purpose	The social enterprise model is driven by a socio-political cause. This cause manifests itself as a core mission and vision for the enterprise.	Alter 2007; van der Velden, 2011; Doherty, 2009; Peattie & Morley, 2008; Muscat and Whitty, 2009; Bornstein & Davis, 2010
Operates in competitive markets using a business model.	The social enterprise model must conform to competitive strategies to survive. It must have a commercial orientation toward its respective market.	Alter, 2007; van der Velden, 2011; Prahalad & Hamel, 1994; Bull and Crampton, 2005; Alvord et al., 2003; Doherty, 2009
Be financially sustainable	The social enterprise model is not a grant-based model as is typical of the non-profit sector. The business model must generate its own revenues and profits are typically reinvested back into the enterprise.	Bull and Crampton, 2005; van der Velden, 2011; Alvord et al., 2003; Alter 2007; Doherty et al., 2009
Be established by a social entrepreneur	The literature places strong emphasis on the necessity of a social business to be established by an entrepreneur who has change-making capabilities and a strong vision of social change. The social	Bornstein, 1998; Dees, Emerson and Economy, 2001; van der Velden, 2011; Nicholls, 2006; Doherty et al., 2009; Austin et al., 2006; Bridge et al., 2009; Peattie & Morley, 2008; Muscat

	entreprenuer is a risk-taker who values social accountability.	and Whitty, 2009; Bornstein & Davis, 2010
Be socially and financially accountable	A social enterprise aims to create optimal social value. Transparency in accountability and the adaptation of performance measurement systems is stressed in the literature.	Dees, Emerson and Economy, 2001; Campion et al., 2008; Alter, 2007; van der Velden, 2011; Peredo and Chrisman, 2006
Active citizen involvement in business model.	A social entrepreneur must embed a culture of co-creation among its stakeholders. By striving for societal embedding, a social entrepreneur is able to resonate a sense of shared vision onto the larger community and realise greater social impact.	Austin et al., 2006; Nyssens, 2006; van der Velden, 2011; Peredo and Chrisman, 2006; Saxena, 2011; Martin, 2004; Kukkuru, 2011; Doherty, 2009; Alvord et al. 2003; Bornstein & Davis, 2010
Be innovative in providing products or services that are unmet by private businesses.	The social enterprise model must survive through contextual learning, adapting and continuous innovation to obtain resources and effectively cater to social change. A pragmatic, opportunistic approach to the challenge of resource limitation requires social entrepreneurs to continuously reiterate the innovativeness of their business model.	Dees, Emerson and Economy, 2001; Nicholls, 2010; Alter, 2007; van der Velden, 2011; Muscat & Whitty, 2009; Austin et al., 2006; Bornstein & Davis, 2010; Joshi, Tiwari and Joshi, 2007

Actively participate in lobbying and advocating the cause and business form.	A genuine social enterprise engages in lobby and other activities to promote the thematic issues of the social mission, to support systemic change and to create an environment conducive to social business.	van der Velden, 2011; Kukkuru, 2011; Austin et al., 2006; Saxena, 2011

Figure 14 8 Characteristics of a social enterprise

3.5 Case Structure

As a final output, field research adopts a case study approach as we seek to 'explain some present circumstance' (Yin, 2009) and examine the strategic decision-making processes of social enterprises. This motivation is strongly in line with the nature of case study research as suggested by Schramm (1971), who reiterates the appropriateness of case study design in efforts to illuminate a set of decisions.

In the section below, each of the four cases is described. It should be noted that case descriptions aim to provide a good understanding of the functioning of the social enterprise. As such case, descriptions do not dig deeper into, or analyse, the content of the interviews. More in-depth analysis of the interview data collected is discussed within the frameworks of papers 2 and 3. Where appropriate, additional photographs and diagrams have been included from primary and secondary sources to enhance clarity of the case. Furthermore, case development has drawn from existing theory and model to paint a more accurate picture of the case. Respective theories are briefly defined within the structure below. It should be noted that data has been anonymised for all cases as two of the four social enterprises expressed this desire. As such, distinguishing details have been replaced with generic terms. Furthermore, the names of each case have been changed. Instead of

referring simply to case 1, 2, 3 and 4, each case has been given a unique name that relates to their social impact. This approach has been adopted so that each case will remain memorable for the reader, in case they read papers 2 and 3 as well.

3.5.1 Introduction

First, a brief description of the social enterprise is provided. This section will include the motivation for starting the social enterprise and its mission. Next, the level of integration that exists between its social programs and business activities is described and depicted using Alter's (2007) three classifications of *program integration.* This classification is valuable in understanding how interconnected and interdependent the social and commercial value creation activities are within the business model (see Figure 15). Finally, a brief overview of the field research process for each case is provided.
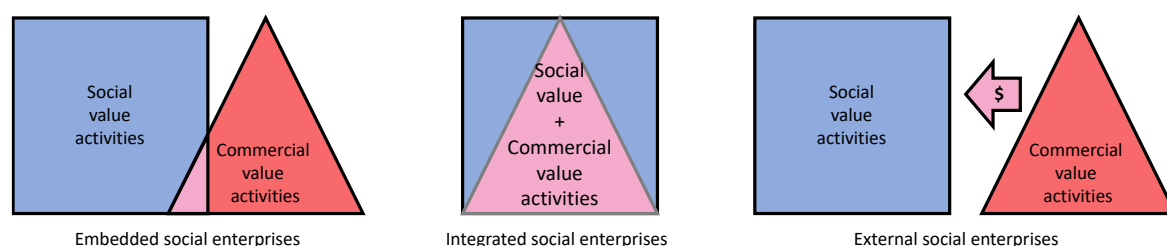
Figure 15 Business/Program integration of social enterprises (Alter, 2007)

3.5.2 Business Model

Secondly, a description of the business model is provided, which includes a reflection on the social enterprise operational model, the revenue model and the value proposition.

With regard to the operational model, research draws from Alter's (2007) typologies of social enterprises. Alter distinguishes between nine operational models that "capture opportunities in both commercials markets and social sectors" (Alter, 2007). These nine models may also be combined to further "maximise social impact as well as diversify income by reaching new markets or creating new enterprises" (Alter, 2007). A brief description of the four operational models used from Alter's nine models is provided

below including a corresponding diagram. The legend below can be used to interpret the symbols in each diagram as defined by Alter (2007).
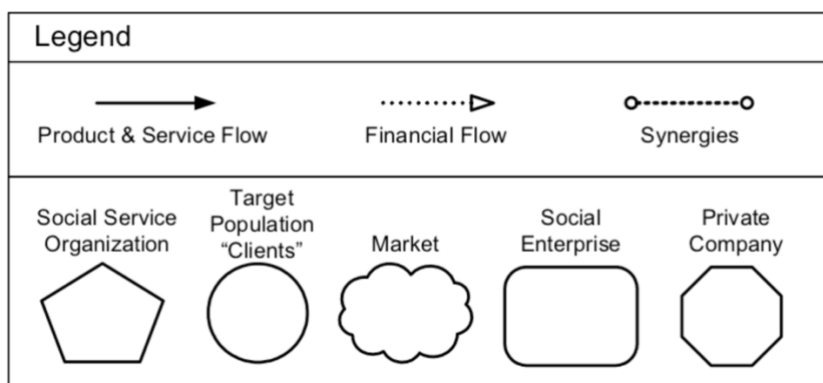
Figure 16 Legend for the operational models of social enterprises (Alter, 2007)

Alter's (2007) operational models used for the four cases:

1. *Employment Model*

This model resembles all four cases.

The *employment model* is an operational model where the beneficiaries receive employment and skills training. These impact activities take place within the commercial activities
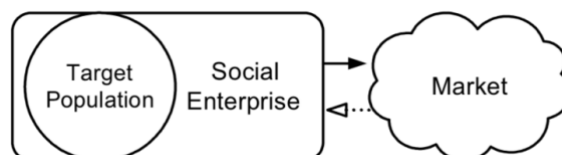
Figure 17 Employment model (Alter, 2007)

(production, marketing, etc.) of the social enterprise. In this model, the social enterprise generates income through the sales of products of services in the open market, which in turn are used to cover operating expenses and "social costs" incurred as a result of employing beneficiaries.

2. Franchise Model

This model resembles one case, namely: HandiCrafter.

The *franchise model* is an operational model that is focused on enhancing the social enterprise's ability to scale its social impact effectively through replication. As
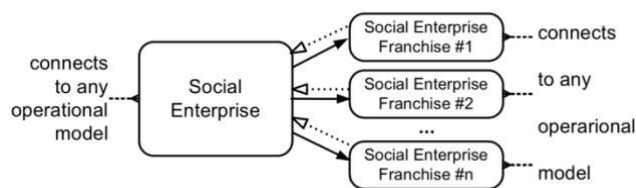
Figure 18 The Franchise Model (Alter, 2007)

such, the model focusses on developing impact units that can be tested, improved and finally reproduced with relative ease.

3. Private-non-profit Partnership Model

This model resembles one case, namely: HandiCrafter.

The Private-non-profit Partnership Model is an operational model where a company or NGO develops a joint-venture with the social enterprise. This relationship may be
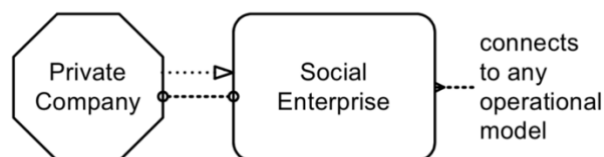
Figure 19 The Private-non-profit Partner Model (Alter, 2007)

mutually beneficial for the creation for either social or commercial value or both. Often in such cases, a social enterprise is able to tap into the resources of the partnering company to increase legitimacy in beneficiary communities or gain access to buyers and suppliers.

4. Organisational Support Model

This model resembles one case, namely: SocialAdvertiser.

The *Organisational Support Model* is an operational model where the commercial activities and/or the social activities are managed separately or externally from the social enterprise. This may for example mean that the

Figure 20 The Organisational Support Model (Alter, 2007)

social enterprise is not directly involved in delivering social impact, but instead focussed on revenue generation that allows it to fund

a third-party organisation to deliver the intended social impact. Such an operation model is particularly useful in cases where social enterprises do not have the necessary in-house skills to deliver impact but are better suited to generate revenues.

After outlining the operational model, each case will zoom in on the revenue models, which refers to the different revenue streams within the business model and how its strives to earn profits (Morris, Schindehutte, and Allen, 2005). Closely connected to revenue models is the value proposition that a business model offers its customers (Gordijn et al., 2001). As such, each case will describe the product offering and the associated value proposition to its customers.

3.5.3 Social impact

Thirdly, a description of the social impact objectives of each case will be provided. In this section the cases will zoom in closer on the beneficiary, i.e. the "people that benefit from social programs" (Twersky et al., 2013) that are offered by the social enterprise. Additionally, based on interview data, the social impact motivations and aspirations of the social entrepreneurs or managing director will be discussed.

3.6 Case 1: FairProduct

Introduction

FairProduct is a social enterprise that is based in Northern Bangladesh and produces fair-trade products that are sold in European markets. Their mission is to provide employment and life skills to the rural population living in city X. FairProduct was established in 2006 by a board member of an international NGO who wanted to enter the field of social entrepreneurship. FairProduct was initially started as a subsidiary project owned in part by the NGO and in part by the social entrepreneur. Today, FairProduct has separated itself from the NGO and has registered itself as a private limited company in Bangladesh.
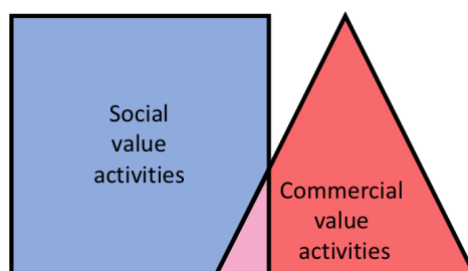
Figure 21 FairProduct is an integrated social enterprise

FairProduct may be considered an integrated social enterprise (Alter, 2007) as its commercial and social activities have some overlap (see Figure 21). In other words, the two are not dependent on each other, but do add value to each other. For example, although FairProduct does not need to hire unskilled workers from city X to achieve its commercial goals, it does so in order to enhance its social value creation. Furthermore, although one of the social values is its sustainability practices, interviews have highlighted that these are not the major selling point for customers and as such are not required to achieve commercial well-being.

Field research for FairProduct, took place mainly in the social enterprise branch office in the capital; Dhaka. Whilst manufacturing and social value creation-related

activities took place in the north of Bangladesh, the branch office in the capital was mainly used by the social entrepreneur and senior staff as a hub for sales acquisition and strategy development. With regard to in-depth one-on-one conversations with the social entrepreneur, case 1 has been deemed most successful as it was possible to schedule 5 in-depth sessions (1-2 hours) with the social entrepreneur.

Business Model

FairProduct's production and impact activities mainly take place in a customs zone in the north of Bangladesh. A customs zone is a secured hub licenced by the Ministry of Trade, where a business can register and hence import and use plant machinery, equipment and materials for manufacture of export goods. FairProduct's production revolves around the manufacturing of Fairtrade products using locally and sustainably sourced natural materials. These goods are partially made using machinery and partially made by hand. As such, beneficiaries are trained in various crafts and technical skill set when employed in FairProduct.

Figure 22 A employed beneficiary hand weaving jute products

Management, sales and marketing activities are carried out in the social enterprises branch office in the capital where the social entrepreneur also resides. Goods are sold to a predominantly European market with buyers in the United Kingdom making up the majority of their sales. FairProduct does not sell its products directly to customers, but

instead sells its products to intermediaries. These intermediaries may or may not brand the products under their own labels. Therefore, the product range of FairProduct focusses on generic, commodity-type products instead of creating a name for its own brand and label.
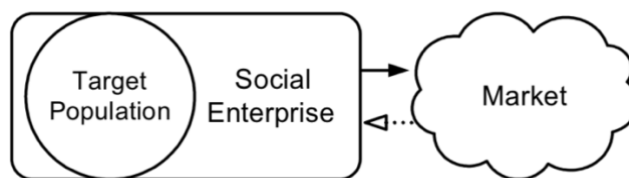
Figure 23 FairProducts operation most closely resemble the employment model (Alter, 2007)

FairProduct's operational model is best described as the employment model (Alter's, 2007), as the beneficiaries (i.e. target population) are supported through activities that are part of its operations, mainly employment. Its revenue model is a bulk production model, where FairProduct produces a product in bulk and sells bulk orders to its customers. According to the social entrepreneur, the value proposition that it is able to offer its customers is made up of different factors. Firstly, FairProduct is able to offer their customers fair trade alternative to standardised products, thereby giving them an edge over other product providers. Secondly, FairProduct allows customers to place their own branding on products, while allowing customers to retain the Fairtrade label. Thirdly, FairProduct is able to meet quality standards and production volumes required by their European customers. Though this may seem obvious, it should not be overlooked as the complexity of logistics and quality assurance is increased when working within rural areas of developing countries where infrastructure is sub-optimal. Finally, FairProduct allows those customers who utilise FairProduct's branding to refer to the social enterprise's social impact. This, again, may give them a competitive edge over other product providers.

Social Impact

FairProduct's social impact is two-fold. Firstly, it has a positive effect on the environment through its adherence to the fair trade principles. To this end, the social

enterprise is a member of the Bangladesh Fair Trade Forum and has been independently assessed by the UK's largest fair trade organisations; Traidcraft. With regard to the environment, FairProduct's has been able to achieve the following impact:

- Natural materials are sourced locally (20 kilometres from the manufacturing unit) from rural farmers. These farmers are paid a rate that is about the going market rate.

- Natural materials are sourced from reliable sources that ensure rapid renewable of natural plants.

- Manufacturing has been designed to minimise waste and energy usage.

- Transportation and logistics rely heavily on public transport and aim to minimise the use of airfreight.

Secondly, FairProduct aims to have a positive effect on rural community development. This is partially achieved through its adherence to fair trade principles, however FairProducts goes steps further to achieve increased social impact. To this end,

Figure 24 Employed beneficiaries receiving literacy training

FairProduct offers various trainings ranging from life skills including financial management and health management to vocational skills that are suitable for employment at FairProduct. The beneficiaries of FairProduct are its employees who are local residents of city X. Beneficiaries include individuals who come from the less privileged and low socio-economic segments of society. With regard to community development, FairProduct has been able to achieve the following impact:

- Create opportunity for economically disadvantaged individuals by employing those with no formal education.

- Employees at the manufacturing unit are paid 30% in excess of recommended garments worker wages.

- To combat gender discrimination in the workforce, approximately 50% of the production team are women.

- To ensure good working conditions, employees at the manufacturing unit have free access to a qualified doctor and receive a pension, paid holidays and sick leave.

- To enhance local capacity, employees are offered free literacy classes during lunch and vocational training classes that allow them to develop their professional qualifications.

With regard to future aspirations, FairProduct aspires to further adhere to the fair-trade principles as much as possible. It sees its current manufacturing unit as its first learning hub and aims to scale its impact by replicating this model in other areas of the country.

3.7 Case 2: EmpowerEnterprise

Introduction

EmpowerEnterprise is a social enterprise with a very strong orientation to its social mission. Its social mission is to empower women by providing them with dignified work. Based in the capital, Dhaka, the social enterprise achieves its mission by employing women who have faced exploitation and abuse of various forms. Some of these women have come out of prostitution, whilst others have been able to separate themselves from abusive families or communities. These women are employed and trained to produce artisanal handmade products that combine traditional Bangladeshi art and craftsmanship with a

quality and design suitable for a Western market. EmpowerEnterprise is currently a financially sustainable model, although the livings costs of the social entrepreneur, who is an expat, are covered through donations from family, friends and supporters of the social work she engages in.
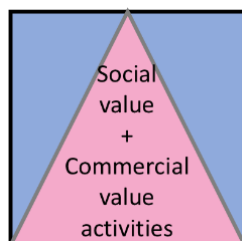
Figure 25 EmpowerEnterprise is an embedded social enterprise

EmpowerEnterprise may be considered an embedded social enterprise (Alter, 2007) as its "social mission is the central purpose of the business" (Alter, 2007). This is most evident from the fact that EmpowerEnterprise's social and commercial value activities are deeply intertwined within the organisation's operations. The embeddedness of the social mission is made more apparent from the social entrepreneur's motivation and compassion for the cause, which eventually led her to quit her job and start EmpowerEnterprise in 2011. From the four cases analysed, EmpowerEnterprise seems to have the strongest mission orientation.

The embeddedness of the social enterprise model is made evident through its operations and strategies. Firstly, products branding emphasises transparency and includes the social mission through its marketing campaigns. This means that sales and marketing rely heavily on the social mission. Another example of embeddedness, is the fact that the social mission plays a very strong role in decision-making regarding commercial strategy development. To facilitate this, EmpowerEnterprise has developed an organisational culture where the beneficiaries become part of 'the family' and are encouraged to collectively take ownership of the social enterprise's works. This sense of community has a positive effect on productivity in the operations of the social enterprises and allows

beneficiaries to feel more secure in sharing their needs. This in turn, allows management to better understand their needs and improve their operational practices accordingly. As such, the operational model is very much dependent on and aware of the needs and desires of the beneficiaries.

Field research for EmpowerEnterprise took place in the social enterprise's headquarters in the capital: Dhaka. This allowed for an extensive visit and observation of the organisation and its operations. Next to in-depth discussions with the social entrepreneur, the NGO which partners with EmpowerEnterprise was also visited and observed. Furthermore, a skype interview was held with one of EmpowerEnterprise's stockists in the UK for further clarifications on stakeholder relations.

Business Model

EmpowerEnterprise produces household accessories and jewellery in the manufacturing unit located inside its headquarters. Products are made by hand using age-old traditional techniques and designs that are still used in rural village communities. Using these local techniques and design, EmpowerEnterprise creates high quality products to suit a Western market. Products are sold at a premium price mainly to stockists in Europe and North America. A small amount of its market is local. Locally, EmpowerEnterprise sells its products to a chain of high end shops that cater to the expat community and local Bangladeshis with a high disposable income. As such, EmpowerEnterprise does not sell directly to end customers, but instead sells through intermediaries.
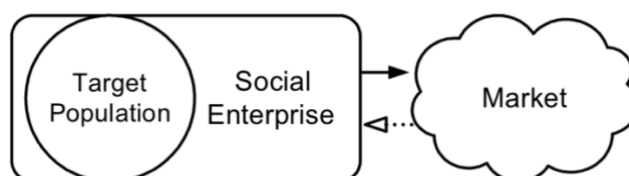
Figure 26 EmpowerEnterprise operation most closely resemble the employment model (Alter, 2007)

EmpowerEnterprise operational model is best described as the *employment model* (Alter's, 2007), as the beneficiaries (i.e. target population) are supported through activities that are part of its operations. These activities include employment, staff training, (mental) health care and day care facilities for children. Through this model, EmpowerEnterprise is able to empower women whilst generating revenue in the open market. Its revenue model is two-fold. Firstly, and most significantly, EmpowerEnterprise sells products at a premium rate to fund its operations and cover the costs of impact related activities. Secondly, EmpowerEnterprise also allows for donations to be made for specific causes related to their social mission. Supporters can pay as little as $ 30 to provide day care coverage to one of the women's children for a month or donate larger amounts to cover trainings and living expenses for beneficiaries that have just joined EmpowerEnterprise and are in need of financial support in order to start their new lives.

Figure 27 One of EmplowerEnterprise's employed beneficiaries hand sewing a quilt

EmpowerEnterprise's value proposition is comprised of a mix of factors. EmpowerEnterprise's branding is very much a mix of local traditional styles mixed with contemporary, western design. To this end, they are able to offer their customers unique, one-of-a-kind products. Additionally, the use of high quality materials combined with handmade techniques, allows EmpowerEnterprise to offer its customers a premium product. Finally, EmpowerEnterprise imprints its social mission on each product, which gives buyers the feeling that they are contributing to a cause. This imprinting takes place

by including short excerpts about their social mission on the labels of products and continuously highlighting their impact through marketing materials. This strategy has proven invaluable for EmpowerEnterprise, as it has allowed the enterprise to develop better deals with stockists who are willing to reduce fees because of the social mission.

Social Impact

EmpowerEnterprise's social value creation model focusses on women empowerment. EmpowerEnterprise employs women who have come out of prostitution and are looking for a new start in a supportive environment. These women often need counselling, lack basic life skills and are not self-sufficient. In partnership with a local NGO, EmpowerEnterprise helps these women find the foothold they need through counselling, daily support and mentoring. Once, and only if, the women are ready to take on a form of employment, EmpowerEnterprise takes them in and employs them within its business model. If a woman shows significant progress, EmpowerEnterprise will try to place her in another organisation to free up space in its production line for someone else in need. These women, who have experienced exploitation and/or abuse through prostitution, are homeless or having been outcast by their community, are the core beneficiary group for EmpowerEnterprise. Beneficiaries are typically between the ages of 18 and 40. Next to the women, EmpowerEnterprise also has a strong impact on their children. To this end, EmpowerEnterprise offers a day care shelter, education and a safe home.

With regard to future social impact ambitions, EmpowerEnterprise hopes to be Fairtrade-certified in the future. At the moment however, it is struggling to do so as the costs associated with certification are currently not affordable for EmpowerEnterprise. Fair trade certification will increase quality and transparency of impact whilst also being a valuable tool to prove to customers that EmpowerEnterprise adheres to a certain standard

of ethical trade. This is therefore also useful for the commercial value goals of the social enterprise.

3.8 Case 3: HandiCrafter

Introduction

HandiCrafter is the most established and largest social enterprise included in the data sample. It was established approximately 30 years ago by a Christian NGO, which was involved in rural development work in Bangladesh. Consequently, the governing board is still comprised largely of individuals from the Christian NGO, resulting in a situation where HandiCrafter is an independent entity, but highly influenced by the social mandate of the NGO. HandiCrafter's mission revolves around women empowerment, social inclusion and employment. As such they have established four independent production units in rural districts of Bangladesh. These units all produce handicrafts and packaging products using locally sources materials. As its workforce, HandiCrafter hires primarily divorcees and widows that are outcast from society and unable to sustain themselves.
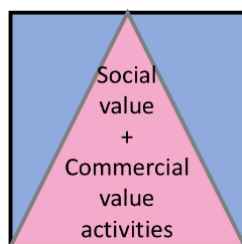
Figure 28 HandiCrafter is an embedded social enterprise

HandiCrafter's activities most closely resemble those of an embedded social enterprise (Alter, 2007). As such, HandiCrafter's social mission activities are the driving force behind all commercial activities. The fact that HandiCrafter was established by an NGO has had a clear trickle-down effect. The NGO culture and influence is clearly apparent within HandiCrafter, where discussions revolve largely around impact as opposed

to commercial growth activities. The plight of the beneficiaries is emphasised within the social enterprise's operations. To this end, HandiCrafter has set up its manufacturing units in rurally disadvantaged areas so as to increase its potential for impact. Its buyers include major retailers in western markets that associate themselves only with ethical and fair-trade brands. Furthermore, the beneficiaries make up the majority of their workforce. As such, HandiCrafter is highly reliant on maintaining its social agenda in efforts to sustain its commercial activities.

Figure 29 Employed beneficiaries from HandiCrafter's southern production unit making handicrafts

Field research for HandiCrafter has proven to be particularly valuable. Field visits to the headquarters in Dhaka allowed for in-depth discussions with the Managing Director of HandiCrafter who has been with the social enterprise for approximately 20 years. Additionally, a three-day field visit was organised to visit the manufacturing and social impact units in a southern district of Bangladesh. During this time, interviews were held with the beneficiaries as well as local community members. This second trip allowed for in-depth observation, which has improved the overall data collection process substantially.

Business Model

HandiCrafter's headquarters are in Dhaka (the capital of Bangladesh) where it has dedicated sales, marketing, branding and customer service teams. For its manufacturing and social impact activities, HandiCrafter relies on 'job creation projects', which are

rurally-located manufacturing unites where social impact activities also take place. HandiCrafter is a fair trade certified business and its buyers are mainly international retail companies.

EMPLOYMENT MODEL

Target Population — Social Enterprise → Market

PRIVATE-NON-PROFIT PARTNERSHIP MODEL

Private Company ⋯▷ Social Enterprise ⋯ connects to any operational model

FRANCHISE MODEL

connects to any operational model ⋯ Social Enterprise → Social Enterprise Franchise #1 ⋯ connects
→ Social Enterprise Franchise #2 ⋯ to any
… operarional
→ Social Enterprise Franchise #n ⋯ model
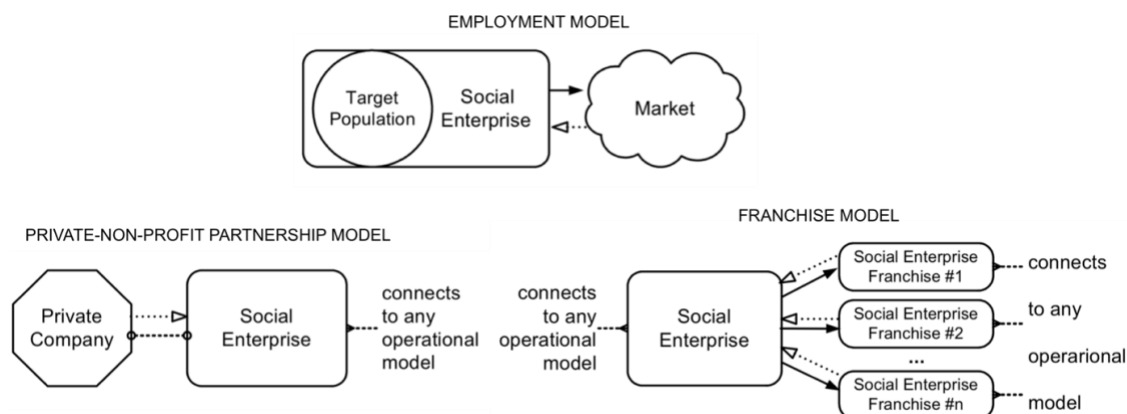
The operational model of HandiCrafter closely resembles the employment model, but also shares similarities with the franchise and the private-non-profit partnership model (Alter, 2007). Firstly, the case of the employment model is clear as the beneficiaries are formerly employed by HandiCrafter. On-the-job they are offered additional life skills and amenities. Secondly, Handcrafter works with 'job creation projects', which are essentially manufacturing and impact units. Currently there are ten of such projects, which are by and large governed individually and produce products that rely on locally-sourced materials. This means that each project produces slightly different handicraft products. Each project is however governed by HandiCrafters code of ethics and must adhere to fair trade principles. Marketing and sales for all projects is handled centrally via the headquarters in Dhaka. This setup closely resembles that of the franchise model which emphasises scale through replication of manufacturing and social impact activities. Finally, HandiCrafter resembles the private-non-profit partnership model due to its strong and historic ties with an established NGO. In this model, the social enterprise and the NGO are able to leverage resources from each other (Alter, 2007) to improve commercial and social value creation. Additional, this model often involves a certain level of governance and/or control from the

company (in HandiCrafter's case an NGO) over the social enterprise. In HandiCrafter's case it is clear that although it is not legally bound to the NGO, decision making power lies heavily with the governing board, which is comprised of individuals from the NGO. This, in combination with the fact that HandiCrafter is able to generate legitimacy and trust within local rural communities through its affiliation with the NGO are clear factors that relate it to the private-non-profit partnership model.

HandiCrafter's revenue model is through the bulk production and sale of handicrafts to large (predominantly) western retailers looking for Fairtrade product. Orders placed with HandiCrafter are often tailored to the customer. HandiCrafter focusses on acquiring customers that believe in its mission and are able to establish a buyer-supplier relationship for the long-term as this is more conducive for stabilising social impact.

Social Impact

HandiCrafter's impact is two-fold. Firstly, it has a positive effect on the environment through its adherence to the fair-trade principles. HandiCrafter is certified by the World Fair Trade Organisation. In practice, with regard to environmental impact, this means that HandiCrafter focusses on the use of natural materials that are in excess, such as water-hyacinths in the south that block water ways and increase mosquito populations. Most of the materials used in the production of handicrafts are bio-degradable and only use natural dies for colouring. Secondly, with regard to its social impact, HandiCrafter's beneficiaries are divorcees and widows that are outcast from society and unable to sustain themselves. The beneficiaries who work within the operations of the social enterprise to create handicraft products are known as 'artisans'. Currently, HandiCrafter supports over 1500 artisans in rural Bangladesh. A unique aspect to HandiCrafter's model is that it employs regular artisans but also provides local rural villages with seasonal employment during peak seasons.

HandiCrafter aspires to increase its impact by slowly establishing more job creation projects based on best practice. Furthermore, it hopes to expand its market segments. Currently, to promote its cause and social mission HandiCrafter organises regular markets for the expat communities in Bangladesh. The hope is that these markets will lead to connection with more international buyers.

3.9 Case 4: SocialAdvertiser

Introduction

SocialAdvertiser is a unique social enterprise that aims to improve the livelihood of rickshaw pullers by placing advertisement on the back panels of their vehicles. Based in Dhaka, the capital, SocialAdvertiser was started by a local entrepreneur in collaboration with a local NGO and is funded and supported in part by three prominent social entrepreneurship foundations, a local bank and an international school. SocialAdvertiser's mission is to alleviate and enhance the livelihood of rickshaw puller by providing them with a secondary source of income. This secondary source of income is generated by allowing advertisement companies to place advertisements on the back panels of rickshaws as billboards.
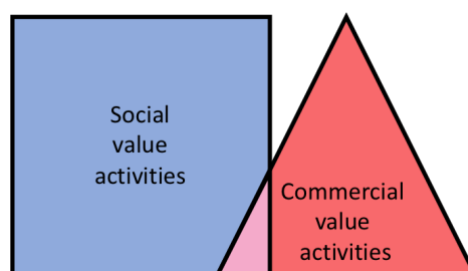
Figure 30 SocialAdvertise is an integrated social enterprise

SocialAdvertiser most closely resembles the embedded social enterprise model (Alter, 2007) as its beneficiaries are core to the commercial activities; i.e. the rickshaw pullers are needed to operationalize the commercial aspects of the social enterprise. Advertising companies are keen to partner with SocialAdvertiser because of their social

mission orientation. The same can be said for the social enterprise foundations that support SocialAdvertiser. Without the rickshaw puller, the innovativeness and the novelty of the model would disappear. As such, SocialAdvertiser has been able to find a unique and attractive niche in the overpopulated advertisement market of Bangladesh.

Field research for SocialAdvertiser took place in their headquarters in Dhaka. During visits, in-depth discussions were held with the social entrepreneur. At the time of field visitation, SocialAdvertiser was in the start-up phase and had just started its first trial run of its rickshaw puller program. A prototype for the rickshaw was also viewed during these visitations.

Business Model

SocialAdvertiser functions similarly to an intermediary as it connects rickshaw pullers to advertising companies. However, the business model goes a step further as it fully represents and manages the revenue streams on behalf of a collective of rickshaw pullers. These funds are then used to support rickshaw pullers in investing in their own lives (see the section Social impact for more details). To source, manage and provide trainings for rickshaw pullers, SocialAdvertiser has partnered with a local NGO. This has been a vital strategic move as the in-house resources of SocialAdvertiser does not allow them to tackle this themselves. Furthermore, due to the social entrepreneur's own networks in advertising, he has been able to find companies that are willing to pilot the concept for a year.
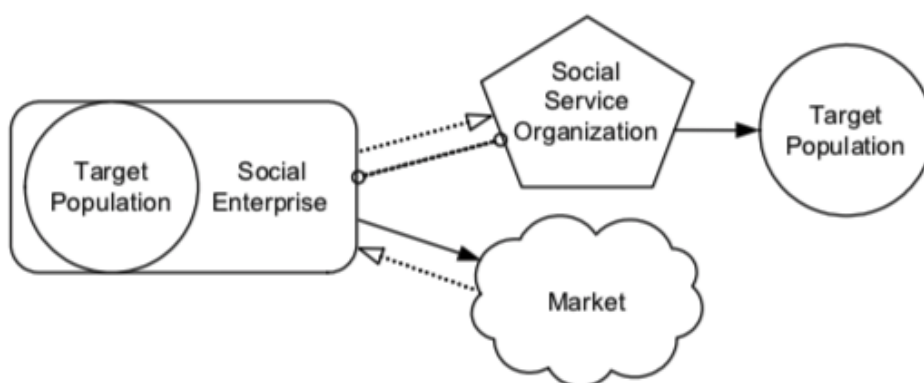
Figure 31 SocialAdvertiser combines the employment and the organisational support social enterprise models

When it comes to operational model, SocialAdvertiser is a combination of the employment model and the organisational support model. These two models have been merged by Alter (2007) as an example of a complex model; a model that combines multiple operational models. Firstly, SocialAdvertiser is an employment model as the rickshaw pullers gain financial trainings and income by working for SocialAdvertiser. Secondly, SocialAdvertiser is an organisational support model because it manages the sales of services (namely advertising space) on behalf of the beneficiaries to support an NGO. In turn, this NGO delivers the desired social impact. As such, SocialAdvertiser plays a supportive role to an intermediary organisation that delivers the impact; this is a typical construct within the organisational support model. From the four cases presented, SocialAdvertiser is by far the most innovative model as it pushes to deliver social impact and generate revenues in novel ways that strongly take into account the cultural and economic constructs of its environment. Its revenue model is based on the sale of advertisement space in bulk. Resulting profits are then split equally between beneficiaries. Furthermore, to get the social enterprise through the start-up phase, it has received financial support from three social enterprise foundations.

With regard to the value proposition, SocialAdvertiser focusses on the commercial attractiveness of advertising on the back of rickshaws. By offering relatively cheap advertising spaces, with a social-conscious twist, SocialAdvertiser is able to set itself apart from competitors.

Figure 32 Example of advertising on the side of a rickshaw

Social Impact

SocialAdvertiser adheres to seven principles of social business in its aspirations for social impact:

- Business objective will be to overcome poverty, or one or more problems (such as lack of education, health care, technology access, and environment) which threaten people and society; not profit maximisation;

- Financial and economic sustainability;

- Investors get back their investment amount only; no dividend is given beyond investment money;

- When investment amount is paid back, company profit stays with the company for expansion and improvement;

- Environmentally conscious;

- Workforce gets market wage with better working conditions'

- Do it with joy.

To apply these principles, SocialAdvertiser has taken on a creative mix of impact-related activities ranging from income generations, to debt training and community building. In this sense, it embodies the innovative nature of social entrepreneurship effectively. In an effort to generate income for rickshaw pullers, the simplest impact model would be to provide rickshaw pullers with monthly payment for the advertising space on their rickshaw. However, SocialAdvertiser decided to go a step further as it realised that rickshaw pullers were not trained in financial management nor in the concept of savings. As such, they typically tended to live on whatever they earned and spending their money quite quickly. SocialAdvertiser decided that, as part of their impact, it wanted to train rickshaw pullers to manage their finances better. To achieve this, rickshaw pullers are not paid a monthly fee for their advertising space. Instead, SocialAdvertiser holds on to this

money to help rickshaw pullers see the benefits of saving. After an advertising cycle of 12 months, SocialAdvertiser sits down with rickshaw pullers and their families to develop an investment plan for which the money can be used. Examples of such an investment plan may include setting up a tea shop run by one of the family members or paying off the lease on the rickshaw.

The beneficiary of SocialAdvertiser is the community of rickshaw pullers in Dhaka. However, their impact related activities extend to their families as decisions regarding the use of income generated through advertising are discussed with the family as a whole. In the future, SocialAdvertiser aspires to continue to expand its support to more rickshaw pullers once the concept has been successfully tested in the first 12-month pilot.

3.10 References Chapter 3

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Chapter 4. Exploring social enterprise stakeholder interaction through the lens of multiple organisational identity theory

Abstract

Purpose: Research is built on the premonition that social enterprises utilise their social and commercial identities strategically (either consciously or unconsciously) to position themselves more effectively when engaging with different stakeholders. As such, this paper aims to develop an applied understanding of multiple organisational identity theory for the social entrepreneurship research domain using a cross comparison of case studies.

Methodology: This paper applies Pratt and Foreman's classification of managerial responses to multiple organisational identities to four case studies of social enterprises in Bangladesh. Case study data is presented from the perspective of the social entrepreneur to explore how social enterprises engage with commercial and social stakeholders respectively.

Findings/Contribution: Research conducted finds Pratt and Foreman's classification to be a suitable framework to expand the discourse regarding blended value creation in social entrepreneurship. It has been found that social identity impacts both the commercial and the social value logics within specific stakeholder relationships. It is suggested that patterns in management responses exist within social enterprise typology models. It was also found that the social identity may increase commercial performance within certain interactions.

Keywords: *Social entrepreneurship, organisational identity, stakeholder management*

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A brief word of explanation

This paper is the product of field research conducted in Bangladesh in 2015. It explores the dual logic management of social enterprises from a stakeholder interaction perspective.

Field research adopted a grounded theory approach to explore the stakeholder interactions of four social enterprises located in Bangladesh. Chapter 3 of this thesis provides an overview of the research process and a description of the four cases. It is recommended that chapter 3 is read before and/or alongside this paper.

This paper is one of two products of field research. The second product of field research is the paper presented in chapter 5. This paper takes a closer look at the legitimacy theory by focussing on the interaction between social enterprises and NGOs respectively.

4.1 Setting the scene

'Who am I?' she asked herself as she sat down in her new office chair. Mary had moved to rural Bangladesh to start a social enterprise to increase organic farming in the region. As she contemplated and envisioned her business activities, risks and possible social impact, she realised the unique position she was in. Her passion for the environment had helped her to convince a local NGO to provide her with a free office space. It had also helped her purchase farming equipment at a discounted price because a local supplier believed in, and supported, her cause. At the same time though, a few potential buyers of organic products in the capital questioned her ability to deliver quality produce as they were sceptical of her farming and business acumen. She had yet to win the trust of the local community as many others had come and gone before her with empty promises of wanting to help them. How was she going to tackle these relationships? How should she present herself to stakeholders with different demands? What is her identity as a competitive company that strives for social impact?

The concept of multiple value creation has been a prominent research topic in social enterprise strategic management discourse. However, respective discourse remains largely theoretical and lacking in empirical research. There exists a growing demand for research efforts that dig deeper to unearth strategic solutions that allow entrepreneurs and managers of social enterprises to better understand how social enterprises can engage in strategic decision making that will stimulate blended value creation.

This paper aims to shed light on the answers to the questions posed by Mary. Although fictitious, the questions posed by Mary represent a fundamental stakeholder management dilemma faced by social entrepreneurs as they aspire to create both social and commercial value (Defourny and Nyssens, 2008; Pache and Santos, 2013; Battilana

et al., 2015; Thorgren and Omorede, 2015). To explore this dilemma of stakeholder management, this paper draws on the works of Pratt and Foreman (2000) who, in their contribution to institutional theory, suggest that organisations maintain not one but multiple identities within their stakeholder interaction. Pratt and Foreman (2000) suggest that organisations that understand these multiple identities can accrue (more) benefits from their stakeholder relationships. To understand the importance, and manage, multiple identities within an organisation, Pratt and Foreman developed a *Classification Scheme for Multiple Organisational Identity Management Responses* (see Figure 1). Transferring this classification scheme to the social entrepreneurship research domain is especially useful in answering the questions posed by Mary as it allows for an analysis of the interactions between social entrepreneurs and their stakeholders. More specifically, the conceptualisation of Pratt and Foreman's multiple organisational identity theory is a viable and generative approach to understanding how social enterprises interact with various stakeholders by utilising their social identity and their commercial identity. It is here also that Pratt and Foreman's attention specifically to *multiple* identities is appropriate and of value for informing how social enterprises *blend* their social and commercial identities to accrue and mobilise resources most effectively during stakeholder interactions. As such, the following resaerch question has been formulated for this paper:

> *What can we learn from multiple organisational identity management with regard to dual logic management for social enterprises?*

To answer this question, this paper applies multiple organisational identity theory as proposed by Pratt and Foreman (2000) to four social enterprise cases. Firstly, a review of the key concepts used to develop this paper is provided. These key concepts are multiple value creation theory within the social entrepreneurship research domain,

multiple organisational identity theory and finally stakeholder theory. Secondly, the research methodology is presented. The research methodology will analyse four Bangladeshi social enterprises using a two-step approach. In step one a systematic stakeholder analysis is conducted for each case based on the works of Freeman (1984). In step two, the multiple organisational identity framework presented by Pratt and Foreman (2000) is used to analyse stakeholders for each of the four cases. Finally, the results for each case are analysed, cross-compared, presented and discussed.

Most notably, research conducted identifies that the social identity impacts both the commercial and the social value logics within specific stakeholder relationships. Analysis has also suggested that common patterns in management responses exist within different social enterprise typology models as presented by Alter (2007). Furthermore, data analysis has brought to light that the social identity of social enterprises may be a key construct in increasing commercial performance within specific stakeholder relationships and that the social identity plays a significant role in reducing mission drift. Research conducted finds Pratt and Foreman's classification framework to have been a suitable framework to expand the discourse regarding blended value creation in social entrepreneurship, however further quantitative research is necessary to further test the findings presented in this paper.

4.2 Exploring the key concepts

The literature review in the section below will define the key concepts that make up the research framework for this paper. Firstly, a review of the concept of multiple values within the social entrepreneurship domain is provided. This may be seen as the context and scope of research. Secondly, an explorative insight into organisational identity theory and stakeholder theory is provided. These two theories will be used to outline the research framework.

4.2.1 From multiple logics, to values to identities

Although a fictitious example, the questions that Mary asks herself in the introduction of this paper highlights a key challenge that social enterprises face. It serves to demonstrate that social enterprises try to combine "market logic and social welfare logic" (Pache and Santos, 2013) to create blended value. The concept of blended value creation has been a prominent research topic in social enterprise strategic management discourse. However, respective discourse remains theoretical and lacking in empirical research (Mason and Doherty, 2016). There exists a growing demand for research efforts that dig deeper to unearth strategic solutions that allow entrepreneurs and managers of social enterprises to better understand how social enterprises can engage in strategic decision making that will stimulate blended value creation (McMullen and Warnick, 2016).

This dualistic mind-set that the social entrepreneurship process demands has a tendency to lead to conflicts and confusion regarding the strategic management of social enterprises (Yang and Wu, 2016) as they aspire to cater to "concurrent economic and social value creation" (Dees, 1998). Literature commonly views the social and the commercial logic as inherently opposing, often referring to *tensions* between logics (Battilana et al., 2015; Thorgren and Omorede, 2015). This is well-documented by Berglund and Schwartz (2013) in their assessment that "*tensions are acknowledged as part of a definition of the research field of social entrepreneurship, but also of practicing social entrepreneurship.*"

The dualistic nature of social entrepreneurship management theory is so significant that it has led to the development of the term *mission drift* to refer to the tendency of hybrid organisations to place a skewed emphasis on either their social value goals or their commercial value goals (Cornforth, 2014). As such, discourse pertaining

to dual logic management and tensions between multiple values has become a constant and common denominator within the social entrepreneurship research domain. Whilst the existence of these dual logics is often discussed in a negative light, Smith, Gonin and Besharov (2013) highlight that the dual logics of social enterprises can be advantageous in "developing novel, creative alternatives to existing institutional arrangements". As such, dual logic management is concerned with figuring out how to blend the two logics optimally to accrue resources, reduce risk and nurture valuable relationships with the outside world. In their review of the concept of tensions in social enterprises, Stevens, Moray and Bruneel (2015) posit that tensions are "reflected in the organisation's goals, values and *identity*". It may, therefore, be hypothesised that understanding the concept of organisational identity will aid efforts to better understand dual logic management. The question may thus be raised; what *combinations of identities* should a social enterprise adopt to accrue resources, reduce risk and nurture valuable relationships with the outside world to more effectively cater to its dual logics?

To better understand the context of this paper it is important to explore the concepts of dual logics and values:

The notion that social enterprises manage for multiple logics may be simplified by referring to two main logics; the social logic and the commercial logic. Together these are referred to as the 'dual logics' that exist within the process of social entrepreneurship (Pache and Santos, 2013; Battilana et al., 2015; Thorgren and Omorede, 2015). Most commonly, these logics are represented as values, mainly a social and a commercial value (Pache and Santos, 2013; Dees, 1998).

'Social value' is perhaps best viewed in light of its ability to tackle a 'social problem', which refers to "a putative condition or situation that is labelled a problem in the arenas of public discourse and action" (Hilgartner & Bosk, 1988). Examples of

social problems may include poverty, workplace equality, child labour, environmental conservation, illiteracy, water pollution, obesity, and illegal sex trade. The ability to create social value, therefore, lies in the ability to solve, or at least positively contribute to, a social issue. This is achieved by accruing social benefits (Miller et al., 2012). Social benefit respectively, refers to "a solution to a social problem that accrues to society or a targeted segment of the population, as opposed to an individual or specific organisation" (Miller et al., 2012). As such, social value concerns a social enterprise basic nature; to cater to a social mission (Alter, 2007), to drive forward this mission through impact-related activities (Dees and Economy, 2001), to actively advocate and lobby for a cause (Kukkuru, 2011), and to actively measure its social performance (Campion & Linder, 2008). By 'social' mission we mean a mission driven by the need to improve the quality of life of a specific stakeholder group, known as the 'beneficiary' (Dees, 1998), through socio-economic change or to achieve an environmental objective (Alter, 2007).

On the other hand, commercial value concerns itself primarily with the market viability of the business model (Prahalad & Hamel, 1994). The commercial value is thus embedded in sound business acumen as a driver and enabler for the social enterprise to acquire the resources needed to achieve its social objectives in a sustainable manner. As such, commercial value encompasses any contribution to the commercial well-being of the social enterprise. By commercial well-being, this paper refers to those activities that contribute to the social enterprise's financial sustainability (Di Domenico, Haugh, and Tracey, 2010). Contribution to commercial value is achieved through the utilisation of material resources, financial resources, human resources, and knowledge (Weidner, Weber and Göbel, 2016). As such, commercial value creation shares a closer correlation with value capture (Santos, 2012).

This classification of social vis-à-vis commercial values is useful as this paper aims to understand how these values manifest themselves as identities.

4.2.2 Understanding organisational identity theory

The discussion regarding dual logics as presented in section 4.2.1, concluded with the question: *What combination of identities should a social enterprise adopt to accrue resources, reduce risk and nurture valuable relationships with the outside world to more effectively cater to its dual logics?*

To answer this question, one must first define the concept of an 'identity'. The study of identity is concerned with the beliefs that one has and how these beliefs are communicated to others (Blumer, 1986). Social identity theory, which focuses on identity at the level of the individual, is a field of study that is concerned with symbolic interactionism (Blumer, 1986) and the creation of an individual's self within a larger community (Griffin, 1997). In turn, Albert and Whetten (1985) extend this research to the organisational level and posit that "organisational identity comprises those characteristics of an organisation that its members believe are central, distinctive, and enduring". At its essence, *identity shaping* involves organisations asking themselves the question "Who are we?" (Pratt and Foreman, 2000). The study of identities, or more concretely put; the answer to the question "Who are we?", trickles down to shape "managements responses" (Pratt and Foreman, 2000) that manifest themselves as strategies and operational actions. As such, an organisation's identity "affects actions, interpretations and decision making of organisational members and management" (Lin, 2004) and plays an important role in organisational change processes (Brown & Starkey, 2000).

In the context of social entrepreneurship, the hybrid nature of social enterprises makes the study of organisational identities particularly interesting. Besharov and

Smith (2014) suggest that the hybridity that social enterprises embrace has caused them to adopt multiple institutional logics as a resource to "adapt to emerging challenges", "makes organizations more robust and sustainable over time" and helps them to "thrive and prosper in the midst of institutional pluralism". In this case, institutional logic refers to the "socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules" (Thornton and Ocasio, 1991). Townsend and Hart (2008) suggest that the very existence of dual logics; namely a social and a commercial logic, demands that social enterprises adopt differentiated legitimisation strategies to embed multiple value orientation within the organisation, and that this will inevitably shape its identity. One may conclude and surmise that the existence of dual logics, therefore, lead to *multiple organisational values,* which in turn translate into *multiple organisational identities* (Pratt and Foreman, 2000).

Efforts to extend organisational identity theory to the social entrepreneurship research debate quickly draw one to the framework of *multiple organisational identity* as posited by Pratt and Foreman (2000). This framework builds primarily on the works of Albert and Whetten (1985) who suggest that some organisations maintain "dual" identities. Multiple organisational identity theory suggests that identities are "properties of a collective" (Pratt and Foreman, 2000). As such, Pratt and Foreman (2000) expand on the study of organisation identity theory as posited by Albert and Whetten (1985), by drawing from aspects of social identity theory (Burke, 1980), which suggests that individuals have *multiple* identities. They refer to this as 'multiple organisational identities', a research topic that is concerned with understanding "how organisational leaders or managers can manage multiple conceptualisations about 'who we are' as an organisation" (Pratt and Foreman, 2000). Pratt and Foreman suggest that organisations that embrace a multiple identity response logic in their interactions may benefit in their

ability to become more adaptive to changes in their environment. At the same time however, confusion and disagreement may also arise when multiple identities are mismanaged. As such, there is a very clear correlation between multiple value theory in the social enterprise domain and multiple organisational identity theory as posited by Pratt and Foreman (2000); in both cases multiple logics can be advantageous as long as management of these logics is optimal. Pratt and Foreman's (2000) framework for analysing multiple organisational theory entitled the *Classification Scheme for Multiple Organisational Identity Management Responses,* (see **Error! Reference source not found.**) seems well suited to embrace and analyse the dual logic of social enterprises management.

This question "who we are?" may be applied and considered relevant at various levels of interaction within the social entrepreneurship process. As such, this paper borrows from Pratt and Foreman's investigation of the internal identity of organisations and suggests that multiple identity is managements at each level of the social entrepreneurship process. If one dissects the social entrepreneurship process according to Littlewood and Holt (2015), it is comprised of the social entrepreneur (the leader), the social enterprise (the model) and the environment (stakeholders and conditions). The question of identity can thus be posed at each of these levels. Firstly, the question "who am I?" could be posed by or to the social entrepreneur to understand her/his own drives, motives, and function. Secondly, the question "who are we?", can be asked at the internal organisational level to shape organisational culture, drive employee satisfaction and develop a unified organisational mind-set. Thirdly, the question "who are we?" can be extended to the outside world to understand how a social enterprise interacts with its stakeholders and why. It is this final question, with regard to

organisational identity in the context of stakeholder management, that this paper attempts to address.

4.2.3 Stakeholder theory in social entrepreneurship

As highlighted by Freeman and colleagues (2004):

> *"Stakeholder theory begins with the assumption that values are necessarily and explicitly a part of doing business. It asks stakeholder managers to articulate the shared sense of the value they create, and what brings its core stakeholders together. It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their purpose."*

Freeman, (1994) suggests that stakeholder theory is concerned with answering two questions. Firstly, "what is the purpose of the firm?" And secondly, "what responsibility does management have to stakeholders?". By asking these questions, it allows managers to develop a shared understanding of the values they create as an organisation and how their stakeholder relationships can be impacted.

Due to their hybrid nature (Yang and Wu, 2016), the identity that social enterprises establish within their ecosystem is an intricate and complex matter. In line with Freeman and colleagues works as presented above, theoretical exploration of social enterprises highlights the reliance on various types of stakeholders repetitively (Defourny and Nyssens, 2008). It is suggested that this is a significant area of study as social enterprises strive to simultaneously achieve social and commercial goals (Pache and Santos, 2013; Battilana et al., 2015; Thorgren and Omorede, 2015).

Various studies conducted within the social entrepreneurship domain emphasise the importance of stakeholders in efforts to create multiple values. Lounsbury and Glynn (2001) posit that stakeholders are more likely to extend resources to an

organisation if they are deemed legitimate. Hybels (1995) highlights the connection between stakeholders and resource acquisition, suggesting that legitimacy is the "symbolic representation of the collective evaluation of an institution, as evidenced to both observers and participants perhaps most convincingly by the flow of resources". In the context of social entrepreneurship, legitimising oneself toward stakeholders is made even more important in light of the fact that social enterprises often aim to tackle socio-environmental challenges within a constrained environment (Peredo & Chrisman, 2006). As such, they tend to rely more heavily on developing a dependent and/or a collaborative relationship with various types of stakeholders (Corner and Ho, 2010).

A key task in stakeholder management is understanding and translating stakeholder expectations against the values (Balser and McClusky, 2005) and performance of the social enterprise. As stated by Donaldson and Preston (1995), "*The interests of all stakeholders are of intrinsic value… '[Stakeholder Theory] establishes a framework for examining the connections, if any, between the practice of stakeholder management and the achievement of various corporate performance goals."* As the values of a social enterprise are multi-faceted; governed by a social mandate but simultaneously driven by commercial objectives, it may be deduced that different stakeholders are interested in, and conform to, different values, missions and objectives. In appropriating itself toward stakeholder A versus stakeholder B, it is likely that a social enterprise will position itself differently. As in the fictitious example of Mary in the introduction of this paper, a social enterprise's values are externalised as organisational identities that affect interaction with stakeholders. In the case of Mary responses, we see that her social identity has allowed her to accrue resources at a discounted price but has also led others to question her professional business acumen. In other words, it may be

hypothesised that an identity can have positive effects on risk reduction, resource acquisition and nurturing relationships. However, when mismanaged, the outcomes can be equally negative.

In this paper, research works on the premise that the identities that social enterprises adopt may be of a social or of a commercial nature. The formulation of this premise is the result of a review of the literature regarding dual logics in social enterprises, combined with observations made during field research. Respectively, field research confirmed that, when discussing identities during interviews, identities can be largely grouped as being commercial or social in nature. As such, the purpose of this paper is to see how social enterprises adopt either or both of these two identities within their interaction with stakeholders.

4.3 Methodology

In order to optimally complete data translation and coding, it is important that the term *organisational identity* is translated and defined to fit the social entrepreneurship process. To this end we rely on Freeman's definition: 'Organisational identity comprises those characteristics of an organisation that its members believe are *central*, *distinctive* and *enduring*' (Freeman, 1984 as cited in Pratt and Foreman, 2000). Translating this definition in the context of the social entrepreneurship process with a focus on stakeholder management leads to the following definition, which will guide this research:

> *Organisational identity is comprised of those attributes that the social entrepreneur and the management level feel are fundamental (central), uniquely descriptive (distinctive) and that persist within the organisation over time (enduring).*

The research approach adopts the outlook that social enterprise activities are largely impacted by external influences (Hackett, 2010) and that the highly contextual nature of social enterprises influences decision-making and practices (Baker and Nelson, 2005; Pache and Santos, 2013). In this respect, the research approach adopted is based on the notion that the learning culture of social enterprises is both internal and external and that knowledge building is a key contributory factor to strategic decision-making (Kong, 2010). In this regard, research focused on the external elements by analysing stakeholder interactions.

To fulfil the aim of this paper, a research design was developed that combined case analysis and cross-case-comparison (Glaser and Strauss, 2017). Cases are the result of inductive, qualitative field research (Strauss and Corbin, 1997) conducted in Bangladesh to explore the management practices of four social enterprises based in Bangladesh. Respective research was based on three kinds of information: secondary data (including company reports, websites and articles), semi-structured interviews (Saunders, Lewis, 2012) with key employees in each case (mainly founders or management), and observations (Gill and Johnson, 1997) through field visits. Field research took place in 2014 and adopted a grounded theory approach that enabled the analysis of qualitative data to unearth new ideas, concepts and elements through the coding of data (Glaser and Strauss, 2017). For more details concerning the research process, reference is made to chapter 3 of this thesis. The paper adopts a qualitative approach in an effort to exercise flexibility and naturalistic inquiry (Ritchie & Lewis, 2003). It is suggested that qualitative research is "sometimes used as a prelude to statistical enquiry when the subject matter needs to be more clearly understood or defined before they can be measured" (Ritchie & Lewis, 2003). Further research will therefore be necessary to see if findings hold true for a larger data sample.

The aim of this paper is to study the interactions of social enterprises with their stakeholders to understanding how they utilise multiple identities to cater to their dual logics. As such the following research questions are explored.

1. *Who are the key stakeholders of the organisation?*
2. *How do organisations interact with key stakeholders and vice versa?*
3. *What identities do organisations adopt when interacting with stakeholders?*
4. *What can we learn from multiple organisational identity management with regard to dual logic management for social enterprises?*

To complete this study, data framing and analysis adopts a three-step approach. Firstly, a stakeholder analysis will be conducted based on the work of Freeman (1984). Secondly, each stakeholder will be classified using Pratt and Foreman's (2000) *Classification Scheme for Multiple Organisational Identity Management Responses*. Finally, using qualitative coding (Glaser and Strauss, 2017) and cross-comparison (Dey, 1994) of the results from each case to interpret the data, findings will be presented and discussed. Table 1 below provides a summative overview of the research steps, approach and major theoretical frameworks. In the section below each of these three steps is briefly described.

Steps in research	Research question	Research approach & theoretical framework
Step 1: Stakeholder analysis	1. Who are the key stakeholders of the organisation?	Rational level stakeholder analysis using stakeholder map (Freeman, 2000)
Step 2: Multiple organisational identity classification	2. How do organisations interact with key stakeholders and vice versa? 3. What identities do organisations adopt when interacting with stakeholders?	Process and transactional level stakeholder analysis (Freeman, 2000) Classification Scheme for Multiple Organisational Identity Management Responses (Pratt and Foreman, 2000)
Step 3: Data comparison and findings	4. What can we learn from multiple organisational identity management with regard to dual	Qualitative interpretation of data using coding and

| | logic management for social enterprises? | cross comparison of cases (Glaser and Strauss, 2017). |

Table 1 Summary of the research approach

4.3.1 Step 1. Stakeholder analysis

This paper adopts Freeman's (1984) definition of stakeholders as '*any group or individual who can affect or is affected by the achievement of the firm's objective*s'. Furthermore, the research process draws from Freeman's book *Strategic Management: a Stakeholder Approach* to design the first part of our research framework; the stakeholder analysis. Freeman (1984) defines three levels of stakeholder analysis; 1) rational, 2) process and 3) transactional.

The *rational level* is concerned with answering two questions, which correlate with research questions 1 of this paper, namely:

1. *Who are the key stakeholders of the organisation?*

Freeman (1984) propose that a generic stakeholder map can be used to identity who the stakeholders are. As such, a stakeholder map has been designed for each case (see Results section). In the stakeholder map, stakeholders are visualised using a spider diagram (similar to the work of Freeman, (1984) and Elias and colleagues, 2002). An example of such a diagram from the works of Elias and colleagues is provided below in Figure 1. This classification was deemed appropriate as data results aimed to extrapolate findings regarding dual logic management to eventually expand our understanding of blended value creation strategies.
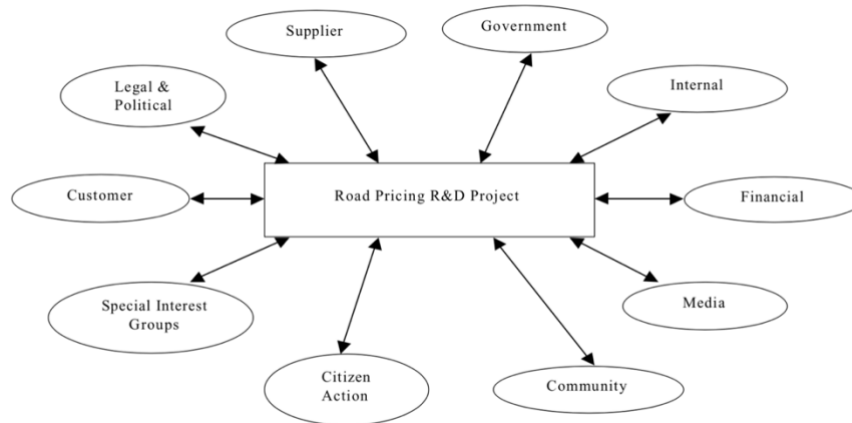
Figure 1 Example of a stakeholder map using a spider diagram (Elias, Cavana and Jackson, 2002)

The *process level* is concerned with understanding how the organisation manages its relationships with stakeholders (Freeman, 1984). These interactions may be formal/informal, explicit/implicit by nature. The purpose of the process level is to understand the strategic approaches adopted by organisations in their interactions.

The transactional level is concerned with "understanding the set of transactions or bargains among the organisation and its stakeholder". By analysing these transactions, Freeman (1984) suggests that one may develop a better understanding of how organisations legitimise themselves with regard to stakeholder and vice versa.

To capture and analyse the process and transactional levels of stakeholder interaction, Freeman (1984) proposed the use of a stakeholder matrix; a two-dimensional grid which positions stakeholders across two axes: power and interest. As the purpose of this paper is not to understand the power and interest logics of stakeholder relationships, this paper steps away from Freeman's stakeholder matrix as a model for analysis and instead applies Pratt and Foreman's (2000) classification matrix to analyse stakeholder interactions and responses. This matrix, or *scheme* as defined by Pratt and Foreman (2000) is called the *Classification Scheme for Multiple Organisational Identity Management Responses*. It will be further investigated below.

4.3.2 Step 2. Multiple organisational identity classification

To categorically analyse the identities used by social enterprises during interaction with stakeholders, research applies constructs from Pratt and Foreman's research into multiple organisational identity theory to examine the relationship dynamics between social enterprises and their respective stakeholders. The purpose of adopting this framework is essentially to shed light on research questions 2 and 3, namely:

2. *How do organisations interact with key stakeholder and vice versa?*
3. *What identities do organisations adopt when interacting with stakeholders?*

By exploring multiple identity theory in social enterprises, research aims to understand why social enterprises choose certain approaches over others, how these were implemented and to what end, i.e. what are the results (Yin, 2009).
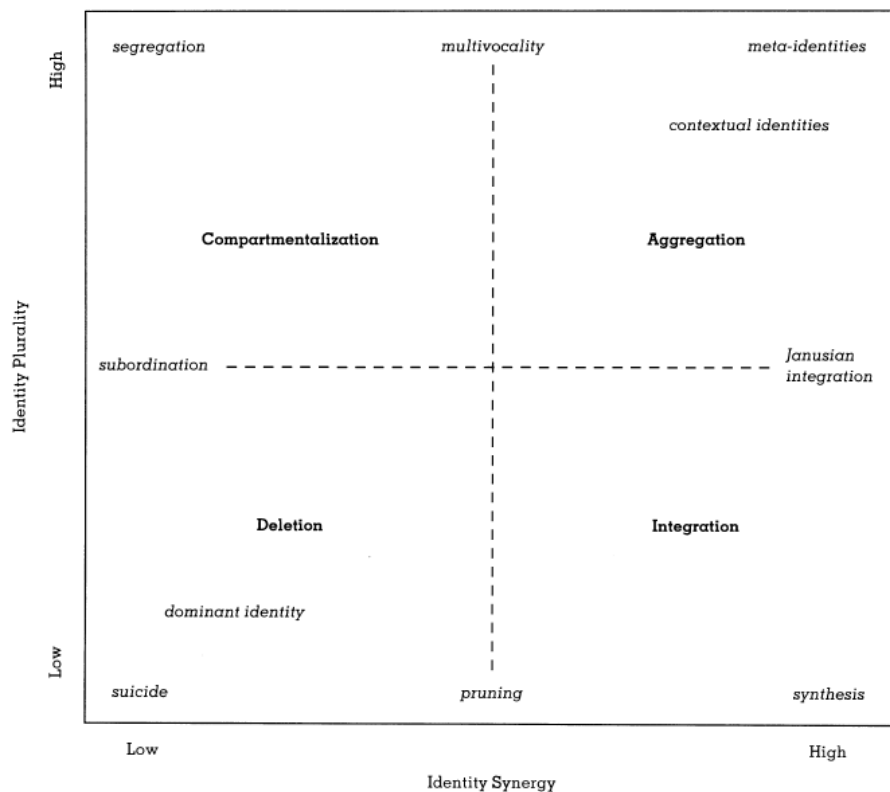
Figure 2 A classification Scheme for Multiple Organisational Identity Management Responses
(Pratt and Foreman, 2000)

In their paper published in 2000, Pratt and Foreman explore and present a theoretical framework to analyse multiple organisational identity entitled; the *Classification Scheme for Multiple Organisational Identity Management Responses*.

This classification theme places organisational identities within four quadrants to classify "potential responses used to manage multiple identities in organisations" (Pratt and Foreman, 2000). Figure 2 visualises this classification framework in a two-dimension matrix, with *identity synergy* on the x-axis and *identity plurality* on the y-axis. *Identity plurality* challenges organisations to ask themselves "*How much plurality of identities is best for the organization and its members?*" (Pratt and Foreman, 2000). As such, identity plurality aims to evaluate whether or not an identity is more or less critical than another identity. Dependent on the answer to this question, Pratt and Foreman (2000) suggest that different response types are applicable. On the other axis, *Identity synergy* challenges organisations to ask themselves *"How much interaction and coordination between identities is possible or desirable?"* (Pratt and Foreman, 2000). As such, identity synergy aims to "assess whether attempts to link or connect identities will ultimately benefit or harm the organization and its members" (Pratty and Foreman, 2000).

Pratt and Foreman (2000) further expand on the concept of plurality vis-à-vis synergy, by proposing that one may distinguish between four *management responses* respectively. As such, various combinations of plurality and synergy allow organisational identities to be classified into response types that make up the four quadrants of the matrix. These response types are:

1. Compartmentalisation: "*occurs when the organization and its members choose to preserve all current identities but do not seek to attain any synergy among them.*"

2. Deletion: *"occurs when managers actually rid the organization of one or more of its multiple identities."*

3. Integration: "*occurs when managers attempt to fuse multiple identities into a distinct new whole. Here, identities do not remain apart from each other, as in deletion and compartmentalization.*"

4. Aggregation: *"Unlike compartmentalization, aggregation does not involve buffering the identities or seeking to keep them separate. Rather, efforts are made to identify relationships and exploit synergies between or among the identities."*

(Pratt and Foreman, 2000)

To further dissect responses to multiple identities, Pratt and Foreman further combine and break down quadrant using eight specific strategic responses types (see Figure 2); namely, segregation, multivocality, meta-identities, Janusian integration, synthesis, pruning, suicide and subordination. These eight response types provide more detailed considerations for organisations in shaping their strategic approaches to multiple identity management. Each of these eight response types is briefly described below using the work of Pratt and Foreman (2000).

1. Segregation occurs when *"each of the multiple identities is extremely well established and legitimate, and/or when the identities are embodied in highly influential stakeholders who are critical to the success of the organization but there is little need or desire for coordination or cooperation among them."*

2. Multivocality refers to *"strategic action that has multiple interpretations, accomplishes multiple agendas, and yet preserves long-term flexibility"*. Multivocality strategies may be adopted when it is *"difficult or politically unwise to forge explicit synergies between identities."*

3. Meta-identity *"preserves all existing identities within the organisation"* by *"con-structing a superordinate self-categorization with which discrete organizational identities can relate."*

4. Janusian integration occurs when *"two existing identities are closely joined together to make a new "two-faced" one. Unlike a complete synthesis, the new identity maintains many of the core elements of the original identities."*

5. *Synthesis is "the purest type of integration response… whereby a single, new identity emerges from the complete integration of existing identities."*

6. Identity pruning *"occurs when organizations strategically remove identities that are on their periphery, while retaining identities that are closer to their core competencies, in order to improve organisational functioning."*

7. *Suicide occurs when an "organisation decides that it can no longer function with its current identities. Here, the desired degrees of both plurality and synergy are at their lowest because there is no coordinated identity-related action, and no identities remain."*

8. Subordination occurs when an *"organization has multiple interests and identities,"* yet one of the identities is *"so strong that they nearly always dominate."*

<div align="right">(Pratt and Foreman, 2000)</div>

4.3.3 Step 3. Data comparison and findings

This paper explores the four management response types presented by Pratt and Foreman (2000) in a qualitative study using four case studies of social enterprises in Bangladesh. Because research is explorative, rather than descriptive or explanatory (Saunders, Lewis, 2012) in nature, semi-structured, in-depth interviews have been deemed appropriate (Saunders, Lewis, 2012) in order to explore the four cases. Wass and Wells (1994) suggest that semi-structured interviews allow for the combination of styles, allowing the researcher to put forward factual questions and questions to explore emerging themes. Similarly, Robson and McCartan, (2016), suggests that in-depth interviews are helpful to "find out what is happening [and] seek new insights". After having collected data by means of interviews, data analysis for this paper started by dissecting and reviewing the data from in-depth interviews to study the interactions between social enterprises and their stakeholders. These stakeholder groups were then categorised according to the four response types established by Pratt and Foreman (see Figure 2). As such, data analysis adopted a qualitative approach. As suggested by Dey (1993) sometimes this approach is more appropriate when there is a higher level of ambiguity within the topic; "the more ambiguous and elastic our concepts, the less possible it is to quantify our data in a meaningful manner" (Dey, 1994). Robson and

McCarthan (2016) refer to the "thick" richness of qualitative data and suggest that such approaches are appropriate when 'exploring a subject in as a real a manner as possible'. The first step in the analysis process was the codification and categorisation of data from the four case studies of social enterprises in Bangladesh using stakeholder analysis (Freeman, 1984), and the multiple organisational identity classification scheme (Pratt and Foreman, 2000). As suggested by Dey, (1994), qualitative data analysis may take place by categorising data findings and designing suitable matrices to do so. By adopting Pratt and Foreman's (2000) matrix, data analysis through categorisation is made possible. This process of case-specific exploration through Pratt and Foreman allows for further cross-comparison to unearth findings that will shed light on research questions (Glaser and Strauss, 1967). Respectively answers are sought to research question 4 of this paper, namely:

4. *What can we learn from multiple organisational identity management with regard to dual logic management for social enterprises?*

The purpose of testing data against the classification theme proposed by Pratt and Foreman is to explore the notion of multiple identity logic within the social entrepreneurship research debate to pinpoint tangible and conceptualised management considerations regarding multiple value and hybridisation research. As such, the final step in the research process has been designed to present and discuss major learnings from the research process. Respectively results and findings are presented respectively in the Results section and the Discussion section below.

4.4 Results

4.4.1 Summary of case results

In this section, the results for each case are presented. Below, a summary of the results is provided. First, Table 2 provides an overview of the stakeholders analysed for each case. These key stakeholders were identified through interviews with the social entrepreneurs of the four cases as being important players in efforts made by the social enterprise to improve their ability to engage in social value creation or commercial value creation activities.

Fair Product	Empower Enterprise	HandiCrafter	Social Advertiser
Local NGO	Local NGO	Governing board (NGO)	Local NGO
Local rural communities (beneficiaries)	Beneficiary	Beneficiaries	Beneficiaries and their families
Local material suppliers	Suppliers	Local Suppliers	Rickshaw Owner companies
UK Buyers	International Buyers	International Buyers	Advertisers
Customs zone office	Local Buyers	Local Community	Social Enterprise Foundation
Chinese competitors	Church	Exporters	

Table 2 A summative table of the key stakeholders of each case

Next, Figure 3 provides a summative map of all the stakeholders listed in Table 2 on to Pratt and Foreman's Classification Scheme for Multiple Organisational Identity Management Responses (2000). These results are presented individually for each case in sections 4.4.3 to4.4.6. The summative map in **Error! Reference source not found.**, provides a number of interesting insights regarding the cross comparison of case data. These insights are reflected upon in the beginning of the discussion chapter (see section 4.5) of this paper.
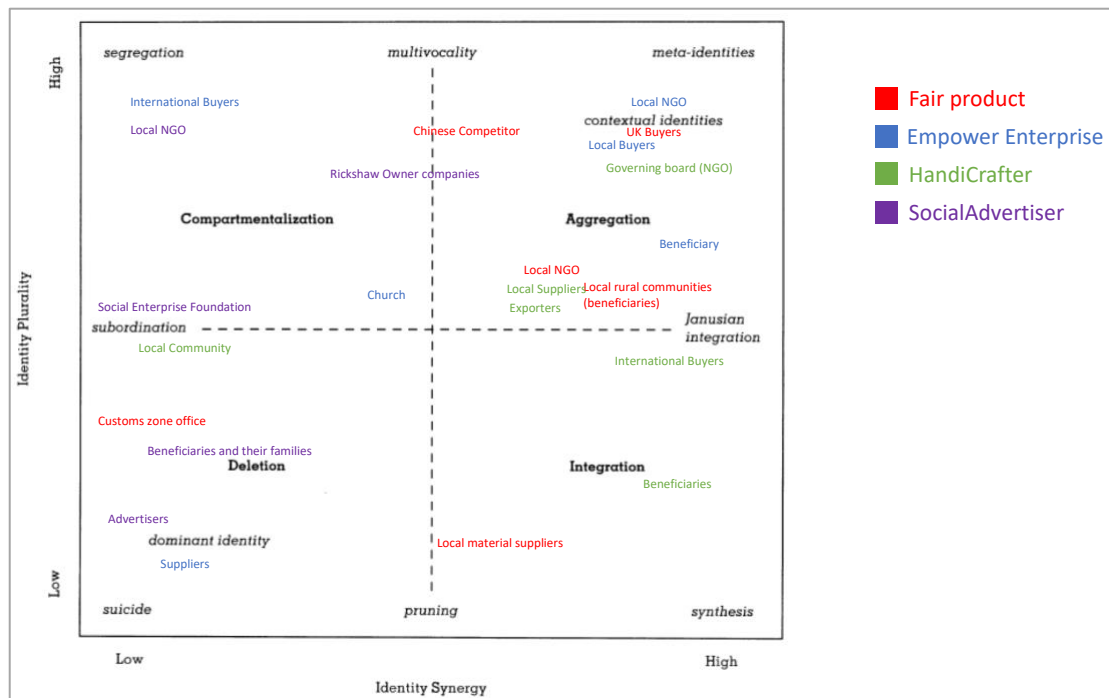
Figure 3 Layered mapping of all stakeholders from the four cases onto Pratt and Foreman's classification scheme

4.4.2 Structure of case results

To complete the data collection for each case, first, a stakeholder map as defined by Freeman (1984) is presented for each case. Next, a multiple organisational identity classification scheme as defined by Pratt and Foreman, 2000 is developed for the respective case. To evidence the classification process, a description of each key stakeholder within a case is provided using the following structure:

1. **Stakeholder [Name]** *In this section, a brief description of the stakeholder relationship with the social enterprise in question is provided.*

2. **Plurality of Identities** I*n this section, evidence is provided to suggest that the identity used to interact with the respective stakeholder is either low, medium or high in plurality.*

3. **Synergy of Identities** *In this section, evidence is provided to suggest that the identity used to interact with the respective stakeholder is either low, medium or high in synergy.*

4. **Response Type** *In this section, using the findings of sections 2 and 3, evidence is presented to classify the identity used to interact with the respective stakeholder according to one of the four management response types: Compartmentalisation, Deletion, integration or Aggregation.*

5. **Summary** *In this section, a summary of the stakeholder is provided, with a focus on key findings and unique considerations that have come to light during data coding that may strengthen our understanding of dual logic management.*

As such, each case is explored using three stages; 1) stakeholder map 2) stakeholder description and 3) stakeholder classification. Below the results of each case are presented on after the other. These results will be analysed and cross-compared in the Discussion section of this paper.

4.4.3 Case 1: FairProduct

4.4.3.1 Case 1: Stakeholder map

FairProduct, a social enterprise based in Northern Bangladesh, produces fair-trade products that are sold in European markets. Its mission is to provide employment and life skills to the rural population living in city X. FairProduct's market is based primarily in the UK. It is a small player in its market. The majority of the market share belongs to two larger corporations. As a result, the market is largely monopolised by these two players, making it difficult to enter or capture more market share.

To achieve its social mandate, FairProduct works closely with a locally-based NGO to employ, train and support local rural communities. Finally, FairProduct also has to manage production in rural Bangladesh. This means that they have to engage with supply chain stakeholders as well as export and governing trade bodies. A map for FairProduct's key stakeholder interactions identified during interviews is depicted below:

Figure 4 FairProduct's key stakeholder map

4.4.3.2 Case 1: Stakeholder description

1. **Stakeholder: Customs zone office (CZO)**

A customs zone is a secured hub licensed by the Bangladeshi Ministry of Trade, where a business can register and hence import and use plant machinery, equipment and materials for manufacture of export goods. The CZO is the administrative office that governs the customs zone. It is up to the CZO's decision makers to decide who is allowed to join and remain in the customs zone. The relationship between FairProduct and CZO revolves strongly around commercial engagements. "If I talk to the head of the CZO about this [social impact], he would not completely understand, because his main interest is investment. This needs to be handled with care. Perhaps over time there is more space [to discuss social impact]. I'm very guarded about how I handle that relationship." It was found that this commercial orientation is so strong, that FairProduct is very cautious about profiling its social

activities toward the CZO. As such it does not use the term 'social enterprise' and positions its social impact goals as secondary to its commercial acumen. "In terms of relating to the government (CZO) here, historically there has been a polarisation between NGOs and business movement... This has become a bit of a political football.. so within government, the idea that business can have a social agenda needs to be handled very carefully. For this reason, I don't talk to the CZO about social impact goals, I only talk to them as an investor would." The CZO is tasked primarily with generating economic wealth in the region. As a result, they are keen to include only those manufacturers and traders that are able to display high market performance. It was found that the nature of the relationship and the identity that FairProduct projected when meeting with CZO officials was extremely 1) formal, 2) focussed on the commercial capabilities of the social enterprise and 3) was mainly defined by the need for FairProduct to gain certification and approval to carry out its activities. It may be suggested that good governance with regard to the relationship with the CZO is a vital enabler for FairProduct to continue with its commercial activities.

2. **Plurality of Identities**

It seems that there exists low plurality of identities toward the CZO as stakeholder. Interactions focus almost singularly on the commercial identity. As suggested by the social entrepreneur "*we hope that our social value is implicitly reflected in our good ethics and hard work*". It was clearly stated that the social entrepreneur was not keen on sharing or advocating his social impact goals as this may threaten his position in the custom zone. In fact, FairProduct goes as far as to avoid social enterprise terminology during its interactions with the CZO. This suggests a very low level of plurality in interaction with the CZO.

3. **Synergy of Identities**

Identity synergy addresses the levels of integration between identities and the efforts made by the social entrepreneur to 'synergise' respective identities. To this end, synergy with regard to the interaction with the CZO is low. Not only because the emphasis is placed on the commercial value primarily, but also because the social entrepreneur makes a clear separation between the social and the commercial by focusing purely on the commercial objectives of the social enterprise in his interactions with the CZO. According to the social entrepreneur it would be counterproductive to approach this interaction with high synergy as this would jeopardise the competitive standing of the social enterprise within the custom zone.

4. **Response Type**

The dominant response type of FairProduct toward the CZO is deletion. However, it may also argue that this leans toward subordination as the interaction segregates rather than eliminates the social identity. This response type may be attributed to the social entrepreneur's desire for pure commercial legitimacy. Furthermore, deletion may seem most applicable as any level of synergy or plurality is not only unwarranted, but also potentially threatening to the social enterprises legitimacy in this particular stakeholder relationship.

5. **Summary**

The interaction between FairProduct and CZO is rather unique. Cases where deletion is the primary response type are not necessarily rare, but cases where any alternate approach would be threatening to the legitimacy of the social enterprise are. In the case of this particular interaction, it seems it would be unwise for FairProduct to promote its social values in its interactions with the CZO. In reflections made by the social entrepreneur the negative connotation within which

'non-profit' has been received over the years by rural communities would make it difficult for the social enterprise to generate trust and legitimacy. This negative connotation is the result of unethical or poorly planned activities by non-profit organisations. The social entrepreneur also highlighted that the CZO itself is focussed on nurturing commercial organisations; by portraying itself as anything else, the social enterprise may lose face or even be expelled from the CZO, thereby drastically reducing its access to resources.

1. **Stakeholder: Local NGO Partner**

From in-depth interviews, it became clear that FairProduct has clear social impact objective for the rural communities based around the custom zone. Respectively, FairProduct provides employment, on-the-job training and life-skills training. Additionally, it hopes to set an example through its employees and organisational culture of good, ethical and socially sensitive business practices – referring to them as "potential change makers". To achieve these goals effectively, FairProduct has partnered with a local NGO. The nature of this partnership is one of an outsourcing company. The skill-sets that FairProduct has in-house are geared toward the commercial objectives of the company: *"What are we skilled at as a business? I'm not an adult literacy trainer or someone who can run a course on financial management. What we are good at inside the business is value addition to people and materials and accessing commercial markets"*. As a result, it does not possess the necessary in-house skills to execute their social impact activities. Trainings and community outreach is therefore conducted through the local NGO. FairProduct pays the NGO for these services.

2. **Plurality of Identities**

It is suggested that, although the interactions of FairProduct with the local NGO are geared toward achieving social objectives, there is a clear indication that there exists a higher level of plurality in this relationship. This is perhaps due to the fact that the relationship between the NGO and the social enterprise is fundamentally of a commercial nature. The NGO is to some extent dependent on the financial performance of FairProduct's commercial activities so that it can be paid for the social impact services it delivers on its behalf.

3. **Synergy of Identities**

It is suggested that there exists a high level of synergy as the interactions between the social enterprise and the NGO are, for a large part, geared at on-the-job trainings. This means for example, that the NGO must have a good understanding of the business model that FairProduct has developed in order to improve its training offerings to employees.

4. **Response Type**

Through analysing the stakeholder relationship between NGO and social enterprise it is suggested that the multiple organisational identity response here is aggregation that leads toward integration. FairProduct has attempted to forge links between the two identities rather than compartmentalising them.

5. **Summary**

It may be suggested that FairProduct is able to adopt an aggregation approach in the case of its relationship with the local NGO as resource dependency is low from FairProduct's point of view (it can easily find another NGO to accommodate its needs), but likely to be higher for the NGO. Also, specific activities that are a fundamental part of their interaction actually organically blend the two identities. A good example of this is the social impact through commercial trainings that the

NGO delivers. The NGOs ability to cope with this more commercial outlook may be attributed to the fact that rural development trainings are by nature often characterised by commercial skill-sets that improve the employability of individuals in the community. It seems that employment is one of the primary rural development activities that social enterprises engage in.

1. **Stakeholder: Local rural communities (beneficiaries)**

Local rural communities may be defined as the larger communities located around the custom zone, a northern district of Bangladesh. This is the primary target group for FairProduct's social impact objectives. The community is also where Fairproduct sources its workers. To better understand the nature of the relationship between the social enterprise and this community it is important to understand 1) the levels and 2) the nature of interactions with the community. Fairproduct interacts with the community through multiple layers. Firstly, it interacts directly with and through its employees that are a part of this community. Secondly, it interacts indirectly with the community through the activities, which it outsources to the local NGO. This NGO is able to positively or negatively impact the legitimacy and trust that FairProduct has in the community as it acts on its behalf. Thirdly, a distinction must be made between the employees, their families and the other members of the community. FairProduct hopes that its efforts and values will trickle down into these various layers of the community through its employees and NGO related activities.

2. **Plurality of Identities**

Overall, it would be fair to say that the relationship with the local community is one primarily of a commercial and secondly of a social nature. This may have to do with

the fact that FairProduct is worried about portraying its social value objectives at this stage of its life cycle. Its intentions are to grow the commercial activities in the coming years so that it can mobilise the necessary resources independently to improve its social performances. Furthermore, FairProduct expressed its desire to build change makers through solid and fundamentally biblically based work ethic. They aim to create 'professional' hard working employees that will then act as change makers in their own communities. Overall, one could establish that plurality is high but closer toward subordination.

3. **Synergy of Identities**

Considering that the social objective is the primary concern for social enterprises, FairProduct has developed a high level of synergy between its social objectives and the commercial activities of the social enterprise. This finding holds ground mainly in the evidence that the social enterprise presents itself as a commercial business and utilises commercially – oriented trainings to increase its social impact.

4. **Response Type Response type**

The response type is aggregation but leaning toward Janusian integration on the pluralist level. This is to say that identities are 'joined close together to make a new "two-faced" one (Pratt & Foreman, 2000).

1. **Summary**

On reflection of the in-depth interviews with the social entrepreneur, it is clear that FairProduct aims for a high level of synergy in this particular interaction. This may in part be attributed to the fact that FairProduct does not wish to create confusion with regard to its values. Through high synergy, it is able to counter this from happening. By placing the identities close together and creating a unique identity for this stakeholder relationship, the social enterprise is able to maintain its

commercial foothold within the region and retain its legitimacy with its local stakeholder – the CZO.

1. **Stakeholder: Chinese competitor**

There was little information provided in the interviews regarding the value and identity orientations of this relationship. However, it is clear that the relationship is extremely commercial by nature. FairProduct claimed to be the only player in the market offering specific ethically and fair-trade sourced products other than a competitor based in China. FairProduct has been able set a standard for ethical and fair-trade alternatives.. There is also a clear indication that competitors are replicating FairProduct's social identity*"They all are waking up now, we have had our products copied, I've just been on one of our competitor's websites this morning. He has done a video that is just like ours. They've all sort of started to realise, oh gosh, this is a new season you know."* The social entrepreneur expressed that *"it turns really aggressive"* and that the Chinese competitor has vilified them in the trading press of the sector. Consequently, this relationship can be described as aggressively competitive.

2. **Plurality of Identities**

There is a clear existence of both a social and a commercial identity. The unique selling point of FairProduct' primary competitor is that they are the only two large players that offer ethical and fair-trade alternatives. Hence, the power of the commercial identity is embedded in their social unique selling point. Plurality is high.

3. **Synergy of Identities**

There seems however to be a lack of synergy here as the relationship is primarily competitive by nature. Neither the social enterprise nor its stakeholder puts the social identity first, but rather use it as a selling point. It is suggested that multivocality is the best level of synergy to describe this relationship as synergy revolves around the conflict management and survivability of each respective stakeholder. Identities are not essentially synergised but rather linked "more obliquely" (Pratt & Foreman, 2000).

4. **Response Type**

The management response hovers between aggregation and compartmentalisation. Due to the competitive nature, this is not necessarily a relationship characterised by stability.

5. **Summary**

It was observed that players will adopt the identity that suits them in a particular point of time. Overall, interaction between these two bodies is limited and confrontational by nature. This exudes a more commercial interest and value orientation as it concerns the survivability of the commercial performance over the social.

1. **Stakeholder: Local material supplier**

As part of its sustainability mandate and vision to meet fair trade requirements, FairProduct utilises local suppliers to source the materials for the products. As relationships are governed by "fair" practice, suppliers are paid good wages (according to Fairtrade standards) and were also found to be "somewhat" aware of the social practices of FairProduct.

2. **Plurality of Identities**

With regard to plurality, this was found to be quite low. Emphasis was simply placed on developing a commercial relationship with suppliers. I.e. they were not the target of social impact but rather considered a chain within the commercial production line of FairProduct. Hence, it may be suggested that plurality was low in this interaction.

3. **Synergy of Identities**

Similarly, synergy was low. However, due to the conformity to fair trade standards and some knowledge of the suppliers regarding FairProduct's social practices, synergy can be considered some-what higher that plurality. There does not exist a negative relationship with regard to synergy (deletion) and there is also no need for pruning. Therefore, it would be suggested that synergy is just above the pruning stage.

4. **Response Type**

The response type is integration, but at a very low level of plurality.

5. **Summary**

There is little social resource dependency placed on this interaction. At the same time, it would not be threatening to the social enterprise should they advocate their social cause more in their interaction with suppliers – this is simply not of importance in accruing the resources associated with this interaction. It is interesting to reflect however whether the social enterprise would be able to improve its social performance indirectly should it increase its social identity in its interactions with local suppliers. This stakeholder body is after all 'local' and likely to interact with other stakeholders, mainly the community, with regard to their fair trade standards. This could have an indirect impact on the target communities' trust with regard to FairProduct. At the same time, this may raise concerns from the CZO.

This clearly demonstrates the challenge that social enterprises can face, even indirectly, should they sub-optimally manage their social vs. their commercial identities.

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1. **Stakeholder: UK Buyers**

FairProduct primarily supplies its products to the UK market. This market is monopolised by two main players who in turn deliver their products to regional and local funeral homes. FairProduct has managed to build relationships with one of these two players. The social entrepreneur explained that what sets them apart from their competitors is that *"we've gone in with a much stronger social impact story"*. This further highlights the use of the social identity within relationship with market players, particularly potential buyers. That being said, from in-depth interviews, it became clear that FairProduct has very little bargaining power within these interactions. *"Branding. At the moment we have our Oasis coffin brand, if we go to the US, nobody will let us use our own brand in that market. So the question is how do we brand our product?"* As a result, for example, products are delivered but not marketed under the FairProduct brand, making it more difficult for FairProduct to create exposure to other potential buyers. *"I have a feeling that the market we're dealing with is quite uninformed. They just think producing coffins is automated, and that's how it's very eco. We launched this business by replacing the existing supplier out of China. We've got a load of work to do around getting the message out, we had a go at producing a website, but there's a whole bunch of communication and marketing skills that we don't really have at the moment, and we're sort of riding on a fact that we're in a stable market. We've done a bit, our website is okay."*

2. **Plurality of Identities**

There is a clear plurality of identities in the interactions between the social enterprise and the UK buyers. This is due to the fact that the sustainable product range in which FairProduct specialises represents a niche market. Consequently, FairProduct must be 1) a commercially viable candidate to supply to the buyer by ensuring on-time-delivery, quality products and a good pricing strategy. FairProduct must also 2) ensure that it meets a high social mandate that it can prove as it is these characteristics in the production of the product that make it desirable in its niche market. Data suggests that without the social identity of the product line, FairProduct would be of little interest to buyers. As the social identity constitutes FairProducts's unique selling point, plurality can be considered to be high.

3. **Synergy of Identities**

Similarly, synergy in the interaction is strong as the social identity is a unique selling point and driver for the commercial identity. By blending the identities, FairProduct is able to present a stronger and more attractive business case.

4. **Response Type**

The response type is aggregation.

5. **Summary**

This is possibly the purest form of aggregation dubbed *meta-identity* by Pratt and Foreman (2000). This 'master identity' reconciles 'the contradictions and inconsistencies between the identities' (Pratt & Foreman, 2000). FairProduct is able to preserve and link both the social and the commercial identity strongly within its interactions with UK buyers.

4.4.3.3   Case 1. Classification of multiple organisational identities
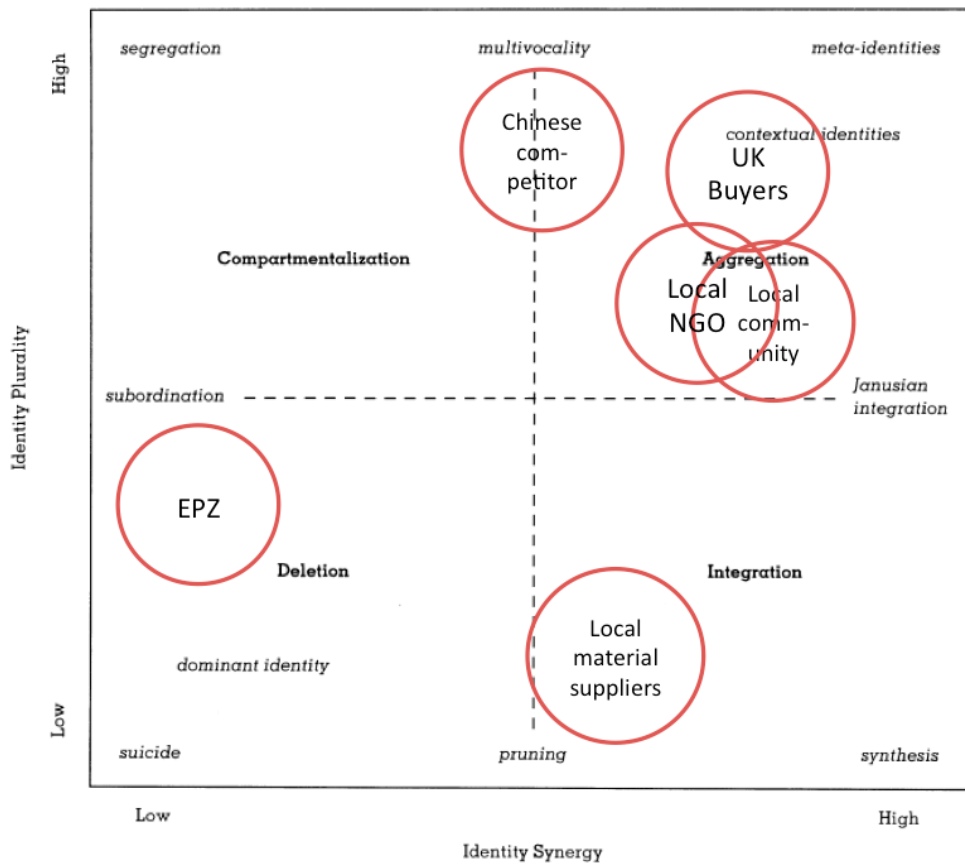
Figure 5
Placement of FairProduct's primary stakeholders in Pratt and Foreman's Classification Scheme for Multiple Organisational Identities

4.4.4 Case 2: EmpowerEnterprise

4.4.4.1   Case 2: Stakeholder map

EmpowerEnterprise is a social enterprise with a very strong orientation to its social mission. Its social mission is to empower women by providing them with dignified work. Based in the capital, Dhaka, the social enterprise achieves its mission by employing women who have faced exploitation and abuse of various forms. Some of these women have come out of prostitution, whilst others have been able to separate themselves from abusive families or communities. These women are employed and trained to produce artisanal, handmade products that combine traditional Bangladeshi art and craftsmanship with a quality and design suitable for a Western market.

Like FairProduct, EmpowerEnterprise was set up by an American expat. The social enterprise has a complex stakeholder structure particularly with regard to its activities surrounding social impact. To this end, EmpowerEnterprise intertwines its activities closely with a local NGO partner. Furthermore, EmpowerEnterprise has both local and foreign buyers. Additionally, EmpowerEnterprise has ties with a church in America from which it gains financial support for the livelihood of its owner. A map of FairProduct's key stakeholder is depicted below:

Figure 6 EmpowerEnterprise's key stakeholder map

4.4.4.2 Case 2: Stakeholder description

1. **Stakeholder: Local NGO**

The relationship between EmpowerEnterprise and the local NGO is rather unique. Firstly, there is a strong interdependency from both sides on each other, particularly with regard to resource sharing and mobilisation. EmpowerEnterprise relies heavily on 1) the trust and legitimacy of the NGO in the local communities in supporting local women coming out of prostitution (women that eventually are

employed in EmpowerEnterprise) and 2) the NGOs internal resources with regard to counselling, training and providing a nursery for the children of women. From the NGO's perspective, without EmpowerEnterprise they would not have place of employment to which they can send these women. To exemplify the integration between the two stakeholders; EmpowerEnterprise and the NGO share a building. This allows the women to walk directly from the one office of EmpowerEnterprise into the NGO to receive (mental) health care and training.

2. **Plurality of Identities**

With regard to plurality, the interaction between social enterprise and NGO is high. As the commercial and the social activities are intertwined, it is found that this resonates with the identities that are shared between the two stakeholders. Although the NGO is fully aware of EmpowerEnterprise's commercial practices, it does not play a direct part in them. This does not however impact the existence of plural identities.

3. **Synergy of Identities**

With regard to synergy, the social enterprise has been able to fully embed its mandate for social change in a partnership based on a collaborative spirit, transparency and trust. The dependency shared between the two stakeholders as well as the close proximity of the offices means that the two are very much blended, both in practice and in mission.

4. **Response Type**

The response type for EmpowerEnterprise and its interaction with the local NGO is in the aggregation space leaning strongly toward being a meta-identity.

5. **Summary**

The highly level of conscious integration is a unique display of a collaborative spirit between two stakeholders. This may be largely driven by a co-dependency that the two share with each other. The decision to share an office space was found to be a conscious strategic choice. Not only did it allow for increased transparency and accountability to each other, but it also fostered a greater understanding and mutual trust. This in turn has led to a high increase in resource sharing.

1. **Stakeholder: Beneficiaries**

By beneficiaries we refer to the target group of impact to whom a social enterprise is trying to provide positive social support. In the case of EmpowerEnterprise, the beneficiaries are women who have come out of prostitution or have been able to separate themselves from abusive families or communities. EmpowerEnterprise employs and trains the women to produce artisanal, handmade products that combine traditional Bangladeshi art and craftsmanship with a quality and design suitable for a Western market. Next to training these women, EmpowerEnterprise support them to identify their strengths and weakness within a professional environment.

2. **Plurality of Identities**

Similarly, to the interaction with the NGO, EmpowerEnterprise assumes multiple identities with the impact group. This is, however, relative to their abilities; women are slowly integrated into a workforce and are provided sufficient time to learn at their own pace. Furthermore, they are provided with counselling, nursery support and life skills that are offered by EmpowerEnterprise in conjunction with a local NGO. Therefore, there is a strong social as well as a commercial identity present.

However, the commercial aspect is not pushed upon this stakeholder group, as they are introduced to this side of the business as and when they are ready. Plurality is therefore quite high but there is a greater emphasis on the social identity.

3. **Synergy of Identities**

Synergy is high in this interaction. As the social enterprise needs to be extremely sensitive to the needs of the women, they aim to blend the identities as much as possible to smoothen the transition from their previous lives to join the EmpowerEnterprise family.

4. **Response Type**

The response type is aggregation leaning toward Janusian integration.

5. **Summary**

EmpowerEnterprise is a social enterprise that places a very strong emphasis on their social value goals. As such, the interaction between the social enterprise and its beneficiaries is one that is characterised by case, awareness and transparency. EmpowerEnterprise aims to combine the social and the commercial activities related to their beneficiaries in a very fluid manner. As such, the response type for this stakeholder groups allows the identities to co-exist closely together. By assuming this approach, EmpowerEnterprise is able to benefit from reduced conflict between the identities.

1. **Stakeholder: Suppliers**

EmpowerEnterprise sources its raw materials for production from local street vendors. These are typically roadside vendors and street-market vendors rather than factories or wholesalers. The supplier side of the supply chain is thus quite informal. As for the production line, EmpowerEnterprise's products are handmade so there is

no need for highly technical or investment rich machinery. Packaging and printing are outsourced to a third party.

2. **Plurality of Identities**

Plurality of identities is low with suppliers. This is purely because of the strong commercial focus of the transaction (and hence the interaction) of the two parties. It is not expected (nor has it been tested) whether or not inclusion of the social identity would negatively impact the commercial identity. It is however clear that the social identity is of very little significance to the suppliers. EmpowerEnterprise's perspective is that it does not aid its social mandate to engage in social identity interactions with the supplier.

3. **Synergy of Identities**

EmpowerEnterprise has made it clear that the relationships with suppliers were purely commercial and that any inclusion of the social identity would be counterproductive in that this would be a waste resource. More precisely, the social objective of EmpowerEnterprise is in no way benefitted from relaying their social identity to suppliers as this does not explicitly or implicitly support the women they aim to benefit. As such the use of resources respectively may be improved. This has resulted in synergy being low in this interaction.

It was discussed whether or not the social identity may help EmpowerEnterprise receive discounted purchasing rates from suppliers. EmpowerEnterprise was quick to state this was not the case as suppliers themselves were not wealthy, often lived day-by-day, spending what they earned and could not afford to reduce prices for a social cause.

4. **Response Type**

The response type places the supplier interactions in the deletion category. That is to say that there is a clear dominant identity; namely the commercial identity.

5. **Summary**

There seems to be a recurring pattern with supplier interactions in that there is an automatic assumption made by the social enterprise that they cannot benefit from including their social identity in interactions with suppliers. EmpowerEnterprise remarks that this would be a waste of time, suggesting that resources to improve its social performance are better spent at the other end of the value chain (buyer/consumer links). However, it is interesting to point out social entrepreneurship theory suggests that social performance can be improved through *local* advocacy and lobbying practices. The suppliers are by definition local entities – would it not be plausible that making them aware of EmpowerEnterprise's social activities could increase awareness of the wider community of the plight of women coming out of prostitution or abusive situations? It may be more impactful than creating awareness toward customers who are based in the UK for example. That being said, there is a clear correlation between the social identity and consumer purchasing as discussed within the stakeholder's description for local buyers (see below).

1. **Stakeholder: Church**

There is a church in the United States that provides financial support to the social entrepreneur. This means that EmpowerEnterprise does not incur the cost of having an expat social entrepreneur as its founder. The Church provides the social entrepreneur with a monthly stipend.

2. **Plurality of Identities**

The social identity exceeds the commercial identity as the church is mainly concerned with the social change that the social entrepreneur is able to achieve in Bangladesh. That being said, there is a very real commercial element involved in this interaction as the social entrepreneur made it clear that the church is fully aware and at times plays an advisory or networking role for EmpowerEnterprise's commercial activities. Therefore, plurality does exist, although there is a stronger emphasis on the social identity in efforts to maintain this relationship.

3. **Synergy of Identities**

It is suggested that synergy is low for the interaction between the social enterprise and the church. The church has a trust-based relationship with the social entrepreneur, which results in a low level of involvement with regard to the commercial activities of the social enterprise. There is a stronger focus on the social performance of the social enterprise – this is also a mandate that needs to be recognised and profiled by the social enterprise toward the church in order to receive financial support for living expenses.

4. **Response Type**

We suggest that the plurality of identities is slightly higher than its synergy. It cannot be said that there is clear deletion of either identity (as the church is well aware of both), but there is a clear dominance of the social identity. As such, the most accurate response type is compartmentalisation, leaning toward subordination.

5. **Summary**

The interaction between the church body and the social enterprise is unique in its strong social orientation whilst still placing some significance on the commercial performance – particularly as the church provides resources that ensure the

survivability of the social enterprise. It may be suggested that the social enterprise is able to leverage commercial resources from specific stakeholder bodies by exuding a strong social identity. There exists a correlation between the social identity and resource mobilisation. This finding is also found in EmpowerEnterprise's other stakeholder relationships.

Stakeholder: Local Buyers

EmpowerEnterprise creates premium handicraft products that it sells locally and internationally. Locally, it sells its products through third-party shops and cafes. Items on display contain some information regarding the social objectives of EmpowerEnterprise but sales strategies focus mainly on the quality and premium price of the product. Interviews were held with the owners of one of these buyers.

1. **Plurality of Identities**

For this relationship, interactions between the social enterprise and the storeowner were analysed (not the customers). It was found that the social identity was much stronger than the commercial identity. The storeowner felt a strong connection with the plight of EmpowerEnterprise and as a result provided a display area for their products. That being said, the storeowner indicated that this opportunity was also dependent on a successful financial result. In case this was no longer the case, then there would have to be a period of renegotiation. Consequently, plurality exists, but there is an overarching focus on the social identity as the core selling points. That being said, once this social mandate was set, communication was often more of a commercial nature than a social. Therefore, plurality is considered high.

2. **Synergy of Identities**

Synergy in the relationship is quite high. The social identity is the selling point that seems to have sealed the relationship, however, from then on, the commercial

identity becomes the main driver for the relationship. The storeowner is however keen on knowing about the social performance advancements on a recurring basis. Overall synergy is high.

3. **Response Type**

The response type is aggregation, leaning toward a meta-identity. That being said there is a clear separation between the two identities that come together within certain interactions.

4. **Summary**

As with the church, EmpowerEnterprise is able to utilise its social identity to improve its commercial performance. Not only does the social identity mean that EmpowerEnterprise is able to sell its products through local stores, but also that they are offered discounted incentives to do so. This shows a high integration between the two identities and the two values; i.e. a social identity increases the commercial performance and the commercial identity allows the social identity to remain intact. One may speak of a high level of professionalism in its commercial identity as a prerequisite for the social identity to be fully accepted in this interaction.

Stakeholder: International buyers

Skype interviews were held with an international buyer based in the UK to analyse the nature of the interactions and the roles of the two identities. Currently, EmpowerEnterprise has international buyers that are located within the US, the UK and Canada. These are small-medium sized boutiques that sell a range of premium products that have a social impact.

1. **Plurality of Identities**

Identity plurality in this relationship was relatively high, but less so when compared to that of the local buyer. This is attributed to the fact that quality controls for foreign vendors are higher, delivery time and production rate have to be much better managed and branding and packaging have to be of a higher and consistent quality. All in all, this means a much higher focus on the commercial interactions and commercial identity of the social enterprise. However, as the buyer only purchases products with an ethical concern, the social identity is fundamentally a driving force and starting point for relationship building.

2. **Synergy of Identities**

It has become clear that the social identity of EmpowerEnterprise in this interaction is highly dependent on trust in the relationship. Once a buyer is convinced of the social impact that EmpowerEnterprise has, it trusts that EmpowerEnterprise will continue to generate social value in a consistent manner. As a result, the social value becomes a given and interactions start to be driven more by the commercial technicalities of the relationship. This means that as the relationship progresses, there is less and less synergy between the social and the commercial identities. Synergy is therefore at the lower end.

3. **Response Type**

Overall, the response type leans toward aggregation leaning toward segregation.

4. **Summary**

The interaction between the international buyers and the social enterprise seems to evolve over time. This is the most unique finding of the case. Once the buyer has built trust with the social enterprise by means of engaging with the social identity, the relationship moves from interactions revolving around the social identity to

interactions revolving around the commercial identity. It is suggested that the social
enterprise is able to evoke legitimacy and build trust at the start of the relationship
by focussing on the social objective. Once this is achieved, the commercial identity
becomes the driving force for maintaining this trust through on-time delivery and
general professionalism. There is thus a point at which identity orientation switches

4.4.4.3   Case 2. Classification of multiple organisational identities
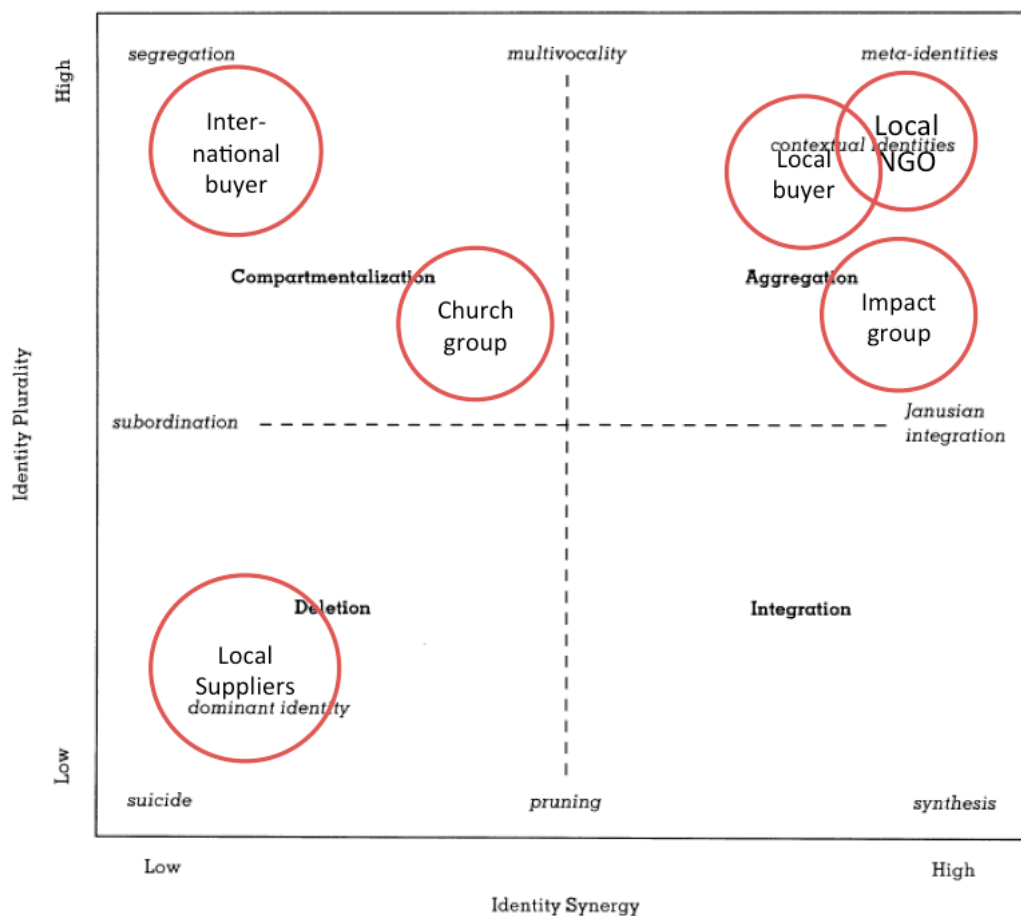
Figure 7
Placement of EmpowerEnterprise's primary stakeholders in Pratt and Foreman's Classification Scheme for
Multiple Organisational Identities

4.4.5 Case 3: HandiCrafter

4.4.5.1   Case 3: Stakeholder map

HandiCrafter is the most established and largest social enterprise included in
the data sample. It was established approximately 30 years ago by a Christian NGO,

which was involved in rural development work in Bangladesh. Consequently, the governing board is still comprised largely of individuals from the Christian NGO, resulting in a situation where HandiCrafter is an independent entity, but is highly influenced by the social mandate of the NGO. HandiCrafter's mission revolves around women empowerment, social inclusion and employment. As such, they have established four independent production units in rural districts of Bangladesh. These units all produce handicrafts and packaging products using locally sources materials. As its workforce, HandiCrafter hires primarily divorcees and widows that are outcast from society and unable to sustain themselves.

HandiCrafter is unique as it works with production units in rural Bangladesh and manages its overall commercial activities from its headquarters in the capital. Due to its longevity it has established itself within respective rural communities allowing it to play a vital part in rural development. Community engagement activities are a significant part of HandiCrafter's rural programs. Furthermore, HandiCrafter is dependent on a range of supplier and exporters to keep its business model active. HandiCrafter's key stakeholder are depicted below.
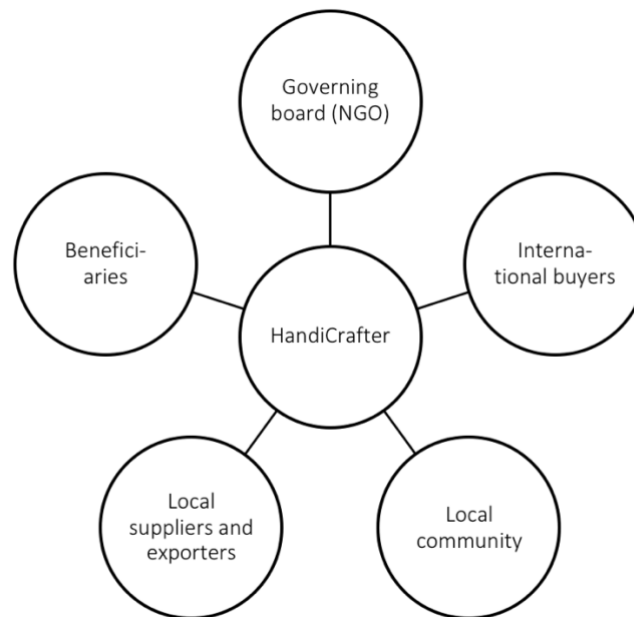
Figure 8 HandiCrafter's key stakeholder map

4.4.5.2   Case 1: Stakeholder description

Stakeholder: Governing board (Christian NGO)

HandiCrafter was established about 30 years ago by an expat-led Christian NGO that initiated rural development programs in Bangladesh soon after the country's independence. As such, the NGO has a strong history with rural communities. Over the years they have solidified strong relationships based on trust and long-standing aid work. HandiCrafter has benefitted from this but is also as a result, governed by the NGOs social mandate. As explained by the managing director; *"They are credited for establishing the sustainable system. We are flourishing on their work."* As a result, the majority of the governing board of HandiCrafter is comprised of members of the NGO.

1. **Plurality of Identities**

The board is concerned both with the enterprise's social and commercial performance. As explained by the social enterprise; "the location and the producers [Beneficiaries] was provided by the board (NGO). This analysis was important to

find out who we could help." As such, we witness a strong presence of both identities in the interactions between the board and the social enterprise. Plurality is thus high.

2. **Synergy of Identities**

Synergy is similarly high. As the social performance is well blended in the production units of HandiCrafter with the commercial objectives, the two are not mutually exclusive. The governing board's primary concern is the social mandate, but the commercial performance is crucial in this mandate. As such, there is a strong level of synergy within the interactions of the social enterprise with its governing board when considering the social and the commercial identity.

3. **Response Type**

The response type is on the aggregation side and may be considered a meta-identity due to the strong transparency of the commercial and social identities within respective interactions.

4. **Summary**

The interaction with the governing board effectively demonstrates transparent identity responses that embrace both the social and the commercial logic. The governing board cannot be considered an external stakeholder, but rather is made up of individuals with a stake in HandiCrafters activities. These individuals firstly believe and stand for the social value goals that HandiCrafter aspires to. The social enterprise has a robust and proven business model but maintains a cultural identity that is driven by its social goals. It may be hypothesised that this is in part due to the social value orientation of board members and its historic ties to the NGO.

Stakeholder: International Buyers

HandiCrafter revenue model relies heavily on foreign retail companies that buy their products in bulk. HandiCrafter is a fair trade certified business and its buyers are mainly international retail companies. HandiCrafter's revenue model is focused on the production of handicrafts that are ordered by large (predominantly) western retailers looking for certified Fairtrade product. As explained by the managing director: "*The fairtrade standard, we have to abide by them. They are checked and verified by our customers, our buyers. We need to meet all the standards.*" Orders placed with HandiCrafter are often tailored to the customer. In this case, the use of fair-trade certification combined with high quality insurance and the ability to meet bulk orders have allowed HandiCrafter to acquire some major western retail companies as buyers. These buyers enforce higher ethical standards. It is noted that HandiCrafter emphasises its social identity to buyers and invites them regularly to their job creation units where their impact is most evident. Buyers are able to engage with beneficiaries and thus learn more about the intricacies of HandiCrafter's impact. Interview data suggests that the HandiCrafters buyers expect the commercial quality in delivery and are more intrigued and keen on learning about their social impact instead. Buyers as such, see the two values as complimentary and equally necessary.

1. **Plurality of Identities**

In the case of international buyers, it may be said that plurality is low. Although buyers expect commercial values to be up to standard, these expectations are high. Only once the commercial standards are able to meet their orders, do they consider the social impact goals in more depths. As such, both identities are of high importance.

2. **Synergy of Identities**

There is a high level of interaction and coordination between identities as buyer's demand that commercial supply chains within the social enterprises contribute to their social impact. They do not consider one over the other.

3. **Response Type**

The management response type is integration, leaning toward Janusian integration.

4. **Summary**

The relationship of HandiCrafter with its international buyers is of a highly professional nature. This professionalism is related to both the social and the commercial value activities. International buyers demand high quality, custom products in bulk orders, whilst also striving for the increased and unique impact in respective products. The buyers that HandiCrafter works with typically market themselves socially and have long standing relationships with HandiCrafter. There is a mutual understanding that both are working to perform at a higher level of social impact and commercial ability.

Stakeholder: Local Community

HandiCrafter has been able to establish its identity very strongly within the local community. As its beneficiaries are widows in a cultural context where they are not supposed to work, this identity is deemed crucial in allowing them to generate social impact. HandiCrafter invests a lot of resources to build trust, solidarity and transparency with the local community. They do this through regular engagement with the local community using both formal and informal approaches including regular events and meetings where community members can participate, voice their own concerns and receive various forms of support ranging from tangible goods (e.g. backpacks for the kids) to services (e.g. sexual education workshops).

Communication with the local community, focusses largely on the social identity of HandiCrafter which focusses on sharing its impact activities and how this is to the benefit of the community either directly or indirectly.

1. **Plurality of Identities**

Plurality of identities are low in the interaction with local communities. Overall, the social identity prevails and remains the focus in interaction.

2. **Synergy of Identities**

Synergy of identities is also low. HandiCrafter expressed that because of their high level of commercial integrity, the commercial identity – which has become an expected construct over the years - may be taken for granted. As such, focus is ultimately always placed on the social benefits that can be accrued by the local community.

3. **Response Type**

The management response type from the social enterprise to the local community is deletion and leans toward subordination. This means that social identity is ultimately stronger than the commercial identity.

4. **Summary**

The interaction between Handicrafter and its local community is unique in that it has immersed from a longstanding relationship between the two (30 years). This has allowed for a deep-founded respect and collaboration to exist between the two. As such, it is found that HandiCrafter has been able to garner a high level of trust and that the community is willing to participate in both its social and commercial activities.

Stakeholder: Local suppliers and exporters

Handicrafter has a rather unique relationship with its suppliers and exporters in comparison to the remaining four cases. Interactions with suppliers typically respond best to a strong commercial identity. As such, aspects such as a timely payments, a timely delivery of goods and clear agreements are prevalent constructs within these interactions. In the case of HandiCrafter however, this is different. It is speculated that with the passage of time and in cases where suppliers and exports remain the same, that the commercial identity starts to be taken for granted as an expected construct. As explained by the social entrepreneur, *"people work under logic, if they charge too much, our production will be too high, the product will be too high, and the customer won't buy it. So, we talk to the supplier in this way and explain how they can get some benefit."* This makes room for the social enterprise to drive forward its social identity within interactions to further accrue resources (perhaps at a discounted price) and to expand the reach of its awareness. As explained by the managing director, *"we need to talk a lot. I go there myself to explain it. I bring them here. Let us drink tea and talk together. If you can lower by 5 Taka, you know at the end, the consumer can get the product, and this is the solution for fairtrade. They (the supplier) are the starting point. And this way many people can get work."* As such the commercial and social identity start to become more mixed and represent the company as one rather than as separate entities.

1. **Plurality of Identities**

In the case of HandiCrafter, it may be said that there is high plurality in identities. As the commercial identity is a prerequisite, this identity remains stronger. During the interview it was stressed that the 'supplier must offer us fairer rates, and we are

able to receive these fairer rates by sharing our story with them". This highlights the social enterprise's use of the social identity to negotiate commercial deals.

2. **Synergy of Identities**

In the case of HandiCrafter it may be said that the identities have become more and more synthesised over time. As such, synthesis leans toward the higher end of the quadrant. This is particularly evident in the fact that the commercial identity has become a stable prerequisite whilst the social identity is starting to further nurture trust and loyalty overtime.

3. **Response Type**

The response type is aggregation, leaning strongly toward Janusian integration. This means that identities are being joined together more and more over time to create a "two faced" identity (Pratt and Foreman, 2000).

4. **Summary**

The relationship between HandiCrafter and its suppliers and exporters is unique mainly because of its longstanding history. Time therefore may be considered a unique construct that allows for increased synthesis between identities. By focusing firstly on the commercial aspect and, over time, incorporating the social identity, HandiCrafter has been able to develop and foster increased levels of trust and loyalty in their interactions with suppliers and exporters.

Stakeholder: Beneficiaries

HandiCrafter has done an exceptional job in blending the social and the commercial identities with its beneficiaries. HandiCrafter's beneficiaries are divorcees and

widows that are outcast from society and unable to sustain themselves. The beneficiaries who work within the operations of the social enterprise to create handicraft products are known as 'artisans' or 'producers'. As explained by the managing director; "'the producers work through us, we cut some of the middleman ship out, that takes money for nothing [from beneficiaries]. So we work on the promotional and logistical part of fair trade and do this for our producers [i.e. the beneficiaries]." Currently, HandiCrafter supports over 1500 artisans in rural Bangladesh. Because they are employed by HandiCrafter, there is a relatively high focus on the commercial identity of HandiCrafter to legitimise themselves as trustworthy employees. At the same time however, this would not be possible if the social identity of HandiCrafter was not accepted as the women who are employed by HandiCrafter live in communities where women typically do not work. Because of HandiCrafter's strong relationship with the local community however and its track record, it has been accepted as an organisation that keeps its word and is interested in genuine social impact first and foremost. The social identity is therefore also a prevalent response to interactions with beneficiaries.

1. **Plurality of Identities**

Plurality of identities is high as HandiCrafters function towards its beneficiaries is of both a commercial nature (as the beneficiary's employer) and of a social nature (as the beneficiary caretaker).

2. **Synergy of Identities**

Synergy between identities is high as beneficiaries are fully immersed in both the social and commercial activities of the social enterprise

3. **Response Type**

The management response type to interactions with beneficiaries is integration with a strong leaning toward synthesis.

4. **Summary**

HandiCrafter adopts the employment model (Alter, 2007) to blend its social and commercial values. By adopting this model, it is able to include its beneficiaries in both the social and the commercial activities of the social enterprise by employing them. Because of the social enterprise's strong and trusted relationship with the local community within which beneficiaries live, synthesis is further catalysed.

4.4.5.3   Case 3. Classification of multiple organisational identities
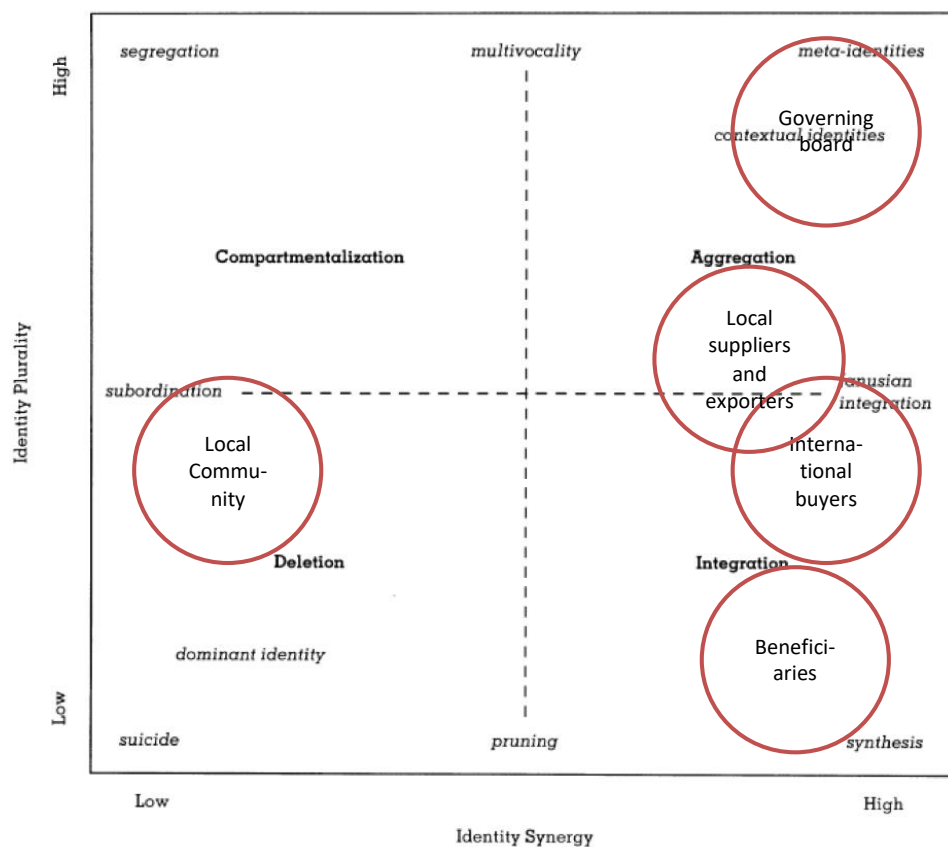
Figure 9
Placement of HandiCrafter's primary stakeholders in Pratt and Foreman's Classification Scheme for Multiple Organisational Identities

4.4.6 Case 4: SocialAdvertiser

4.4.6.1 Case 4: Stakeholder map

SocialAdvertiser's mission is to alleviate and enhance the livelihood of rickshaw pullers in Dhaka by providing them with a secondary source of income. This secondary source of income is generated by allowing advertisement companies to place advertisements on the back panels of rickshaws as billboards.

SocialAdvertiser was started by a local entrepreneur in collaboration with a local NGO and is funded and supported in part by three prominent social entrepreneurship foundations, a local bank and an international school. The collaboration with a local NGO allows SocialAdvertiser to source, manage and provide trainings for rickshaw pullers. This has been a vital strategic move as the in-house resources of SocialAdvertiser does not allow them to tackle this themselves.

Figure 10 SocialAdvertiser's stakeholder map

4.4.6.2 Case 1: Stakeholder description

Stakeholder: Social Enterprise Foundation

The social enterprise foundation has played a unique role in guiding SocialAdvertiser with regard to social enterprise best practice. *"We told the yunus*

centre, we want to do is as per your guidelines, we want to be part of you and we want you to help us and oversee us. So, in our memorandum we are listed as a social business and the principles of social business guide our memorandum". The foundation has helped to shape their social identity and provided them with a framework within which they conduct business. As such, SocialAdvertiser has incorporated the social Foundation's social business principles into its memorandum. As highlighted by SocialAdvertiser, "they are like consultants or advisors" and "if there is anyone we answer to it is them". As such, the foundation acts as an informal collaborator and mentor, keeping SocialAdvertiser accountable with regard to its social impact and adhering to social business principals.

6. **Plurality of Identities**

Plurality is relatively low in this relationship. This is main because the role of the foundation is to hold SocialAdvertiser accountable with regard to its social values. As the social entrepreneur comes from a commercial professional background, this identity is perhaps considered a given and hence present, but rather dormant.

7. **Synergy of Identities**

Synergy is equally low in interactions with the Foundations. The social identity is pushed high in the agenda within interactions.

8. **Response Type**

The management response type for this stakeholder is deletion as the social identity is dominant.

9. **Summary**

The relationship between SocialAdvertiser and the foundation is unique. On the one hand, the foundation plays the role of a mentor or business coach. On the other end, it has been highly influential in developing the memorandum that stipulates the

guiding principles of practice (such as reinvesting all profits into the social enterprise) to which SocialAdvertisers founders adhere. Furthermore, it also keeps SocialAdvertiser accountable to its social value goals. As such, it has played a remarkable role in shaping, developing and maintaining its social identity. Because the foundation is aware of the social entrepreneur's business acumen, they seem to place a strong emphasis on ensuring that mission drift does not occur, by further strengthening and embedding SocialAdvertiser social identity.

Stakeholder: Beneficiaries and their families

SocialAdvertiser's mission is to alleviate and enhance the livelihood of rickshaw puller by providing them with a secondary source of income. *"We wanted to teach them the power of saving. So, they can learn that if they save a little bit everyday, one day you can buy your own rickshaw or your own business."* As such, the beneficiaries of SocialAdvertiser are the rickshaw pullers in Dhaka. Their impact-related activities extend to their families as decisions regarding the use of income generated through advertising are discussed with the family as a whole. As explained by the social entrepreneur, *"we work with them to figure out what kind of business they want to start"*. At the time that field research was conducted, SocialAdvertiser served close to 10,000 rickshaw pullers. SocialAdvertiser has worked together with the local NGO to set up their rickshaw puller welfare program. They have regular meetings with rickshaw pullers and also have a screening process before a rickshaw puller is allowed to join. This screening process is to make sure that the rickshaw puller 1) has a family to support as they wish to also impact families, 2) is based in the capital and 3) is motivated to join the welfare program for at least 12 months (this is the minimum cycle of SocialAdvertiser's

savings and investment program). SocialAdvertiser primarily communicates their social identity with rickshaw pullers and manages all commercial interactions on their behalf. This is largely due to the fact that almost all of their beneficiaries are illiterate and low-literate. As such, they are often scared away by complex commercial aspects of the business model such as the licensing fee and managing bank accounts. Social Advertiser will, for example, co-sign saving accounts so that they can manage these for their beneficiaries. *"We are the co-signers on the loans, because a lot of them don't have IDs, they don't have national voter ID or nothing. So, we co-sign the account and act as their collateral, and we told them that whatever they put into the account, we will put in the same amount."*

1. **Plurality of Identities**

It may be said that plurality is relatively low as the commercial interactions are entirely managed by SocialAdvertiser on behalf of the beneficiary. Furthermore, due to the relatively low-literacy, it was speculated by the social entrepreneurs that "these rickshaw pullers would not understand things like bank accounts and licensing fees, hence we manage this for them". This highlights the relatively low level of commercial identity responses.

2. **Synergy of Identities**

Synergy is equally low as the inclusion of the commercial identity would be counterproductive and perhaps even harmful. It was noted that SocialAdvertiser tends to focus solely on their social identity within their interactions.

3. **Response Type**

The management response type for this stakeholder is deletion as the social identity is dominant.

4. **Summary**

The relationship between the beneficiary and the social enterprise is characterised by a strong overarching emphasis on the social identity. This is partially because SocialAdvertiser interacts with its beneficiary through the local NGO, which itself has a strong social identity. Furthermore, the beneficiaries may find it hard to grasp the commercial logics. As a result, SocialAdevertiser tried to take care of this on their behalf. During the interviews it was made clear that the beneficiaries are unlikely to relate to the commercial identity and may even be scared off if too much emphasis was placed on commercial response types.

Stakeholder: Advertisers

The social entrepreneur that founded SocialAdvertiser owns a large for-profit media agency. As such, they have a wide-ranging network of advertising companies within their network. This has made it easier for SocialAdvertiser to promote its services through the social entrepreneur's network. The term 'advertisers' has been adopted here to refer to vendors that are paid to place the advertisements on rickshaws and well as advertising companies. These advertisers are able to buy promotion space on rickshaws through a licensing fee. This is the revenue generation model that SocialAdvertiser depends on to pay for its social impact activities. Interview results have highlighted the strong commercial identity between SocialAdvertiser and the advertisers. These vendors already have a strong historic relationship with the social entrepreneur through the for-profit media agency. The social entrepreneur highlights that these vendors already associate them with commercial activities. *"All the vendors that we use for the rickshaw program are the same vendors we have used for the years leading up to that [for our other businesses]. So, they already think of us as a commercial institution. So,*

it's hard for us to tell them 'look we want to pay you a lower rate', because they are already a listed vendor for that previous rate for our other companies, which are for profit. Because we are a group of companies in a lot of other fields... Our social business is a very small portion of our entire cooperation, and vendors know that, so it's tougher.'' Hence, it is hard to 'sell the social cause as our social business is a very small portion of our business and vendors know this, we don't get any discounts or favours as a social business". As such, the social entrepreneur has suggested that the business culture in Bangladesh is not one where players typically buy into the social identity and instead focus on commercial logics.

1. **Plurality of Identities**

Plurality is said to be low in the interaction with advertisers as they are solely interested in the commercial logics of SocialAdvertisers activities. According to the social entrepreneur, it would be counter-productive to approach this relationship in any other way.

2. **Synergy of Identities**

Synergy is equally low as the inclusion of the social identity would be counterproductive. It was noted that SocialAdvertiser tends to focus solely on their commercial identity within their interactions.

3. **Response Type**

The management response type for this stakeholder is deletion as the social identity is dominant.

4. **Summary**

The relationship between SocialAdvertiser and advertisers is dependent on commercial interaction logics. As such, there seems little use, from the social entrepreneur's perspective, to engage in the development of social identity response

types. This seems to be quite a common approach with supplier relations in most social enterprise cases interviewed during field research.

5. **Stakeholder: Local NGO**

SocialAdvertiser was started by a local entrepreneur in collaboration with a local NGO. To source, manage and provide trainings for rickshaw pullers, SocialAdvertiser partnered with a local NGO. This is done through the 'Rickshaw Puller Welfare Program', which is a joint initiative between SocialAdvertiser, who manages and funds the program, and the local NGO, who handles impact-related activities. There is a clear indication that Social Advertiser, utilises its relationship with the local NGO to strengthen its beneficiary interaction. *"We have a screening process to make sure that the people enrolled are actually going to benefit. We interview them, and they come through a reference. This is an NGO that is based in Dhaka. A lot of the parents of the kids that go to their school are rickshaw pullers. So we recruited the parents of their kids. This way we had some sort of leverage over them, knowing they won't run away, because their kids are locally based – so we can create a longer-term relationship with them."* The welfare program's role is two-part. On the one hand, it handles the financial earnings of the rickshaw pulllers, on the other end it provides them with training to manage their finances and learn how best to invest their earnings in a new micro-business. The welfare program also opens bank accounts and co-signs these accounts with the rickshaw pullers. Next to placing all earnings in these bank accounts, the welfare program

also promises to match any amount that a rickshaw puller places in their bank account, essentially doubling their savings instantly. The NGO also has regular meetings with the rickshaw pullers. A screening process ensures that the rickshaw pullers eligible for the program have a family and are based in the capital. To this end, they need to have a reference from the local NGO. Because this NGO already provides aid to the children of the rickshaw pullers, "this acts as leverage to make sure they stay in the program". The social entrepreneur highlighted that they are able to 'use them [referring to the local NGO] as a funnel through which to create impact, we do this because there are a lot of dropouts, because rickshaw pullers move around a lot.' The interaction between NGO and SocialAdvertiser is mixed. Whilst the NGO does require SocialAdvertiser to adhere to a higher social mandate, it also relies on SocialAdvertiser to maintain specific commercial logics for the joint venture. In this case, there is a clear division of roles between the resources and skills that both parties bring to the table.

6. **Plurality of Identities**

We witness a strong presence of both identities in the interactions between the NGO and the social enterprise. Plurality is thus high. This is mainly due to the co-dependent nature of the joint venture between the two parties.

7. **Synergy of Identities**

Synergy is low in the interaction between social enterprises and NGO. This is mainly because both parties play distinctive roles within their joint-venture.

8. **Response Type**

The response type is compartmentalization, leaning toward segregation.

9. **Summary**

The interaction between SocialAdvertiser and the NGO is rather unique because they have a joint-venture in which both parties play distinctive roles. The social enterprise's role is to manage the commercial activities whilst the NGO manages to the social activities. This is strongly reflected in their relationship. It is noted that the commercial past of the social entrepreneur has played a role in influencing identity formation in this case.

10. Stakeholder: Rickshaw owner companies

Interview results highlighted that rickshaw pullers do not typically own or lease their rickshaws. Rather these are leased by other companies that own the rickshaws. These companies have become suppliers that receive a licensing fee from SocialAdvertiser, which allows them to rebrand their rickshaws. In total, Social Advertiser has such a licensing fee setup for 10,000 rickshaws, to either fully or partially brand them. The interaction between the rickshaw owners and SocialAdvertiser focuses largely on the commercial soundness of the licensing fees. At the same time however, SocialAdvertiser also communicates their Rickshaw Puller Welfare Program to the rickshaw owner companies and takes exceptionally good care of their rickshaws (even fixes them and replaces existing parts with higher quality parts). This has made rickshaw owner companies 1) understand the social cause, but also accept and embrace it because of the commercial professionalism with which SocialAdvertiser treats their relationship.

11. Plurality of Identities

The interactions between SocialAdvertiser and the Rickshaw owner companies started off with low plurality but is moving to a higher level of plurality. This is mainly because SocialAdvertiser has realised that its social identity responses support its commercial goals with this particular stakeholder.

12. **Synergy of Identities**

The interaction between SocialAdvertiser and the rickshaw owner companies is relatively low compared to its plurality. The social identity is very much an add on on top of the otherwise commercial identity that SocialAdvertiser aims to maintain with this stakeholder.

13. **Response Type**

The response type is compartmentalisations, but close to the middle of the matrix. As such it is almost multi-vocal but not quite.

14. **Summary**

The relationship between SocialAdvertiser and the rickshaw owner companies is one that is shifting toward a higher level of multiple identity responses. Whilst historically a relationship in which interactions were most optimally sustained by means of the commercial identity, SocialAdvertiser has realised that inclusion of the social identity has allowed it to strengthen its ties with this particular stakeholder. Furthermore, it may be argued that this increased emphasis on the social identity will also improve the social enterprise's impact as it is creating more awareness for the plight of their beneficiaries.

4.4.6.3   Case 4. Classification of multiple organisational identities
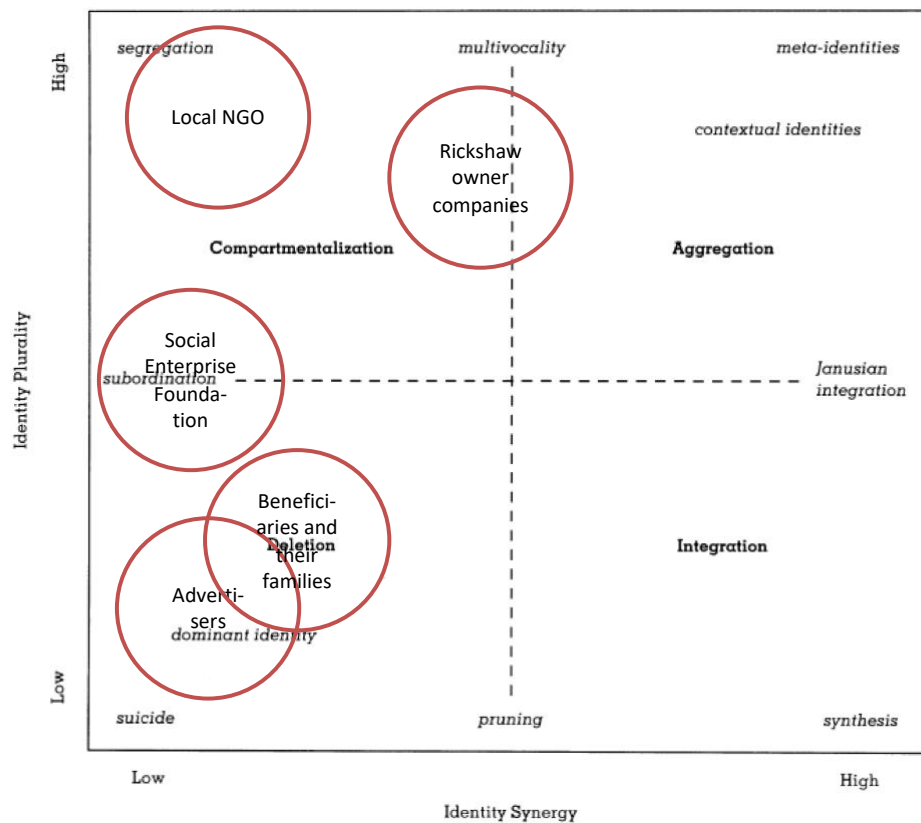
Figure 11
Placement of SocialAdvertiser's primary stakeholders in Pratt and Foreman's Classification Scheme for Multiple
Organisational Identities

4.5 Analysis and discussion

This paper contributes to the growing body of work that explores dual logic management in the social entrepreneurship research domain. It does so by applying the theory of multiple organisational identity, as developed by Pratt and Foreman (2000), to four social enterprise cases in Bangladesh. By applying Pratt and Foreman's classification scheme (see Figure 2), this paper explores the proposition that social enterprises do not necessarily adapt a singular response approach within stakeholder interactions. Instead, they adapt multiple and/or different approaches in their interactions with different stakeholders. To this end, each of the social enterprise case studies has been analysed to identify the response types they adapt within their interactions with key stakeholders. Having presented the results of each case in the

previous section of this paper, further cross comparison of case results is required to unearth similarities and differences in the behaviour patterns of the four social enterprises. As such this section will address the fourth and final research question posed in Table 1 namely:

> *4. What can we learn from multiple organisational identity management with regard to dual logic management for social enterprises?*

To provide answers to question four, data analysis builds on the case-specific results presented in section 4.4. by cross comparing the data from the four cases. This process has led to the identification of similarities and differences in the behavioural patterns of the four social enterprises. In the section below, the major findings of cross comparison are summarised. Firstly, a summative overview of the key stakeholders identified during interviews is provided in Table 3. These key stakeholders were identified by the social entrepreneurs of the four cases as being particularly important in improving the social enterprises ability to engage in social value creation or commercial value creation activities.

Stakeholder clusters	Fair Product	Empower Enterprise	HandiCrafter	Social Advertiser
The NGO stakeholder	Local NGO	Local NGO	Governing board (NGO)	Local NGO
The Beneficiary stakeholder	Local rural communities (beneficiaries)	Beneficiary	Beneficiaries	Beneficiaries and their families
The supplier stakeholder	Local material suppliers	Suppliers	Local Suppliers	Rickshaw Owner companies
The buyer stakeholder	UK Buyers	International Buyers Local Buyers	International Buyers	Advertisers
The external governance stakeholder	Customs zone office	Church	Local Community	Social Enterprise Foundation
(Additional)	Chinese competitors		Exporters	

Table 3 A summative table of the key stakeholders listed in each case

Most striking about the stakeholders identified across the four cases is that there are clear correlations between the types of stakeholders identified as 'significant' by social entrepreneurs. These correlations have been listed under the column 'Stakeholder clusters' in Table 3. In each case, the social entrepreneur identified a NGO, a beneficiary, a supplier, a buyer and an external governance stakeholder as an important player that affected their ability to engage in social value creation or commercial value creation activities. The row 'Additional' refers to stakeholders that were listed as significant but could not be categorised in a significant cluster. What may be deduced from this clustering process is firstly, that each social enterprise shares a special relationship with an NGO. This is evident across all cases. Typically, the interactions within this relationship are related to social value creation activities and the external governance of social enterprises. Analysis highlights that NGOs play an important role in supporting social enterprises in the delivery of their social impact related activities. Secondly, the beneficiary is identified as a key stakeholder in each of the four cases. The beneficiary is a 'targeted segment of the population' (Austin et al., 2006) to which a social enterprise aspires to provide social benefits (Miller et al., 2012). The fact that social entrepreneurs from all four cases have identified the beneficiary as a key stakeholder is not surprising, and in line with theoretical discourse positions the social mission, i.e. the impact on the beneficiary, as the cornerstone for the social entrepreneurship process (Di Domenico, Haugh and Tracey, 2010; Dees, 1998; Peredo and McLean, 2006; Zahra et al., 2009). Thirdly, cross comparison highlights that, from within the supply chain, the supplier and the buyer are both critical stakeholders in each of the four cases. This relationship reiterates the importance of the commercial players within the value chain of the social entrepreneurship process. Finally, an external

player that is involved in the governance of the social enterprise case is a key stakeholder in each of the four cases. This reiterates the collaborative nature of the social entrepreneurship process (Di Domenico, Haugh and Tracey, 2010) and the dependency of social enterprises on external parties to improve their legitimacy (Sud, VanSandt and Baugous, 2009).
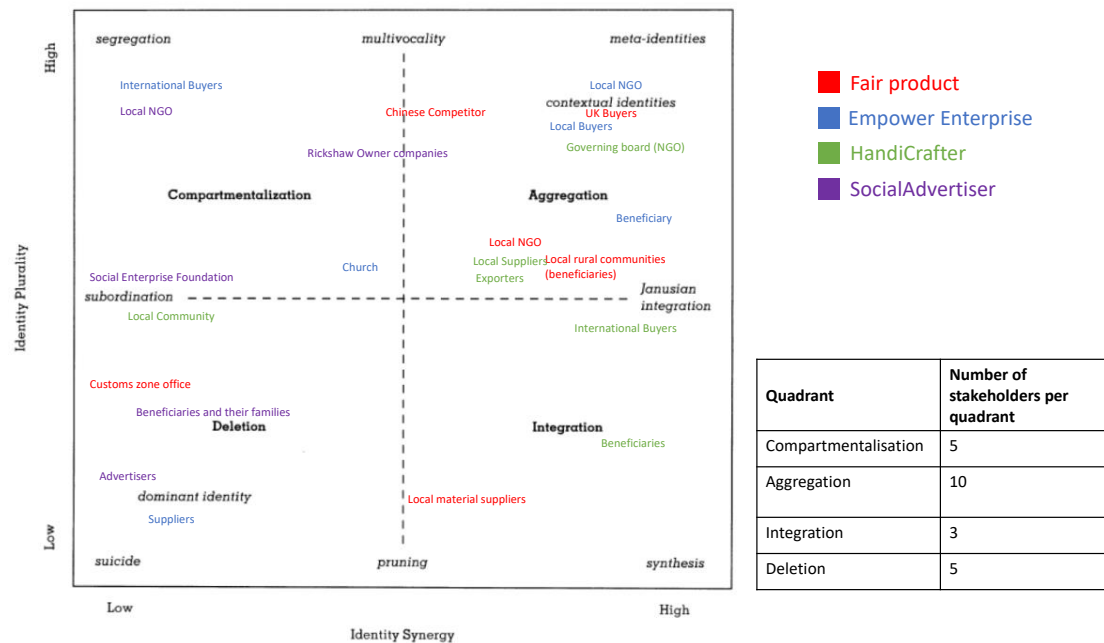
Figure 12 Layered mapping of all stakeholders from the four cases onto Pratt and Foreman's classification scheme

To further summarise the results and to develop an overview of the identity types across cases, the stakeholder classification schemes (Pratt and Foreman, 2000) from each case where layered on top of each other to identify correlations across cases (see Figure 12). This process allowed for the identification of similarities between stakeholder identity responses across cases. Overall, the majority of stakeholder interactions are higher in synergy (13 out of 23 stakeholders) and higher in plurality (15 out of 23 stakeholders). Furthermore, the aggregation response type is most frequent across stakeholder interactions (10 out of 23 stakeholders) while the integration response type is lowest (3 out of 23 stakeholders). This suggests that many of the interactions with stakeholders maintain a high importance on blending the social and the commercial identities. When comparing the layered results of the four cases, it

is notable that the placement of stakeholders in the case of SocialAdvertiser is strikingly different from that of the other four cases. In the case of SocialAdvertiser, identity responses toward stakeholders are lower in synergy than in the remaining three cases. This suggests that, in the case of SocialAdvertiser, the social and the commercial identities of the social enterprise are not integrated during stakeholder interactions and that one identity are utilised in isolation of the other during interactions. This suggests that, from the from cases, SocialAdvertiser in particular adopts strategies built on the notion of tensions between, rather than blending of, values. The remaining three cases, as can be seen in Figure 12 tend to have higher levels of synergy as well as higher levels of plurality. This suggests that these three cases aim to achieve more connectivity and blending between the social and the commercial identities.

Next, to further understand the various layers between cases, each stakeholder was colour coded according to the stakeholder clusters listed in Table 3. This mapping of the different clusters onto Pratt and Foreman's classification map is presented in Figure 13 below. This coding process using thematic clusters highlights that interactions with partnering NGOs are typically high in plurality and synergy. This suggests that NGOs value both the social and the commercial identities and actions of the social enterprise. In the case of the interactions between social enterprises and their beneficiaries responses are typically high in synergy but lower in plurality. This suggests that beneficiaries are typically less concerned with one of the identities and hence, social enterprises attempt to blend the social value and the commercial value logics into one to present a whole new (Pratt and Foreman, 2000) identity to their beneficiaries. In the case of interactions with suppliers, synergy is typically high, and plurality is low, again suggesting that suppliers are more concerned with one of the two identities over the other. Case reflection suggests that suppliers are typically more

concerned with the commercial identities as they are typically more concerned with the commercial value that social enterprises can create for them. In the case of buyer stakeholders, interaction responses are mixed with at least one buyer relationship in each quadrant. This suggests that buyer relationships vary and that the identities upon which buyers place value differs from case to case and from buyer to buyer. Finally, interactions with stakeholder that play a role in the governance of the social enterprises are typically low in synergy and low in plurality. This suggests that they often strongly favour one identity over the other.
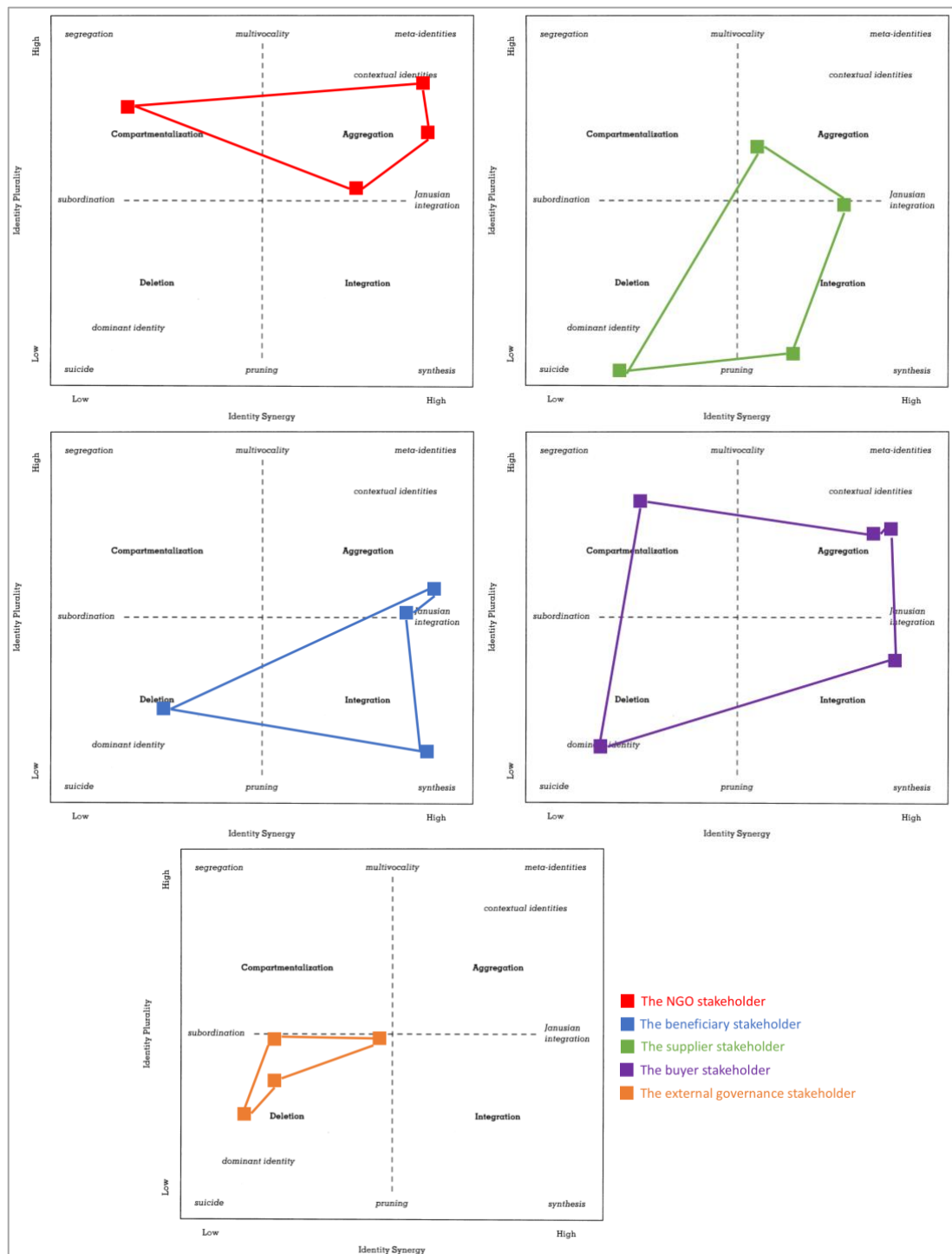
Figure 13 Mapping of stakeholder clusters from Table 2 on to Pratt and Foreman's classification scheme

The next step in the analysis process is to identify the key emergent strategies and consideration within stakeholder interactions that help to answer research question 4. To this end, analysis findings have been clustered under 9 Topics to give more structure to the presentation of findings (Dey, 1993). In line with the work of Strauss and Corbin (1998) regarding data codification, each topic is described using terminology that has emerged from relevant existing theory and terms that have emerged from the data sample. First, each topic is titled in italics. This is followed by a description of the topic, supported with evidence from the cases. In total, ten topics have been identified as described below.

Topic 1. The relationship between performance, strategies and identities.

"It is unclear however, whether the social and commercial activities of SEs are mutually reinforcing or are in competition with each other for organisational resources." (Moizer & Tracey, 2010)

During the research process two things became apparent regarding identity management. Firstly, it became clear that *identity* impacts the *performance* as well as the *strategy* of social enterprises. To transfer this finding to the BVC discourse, it would be appropriate to suggest that an explicit distinction should be made between strategies, performance and identities to understand the blending of multiple identities and how these three constructs co-exist and affect each other.

Secondly, considering that theoretical discourse often focusses on the tension between the commercial and the social logic, one would hypothesise that the social value logic and the commercial value logic ideally function separate of each other. In such an instance the social performance and identity are largely governed by the social strategy, and the commercial performance and identity are largely governed by the commercial strategy (see depiction in Figure 14 below).
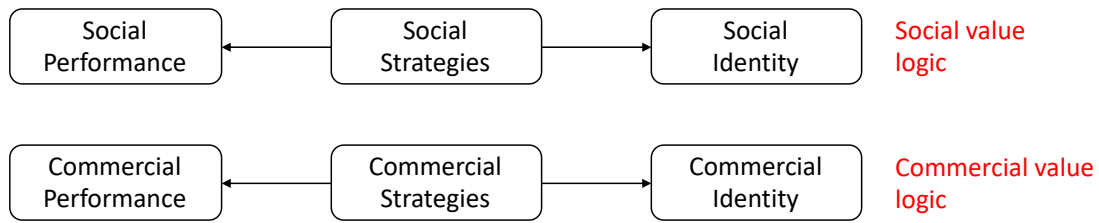
Figure 14 Dual logics in as separate linear processes. Suitable if one adopts the mindset of tensions between values

However, the findings from data analysis suggest that this relationship also works in reverse and across logics. This means that, identity also influences strategy and performance. It also means that, the social logic and the commercial logic can affect each other (see depiction in Figure 15).
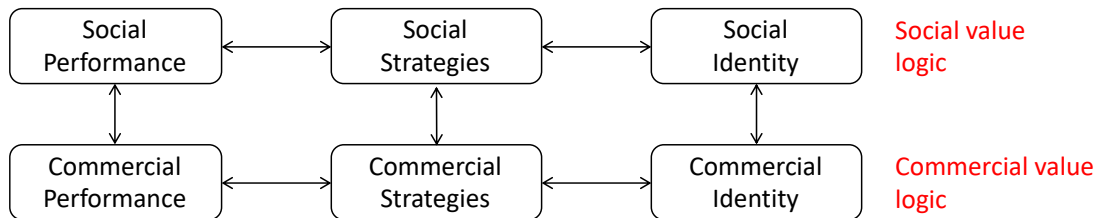
Figure 15 Dual logics as a non-linear process. Suitable if one adopted the mindset of blending value

An example of this is found in the interaction between the church and EmpowerEnterprise. In this interaction, the church was able to relate to the social identity of the social enterprise and, in turn, provide commercial values such as financial support and expanded networks to potential buyers. Furthermore, it was noted, that in three of the cases engaged in fair-trade certification, which is related to the social performance goals, certifications would positively impact their commercial goals with buyers. In the example of EmpowerEnterprise, it was found that the social identity aided the acquiring of buyers and in the case of SocialAdvertiser, the social identity interactions with the partnering NGO helped to convince beneficiaries of the commercial logics. As such, multiple examples were identified to suggest a high level of interplay between the social and the commercial value logic.

Topic 2. Social identity is used to kickstart the commercial value logic

Data analysis suggests that the social identity is a useful response to enter into relationships with stakeholders that are more concerned with the commercial value logic. In multiple cases, stakeholder interactions were identified where stakeholders first accepted the social identity and only then the commercial identity. As such the social identity seems, at times, to be a precursor for relationships to be formed with key stakeholders. This is often the case where a stakeholder wants to conduct business with a social enterprise that uphold a certain standard of social impact. Only once this has been confirmed will they decide to interact with the commercial value logic of the respective social enterprise. An example of this is the desire of two cases to acquire fair trade certification to prove to their buyers that they have a strong social identity.

Topic 3. Focus on social identity reduces mission drift

In some cases, it was found that the need to enforce the social identity within interactions may actually positively impact efforts to reduce the potential for mission drift to occur. This supports existing research efforts regarding the need for social enterprises to maintain a strong focus on their social mission (Alter 2007; Bornstein & Davis, 2010). In the case of SocialAdvertiser for example, it was found that their response types toward the foundation required them to legitimise and prove their social impact activities. This, in turn, helped them to internalise and embed the very same social principles into their own organisations to positively impact strategy building and performance. The same was found in the case of HandiCrafter. In this case the social enterprise had to legitimise itself to an external governing board. In the case of FairProduct, it was found that typically, the commercial identity took precedence over the social identity. Interview results highlight clear implications for multiple identity management in such response types. As such, it can be deduced that an excessive focus

on the commercial identity within any stakeholder interaction can increase the potential for mission drift. This was observed particularly in the case of FairProduct. Interview findings suggest that the strong commercial identity that FairProduct maintains with its stakeholders, may have a negative impact on the social value logic of the social enterprise overtime. In the case of FairProduct, the social enterprise clearly distanced itself increasingly from impact related activities over time. Further research is needed to validate this assumption, but there is nonetheless a striking correlation between an over-emphasis on the commercial identity and the occurrence of mission drift. In other words, the more emphasis the social enterprise places on its commercial identity first, the more likely it was to adopt a monopolistic commercial logic. It is therefore suggested that social enterprises may reflect such responses onto themselves, which in turn affects their own strategies and performance. Furthermore, FairProduct displayed symptoms of struggling with mission drift as it focussed strongly in its commercial value logic. As such, case results suggest that, at times, low plurality situations where the social identity is prevalent, may be conducive to ensuring that social enterprises do not lose sight of their social mission as they are forced to consider it and adopt it within management responses within specific stakeholder interactions.

Topic 4. It is not clear if commercially-oriented stakeholder value the social identity

It was found that various stakeholders who, on the outset, were considered to be commercially-oriented stakeholders, responded positively to the social identity of the social enterprise during interactions. An example of this can be found in the case of EmpowerEnterprise, where the social identity was actually able to have a positive effect on the commercial performance during interactions with buyers. In other interactions, it was found that commercial logics were taken for granted over time and that this provided scope for the social identity to thrive. The case of Handicrafter, for example,

highlighted that in some stakeholder interactions synergy is low because either the social or the commercial logic is taken for granted. Similarly, HandiCrafter expressed that because of their high level of 'commercial integrity', the commercial identity may be taken for granted.

Topic 5. Timespan of interactions affect management responses

The interactions with suppliers have been found to be strongly commercial by nature and hence dependent on commercial identity response in most cases. Factors including timely payments, timely delivery of goods and clear agreements are prevalent constructs within these interactions. As such, the commercial identity tends to dominate these relationships. In the case of Handicrafter, however, this was different. It is speculated that with the passage of time and in cases where suppliers remain the same, the commercial identity may be taken for granted as an expected construct. This creates scope for the social enterprise to emphasise its social identity within interactions to further accrue resources (perhaps at a discount as in the case of EmpowerEnterprise) and to expand the reach of its awareness. As such, case results suggest that the passage of time plays a primary role in identity shaping and may in fact change levels of plurality and/or synergy. It was also found that certain case interaction, such as Social Advertiser's interaction with advertisers and HandiCrafter's interaction with the local community, highlight that historic and long-standing relationships are critical elements in allowing for increased synergy between identities. Time, therefore, may be considered a unique construct that allows for increased synthesis between identities over time.

Topic 6. The role of the social identity in accruing resources

The overarching emphasis on a social objective rather than a profit driven objective (Dees, 1998), often puts social enterprises in a position where they are confronted with limited resources (Peredo & Chrisman, 2006). Data analysis suggests that there may be a correlation between the social identity and the accrual of additional or discounted resources from commercial suppliers and or buyers. This was identified in the case of HandiCrafter and EmpowerEnterprise in particular. In the case of EmpowerEnterprise, it was additionally noted that the interaction between the buyer and the social enterprise changed overtime. This is the most unique finding of the case. Namely, once the buyer has built trust with the social enterprise, the relationship moves from interactions revolving around the social identity to interactions revolving around the commercial identity. It is suggested that the social enterprise is able to evoke legitimacy and build trust at the start of the relationship by focussing on the social objective. Once this has been achieved, the commercial value logic becomes the driving force for maintaining this trust. There is thus a point at which identity orientation switches within some stakeholder interactions. Furthermore, it was found that EmpowerEnterprise is able to utilise its social identity to improve its commercial performance. Not only does the social identity enable EmpowerEnterprise to sell its products through local stores, but they are also offered discounts to do so. This shows a high level of complementarity between the two opposing identities and the two-opposing performances. In effect, social identity increases the commercial performance and the commercial identity allows the social identity to remain intact. One may speak of a high level of professionalism in its commercial identity as a prerequisite for the social identity to be fully accepted in this interaction.

Topic 7. Dual identities allow for a range of response types to suit various environments.

Case analysis has highlighted that the social enterprises included in the data sample clearly utilise their dual value logic to strategically position themselves more effectively when engaging with different stakeholders. What is most interesting, however, is that in some cases the use of an identity as a strategic management response has been a conscious and calculated approach, whilst in other cases it seems to have evolved along the relationship's lifecycle. Albert and Whetten (1985) suggest that organisations that embrace "dual" identities may be able to accrue certain advantages which "mono" identities cannot. Specifically, they suggest that dual identities are advantageous when organisations are confronted with a complex environment to which they must adapt. Data analysis further confirm these suggestions. In the case of SocialAdvertiser, it was found that dual identities allowed them to interact with stakeholders that had very little interest in their social identity, such as the advertisers and vendors, whilst simultaneously being able to utilise their social identity more proactively in their interactions with the local NGO. In the case of FairProduct, similar interactions were observed where the social enterprise consciously reduced the social identity responses in its interactions with the CZO whilst utilising this identity to enter a monopolised market.

Topic 8. Identities can impact performance within both the commercial and social logics

The visuals presented in Figure 14 highlight a key finding in data analysis with regard to increases and decreases in social and commercial performance. That is, would social enterprises be able to improve their social and/or commercial performance indirectly by increasing either its social identity or its commercial identity, or both? Data analysis highlights that the answer to this question may be stakeholder-specific. Evidence for this may be found when considering the different types of social enterprise model that

each case has adopted. For example, in each of the cases the employment model has been applied to some degree within their business model (see chapter 3 of this thesis for definitions of social enterprise models). This means that in every case, the beneficiary was fully or partially employed or directly engaged with the commercial activities of the social enterprise. The employment model was fully incorporated by three cases and only partially incorporated in one of the cases, namely SocialAdvertiser. Analysis of respective response types between social enterprises and their beneficiary highlight that in each case there was high plurality and high synergy within interactions. This response was different only in the case of SocialAdvertiser, which is the only case which did not fully adopt the employment model fully. This suggests that the dual logics are most prevalent in identity response types in social enterprise cases that employ their beneficiaries. Further research is however needed to valid this claim.

Topic 9. Stakeholder-to-stakeholder interaction may also shape management responses

The case of Fairproduct provides interesting points of reflection regarding the interconnectedness of stakeholders. Further research is needed to decipher the influence regarding such relationships on the stakeholder management strategies adopted by social enterprises. In the case of FairProduct, various stakeholder groups explicitly and implicitly influenced 1) the other interactions of the social enterprise and 2) the legitimacy of the social enterprise toward other stakeholders. This was apparent from the fact that the CZO, the local NGO and the local community overlap in their interactions as each stakeholder contains individuals from the other. The social enterprise must therefore act in such a way so that any interaction between these three stakeholders will not cause a conflict with regard to their individual perspective of the social enterprise's identity. See depiction of this below in Figure 16.
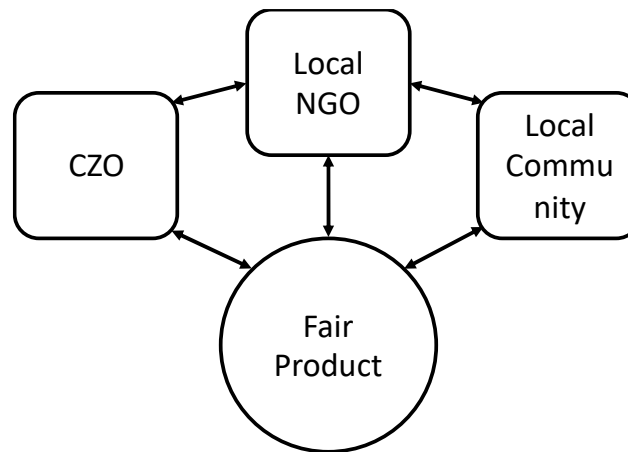
Figure 16 Depiction of how stakeholders may influence each other

Topic 10. The social entrepreneur's own identity may be influential in shaping responses

Another important consideration identified during data analysis is the identity of the social entrepreneur him/herself. Although this was not the primary goal of research, it is advised that further research is conducted to explore the role of the social entrepreneur's identity in developing appropriate management responses toward different types of social enterprises. It is notable that social entrepreneurs from each case came from different professional backgrounds and networks, and that these backgrounds did in some cases strengthen their commercial and/or social identities, whilst in other cases it did not. In the case of SocialAdvertiser for example, it was noticed that the social entrepreneur's commercial background, and hence commercial identity, has allowed him to create relationships with for-profit suppliers and buyers with relative ease. As a by-product however, it also seems that it was more difficult to adopt a social identity over time in such interactions. In the case of EmpowerEnterprise however, the social entrepreneur did not come from a commercial background. It was found that as a result, the commercial identity was less prevalent within the social entrepreneur's interactions. This in turn reflected onto the organisational culture and product branding as well.

4.6 Conclusion, limitations & future research

Within the domain of social entrepreneurship research, numerous efforts have been dedicated to unravelling the challenge of fuelling a social mission within a fundamentally commercial model. This paper has examined the relationship dynamics between social enterprises and their stakeholders to unearth findings which may influence the growing body of work dedicated to understanding blended value creation within social entrepreneurship theory. To this end, this paper is based on the premonition that values, and therefore identities, can be largely split into social values and commercial values.

"Who am I?" is the question that sparked the development of this paper and a consequent exploration into the identity response types of social enterprises. To answer this question, this paper has expanded on the concept of dual logic management and works on the premonition that the very existence of dual logics; namely a social and a commercial logic, demands that social enterprises adopt differentiated legitimisation strategies that will inevitably shape its identity response types. To explore the concept of identities in social enterprises, this paper found a clear correlation between dual logic theory in the social entrepreneurship domain and multiple organisational identity theory as posited by Pratt and Foreman (2000). As such, Pratt and Foreman's classification of managerial responses to multiple organisational identities has been applied to four case examples of social enterprises. In case analysis, a qualitative, explorative approach has been adopted to answer 5 questions.

1. *Who are the key stakeholders of the organisation?*
2. *How do organisations interact with key stakeholder and vice versa?*
3. *What identities do organisations adopt when interacting with stakeholders?*
4. *What can we learn from multiple organisational identity management with regard to dual logic management for social enterprises?*

Respectively, questions 1, 2 and 3 have been tackled in the Results section of this paper, and question 4 has been tackled in the Analysis and discussion section.

This paper has highlighted the importance of identity in organisational management within the social entrepreneurship research domain. Furthermore, it has highlighted that the study of multiple organisational theory may support efforts to better understand dual value logic management. This is a valuable exercise as, till date, the study of dual logics within the social entrepreneurship domain has remained largely conceptual (Stevens, Moray, and Bruneel, 2015). Moss et al., (2011) have pointed to organisational identity as a vital contributor to the ability for social enterprises to establish long-term strategies. The findings presented in this paper support Moss et al. (2011) and suggest that multiple organisational identity theory may shed further light on our understanding of dual logic management.

Below a few key areas of future research and research limitations are described. Firstly, the nine topics identified during data analysis demand further scrutiny to assess their validity. This is a critical step to expand our understanding of the role of organisational identity responses in social enterprise dual logic management responses.

Data findings from the Analysis and discussion section highlights that management responses may be similar in social enterprises that adopt the same social enterprise typology model (Alter's (2007) classifications as presented in Chapter 3 of this thesis). Research has, for example, highlighted that the employment model tends to create high levels of synergy and plurality within interactions with beneficiaries. It would be interesting to test if this holds true to a larger data sample. If so, it may be possible to develop clear strategic approaches for different stakeholder types.

Case data presented is done so purely from the perspective of the social entrepreneur. As such, the interaction with stakeholders has only been explored from one perspective of the relationship. This has been a significant limitation of research as the majority of the findings, as such, remain speculative and only represent the social entrepreneur's perception of the interaction. To address this, it would be valuable to explore the perception of identity from the stakeholder's perspective as well.

Data analysis has highlighted the fact that the social identity is not only seen as irrelevant but even potential damaging in some stakeholder interactions. This finding has been observed in the case of FairProduct's interactions with CZO and in SocialAdvertiser's interactions with advertisers and vendors. As such, further research into the effective use of social identity responses in interactions with commercial stakeholders is needed.

In management responses, supplier relations have been found to lean heavily toward the commercial identity. Although this may seem logical, it may be argued that social enterprises, especially those that aim to create awareness and advocate system change, should engage suppliers in their social mandate as well. However, this line of thinking would suggest that in the ideal case, perfect synergy and prefer plurality should be the goal in each stakeholder relationship. Whether or not this is indeed true demands further research.

Future research is needed to identify to what extent interaction between stakeholders themselves may influence identity response types. This is highlighted in the case of FairProduct's engagement with multiple stakeholders that function within the same environment. It would be interesting to see how such stakeholders affect the social enterprise's management responses.

In conclusion, Pratt and Foreman (2000) suggest that "organisations that define themselves in multiple ways may be more appealing to external stakeholders, who have multiple needs and interests." Research conducted for this paper aligns strongly with this suggestion. That being said, more work is required to validate these findings. The data sample is too limited to speak of coherency and uniform patterns – as such, it simply serves as an indication for future research. The plotting of stakeholders onto Pratt and Foreman's classification scheme has relied heavily on qualitative data. As such, it is primarily illustrative by nature and requires further detail and quantitative research before stakeholders can be mapped with more accuracy. As stated by Saunders and Lewis (2012) qualitative data "cannot be collected in a standardised way, like that of quantitative data. As such a natural next step in research would be to test the 9 topics of this paper, and apply Pratt and Foreman's framework, to a much larger data sample.

4.7 References Chapter 4

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Chapter 5. Cultivating organisational legitimacy through NGO interactions: The case of four Bangladeshi social enterprises

Abstract

Purpose: This paper examines the interactions between social enterprises and partnering NGOs through the lens of organisational legitimacy theory. The purpose of this exercise is to further investigate how social enterprises, who adhere to a dual logic, may perform optimally within their respective environments. By studying the manner in which social enterprises garner legitimacy through partnering NGOs, this paper aspires to contribute to efforts made to develop strategic approaches and considerations for social enterprise management.

Methodology: This paper examines four cases of interaction between social enterprises and partnering NGOs. To do so, it applies the works of Suchman (1995), Cashore (2002) and Brinkerhoff (2005) regarding organisational legitimacy to analyse and synthesise case data.

Findings/Contribution: Research conducted in this paper identifies that the relationship between social enterprises and partner NGOs presents a range of potential benefit in efforts to garner increased organisational legitimacy. It was found that this interaction particular influences legitimacy from the perspective of the beneficiaries and the larger community. It was found that NGOs may be suitable channels for dealing with the resources limitations that social enterprises struggle

Keywords: *Social entrepreneurship, organisational legitimacy, stakeholder management, non-profit theory, non-governmental-organisations*

Table of Contents – Chapter 5

A brief word of explanation

This paper is the product of field research conducted in Bangladesh in 2014. It explores the interaction between social enterprises and NGOs from an organisational legitimacy perspective.

Field research has adopted a grounded theory approach to explore stakeholder interactions of four social enterprises located in Bangladesh. Chapter 3 of this thesis provides an overview of the research process and a description of the four cases. It is recommended that chapter 3 is read before and/or alongside this paper.

This paper is one of two products of field research. The first output of field research is the paper presented in chapter 4. This paper explores the dual logic management of social enterprises from a stakeholder interaction perspective.

5.1 Setting the scene

"A great challenge for social enterprises is dealing with the conflicts resulting from the diverse expectations of stakeholder".

(Yang and Wu, 2016)

In their work regarding organisational legitimacy, Yang and Wu remind us of the difficulties that social enterprises face in managing multiple stakeholder expectations whilst adhering to dual logics. To build legitimacy, organisations aspire to align with the expectations of stakeholders (Brinkerhoff, 2005). Organisational legitimacy theory suggests that such alignment is necessary to garner support and accrue resources (DiMaggio & Powell, 1983). In the case of social enterprises; a business model that is known for being challenged with resource limitation, it is not a novelty to suggest that legitimacy theory is worth exploring. Considering the notion that social enterprises must manage complex stakeholder interactions because they are plagued by institutional pluralism (Kraatz and Black, 2008) and institutional complexity (Greenwood et al., 2011), one is quick to echo the question raised by Weidner and colleagues in their exploration of social enterprise legitimacy actions;

"How do organizations such as social enterprises eventually acquire legitimacy, given the variety of stakeholder groups that are supposed to attribute legitimacy to them? (Weider et al., 2016)

Various scholars have already explored organisational legitimacy within the social entrepreneurship process (see for example Pache and Santos, 2013; Smith et al., 2013; Weider et al., 2016; Nicolopoulou et al., 2015). Preliminary research suggests that it is safe to suggest that the exploration of legitimacy is a significant and growing field of research in efforts to better understand how social enterprises may manage dual logics; adhering to a social mission through commercial practices.

In efforts to further existing research efforts in to this matter, there is scope for more applied, explorative research into the matter. During qualitative field research conducted in Bangladesh in 2014, various topics and findings came to light regarding the legitimacy practices of social enterprises. In chapter 3 of this thesis, stakeholder relationships were examined and synthesised within the context of organisational identity theory. During this process, one of the stakeholder interactions observed, was that between the social enterprise and partner Non-Governmental-Organisations (NGO). The first observation regarding the stakeholder relationship between the social enterprise and partner NGO, was that each of the four social enterprises observed has a relationship with an NGO in some manner or form. The second observation was that social enterprises were found to rely heavily on local NGOs in some aspect of their activities. In some cases, NGOs helped them to stay focussed on their social mission, while in other cases, the NGO allowed them access to other stakeholders who would otherwise not trust the social enterprise so easily. In some cases, the social enterprise carried out a large part of the social enterprises social impact activities. These patterns and findings have stood out rather strongly on the basis of the data analysis of cases interviews and were found to be particular to the stakeholder relationship between the social enterprise and the partner NGO. This has led to the questions: What can we learn from this particular interaction? Is the interaction between a social enterprise and a partner NGO unique? What does this relationship teach us about blended value creation strategies?

As a result of these preliminary findings observed during field research, the rationale for this paper was formulated; to contribute to the growing body of work regarding organisational legitimacy theory within the social entrepreneurship research domain by focusing specifically on the interactions between the four social enterprises

and NGOs. To do so, this paper will first present the key concept that defines the research framework for this paper; namely, organisational legitimacy theory. Secondly, the research methodology is presented. The research methodology adopted aims to test how the interactions between social enterprises and partner NGO's can be understood from an organisational legitimacy perspective. Testing relies primarily on the work of Suchman (1995) regarding legitimacy theory by applying his dissection of legitimacy to four social enterprise cases. Finally, the results for each case are analysed, cross-compared, presented and discussed.

Most notably, research conducted in this paper identifies that the relationship between social enterprises and partner NGOs presents a range of potential benefit in efforts to garner increased organisational legitimacy. It was found that this interaction particular influences legitimacy from the perspective of the beneficiaries and the larger community. It was found that NGOs may be suitable channels for dealing with the resources limitations that social enterprises struggle.

5.2 Exploring the key concepts

5.2.1 Organisational legitimacy theory in social entrepreneurship

Traditional institutional theory suggests that organisations are deemed legitimate if they adhere to the institutional regulations that govern their institutional environment (Deephouse, 1996). *Adherence* in such situations refers to understanding, accepting and upholding the norms, values, beliefs and definitions that are deemed acceptable (Suchman, 1995). In this regard, "legitimacy and institutionalisation are virtually synonymous" (Suchman, 1995).

To define organisational legitimacy, one may turn to the work of Suchman (1995), who summarises organisational legitimacy to refer to *"a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions"* (Suchman, 1995). In the context of this paper, and in a social enterprise's aim to satisfy stakeholders and accrue resources (Brinkerhoff, 2005), legitimacy may be defined as a *"consequence of a social judgement by different stakeholders"* (Rueede and Kreutzer, 2015). In other words, legitimacy in this case is viewed as the response of the organizational identity (Pratt and Foreman, 2000) that the social enterprise displays during interactions.

Similar to any organisational model, social enterprises are dependent on a continuous "flow of resources from their environment" (Weidner et al., 2016). From an institutional perspective, social enterprises must therefore be accepted by the stakeholders in their respective environment to accrue these resources (Brinkerhoff, 2005). DiMaggio and Powell, (1983) highlight that the *structures, activities* and *strategies* of social enterprises must be legitimised respectively. Kraatz and Block (2008), highlight that organisations that adhere to multiple logics, such as the social

enterprise, are confronted with institutional pluralism. Battilana and Dorado (2010) suggest that this can lead to complex, and at times, conflicting, institutional logics.

{if time, include a para about 'sources of legitimacy' see Brinkerhoff paper)

To adopt organisational legitimacy theory to the social enterprise case, six constructs have been formulated. These six constructs have been formulated using the existing organisational legitimacy theory. It is suggested that these six constructs may be used as building blocks in efforts to explore organisational legitimacy theory with the social entrepreneurship context.

1. Organisational legitimacy is concerned with understanding the relationship between the norms, values, beliefs and definitions (Suchman, 1995) that are accepted, understood and upheld between the social enterprise and its stakeholders. As such, research aims to answer the question: *What institutional norms, values, beliefs and definitions do social enterprise – NGO interactions effect?*

2. The degree of organisational legitimacy attained may depend upon the degree to which a social enterprise is able to institutionalise and support the configuration of those norms and values which may induce changed activity and behavioural patterns (Brinkerhoff, 1986) that may improve legitimacy between stakeholder and social enterprise. As such, research aims to answer the question: *Do social enterprise – NGO interactions support the configuration of institutional norms and values?*

3. To contextualise organisational legitimacy, one must explore how the mission, actions, structure and performance of a social enterprise aim to adhere to societal or stakeholder expectations and hence create trust, reliability and reputation (Deephouse & Carter, 2005). As such, research aims to answer the

question: *How do social enterprise – NGO interactions affect mission, action, structure and performance formulation within the social enterprise to create trust, reliability and reputation?*

4. In adhering to the values, norms and beliefs of society (Suchman, 1995), social enterprises may aim to fulfil expectations using either <u>explicit and formal actions</u> (e.g. meeting legal, fair trade and/or accounting standards), or <u>implicit and informal actions</u> (e.g. participating in community development initiatives or adhering to cultural 'good-practice') (Brinkerhoff, 2005). As such, research aims to answer the question: *Do interactions between the social enterprise and the NGO aid in the fulfilment of formal and/or informal actions to adhere to values, norms and beliefs?*

5. Deephouse and Carter (2005) draw a distinction between reputation and legitimacy by characterising <u>reputation as the comparison and standing of one organisation against the other</u>. Legitimacy is considered a sub-part of assessing overall reputation. In the case of social enterprises, their standing relative to other organisations must be examined as well as the manner in which they improve their reputation. As such, research aims to answer the question: *Do interactions between the social enterprise and the NGO aid in increasing their own reputation?*

6. Institutional Isomorphism refers to environmental <u>pressures by external actors leading a social enterprise to adopt structures, procedures, systems and terminology</u> already existent in the same types of organisations (Meyer & Rowan, 1991). Institutional Isomorphism may contribute to an organisation's ability to gain external acceptance and classification. As such, research aims to

answer the question: *Do interactions between the social enterprise and the NGO help social enterprises deal with pressures from external actors?*

5.2.2 Organisational legitimacy as a framework

To answer the questions posed in the previous paragraph, a research framework has been formulated which relies on the defining works of Suchman (1995) regarding the conceptualisation of organisational legitimacy. Furthermore, works of Cashore (2002) and Brinkerhoff (2005) have been adopted, who build on, and further categorise, the work of Suchman (1995) into manageable constructs that are more suitable and appropriate for data analysis.

In his paper entitled *Managing legitimacy: strategic and institutional approaches*, Suchman synthesises literature regarding organisational legitimacy and proposes three primary types of legitimacy, mainly *normative, pragmatic* and *cognitive* legitimacy. In his paper, Suchman (1995) provides a summative visual to highlight the key constructs that encompass each type of legitimacy (see Figure 1). Each of these types of legitimacy will be briefly examined below in the context of the social enterprise model.

FIGURE 1
A Typology of Legitimacy

	Actions	**Essences**	
Episodic **Continual**	Exchange Influence	*Disposition* Interest Character	Pragmatic Legitimacy
Episodic **Continual**	Consequential Procedural	Personal Structural	Moral Legitimacy
Episodic **Continual**	*Comprehensibility* Predictability　　　Plausibility *Taken-for-Grantedness* Inevitability　　　Permanence		Cognitive Legitimacy

Figure 1 A typology of Legitimacy (Suchman, 1995)

Also referred to as *moral* legitimacy in institutional literature (Powell & DiMaggio, 1991), normative legitimacy requires social enterprises to reflect on the question *"what is the right thing to do?"* (Suchman, 1995). As such, normative legitimacy requires social enterprises to adhere to "socially acceptable/desirable norms, standards and values" (Brinkerhoff, 2005). Scott and Meyer (1991) suggest that normative legitimacy has three forms: 1) evaluations of outputs and consequences, 2) evaluations of techniques and procedures, and 3) evaluations of categories and structures. Suchman's (1995) work extends Scott and Meyer's works by proposing a fourth form, namely, 4) evaluations of leaders and representatives. As highlighted by Cashore (2002), normative legitimacy is not generated through short-term incentives but instead, demands time and commitment.

Pragmatic legitimacy is concerned with the intrinsic values that the social enterprise is able to provide stakeholders to fulfil their own self-interests (Brinkerhoff, 2005). As summarised by Suchman (1995), "*pragmatic legitimacy boils down to a sort of 'exchange legitimacy'*". Essentially, pragmatic legitimacy is generated through the production of outputs (such as goods and services, but also other activities such as community events or offering one's network connections), that stakeholders desire enough to, in turn, offer their support (Brinkerhoff, 2005). Cashore (2002) suggests that pragmatic legitimacy is "the easiest to achieve but also the easiest to lose". As such one cannot help but compare pragmatic legitimacy to the concept of bribery as posited by Suchman (1995).

Cognitive legitimacy is concerned with ensuring the acceptance of institutional players regarding the plausibility and suitability of a social enterprise establishing itself within their environment. Suchman refers to cognitive legitimacy as the "mere acceptance of the organization as necessary or inevitable based on some taken-for-

granted cultural account." (Suchman, 1995). Scott (1991) suggest that such legitimacy is generated from the existence of cultural constructs that allow for plausible explanations to support the organization and its activities. To this end, Brinkerhoff (2005) suggest that cognitive legitimacy is generated when an organisation adopts a mission, and carries out activities, that the institutional environment accepts to be "appropriate, proper and desirable".

Having examined organisational legitimacy and the three types of legitimacy posited by Suchman (1995), it is important to develop an understanding of how actions and strategies are formed to increase legitimacy. To inform strategy development in relation to organisational legitimacy, Cashore's (2002) extension of Suchman's work, suggest that *action* and strategies may be categorised into three forms of legitimacy strategy; namely, *conforming* strategies, *informing* strategies and *manipulating* strategies. In this case, *conforming* may refer to strategies that address "principle ideals, rather than instrumental demands" (Suchman, 1995) or "fitting the organisation to socially accepted forms and practices, and are reflected in isomorphic strategies" (Brinkerhoff, 2005). *Informing* strategies related to communicative and interactive actions that appeal to pragmatic, normative, and/or cognitive legitimacy (Brinkerhoff, 2005). Finally, *manipulating* strategies aim to change and influence the existing institutional legitimacy logics by "undertaking an activity that then has important spill over effects to moral ideas" (Cashore, 2002). As such, "manipulative legitimacy strategies aim to manage myths, ceremonies and symbols so as to create new beliefs" (Brinkerhoff, 2005).

In light of the above examination of organisational legitimacy in the context of social enterprise stakeholder interaction, a research framework is proposed for data

analysis. As such, data analysis will examine the interactions and institutional influence of the social enterprise – NGO relationship in two steps.

Firstly, it will examine the *type* of legitimacy and the *actions and strategies* adopted in efforts to align to institutional environments. To complete data analysis, this paper borrows from Brinkerhoff's (2005) synthesis of the types, and actions and strategies as summarised in Table 1 and Table 2 respectively. As such, data from each case will be analysed to see how the social enterprise – NGO interaction informs our understanding of types and strategies for organisational legitimacy.

Type	Definition	Relationship with institution
Normative legitimacy	Organisation reflects acceptable and desirable norms, standards and values.	Organisation meets normative judgments about outputs/results, procedures and technologies, structures, leaders and personnel.
Pragmatic legitimacy	Organisation fulfils needs and interests of its stakeholders and constituents.	Organisation exchanges goods and services that constituents want, and receives support and legitimacy.
Cognitive legitimacy	Organisation pursues goals and activities that fit with broad social understandings of what is appropriate, proper and desirable.	Organisation 'makes sense' and/or is 'taken for granted' according to socially constructed 'realities'.

Table 1 Types of legitimacy as summarised by Brinkerhoff (2005)

Legitimacy strategy	Actions
Conforming - look like other organisations (isomorphism)	OrganiOrganisation adopts structures, procedures, and systems found in organisations of the same type or category that are already perceived as legitimate.
Informing - communicate in 'legitimated vocabularies'	Organisation communicates with stakeholders using terminology associated with socially legitimate goals, activities, and outcomes.
Manipulating - exploit myths and ceremonies	Organisation manages myths (e.g. socially determined sense-making about cause and effect), ceremonies (e.g. socially appropriate procedures and practices), and symbols to create new beliefs and values through manipulation of cognitive legitimacy.

Table 2 Managing organisational legitimacy strategies as summarised by Brinkerhoff (2005)

Secondly, using Cashore's (2002) *Legitimacy and Achievement Strategies* matrix, findings will be categorised and synthesised in an effort to give more meaning to the data. Cashore's (2002) matrix compiles findings regarding legitimacy types and

legitimacy actions and strategies to provide a more comprehensive, structured and informed understanding of legitimacy constructs within a specific interaction. Below a descriptive visual (see Figure 2) is provided of Cashore's (2002) matrix as adopted from his work entitled: *Legitimacy and the Privatization of Environmental Governance: How Non-State Market-Driven (NSMD) Governance Systems Gain Rule-Making Authority*. Whilst Cashore (2002) adapted this framework using Suchman's synthesis of organisational legitimacy theory to analyse governance systems in NGOs, this framework is also found to be suitable to analyse the interactions between social enterprises and NGOs. As Cashore does not label this matrix, this paper has labelled it the *Legitimacy Type vis-à-vis strategy matrix for* the purpose of this research.

Examples of Legitimacy and Achievement Strategies

Achievement Strategies	Types of Legitimacy		
	Pragmatic	Moral	Cognitive
Conforming			
Manipulating			
Informing			

Source: Adapted from Suchman (1995).

Figure 2 Legitimacy Type vis- à -vis strategy matrix as adapted from Cashore (2002)

5.3 Methodology

This paper adopts a qualitative research approach in an effort to exercise flexibility and naturalistic inquiry (Ritchie & Lewis, 2003). It is suggested that qualitative research is 'sometimes used as a prelude to statistical enquiry when the subject matter needs to be more clearly understood or defined before they can be measured' (Ritchie & Lewis, 2003). To this end, we adopt a four-step approach to present our research findings, which has been suggested as a comprehensive qualitative research framework by Ritchie and Lewis (2003). This four-step framework is well suited to the research objectives as they allow us to present each construct comprehensively during field research and additionally aims to generate new, or contribute to existing, theories. These four steps are:

1. Contextualise - describing the form or nature of what exists

2. Explain - examining the reasons for, or associations between, what exists

3. Evaluate - appraising the effectiveness of what exists

4. Generate - aiding the development of theories, strategies or actions.

(Ritchie & Lewis, 2003)

The research approach adopts the outlook that social enterprise activities are largely impacted by environmental influences (Hackett, 2010) and that the highly contextual nature of social enterprises influences decision-making and practices. In this respect, the research approach adopted is based on the notion that the learning culture of social enterprises is also externalised, and that external knowledge and relationship building is a key contributory factor to strategic decision-making and resource acquisition (Kong, 2010).

Field research has adopted a case study approach and seeks to 'explain some present circumstance' (Yin, 2009). These case studies were formulated through in-

depth field research using semi-structured interviews and observation (Saunders, Lewis, 2012). Field research has focused on examining the stakeholder relationships from the social entrepreneur's perspective. As such, the question list used for the interviews contained various questions that were adapted from legitimacy theory (see Appendices for sample of the interview guide used during semi-structured interviews)

For this paper, research implores constructs from organisational legitimacy theory to examine the relationship dynamics between the social enterprise and partnering NGO to essentially shed light on the question: *How and to what extent does the relationship that social enterprises create with partner NGOs contribute to their organisational legitimacy?* The analysis and deduction of qualitative considerations concerning the relationship between the NGO and the social enterprise is the foundation on which this paper is built. In exploring organisational legitimacy in social enterprises, research aims to understand why social enterprises choose certain approaches over others, how these were implemented and to what end (i.e. what are the results (Yin, 2009).

The purpose of this research is to expand existing understanding of organisational legitimacy in the social entrepreneurship research domain. As such, the research aspiration is not to answer the question; *how is organisational legitimacy practiced by one social enterprise?* but rather; '*how is it practices by the many?* In order to generalise our findings with regard to such propositions, we must adopt *replication logic* (Yin, 2009) as this generalisation is not automatic and will not be credible if only one in-depth case study is completed. Hence, we adopt a multiple-case design as outline by Yin (2009).

It is critical that we understand the notion of *external validity (*Kidder & Judd, 1986; Yin, 2009). This notion suggests that by rehashing and understanding the key

constructs which define organisational legitimacy, we will be able to define clear theories to be tested. This step has been conducted in the literature review of this paper, where organisational legitimacy theory has been explored and contextualised for research purposes.

For the qualitative data analysis process, the paper adopts a *self-understanding approach* (Kvale, 1996) to interpretation, by allowing the researcher to formulate, in a succinct manner, what the participants themselves mean and understand. In an effort to avoid superimposing and embellishing interpretation, analytical ideas and results will remain grounded within the data (Ritchie & Lewis, 2003). The focus during data analysis lies in "capturing and interpreting common sense, substantive meanings in the data" (Ritchie & Lewis, 2003) by placing data in a thematic framework to identify key themes, concepts and considerations.

As the in-depth interviews with social entrepreneurs examined more than just the NGO stakeholder, transcripts were carefully broken up to reduce the data to only include conversations directly and indirectly related to the NGO relationship and to move from the descriptive to interpretation (Strauss, 1987). Hitherto, data has been organised and sorted so that it can be easily examined within thematic blocks and to find relevance to the hypotheses. According to Strauss (1987) this process 'fractures the data, freeing the researcher from description and forcing interpretation to higher levels of abstraction'. That being said, due to the conceptual nature and grounded theory approach of this research and as recommended by Ritchie and Lewis (2003), excessive fragmentation of the data is avoided as this can remove implicit linkages and reduce the overall narrative, thus weakening the analysis. Consequently, the sorting of data can predominantly be placed into two stages.

- Stage 1 – All data, both directly or indirectly, related to the social enterprise's relationship with the NGO has been collected and set apart from the rest of the

discussions with social entrepreneurs. This has been done so, with the intent of reducing the data content and to bring structure and broad categorisation to the data.[10]

- Stage 2 – Through a process of indexing and thematic charting, data is categorised according to the research framework adapted from Cashore 2002. This allows for improved analysis and extraction of results.

To tag the data (i.e. data labelling) as part of the analysis phase, text within transcriptions was 1) thematically indexed (Richard & Richards, 1994) and 2) marked manually (See Figure 4 for a screenshot of the data labelling process).

1. Thematic Indexing of data – this refers to labelling data to show which hypothesis in each part of the interview discussions showed relevance. As pointed out by Ritchie and Lewis (2003), a sentence may belong and thus be labelled to belong to more than one thematic index.
2. Marking data – this refers to the process of commenting on the data as transcriptions of written and re-read. This is part of the analysis process to create descriptive accounts (see Appendices). As transcriptions were reread over and over, more comments were left that would later shape the analysis and results of the research.

After the data analysis was completed according to the steps above, findings were applied to the frameworks of Brinkerhoff (2005) and Cashore (2002) as presented in the results section.

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[10] Note: In reality little data was removed as it was found that even within interview discussions pertaining to other stakeholders, there was often an implicit relevance to our analysis of the social enterprises relationship with NGOs.

5.4 Results

In this section, the results from data analysis are presented. This is a two-step approach. Firstly, results regarding *types* of legitimacy as observed within the four cases of social enterprises and their respective interactions with NGOs are presented within Brinkerhoff's framework. Secondly, the *legitimacy actions* and *strategies* as observed within the four cases of social enterprises and their respective interactions with NGOs are presented within Brinkerhoff's framework.

Finally, key findings and patterns that have emerged from steps one and two are clustered and framed using Cashore's Legitimacy Type vis-à-vis Strategy Matrix in the Analysis section. In the compilation of Cashore's matrix, emphasis is placed on providing lucid outcomes that allow for a more applied understanding of the interactions between the social enterprise and the NGO and consequent strategy development.

5.4.1 Step 1. Results for types of legitimacy

In this section, data results regarding normative, pragmatic and cognitive legitimacy have been compiled respectively. This data will be used to develop Cashore's matrix in the Analysis section.

5.4.1.1 Normative Legitimacy

Normative legitimacy requires social enterprises to adhere to "socially acceptable/desirable norms, standards and values" (Brinkerhoff, 2005). The question may thus be raised; are social enterprises able to garner normative legitimacy through their interaction with NGOs?

Interview data has highlighted that social impact related organisations such as NGOs and social enterprises are not always trusted within environments. Particularly in the case of HandiCrafter and FairProduct it was apparent that rural communities were

wary of newcomers who 'promised them all types of benefits but were unable to deliver'. In the case of HandiCrafter, the scepticism demonstrated by the rural communities was a direct result of negative experiences they had had with microfinance institutions that, in their opinion, had tried to sell them loans without properly explain the consequences of these loans. It was suggested that employees from microfinance institutions had often pushed loans on to community members in an effort to meet sales targets.

Social enterprises showed a high degree of dependency on NGOs to create trust within the (wider) communities they wanted to impact. It was found that in the case of HandiCrafter their long standing and historical ties with a local NGO, and having board members from this NGO, helped them convince the local community that they were serious about their intended impact. In the case of SocialAdvertiser, similar dynamics were observed as the rickshaw pullers were more willing to join the Welfare program on account of their partnership with the local NGO. Essentially, in the cases of HandiCrafter and SocialAdvertiser, their partnership with local NGOs allowed them to associate themselves with the NGOs norms, standards and values. Not only were HandiCrafter and SocialAdvertiser able to generate normative legitimacy this way, but they were also able to outsource this task to the local NGO, saving themselves time and energy.

In the case of EmpowerEnterprise, the data did not present evidence for normative legitimacy being transferred onto the social enterprise through its ties with a local NGO. It is hypothesised, that being the case with the strongest social identity, EmpowerEnterprise was not in need of more normative legitimacy than it could generate itself. Furthermore, because of EmpowerEnterprise's social mission, which focuses on beneficiaries who faced desperate situations with few alternative support

systems, this may have reduced the need for the social enterprise to prove itself to other institutional players.

It is noted that in all cases normative legitimacy generated through NGO interactions was a part of a formal process. This meant that formal partnerships were formed and that both parties embraced each other as a 'partner' toward other institutional players.

5.4.1.2   Pragmatic Legitimacy

Pragmatic legitimacy is concerned with the intrinsic values that the social enterprise is able to provide stakeholders to fulfil its own self-interests (Brinkerhoff, 2005). The question may thus be raised; are social enterprises able to garner pragmatic legitimacy through their interaction with NGOs? Case data highlights a strong link between the interactions of social enterprise and partner NGO and pragmatic legitimacy.

In three of the cases, social enterprises had employment as their primary form of social impact. It was found that there is a high dependency on NGOs to source workers from impact communities and gain their trust to join them as employees. This was the case in EmpowerEnterprise, SocialAdvertiser and FairProduct. In the case of HandiCrafter, the NGO was of a different nature, mainly that HandiCrafter was established by a reputed and trusted NGO but was now its own entity that no longer worked directly with the NGO. As such, HandiCrafter did not utilise its relationship with the NGO to increase pragmatic legitimacy.

Data results highlight that in the cases of EmpowerEnterprise, SocialAdvertiser and FairProduct, partnering NGOs were used to carry out impact related activities that would, in turn, increase their pragmatic legitimacy. In the case of EmpowerEnterprise, the partnering NGO was able to provide beneficiaries with healthcare, a place to live and life skill trainings such as sex education and hygiene. In the case of

SocialAdvertiser, the partnering NGO was able to provide financial skills trainings and business plan training. Additionally, in the case of SocialAdvertiser, the partnering NGO managed many of the administrative tasks related to impact activities such as opening and co-signing back accounts together with beneficiaries. In the case of FairProduct, the partnering NGO provided language classes and life skills training. Not only has this relationship indirectly increased pragmatic legitimacy but it also provided the respective social enterprises with the necessary resources to be able to create impact. It may be assumed that without the support from NGOs, creating impact would be much more challenging and perhaps not even feasible.

Additionally, data highlight that in the case of EmpowerEnterprise, partnering NGOs were used to provide secondary beneficiaries, namely the children of their beneficiaries, with services such as education and day care facilities. The beneficiaries were aware of the fact that these services were paid for by EmpowerEnterprise. This, in turn, contributed to the social enterprise's pragmatic legitimacy. Similarly, SocialAdvertiser funded impact activities carried out by its partnering NGO which targeted the families (specific a focus on children) of rickshaw pullers. In fact, in their screening process, SocialAdvertiser had instructed the local NGO that they wanted to work specifically with rickshaw pullers that had families. This approach was adopted with the aim of maximising the potential for impact.

One case of negative pragmatic legitimacy was observed in the cases. In the case of SocialAdvertiser it was noted that the unstructured and inefficient practices of the partner NGO in delivering services to beneficiaries negatively affected pragmatic legitimacy. This resulted in some of the rickshaw pullers (the beneficiaries) leaving the welfare program.

5.4.1.3 Cognitive legitimacy

Cognitive legitimacy is concerned with ensuring the acceptance of institutional players regarding the plausibility and suitability of a social enterprise establishing itself within their environment. As such, cognitive legitimacy is generated when a social enterprise adopts a mission, and carries out activities that the institutional environment accepts to be "appropriate, proper and desirable" (Brinkerhoff, 2005).

In the four cases analysed, two of the social enterprises were run by expats, namely EmpowerEnterprise and FairProduct. It was noticed that in these cases, increased efforts were made to convey and explain the nature of the activities in which they were engaged. It is not clear why this was the case. It was however observed that the expats felt a stronger need to explain their intended impact to their beneficiaries when compared to SocialAdvertise and HandiCrafter, which were run by locals. This may be attributed to cultural differences between western and South-Asian countries. In the cases of EmpowerEnterprise and FairProduct, this impact was communicated mainly through the social enterprise itself, mainly in an effort to explain to beneficiaries how their business model functioned. However, it was observed that the partner NGOs in these two cases played a significant role in strengthening these efforts, by reiterating the potential for impact to the beneficiaries.

In the case of Handicrafter, cognitive legitimacy played an important role in breaking down cultural and religious constructs that otherwise prohibited their beneficiaries, namely widows, from working. In this setting, the local community would not typically accept that women work to support themselves. The societal construct views such practices as illogical and non-sensical. However, through deliberation and the backing from board members from the partner NGO, HandiCrafter

was able to 'make sense' to the local community and reason with them that the offered activities would be beneficial for the community despite the existing societal constructs.

It was observed that often, the NGOs work was not marketed explicitly as being carried out by the NGO. As such, the reward for impacting the society was reaped by the social enterprise. As such, the fact that NGOs carried out most of the impact related activities in the three cases of SocialAdvertiser, FairProduct and EmpowerEnterprise, not only helped the social enterprise solve resource challenges, but also allowed them to garner acceptance and desirability regarding their activities.

In the case of EmpowerEnterprise, there was a very strong integration of the social performance of the social enterprise and the services delivered by the NGO. This integration allowed EmpowerEnterprise to better understand its own and extended impact (i.e. impact through the NGO). This enabled EmpowerEnterprise to develop a more in-depth understanding of how it could most effectively support women coming out of prostitution or abusive situations. This, in turn, has allowed for increased cognitive legitimacy as EmpowerEnterprise was able to improve its own ability to communicate their intentions for impact and respective activities. As such, it was established that NGOs aided in social enterprises' understanding and communicating their social identity.

5.4.2 Step 2. Results for legitimacy strategies

In this section data results regarding conforming, informing and manipulating strategies to increase legitimacy have been compiled respectively. This data will be used to develop Cashore's matrix in the Analysis section.

5.4.2.1 Conforming strategies

Conforming strategies refer to actions that address "principle ideals, rather than instrumental demands" (Suchman, 1995) or "fitting the organisation to socially

accepted forms and practices, and are reflected in isomorphic strategies" (Brinkerhoff, 2005).

In the case of Handicrafter, it was observed that the social enterprise's historic link to an established and reputed NGO has been an influential agent in gaining the support of rural village communities. Particular in communities where individuals from the community mentioned that it was difficult to trust non-profit organisations due to the natural association made by locals to micro finance institutions which were no longer trusted. However, it is important to mention that HandiCrafter no longer functions with or through an NGO. Therefore, trust and commitment are built only through the historic tie. That being said, data results suggest that HandiCrafter has strongly associated itself with the NGO. This has at times, given the local community (who are typically not concerned with the legal forms and functions of organisations) the perception that the NGO and the social enterprise are the same entity. By nurturing this association through its communication with the local community, HandiCrafter has managed to adopt an identity that was already accepted and perceived as legitimate.

In the case of SocialAdvertiser, it was observed that the social enterprise 'leveraged' the NGO's reputation to attract rickshaw pullers to its program. SocialAdvertiser's partnering NGO was already providing a range of impact services to the children of the rickshaw pullers before SocialAdvertiser was established. As such, Social Advertiser's strategy to partner with the NGO fostered an increased trust in the social enterprise's intentions within the local community.

Furthermore, in the case of SocialAdvertiser, all the social impact activities were conducted by the partner NGO. It was observed that this strategic approach allowed SocialAdvertiser to conform to existing structures, procedures and systems directly through the NGO, without having to adapt its own organisational approach or

identity. Essentially, SocialAdvertiser was able to transfer its social identity entirely onto the NGO and made it their responsibility. As such, beneficiaries were never in direct contact with SocialAdvertiser until they had accepted the intended social impact goals. It was noted that this approach may have a positive impact on social enterprises models in which the social and the commercial activities and logics are largely separated as it allows each organisation to focus on the logics they are responsible for.

5.4.2.2   Informing strategies

Informing strategies relates to communicative and interactive actions that appeal to pragmatic, normative, and/or cognitive legitimacy (Brinkerhoff, 2005).

In three of the cases, it was noted that social enterprises utilised partner NGOs to communicate their intended impact to their beneficiaries. In the case of SocialAdvertiser, the partnering NGO held regular meetings to explain and essentially market the social enterprise's service offering to beneficiaries. In this case, the NGO has easier access to these beneficiaries as the beneficiaries' children already attended their support programs. In the case of EmpowerEnterprise, the activities of the NGO were strongly interlinked with the activities of the social enterprise. This meant that beneficiaries started to understand and value the commercial activities in which EmpowerEnterprise engaged more and more over time. In the case of FairProduct, the partner NGO played a role in communicating the trainings and the high employee benefits (relative to local standards) that FairProduct was able to offer its beneficiaries. Essentially, this made the NGO a recruitment agent for FairProduct. Because beneficiaries trusted the local NGO, they were more susceptible to accepting the employment offering made by FairProduct.

All four cases adopted the employment model for social enterprises (Alter, 2007). This model employs the beneficiary within the social enterprises commercial activities to impact them through job creation. It was observed, that in three of the cases, namely SocialAdvertiser and EmpowerEnterprise and FairProduct, social enterprises were able to build trust with potential beneficiary employees. It was noted that in these cases, the NGO, which was run by locals able to communicate in the local language, was a more relatable entity for beneficiaries.

Brinkerhoff (2005) suggests that informing strategies may be particularly suitable in cases where organisations "seek to innovate". In the case of SocialAdvertiser which was going through its first pilot testing of its Rickshaw Puller Welfare Program, it was noted that its partnering NGO played a crucial role in introducing potential beneficiaries to SocialAdvertiser's offering (i.e. the social impact activities that may improve the livelihood of beneficiaries if they join the program).

5.4.2.3   Manipulating strategies

Manipulating strategies aim to change and influence the existing institutional legitimacy logics by "undertaking an activity that then has important spill over effects to moral ideas" (Cashore, 2002). As such, "manipulative legitimacy strategies aim to manage myths, ceremonies and symbols so as to create new beliefs" (Brinkerhoff, 2005).

In the case of HandiCrafter, their historic tie with an NGO allowed them to have a much better relationship with the community at large. This created trust and a commitment within the community who was, as a result, willing to allow widows in their community to work for HandiCrafter. This is a significant barrier that has been

manipulated through increased cognitive legitimacy, which is in part the result of the social enterprise's long-term association with the NGO.

In the case of SocialAdvertiser, it was observed that the social enterprise struggled to convince beneficiaries that the concept of saving money and investing in a business would improve their livelihood. Barriers included the educational and literacy levels of beneficiary, cultural norms regarding spending and a lack of access to formal banking institutions. However, through its partnership with an NGO, SocialAdvertiser was able to change these existing perceptions and attitudes to suit their intended impact activities.

Data regarding the case of FairProduct highlighted that rural community members were not always able to accept the long-term benefits of steady employment. As such, they faced difficulties in communicating these benefits to their (potential) beneficiaries. In such cases, the partner NGO played an influential role in educating beneficiaries and helping them grasp concepts such as pension funds and sick leave.

In the case of EmpowerEnterprise, beneficiaries came from hostile backgrounds (i.e. history of abuse of forced into prostitution). As a result, they were often found to be relatively unfit for employment. As such, EmpowerEnterprise worked through its partner NGO to convince beneficiaries of their commitment to help them. The impact activities that the NGO engaged in, such as therapy and providing accommodation, helped to shift the mindsets of beneficiaries and see the added value of committing themselves to employment as EmpowerEnterprise.

5.5 Analysis

In this section, key findings and patterns that have emerged from steps one and two are clustered and framed using Cashore's Legitimacy Type vis-à-vis Strategy Matrix. In compiling Cashore's matrix, emphasis is placed on providing clear, focussed outcomes that allow for a more applied understanding of interactions between the social enterprise and the NGO and consequent strategy development. In Table 3 the results have been summarised using Cashore's Legitimacy Type vis-à-vis Strategy Matrix to reflect on the key strategic implications for social enterprises that aim to garner organisational legitimacy through partnerships with local NGOs. Below, each quadrant of this matrix is described.

Quadrant 1: Conforming – Pragmatic

Transfer social impact activities to partner NGO – Social enterprises that have a strong grip on their commercial activities and logics but are less capable when it comes to the social impact activities and logic may benefit from transferring this responsibility entirely to the partner NGO. As such, social enterprises would trust and allow NGOs to carry out their impact activities on their behalf.

Quadrant 1: Conforming – Normative

*Association with/Mirroring long-established NGO to meet existing institutional judgements –*social enterprises may benefit from a strong association with reputed and trust NGOs. In cases where scepticism is high, it may be advisable to allow the identities of the social enterprise and the NGO to merge so as to maximise on the NGO social identity.

Transfer social identity to partner NGO to create normative legitimacy – Social enterprises that have a strong grip on their commercial activities and logics but are less capable when it comes to the social impact activities and logic may benefit from

transferring this responsibility entirely to the partner NGO. As such social enterprises would minimize their interaction with beneficiaries and allow NGOs to represent their social identity.

Quadrant 1: Conforming – Cognitive

Transfer cognitive communication to partner NGO and adapt to their identity – By aligning with the NGO, social enterprises are able to 'borrow' their identity in legitimising their activities. This will allow them to conform to the norms and expectations of existing social structures.

Quadrant 1: Manipulating – Pragmatic

Leverage NGO reputation to convince beneficiaries of offering – In some cases, social enterprises were themselves not able to convince beneficiaries of their services. This challenge may be avoided by partnering with an NGO that has an affinity with the larger community.

Quadrant 1: Manipulating – Normative

Leverage NGO reputation to convince beneficiaries of sincerity - In some cases, social enterprises were themselves not able to convince beneficiaries of their dedication to their social goals. This challenge may be avoided by partnering with an NGO that has an affinity with the larger community.

Quadrant 1: Manipulating – Cognitive

Leverage NGO's social identity to garner acceptance and convince beneficiaries to join – This is relevant particularly to the employment social enterprise model (Alter, 2007) as beneficiaries are offered both life improvement trainings and support, and employment. In this case, social enterprises are able to build trust amongst sceptical and harder-to-reach beneficiaries.

Quadrant 1: Informing – Pragmatic

Channel social business model communication through partner NGO – In cases where social enterprises struggle to communicate the commercial and social benefits to beneficiaries, and/or struggle to communicate the complexity of its activities, partner NGOs can accommodate this process.

Quadrant 1: Informing – Normative

Channel innovativeness of activities through partner NGO – Where social enterprises aim for systemic change using innovative methods, activities or business models, partner NGOs can aid in 'making sense' of these new events to beneficiaries and the larger community.

Quadrant 1: Informing – Cognitive

Channel impact related communication through partner NGO – In cases where social enterprises struggle to communicate their impact to the larger community and/or potential (i.e. not yet involved) beneficiaries, partner NGOs can accommodate this process.

Achievement strategies	Types of Legitimacy		
	Pragmatic	**Normative**	**Cognitive**
Conforming	*Transfer social impact activities to partner NGO*	*Association with/Mirroring long-established NGO to meet existing institutional judgements* *Transfer social identity to partner NGO to create normative legitimacy*	*Transfer cognitive communication to partner NGO and adapt to their identity*
Manipulating	*Leverage NGO reputation to convince beneficiaries of offering*	*Leverage NGO reputation to convince beneficiaries of sincerity*	*Leverage NGO's social identity to garner acceptance and convince beneficiaries to join*
Informing	*Channel social business model communication through partner NGO*	*Channel innovativeness of activities through partner NGO*	*Channel impact related communication through partner NGO*

Table 3 Social enterprise legitimacy strategies with Partner NGOs - summarised through Cashore's (20002

Legitimacy Type vis-à-vis Strategy Matrix

5.6 Discussion and Conclusion

This paper has explored interaction dynamics between social enterprises and partner NGOs. In exploring the interaction dynamics between social enterprises and NGOs, this paper has gathered findings that provide answers to the question: *How and to what extent does the relationship that social enterprises create with NGOs contribute to their organisational legitimacy?*

For data analysis, the paper analysed and cross-compared findings from four social enterprise cases in Bangladesh (for more detail regarding the cases, reference is made to Chapter 3 of this thesis) within the constructs of organisational legitimacy theory. This research was undertaken with the aim of, examining, describing and learning from the cause-effect relationships between social enterprises and partner NGOs. In this regard, organisational legitimacy constructs have been adapted from the works of Suchman (1995), Cashore (2002) and Brinkerhoff (2005). This led to the final adaption of Cashore's Legitimacy matrix to present key finals. It is proposed that these findings collectively present strategic considerations for social enterprises that are interested in understanding how partnering with NGOs may support the ability to garner acceptance and involvement from beneficiaries and the larger community.

Although unintended, research has highlighted that interactions between social enterprise and partner NGO's contribute to legitimacy mainly with regard to beneficiaries and the larger community. Research has pointed out that just as pragmatic legitimacy may be increased through interaction with partner NGO, it can also be decreased. This was observed in the case of SocialAdvertiser in particular, where the

inefficient delivery of services by the partner NGO resulted in beneficiaries leaving the social enterprise's program.

More significantly, data examined suggests that the social enterprises that engage in innovative methods, activities or business models are likely to benefit from solid NGO partners in efforts to increase their normative and cognitive legitimacy in their institutional environment. Research has also highlighted that partner NGO's are suitable channels for social enterprise to market their activities to beneficiaries and the larger community. Furthermore, partner NGOs were found to be suitable channels for delivering impact on behalf of social enterprises that lacked the resources to do so themselves. In light of the fact that social enterprises are typically confronted with resource limitations, these findings are significant. It was found that the use of partner NGOs to deliver impact activities was a recurring and hence plausible pattern that occurred in three of the 4 cases.

In the case of HandiCrafter, unique findings were identified as this enterprise did not work directly with a partner NGO but was established by a long-standing reputed NGO. Although this constitutes a different dynamic from the remaining cases, the affinity with a long-standing NGO equipped HandiCrafter with a range of benefits. It is proposed as such that, particularly in the cases of social enterprise relationship with established NGOs, the rate and relative ease with which normative legitimacy is established, is increased.

It was found that a lack of communication with the NGO (in the case of SocialAdvertiser) and a lack of efficiency from the partner NGOs works can have severe negative effects on the social enterprise's overall ability to garner legitimacy from beneficiaries. Indeed, such lacks resulted in the beneficiaries leaving the program. This suggests that these relationships must be nurtured and monitored continuously. In

the case of EmpowerEnterprise, where there was a direct and close-knit relationship with the NGO, social performance seemed to have been increased. Because of the less tightly-knit nature of the NGO relationship of SocialAdvertiser, it also became difficult to understand the needs of the beneficiary. It may therefore be hypothesised that in order to garner legitimacy from partner NGOs, this partnership must be characterised by transparency, regular communication, a dedicated work ethic and quality delivery of goods and services.

The most significant finding from this research is that social enterprises are indeed able to garner normative, pragmatic and cognitive legitimacy from stakeholders, through the actions, strategies and identity of the partner NGO. Furthermore, social enterprises are able to garner these three types of legitimacy by aligning with the identity of the NGO, associating themselves with the NGO, and/or presenting themselves as *one* unified front with the NGO. Data analysis has highlighted these two findings explicitly with regard to social entrepreneurial ambitions to garner legitimacy from the community and the beneficiaries. Further research is necessary to validate whether or not and to what degree partner NGOs are also able to garner legitimacy from other stakeholders. The considerations outlined in this paragraph have been visualized in Figure 3 below.
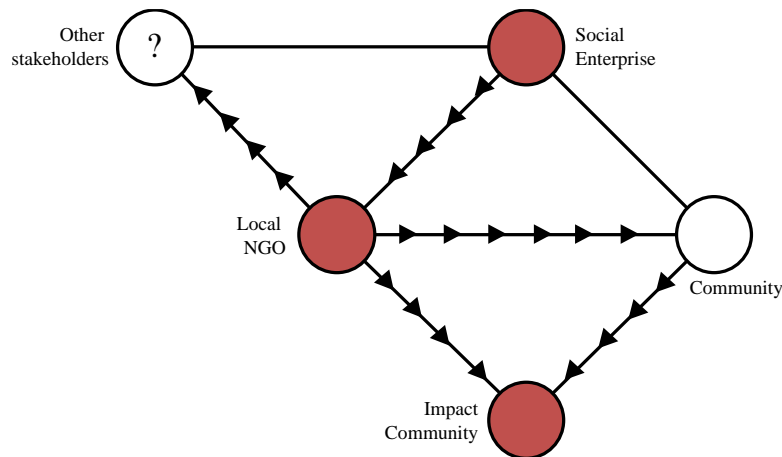
Figure 3 The transfer of legitimacy through partner NGO interactions

To summarise the research findings, this paper proposes the following eight hypotheses that require further validation through future research efforts.

Hypothesis 1.
Social enterprises depend on NGOs to support their social performance.

Hypothesis 2.
Social enterprises can foster trust and commitment within the impact community through their ties with local NGOs.

Hypothesis 3.
Social enterprises are able to reduce the challenge of resource limitations through their relationship with NGOs

Hypothesis 4.
Social enterprises can garner legitimacy by mirroring the identity of NGOs

Hypothesis 5.
NGOs are suitable channels for social enterprises to outsource social impact-related activities

Hypothesis 6.
Social enterprises are able to improve their organisational legitimacy toward other stakeholders (not including the impact community) through ties with local NGOs

Hypothesis 7.
The organisational legitimacy that social enterprises generate through ties with local NGOs has little explicit impact on their commercial performance.

Hypothesis 8.
There exists a tension between the management style and organisational culture of social enterprises vis-à-vis NGOs

To conclude, it is posited that the relationship constructs between social enterprises and partner NGOs may have a direct impact on social enterprise legitimacy. Examining the four cases has unearthed interesting results that demand more attention. As such, further empirical research is necessary to determine the validity of the results and to expand on the concepts and discussions raised in this paper. This will also help to develop a more robust understanding of how social enterprise vis-à-vis NGO relationships can be strategically structured to contribute to the improved management of the social and the commercial logic.

5.7 References Chapter 5

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Chapter 6. Conclusion: The case for Blended value creation

6.1 Introduction

The research conducted for this thesis is the product of curiosity. Curiosity to understand the management approaches adopted within the process of social entrepreneurship. More specifically, this thesis examines the fundamental social enterprise management challenge of creating social and commercial value in an integrated, complementary and harmonious manner.

As recognised by Mason and Doherty, "there remains a disconnect between […] calls for action and how much we know about the barriers that block effective social enterprise theory and practice" (2016). This thesis responds to this call by contributing to a more robust and applied understanding of strategies that social entrepreneurs may utilise to create complementarity and harmony between the social value logic and the commercial value logic.

To refer to the notion of complementarity and harmony between the social and commercial value logic, the term *Blended Value Creation* (BVC) has been adopted for this thesis. BVC refers to *the utilisation of strategies that foster harmony and complementarity between multiple logics within the process of social entrepreneurship.* The term *blended* in this context was adopted to oppose existing research streams that focus instead on the *tensions* (Berglund and Schwartz, 2013) between the social and the commercial value logic. As such, research adopts the mindset of Lauterman, who suggests that "there is no such thing as pure financial and pure social value, … all value are inseparable blends".

Preliminary research has highlighted that BVC research till date is largely conceptual (Zahra, Newey & Li, 2014). Simultaneously there is a clear demand for a more applied and robust understanding of the subject (Zahra and Wright, 2016; Smith, Gonin and Besharov, 2013; Santos, 2012). As such, the work of this thesis set out to contribute to this research gap in a number of ways.

Firstly, to further conceptualise BVC, paper 1 of this thesis (as presented in chapter 2) explores and collates existing research that examines BVC in the social entrepreneurship research domain. The objective of this paper has been to develop a compounded understanding of the philosophy of *blended value creation* as it is understood within social entrepreneurship research today. The research approach for paper 1 adopted the qualitative meta-synthesis (QMS) approach to analyse and synthesise data from journal articles published between 2000 and 2015 that implicitly or explicitly explored the concept of BVC within the social entrepreneurship research domain. By doing so, paper 1 satisfies the first research objective of this thesis: *To explore and collate existing research that examines blended value creation in the social entrepreneurship process. By doing so, research aims to extract major learnings from existing research that will contribute to furthering research efforts made into the development of blended value creation strategies for social enterprises.*

Secondly, to better understand how a BVC philosophy is applied in practice within the social entrepreneurship process, papers 2 and 3 adopt institutional theories to explore the strategic approaches to BVC using four case studies of social enterprises in Bangladesh. In paper 2 (presented in chapter 4), stakeholder theory (Freeman, 1984) and multiple organisational identity theory (Pratt and Foreman, 2000) have been adopted to explore stakeholder interactions within the four case studies. In paper 3 (presented in chapter 5), organisational legitimacy theory (Suchman, 1995; Cashore,

2002; and Brinkerhoff, 2005) is adopted to explore one stakeholder relationship that stood out in particular during research conducted for paper 2; the NGO – Social enterprise relationship. By studying this relationship, paper 3 aspires to understand how social enterprises garner legitimacy through their partnering NGOs to improve BVC. As such, papers 2 and 3 satisfy the second research objective of this thesis: *To explore how a blended value creation philosophy is applied in practice within social entrepreneurship processes. By doing so, research aims to contribute to a more applied understanding of the strategic options available to social enterprises that aspire to adopt a blended value creation philosophy.*

Both objectives aimed to advance existing understanding of the *blending* of the social and commercial values within social enterprises. To explore these research objectives, four research questions were formulated. Each of these questions is reflected upon in this conclusion.

> *Q1. How does existing research in the social entrepreneurship domain contribute to an improved understanding of blended value creation strategies for the social entrepreneurship processes?*

> *Q2. How can institutional theory from a stakeholder perspective help improve our understanding of blended value creation in social entrepreneurship processes?*

> *Q3. How can social enterprises strategically plan for and consciously create blended value?*

> *Q4. What may be considered significant areas for future research that may help us to understand the concept of BVC?*

6.2 Reflection on the research objectives

6.2.1 Research objective 1

Research objective one aims to further conceptualise the theory of BVC by looking at the past. Research question one, as presented in the introduction of this thesis contributes to this objective.

Q1. How does existing research in the social entrepreneurship domain contribute to an improved understanding of blended value creation strategies for the social entrepreneurship processes?

Paper two has been most instrumental in asnwering this research question. It does so by completing a QMS using thematic synthesis to explore articles related to BVC in the social entrepreneurship research domain published in the last 15 years. As such, Paper 2 has provided an in-depth and comprehensive review of the concept of BVC.

Firstly, Paper 2 has contributed to the further conceptualisation of BVC by exploring its definition and related terminology. It has been identified that BVC was discussed primarily at the conceptual and philosophical level. Research implies that the social entrepreneurship process aspires to institutionalise BVC, but few efforts have been made till date to explain how this is achieved. That being said, there has been an increase in articles pertaining to BVC in the last 5 years. Furthermore, research has pointed out that as a term 'blended value creation' is not often used in discourse. Instead it was found that authors used multiple terms within one article to refer to BVC. This further confirms the exploratory, complex and discrepant state of the concept within existing discourse. Most common terminology used to refer to or replace BVC (in order of frequency) include: identities, dual, values, hybrid, blended, multiple, tensions, goals, social, versus, organisational, commercial, competing and logics. It may be

posited that the term 'blended value creation' 1) is most often discussed implicitly within a larger narrative, 2) lacks establishment 3) is used interchangeably with other terms, and 4) is discussed mainly at the philosophical and speculative level.

Secondly, Paper 2 has contributed to the further conceptualisation of BVC by exploring and clustering the actions and response that social enterprises can adopt to develop a BVC approach in their management strategies. This has been the most significant contribution to the conceptualisation of BVC that has come out of the QMS process. The processing of clustering findings using thematic synthesis has led to the development of seven BVC themes. These seven themes are visualised in Figure 1.
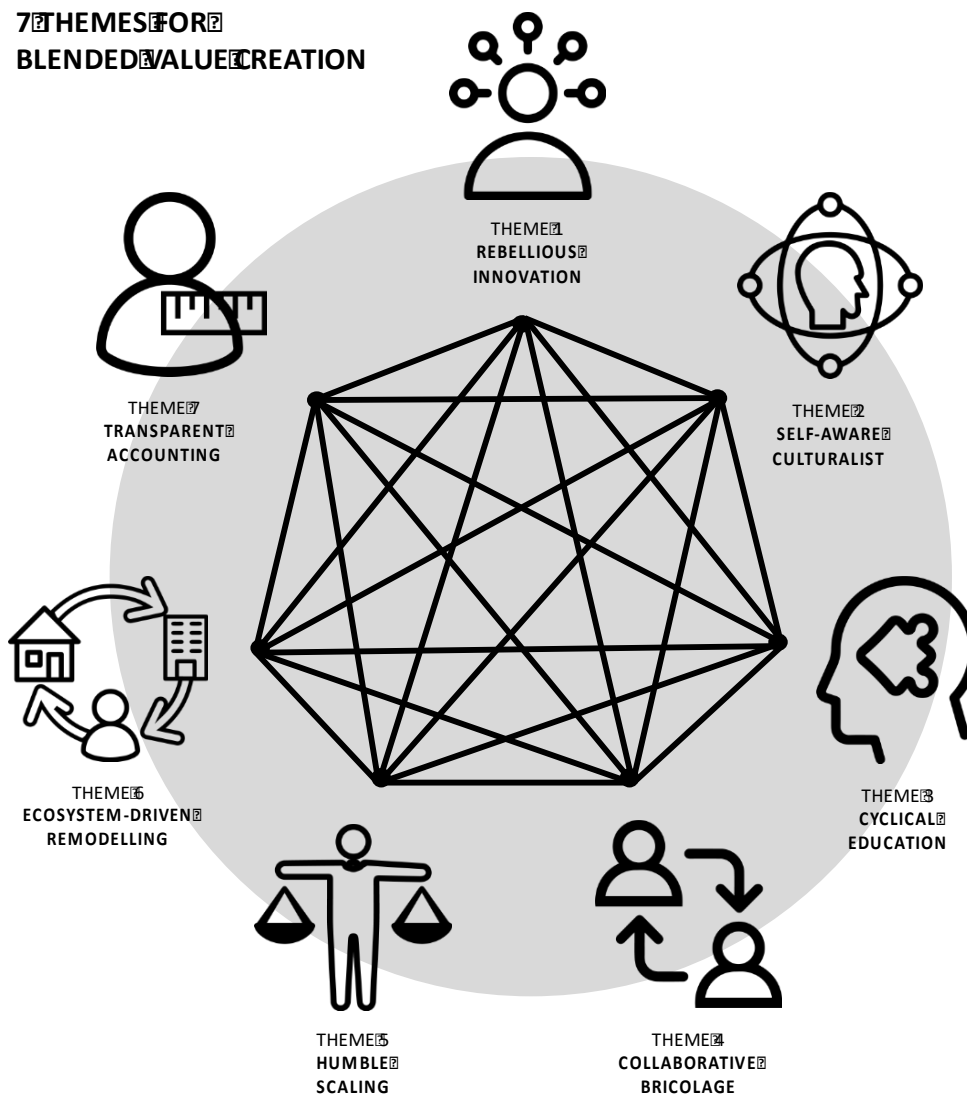
Figure 1 The 7 themes of BVC

These themes are essentially strategic capabilities that social entrepreneurs can utilise to improve their ability to inject a BVC philosophy into their management practices. Research for paper 2 suggests that these themes are likely to be mutually reinforcing and co-dependent. In other words, the social entrepreneurship process cannot fully embrace the BVC philosophy by adopting only one of the seven BVC themes, it must incorporate *all* the themes jointly and holistically.

In summary, the application of the QMS method to analyse the existing works regarding BVC in the social entrepreneurship domain has proven to be a suitable approach to better understanding the current standing of BVC research.

6.2.2 Research objective 2

Research objective two aims to understand how a BVC philosophy can be injected into the social entrepreneurship process. Research question two and three, as presented in the introduction of this thesis contribute to this objective.

Q2. How can institutional theory from a stakeholder perspective help improve our understanding of blended value creation in social entrepreneurship processes?

While paper 1 developed a solid understanding of BVC based on the works of others, papers 2 and 3 were the product of field research. Preliminary research regarding BVC reiterated the need for social entrepreneurs to consider their environments and their key stakeholders to garner legitimacy and gain access to hard-to-get resources. As such, stakeholder theory and institutional theory were adopted to analyse the social entrepreneurship process during field research. The objective during field research was to examine the ways in which social enterprises interact with their stakeholders to unearth new findings that would shed further light on the application of a BVC philosophy.

To explore this, field research was conducted amongst social enterprises in Bangladesh. Several months were spent completing in-depth, semi-structured interviews with social entrepreneurs and senior staff from four Bangladeshi social enterprises (see Chapter 3 for field research approach). The questions posed focussed on the interactions of the social enterprises with key stakeholders. As field research adopted a grounded theory approach, it was not yet clear what the outcomes of field research would be. Upon returning to the United Kingdom, field data was analysed and consequently, two research topics were formulated that became the subject of investigation for papers 2 and 3. These two papers provide ample evidence to suggest that organisational identity theory and legitimacy theory respectively provide a rich plethora of strategic considerations regarding the management of dual logics.

Paper 2 delineates key stakeholder relationships for each social enterprise case and applies organisational identity theory (Pratt and Foreman, 2002) to examine these interactions. The purpose of this paper is to understand how social enterprises utilise their social identity and their commercial identity to improve stakeholder interactions. The findings of this analysis are presented as 9 topics.

As such, paper 2 contributes to the answer of research question 2 by exploring the effects of multiple identity responses toward stakeholders in the social entrepreneurship process. Most significantly, it was found that social and commercial identities can affect each other's logics (see Figure 2). This means that a social enterprise's social identity can be utilised to improve commercial performance and that the commercial identity can, in turn, also improve social performance.

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┌─────────────────┐      ┌─────────────────┐      ┌─────────────────┐
│ Social Performance │◄──►│  Social strategies │◄──►│  Social identity   │     Social
└─────────────────┘      └─────────────────┘      └─────────────────┘     value logic
         ▲                        ▲                        ▲
         │                        │                        │
         ▼                        ▼                        ▼
┌─────────────────┐      ┌─────────────────┐      ┌─────────────────┐
│   Commercial     │◄──►│    Commercial     │◄──►│    Commercial      │     Commercial
│    identity      │      │    strategies     │      │   performance      │     value logic
└─────────────────┘      └─────────────────┘      └─────────────────┘
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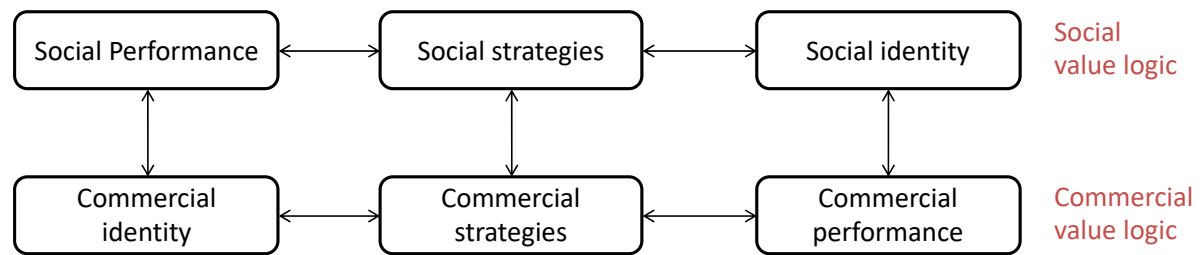
Figure *2* Dual logics are complementary and non-linear processes (taken from paper 2)

The findings from paper 2 have clear implications for the adoption and improvement of BVC application within social enterprises. For example, research conducted in paper 2 has revealed that the social identity can, in some cases, help social enterprises legitimise themselves to commercial stakeholders, such as suppliers and buyers. The study of identities has also revealed that social enterprises were able to circumvent the occurrence of mission drift if they interacted with key stakeholders that demanded a strong social identity. Furthermore, paper 2 has highlighted that the adoption of dual identities allows for a wide range of management response types to suit various environments. Paper 2 emphasises that social and commercial identities aided each other's' logics, hence further building the case for the existence of strategies that are conducive to BVC. As such, the findings that have been unearthed in paper 2 provide a range of insights and strategic approaches that social entrepreneurs can use to incorporate BVC into their approach to organisational management.

Paper 3 zooms in on one particular stakeholder interaction from paper 2, namely the interaction between the social enterprise and its partnering NGO. This interaction was chosen because preliminary findings from paper 2 highlighted that in each of the cases, the interactions between social enterprises and partnering NGOs seemed to benefit BVC application. As such, legitimacy theory (Suchman, 1995; Cashore, 2002; Brinkerhoff, 2002) was applied to the four cases and presented using Cashore's (2002) Legitimacy matrix.

The findings from paper 3 have clear implications for the adoption and improvement of BVC application within social enterprises. Paper 3 presents ten strategies for social enterprises that want to garner legitimacy through their partner NGO. Of these ten strategies, at least three may counter the potential for mission drift to occur and four may cross-over from the commercial logic to the social logic or vice versa. As such, even in just one stakeholder interaction, the case can be made that BVC strategies exist and are plentiful. Most significantly, findings from paper 3 suggest that social enterprises are indeed able to garner normative, pragmatic and cognitive legitimacy from stakeholders, through the actions, strategies and identity of the partnering NGO (see Figure 3).
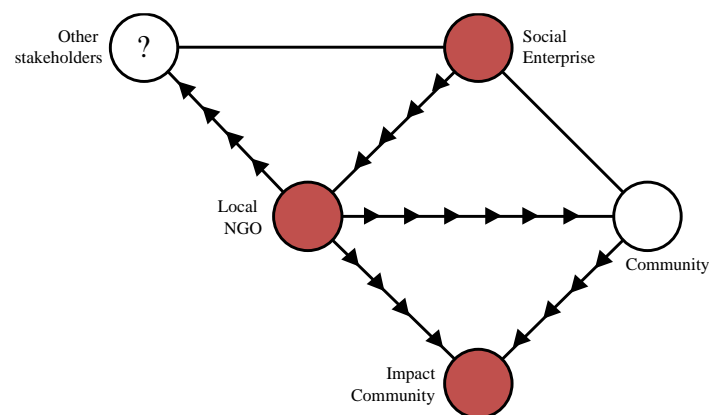
Figure *3* The transfer of legitimacy through partner NGO interactions

Furthermore, findings highlight that NGO interactions are particularly useful in regard to social entrepreneurial ambitions to garner legitimacy from the local community and the beneficiaries. As such, the findings that have been unearthed in paper 3 provide additional insights and strategic approaches that social entrepreneurs can use to turn their organisations toward a BVC approach.

In summary, the application of institution theory has provided ample contribution to improving existing theoretical understanding of BVC adoption and management in the social entrepreneurship process.

6.3 Contribution to theory & practice

In addition to the contributions discussed in the answers to research questions one and two in the above, there are a number of further contributions to theory and practice that deserve attention.

The first major contribution to theory is the identification of a significant research gap. Research conducted in relation to research question 1 has indicated that the term 'blended value creation' does not hold ground as an established and accepted term within the social entrepreneurship research domain. As such, there are no grounds to suggest that research has been nor is expected to uphold the term BVC to encompass strategies, actions and theories that embrace harmonisation and complementary between values. Instead, findings highlight the puzzled state of BVC research and the lack of consistency and consensus regarding the use of terminology. It is proposed that this lack of consistency and agreement has made it difficult for researchers to see dual logic management or 'blended value creation' as a significant and distinct research domain.

The second contribution to theory is the validation of institutional theory as an appropriate and valuable lens through which to study BVC in the social entrepreneurship process. Respectively, research conducted in relation to research question 2 has provided a plethora of findings to suggest that identity theory and organisational legitimacy theory are valuable domains of research to understand BVC uptake within a social enterprise. In paper 2, there is ample evidence to suggest that multiple identity management is a crucial construct with BVC strategy development. In paper 3, the relationship dynamics between partnering NGOs and social enterprises has provided new layers of complexity to the existing discourse regarding legitimacy theory in the social enterprise research domain.

The third contribution to theory is the clustering of actions and responses from articles according to the seven BVC themes that emerged from paper 2. This process provides a valuable 'database' of existing theories that shed light on the BVC research domain. This database can be used to further strengthen and conceptualise the BVC research domain. Furthermore, this is also a contribution to the existing research conducted regarding hybrid organisations as it provides a valuable database for further research to be conducted respectively.

Contribution to both theory and practice emerge when reflecting on this thesis' third research question.

Q3. How can social enterprises strategically plan for and consciously create blended value?

To answer this question, reference is made to the seven BVC themes that have emerged in paper 2. These themes are essentially clearly articulated constructs that social entrepreneurs must reflect on if they wish to adopt a BVC approach within their social entrepreneurship process. Furthermore, research conducted in paper 2 has highlighted that social enterprises must incorporate learning loops at three levels of the organisation; the social entrepreneur as leader, the social enterprise as organisation, and the institutional environment. As visualised in Figure 4, the incorporation of themes within each of these levels may allow for increased management of blended value and hence lead to increased BVC. It is suggested that the effective application of these 7 themes demands a complex level of interplay between the social entrepreneur (leadership-function), the social enterprise (organisational management) and the institutional environment (environment influence). Respective research has clear potential to be transferred to practitioners. This demands some reshaping of the model to make it more digestible. Practitioners in this case include social entrepreneurs, but

also relevant policy makers, educational institutions that build social entrepreneurship curricula, non-profit organisations involved in supporting social entrepreneurship, and other institutional stakeholders.
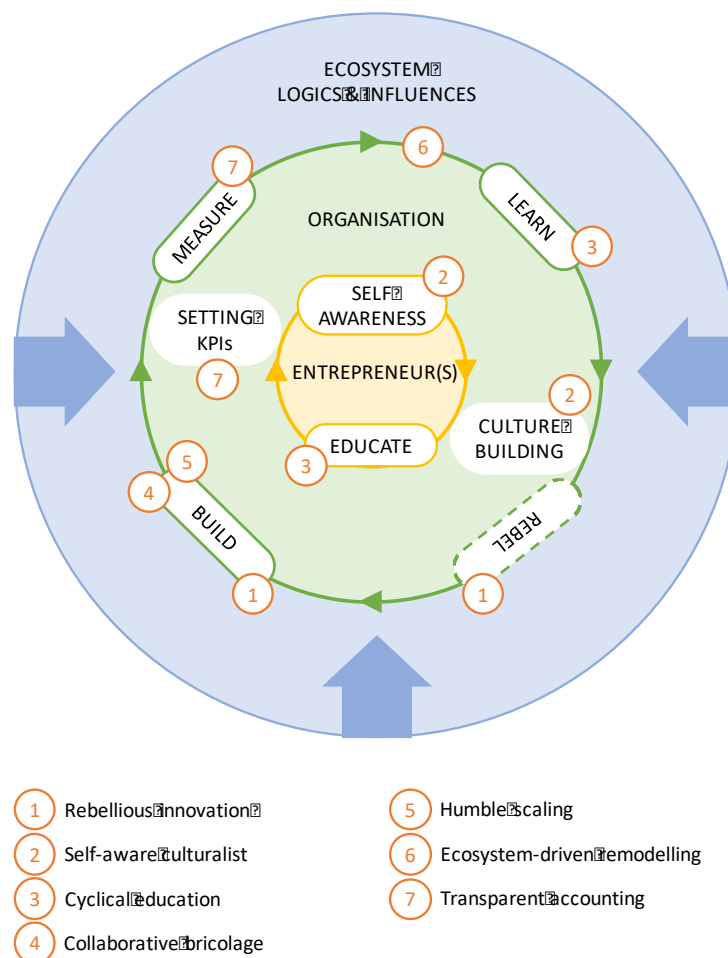
Figure 4 The BVC ecosystem framework; imagining the interaction of themes within learning-loops

6.4 Future areas of research

The final step in concluding this thesis lies in a reflection on the fourth research question as presented in the introduction of this thesis.

Q4. What may be considered significant areas for future research that may help us to understand the concept of BVC?

Firstly, as a result of the systematic review conducted for paper 2, there is a clear need for consensus regarding the terminology and scope of the BVC research domain. Research has indicated that the term 'blended value creation' does not hold ground as an established and accepted term within the social entrepreneurship research domain. Additionally, research has indicated the philosophy of BVC is often discussed implicitly using a plethora of terms to refer to specific aspects of BVC. As such, inorder for research efforts to move from the philosophical to a more applied understanding of BVC at the strategic and operational level, there is a need for a unified consensus regarding the term 'blended value creation'. By decisively selecting such a term it will allow for more focussed scholarly exploration of the harmonisation and complementarity of values. This however, demands that future research is conducted to narrow the scope of BVC research. This can be done by further testing the systematic review of paper 1.

Secondly, research regarding the strategic and operational actions and responses available to social entrepreneurs who aspire to adopt a BVC approach needs to be expanded. This is clearly indicated in research conducted for paper 1. As suggested by Miller and colleagues (Miller et al., 2012), social entrepreneurship is a "field where enthusiasm has outpaced conceptual development and refinement". Focussed research efforts are therefore needed to understand how social enterprises have been able to successfully integrate a BVC approach within their organisation. A good starting point

for this would be to build on the seven BVC themes presented in paper 1 and test their validity.

Research highlights that a BVC approach is as much concerned with external strategic management as it is with internal organisational management. The correlation between social entrepreneurial success in challenging environments and the ability to engage effectively with key stakeholders has been highlighted in numerous phases of this thesis. Furthermore, research has highlighted that the external and internal management of a BVC approach are linked. As such, further research is necessary to apply a wider range of theoretical lenses to the BVC research domain. This will aid in further efforts to understand how a BVC approach can be incorporated at all levels of the social entrepreneurship process.

Further research must be conducted regarding the seven themes presented in paper 1. Although these seven themes were distilled from a lengthy data analysis process, there is still ample room to test for validity and depth. Further research is needed to test the themes against real cases of social enterprises. Furthermore, additional research is necessary to understand the range of strategic options and considerations available to social enterprises that aspire to adopt a blended value approach and to see if themes are in actual fact mutually reinforcing and co-dependent.

Thirdly, further quantitative research is needed to test and validate findings regarding institutional theory in the context of BVC. Papers 4 and 5 have provided ample evidence to suggest a strong correlation between the two. However, considering the qualitative nature and the size of the data sample, further research is needed to improve our understanding respectively.

I conclude this thesis with the same image with which we started. The idea that a social and a commercial logic can be *blended* within a single organisational remains

an attractive proposition. Research conducted for this thesis has emphasised the fact that this is a complex and young field, but also one that deserves our attention. Whilst the "phenomenon remains rare" (Miller et al., 2012), my interest in this subject matter remains, and I am keen to further explore the potential for blended value creation.
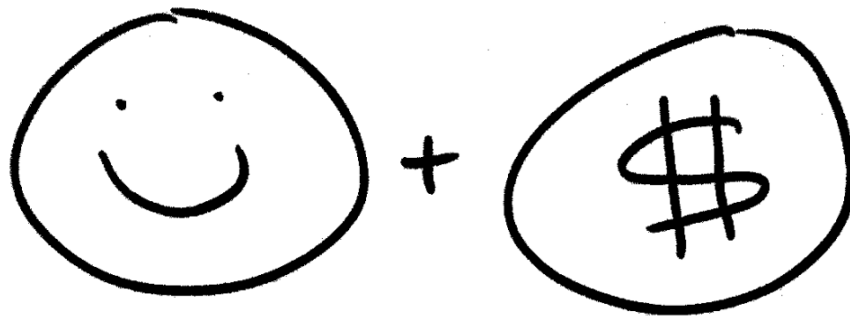
Thank you for attention,

Titus van der Spek

20 April 2018

Appendices

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7.1 Appendix 1 Sample research guide for FairProduct

Research objective

The research aims to improve our understanding of social enterprise stakeholder relationships. Focus is placed on:

1) Identifying how social enterprises legitimise themselves toward different stakeholder groups;
2) Understanding how these relationships are conducive/non-conducive to the social enterprises commercial and social performance.

Value-added for FairProduct

The research is first and foremost academic by nature as it is being written for the purpose of a PhD. However, a number of clear value-adding outcomes have been identified that will benefit FairProduct.

- **Participative learning** – This research requires active discussion and brainstorming with FairProduct' employees – particularly David How. This inclusive methodology provides a platform for active learning through ongoing reflection upon the current organisational model and strategic choices.
- **Stake holder mapping** - Research focus is placed on stakeholder relations. This requires a stakeholder mapping exercise. This data will be analysed thoroughly in mid-2014 and presented to FairProduct.
- **Performance considerations** – Data analysis is likely to identify performance drivers, barriers and future strategic considerations for stakeholder engagement. Focus is placed on understanding how these relationships impact both the social objectives and commercial objectives of FairProduct.
- **FairProduct Research Report** – Although research is academic by nature. A separate, short 'consultancy' style report will be produced and presented to FairProduct containing the research outcomes.

Note: It is important to remember that this is not a formal impact assessment or value chain analysis. Research objectives are geared at understanding social enterprise relationships with stakeholders first and foremost.

Inputs from FairProduct

Interviews are expected to last approximately 1 hour. It may be useful to hold additional focus group discussions with the impacted community and staff members at the manufacturing units. Interviews with highly relevant stakeholders may take longer.

These interviews must be voluntary and participants will be made aware of the research objectives. Anonymity will always be offered to ensure that research complies with UK-based standards of ethical approval and that the image or competitiveness of the company is not put to harm in anyway.

Time frame of interviews

It is preferable that the research process is completed within a tight framework. This keeps discussions engaged and reduces the dedicated time spent on research by the organisation being observed. All interviews will be completed within 1-2 week (1 if possible).

7.2 Appendix 2 Sample interview guide use for semi-structured interviews

In-depth interview guide - Legitimacy

Legitimacy encompasses normative, legal, sociological, and cultural meanings. This study focusses on organisational legitimacy. Legitimacy is a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions' (Suchmann, 1995: 574).

In the case of social enterprises we may speak of legitimacy toward stakeholders that may extend economic power or social power, and in some cases both.

Q. Forget your mission, vision, etc. tell me simply – what is it you are seeking to accomplish?

Q. Are there any overarching value, norms, beliefs and definitions that you portray to most if not all stakeholders?

INSTITUTIONALISATION

'Institutional development combines links to the underlying principles that define and support a society's ongoing configuration of norms and values; an actions designed to induce changed activity and behaviour patterns in the society' – the focus on grounding them solidly in the social fabric incorporates legitimation as a key element in the process.

Q. How do you internally institutionalise factors that contribute to your external legitimacy? (Institutionalisation can be seen as a continuous variable or a y/n variable, i.e. you are either institutionalised or not)

Q. What activities do you engage in to contribute to your external institutionalisation?

BUILDING TRUST

'Other related concepts are trust, reliability[11], and reputation – organisations that adhere to societal expectations and that build an ongoing reputation for their appropriateness and correctness, are viewed as trustworthy and reliable, which contribute to being accorded legitimacy.

Q. How do you build trust and reliability? What strategies have you adopted to this end?

FORMAL VS INFORMAL EXPECTATIONS

Formal – e.g. fair trade standards

Informal – helping women in the community

Q. What are the key formal expectations that you as an organisation need to fulfil?

Q. Are there any informal expectations you can pinpoint as well?

Q. An organisation may rely on different stakeholders for both formal and informal resources. Can you list these and label them respectively?

BEING LIKE OTHERS

'The third variant refers to normative legitimacy that results from constituents' perceptions of the organisation as valued due to its structural characteristics, which places it within a category of organisations widely recognise as 'right' for the job.

Q. By strategically positioning yourself as a social business, do you feel this places you in a category from which you gain legitimacy?

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[11] Reputation may be defined as the standing of one organisation relative to others, which can be assessed on a wide variety of organisational attributes, including the extent to which they are perceived to be legitimate.

Q. Are there any other categories your organisation may fall under or be perceived to fall under -which aid your ability to gain legitimacy? (e.g. fair-trade, non-profit)

Q. Are there cases where you are incorrectly perceived to be something you are not (e.g. a non-profit) but little attempt is made to fix this? This may have to do with the fact that the term SE is still relatively unknown.

Q. Does labelling yourself a social enterprise and (second part of the question) adhering to the principals of social enterprises contribute toward legitimacy? (Follow up question) why have you chosen to adopt the social enterprise model?

'Institutional isomorphism, is where environmental pressures and/or decisions by organisational actors lead the organisation to adopt structures, procedures, systems and terminology shared by other organisations of the same type. Since such moves allow an organisation to enjoy normative and cognitive legitimacy, organisations that adopt them increase their chances of success and survival.'

Q. Can you discuss your organisation in the context of institutional isomorphism? In how far have you adopts the structures, procedures, systems and terminology of others and for what purpose?

Q. Do you find that by adopting recognised structures that this decreases the need for dedicating your resources toward legitimacy?

PERSONAL CHARISMA

'The fourth form of normative legitimacy derives from the personal status, reputation and charisma of individual organisational leaders and staff….this type of legitimacy is more prevalent in developing an transition countries where traditions of paternalism, 'personalismo' and the 'big man' syndrome define organisations directly in terms of the characteristics of those who lead them.

Q. Is there any such legitimacy strategies innately or strategically in place?

Q. Does the reputation of individuals within your organisation or partnering organisations in any way, shape or form contribute to your legitimacy? – does it contribute to society's acceptance of your activities or to you fulfilling certain norms, values, beliefs or definitions?

GAINING LEGITIMACY

'The ability to offer (or withhold) legitimacy is one resource that stakeholders possess, which may contribute to organisational survival and long-term sustainability'

Q. What are the most crucial stakeholders in term of those which provide legitimacy? Please explain their importance.

Q. Are there any stakeholders/organisations whose legitimacy you find particularly difficult to attain?

SE VS NON-PROFIT AND COMMERCIAL

Q. In terms of legitimising the social impact that your SE has on a community – how have you found your legitimacy to differ compared to for-profits or non-profits? What are the challenges faced in this regard? If you cannot draw a real comparison, what is your perception here?

Q. Do you feel that the SE organisational form is somehow allows for increased legitimacy toward any of your stakeholders when compared to a commercial or non-profit 'competitor'?

LAWFUL LEGITIMACY

'Some specific operational sources of legitimacy have been identified, such as laws, standards, and codes and licensing'

Q. Besides legally mandated standards or standards explicitly and externally mandated to meet requirements such as fair trade – how do you go beyond these to further legitimise your activities at the (1) the commercial level and (2) the social level?

PERFORMANCE EXPECTATIONS

Q. Do you find that you have to be as or less effective and efficient in your business practices compared to commercial competitors because you are a social business? Or perhaps even more so?

Q. As it is difficult to measure social impact – does this impact your legitimacy toward certain stakeholders, yet not to others? Please explain who and how. It is also possible that this is only relevant internally.

Q. Do you value fair trade practices and measures as social or commercial? Please explain

WHICH STAKEHOLDER IS MOST IMPORTANT?

'The huge literature on organisational performance, effectiveness and sustainability discuss the difficulties in measurement, particularly in sectors where outputs and outcomes are hard to detect and quantify, and the problem of multiple stakeholders with differing or conflicting expectations. Thus organisations face the challenge of which sources of legitimacy to attend to.

Q. Do you find yourself catering to the legitimacy of certain stakeholders more so than others?

Q. Do you find that you have to be quite selective in choosing which stakeholders to legitimize yourself to?

Q. Does the orientation of your legitimacy change over time?

ENVIRONMENTAL ALIGNMENT

Managerial actions related to legitimacy fall within the dynamic of aligning the organisation with its environment. To oversimplify, alignment strategy to increase/maintain legitimacy can be divided into three categories of action; conforming, informing and manipulating

Conforming – relate to fitting the organisation to socially accepted forms and practices, and are reflected in isomorphic strategies.

Informing – concern communicating with constituents in ways that connect to selected terminology, images, beliefs and symbols that confer legitimacy on the organisation.

Manipulating – actions reach beyond choosing from among an existing array of social-cultural norms and cognitive maps to encompass efforts to influence constituents' perceptions.

Q. Can you categories your major stakeholder according to the actions you take toward them?

Q. Do you find that your alignment strategies have changed over time? i.e. more focus on manipulation at start up and more focus on conforming later on? Or is there a strong overlap?

Q. Do you find that some stakeholders are more receptive to manipulation than others?

COMMUNICATIVE LEGITIMACY

Informing actions relates to communication strategies that appeal to pragmatic, normative, and/or cognitive legitimacy drivers. Such strategies employ terminology that connects the organisation in the eyes of stakeholders to socially legitimate goals and activities.

Q. Tell me about the way you communicate with different stakeholders to create legitimacy. Does the vocabulary, the way you present yourself and your approach change?

7.3 Appendix 3 Example of a memo

FairProduct Memo - What questions are raised?

In the case of FairProduct, we see that in the early stages of establishing the business, there was a larger influence by a NGO on its activities, shaping its mission etc. The 'mother' NGO (FairProduct Global) from out of which FairProduct was spawned, sat on the board of the company and played a proactive role in the early stages of the company's life span. – Q. What is the role and how important is the role of NGOs in help social enterprises shape, reshape and integrate their social objectives vis-à-vis their commercial objectives? Do NGO's act as deterrents for mission drift to occur?

In the early stages of FairProduct's company registration, the social enterprise was very transparent toward the local NGO affairs bureau regarding their desire to register both a business and a NGO. This was however not well received at all and their application to register a NGO was initially denied. The interviewee suggests that there exist a negative association between conducting business whilst simultaneously conducting non-profit works. Although the social enterprise agenda often pushes transparency has a standard and norm for businesses, there seem to exist cases where increased levels of transparency can be counter productive. This brings up the issue of legitimising oneself appropriately by understanding the local environment, local perceptions and local systems. This also brings up the issue of foreign social entrepreneurs taking for granted the 'localness' of systems and practices. They seem to require a higher degree of institutional development and/or understand the need to understand one's environment. Another issues this raises is the fact that the relationship between social enterprise and NGO is on numerous counts not a smooth and positive one. This taboo for combining social work with commercial activities can bring about challenges.

Choice of words and ways of communicating their 'model' is very different per stakeholder. In the example of FairProduct, we see clearly that his relationship with the CZO is extremely commercial and that rather than speaking of social enterprise, he speaks fo more general issues like ethical employment and work practices.

Stakeholder list so far Oasis Coffins:

CZO

'Mother' NGO

Local community

Beneficiary

7.4 Appendix 4 Sample of the data labelling process

T:	I want to go back a little bit at this point. You mentioned the challenges with **Oasis**, the documents, anything else with Oasis as a stakeholder or shareholder? [Probably it comes down to values] What are you looking for more is probably they have different values from you, and you've stepped away from those values, now you're stepping away from them, but let's say from that point when you wrote the documents till now, how has that relationship been?	H5
D:	Bumpy… But often around bumpy because of commercial negotiations. In the last 18 months there was a conflict around the fact that they wanted to pull away from the operational role, that operational role added value to the business, and the shareholding they took was based on the fact that they had an operational role. We then had to renegotiate, and that was bumpy at times. My view of it was they're breaking their side of the shareholder agreement.	H5,
T:	But why did they want to back up?	
D:	They wanted to back out because of the issue of identity. When we invested in the business we said: 'ownership to us doesn't mean a line on a set of accounts saying we are majority shareholders', it's much deeper than that, it means if you own an entity, what we want is the rights to define it and say what it stands for. We don't mind writing that and you all signing up to that, we don't even mind saying: 'we need a 90% share to change it', but we want to define it. And that's what we did. Further down the road, what then happened was that I woke up one morning and I was on the internet, I opened the Oasis Global website and discovered that they were making an announcement that they had a new Oasis hub in Nilphamary. Now a hub is a term that Oasis uses around the world, particularly in the UK to describe to the world what their integrated approach to community development looks like. [45:00] So I said, you can't do that. It's not a hub it's a business. Our shareholder agreement says 'Oasis will engage in other impact related activities around this business.' My understanding of this is that that comes under the board and the governance, and the board and the authority of this new enterprise. It's not something you can place on top or around it or start telling the world. So I said under no circumstances..	H5 H5 H3
T:	Correct me if I'm wrong, but by calling it a hub – which sounds like a project almost – were they disregarding the commercial aspect of it? And marketing more the social of it?	
D:	My take on it – if we are to be blunt – is that, I mean I have worked with Oasis for a very long time, and my impression at times is that the material released into the public domain is kind of a bit overstated as to what is happening on the ground. And that was one of the reasons why I struggled with the relationship. Because this idea that we should be completely authentic, especially when we are reporting on changes in peoples lives, on the impact of vulnerable people, there is a need for complete integrity and authenticity. We should say things that are not really happening. So this creates an impression in the public domain that Oasis had done a load of work in Nilphamari around the business – and actually, no body from the Oasis NGO had visited for about 3 years. So – I said – there are a number of reasons why you can't say this – there is one of them – do something first. 9 months of complete silence and then they said we are withdrawing Clive from this role. And I said 'Ok, that's find – but you have a shareholder agreement that says you have to fulfil this role and I said, are you withdrawing Clive or is Oasis withdrawing – because there is a difference, because the shareholder agreement does not specify Clive, it specifies a organisational relationship. And then, I finally got to the bottom of it, when they said – 'by the way, the conversation we had last January about you saying we can't have a hub, is the reason why we want to withdraw from this relationship. And it's not Clive withdrawing, it's us withdrawing. So I said 'Thank you, can you write a letter to our board tell them that is what you are saying, because up until now you haven't said it'. So they did and I said, 'right not we can restart the negotiations.'	H5 H2 H8

Titus van der …, 24/3/2015 16:52
Comment [32]: The value orientation of NGO vs SE is again highlighted – that this value orientation minaifests itself as different approaches and different viewpoints of things suh as efficiency, growth, etc.

Titus van der …, 24/3/2015 16:53
Comment [33]: One of the struggles between NGO vs SE

Titus van der …, 24/3/2015 16:54
Comment [34]: NGOs are unreliable – this was also the case of Rickshaw – the NGO does not fulfil their end of the bargain.

Titus van der …, 24/3/2015 17:02
Comment [35]: Misscommunication of being to social has the possibility of tarnishing the SEs name toward stakeholders other than the NGO.

Titus van der …, 24/3/2015 17:01
Comment [36]: Issue of transparency.

7.5 Appendix 5 Ethical approval

University of Essex

Application for Ethical Approval of Research Involving Human Participants

This application form should be completed for any research involving human participants conducted in or by the University. 'Human participants' are defined as including living human beings, human beings who have recently died (cadavers, human remains and body parts), embryos and foetuses, human tissue and bodily fluids, and human data and records (such as, but not restricted to medical, genetic, financial, personnel, criminal or administrative records and test results including scholastic achievements). Research should not commence until written approval has been received (from Departmental Research Director, Faculty Ethics Committee (FEC) or the University's Ethics Committee). This should be borne in mind when setting a start date for the project.

Applications should be made on this form, and submitted electronically, to your Departmental Research Director. A signed copy of the form should also be submitted. Applications will be assessed by the Research Director in the first instance, and may then passed to the FEC, and then to the University's Ethics Committee. A copy of your research proposal and any necessary supporting documentation (e.g. consent form, recruiting materials, etc) should also be attached to this form.

A full copy of the signed application will be retained by the department/school for 6 years following completion of the project. The signed application form cover sheet (two pages) will be sent to the Research Governance and Planning Manager in the REO as Secretary of the University's Ethics Committee.

1.	Title of project:
	Understanding organizational legitimacy in social enterprises: the Bangladeshi Context

2. The title of your project will be published in the minutes of the University Ethics Committee. If you object, then a reference number will be used in place of the title.
Do you object to the title of your project being published?　　　　Yes ☐ / No ☒

3. This Project is:　　☐　Staff Research Project　　☒　Student Project

4. Principal Investigator(s) (students should also include the name of their supervisor):

Name:	Department:
Titus van der Spek	EBS - EFMG
Dr. Caleb Kwong (supervisor)	EBS - EFMG

5.	**Proposed start date**: 10/01/2014
6.	**Probable duration**: 10/06/2014

7. Will this project be externally funded?　　　　　　　　　Yes ☒ / No ☐
If Yes,

8.	What is the source of the funding?
	Research will be funded personally. Additionally, where possible I may piggyback on the costs of some other (commercial) research initiatives that take place at the same time.

9. If external approval for this research has been given, then only this cover sheet needs to be submitted

External ethics approval obtained (attach evidence of approval)   Yes ☐ / No ☒

Declaration of Principal Investigator:

The information contained in this application, including any accompanying information, is, to the best of my knowledge, complete and correct. I/we have read the University's *Guidelines for Ethical Approval of Research Involving Human Participants* and accept responsibility for the conduct of the procedures set out in this application in accordance with the guidelines, the University's *Statement on Safeguarding Good Scientific Practice* and any other conditions laid down by the University's Ethics Committee. I/we have attempted to identify all risks related to the research that may arise in conducting this research and acknowledge my/our obligations and the rights of the participants.
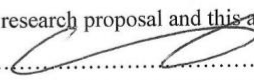
Signature(s): ....

Name(s) in block capitals: TITUS VAN DER SPEK

Date: ....7.. December 2013...

Supervisor's recommendation (Student Projects only):

I have read and approved both the research proposal and this application.

Supervisor's signature: ....

Outcome:

The Departmental Director of Research (DoR) has reviewed this project and considers the methodological/technical aspects of the proposal to be appropriate to the tasks proposed. The DoR considers that the investigator(s) has/have the necessary qualifications, experience and facilities to conduct the research set out in this application, and to deal with any emergencies and contingencies that may arise.

This application falls under Annex B and is approved on behalf of the FEC   ☐

This application is referred to the FEC because it does not fall under Annex B   ☐

This application is referred to the FEC because it requires independent scrutiny   ☐

Signature(s): ....

Name(s) in block capitals: ....

Department: ....

Date: ....

The application has been approved by the FEC   ☐

The application has not been approved by the FEC   ☐

The application is referred to the University Ethics Committee   ☐

Signature(s): ....

Name(s) in block capitals: ....

Faculty: ....

Date: ....

Details of the Project

1. | **Brief outline of project** (This should include the purpose or objectives of the research, brief justification, and a summary of methods. It should be approx. 150 words in everyday language that is free from jargon). |

| The objective of research is to improve our understanding of the challenges and management practices of the organizational model 'social enterprise'. The aim of this intended research is to contribute to the growing stream of scholarly research dedicated to social entrepreneurship as an independent field of enquiry. To fulfill the research objectives, field research aims to explore the relationships that social enterprises foster with various stakeholders to improve their organizational legitimacy, and in turn, how this impacts a social enterprise's social and financial performance. To this end, in-depth case studies will be developed using interviews and focus groups with social entrepreneurs and their various stakeholders. Interviews and focus groups will be qualitative by nature. The aim is to conduct such qualitative research with five social enterprises and their stakeholders who operate within rural Bangladesh. This will allow for a cross-comparison of the findings to identify common challenges, strategies and management considerations. |

Participant Details

2. Will the research involve human participants? (indicate as appropriate)

Yes ☒   No ☐

3. | Who are they and how will they be recruited? (If any recruiting materials are to be used, e.g. advertisement or letter of invitation, please provide copies). |

| The participants for the interviews will include social entrepreneurs and their management team. Where possible and relevant it is possible that interviews may also be held with lower-level employees to obtain their points of views. These respective individuals will be recruited by establishing contact with them upon arrival in Bangladesh through my existing networks and by approaching them via phone and email. |

| The participants for the focus groups will include members of the respective social enterprise as well as representative individuals from their various stakeholder bodies. This may include customers, the impacted community, non-profit organizations, social investors and policy makers. |

| Will participants be paid or reimbursed? |

| No |

4. Could participants be considered:

(a) to be vulnerable (e.g. children, mentally-ill)?   Yes ☐ / No ☒

(b) to feel obliged to take part in the research?   Yes ☒ / No ☐

If the answer to either of these is yes, please explain how the participants could be considered vulnerable and why vulnerable participants are necessary for the research.

Interviews will (in the best case scenario) be held with the community that is being impacted by the social enterprise, as well as the social enterprise itself. The community that is being impacted by the operations and social outcomes of a social enterprise may be individuals who live below the poverty line. It is possible that these individuals may be 'pushed' by the social enterprise to participate. However, all efforts will be done to avoid such coercion by being extremely transparent with regard to the research objectives and the voluntary nature of the focus groups. Such information regarding the research objectives will be delivered orally. It is however crucial that willing representatives from the impacted community participate in focus groups as they are considered the primary stakeholder group for social enterprise activity.

Informed Consent

5. Will the participant's consent be obtained for involvement in the research orally or in writing? (If in writing, please attach an example of written consent for approval):

Yes ☒   No ☐

How will consent be obtained and recorded? If consent is not possible, explain why.

Written consent will be very difficult to obtain, mainly due to the following reasons:
- Culturally, people are very hesitant of signing documents or participating in activities that require detailed documentation. Oral consent is much easier to obtain (based on previous commercial research conducted in Bangladesh).

- Some of the participants will not have received a high level of education and will feel an unwarranted fear and misunderstanding should they have to sign documents or read paper work, prior to being interviewed.

- There is a language barrier as the local language is Bengali. Hence, assuring participants of the safety of this research is dependent on good translation.

Consequently, consent will be obtained orally and will be characterised by the following points:

- Consent will be obtained orally and audio recorded prior to the start of an interview or focus group. These recordings will be transcribed and, where necessary, translated from Bengali to English for accurate record keeping.

- Particularly for focus groups, a short bio of each participant will be provided within the final interview write up. By combining these bios with the transcribed oral consent, this will clearly link the oral consent given by the specific individuals participating.

- During oral consent, participants will be provided with their rights in a clear yet informal manner. These rights include the rights to anonymity, the right to withdraw their participation, and the rights to copies of final case studies for their referral. Where participants do not speak English, a summary of the case study in question will be provided.

- As a part of the consent process, individuals will also be provided with a brief explanation of the purposes of research. This will highlight that research is not firm specific and

therefore will not be traced back to any individual. This will also highlight that research is aimed at improving our understanding of how social enterprises can improve their organisational legitimacy and thus their overall impact. The aim here is to portray the positive nature of research and that it is not being undertaking to exploit or for selfish ends. As Bangladesh has quite an instable business environment, riddled with cases of corruption and exploitive activities, I consider it useful and good practice to clearly highlight the research objectives and the potentially positive outcomes.

- During focus groups, after the research objectives and participants rights have been explained, individuals will be given the opportunity to 1) ask any questions respectively and 2) discontinue their participation if they wish to do so, prior to the start of the actual discussion points of the focus group. The same approach will be taken during interviews.

Please attach a participant information sheet where appropriate.

Confidentiality / Anonymity

6. If the research generates personal data, describe the arrangements for maintaining anonymity and confidentiality or the reasons for not doing so.

The research generated is not of a personal nature. Furthermore, as this is a comparative piece of research, we can protect the anonymity of the individual firms with ease if they desire this. In general, reference will be made to 'firms' as groupings rather than the names of individuals. Focus is placed on identifying common, overarching findings rather than firm specific findings.

Data Access, Storage and Security

7.   Describe the arrangements for storing and maintaining the security of any personal data collected as part of the project. Please provide details of those who will have access to the data.

> As mentioned in point 6, data is not of a personal nature. However, where individuals or firms wish to anonymize data, this will be done by changing the firm's and people's names in the transcription. Audio recorded interviews will be accessed only by my supervisor and by myself, the researcher, in such cases. However, due to the nature of the intended research as well as the (typically) transparent and helpful attitude of the social enterprise industry as a whole, it is not expected that data protection of this kind will be an issue. In terms of storage, backups of all data will be stored offline (hard drives), in the cloud (Dropbox) and as hard copies.

It is a requirement of the Data Protection Act 1998 to ensure individuals are aware of how information about them will be managed. Please tick the box to confirm that participants will be informed of the data access, storage and security arrangements described above. If relevant, it is appropriate for this to be done via the participant information sheet ⊠

Further guidance about the collection of personal data for research purposes and compliance with the Data Protection Act can be accessed at the following weblink. Please tick the box to confirm that you have read this guidance
(http://www.essex.ac.uk/records_management/policies/data_protection_and_research.aspx) ⊠

Risk and Risk Management

8.   Are there any potential risks (e.g. physical, psychological, social, legal or economic) to participants or subjects associated with the proposed research?

Yes ☐   No ⊠

If Yes,

> Please provide full details and explain what risk management procedures will be put in place to minimise the risks:

9. Are there any potential risks to researchers as a consequence of undertaking this proposal that are greater than those encountered in normal day-to-day life?

    Yes ☐   No ☒

    If Yes,

Please provide full details and explain what risk management procedures will be put in place to minimise the risks:

10. Will the research involve individuals below the age of 18 or individuals of 18 years and over with a limited capacity to give informed consent?

    Yes ☐   No ☒

    If Yes, a criminal records disclosure (CRB check) within the last three years is required.

    Please provide details of the "clear disclosure":

Date of disclosure:
Type of disclosure:
Organisation that requested disclosure:

11. Are there any other ethical issues that have not been addressed which you would wish to bring to the attention of the Faculty and/or University Ethics Committees

7.6 Appendix 6 List of Articles for Paper 2

1. Achleitner, A.-., Lutz, E., Mayer, J. & Spiess-Knafl, W. 2013, "Disentangling Gut Feeling: Assessing the Integrity of Social Entrepreneurs", Voluntas, vol. 24, no. 1, pp. 93-124.

2. Agafonow, A. 2013, "Toward A Positive Theory of Social Entrepreneurship. On Maximizing Versus Satisficing Value Capture", Journal of Business Ethics, vol. 125, no. 4, pp. 709-713.

3. Agafonow, A. 2015, "Value Creation, Value Capture, and Value Devolution: Where Do Social Enterprises Stand?", Administration and Society, vol. 47, no. 8, pp. 1038-1060.

4. Agafonow, A., 2014. Toward a positive theory of social entrepreneurship. On maximizing versus satisficing value capture. Journal of Business Ethics, 125(4), pp.709-713.

5. Agrawal, S. & Gugnani, R. 2014, "Creating successful business model: Lessons for social entrepreneurship", International Journal of Entrepreneurship and Innovation Management, vol. 18, no. 5-6, pp. 438-445.

6. Alex Nicholls (2013) Editorial: It's More Fun To Compute, Journal of Social Entrepreneurship, 4:1, 1-3, DOI: 10.1080/19420676.2013.780701

7. Alvord, S.H., Brown, L.D. & Letts, C.W. 2004, "Social Entrepreneurship and Societal Transformation: An Exploratory Study", The Journal of applied behavioral science, vol. 40, no. 3, pp. 260-282.

8. Åmo, B.W. 2014, "Antecedents, prevalence and manifestations of social entrepreneurship", International Journal of Entrepreneurial Venturing, vol. 6, no. 2, pp. 162-178.

9. Andersson, F.O. and Ford, M., 2015. Reframing social entrepreneurship impact: Productive, unproductive and destructive outputs and outcomes of the Milwaukee school voucher programme. Journal of Social Entrepreneurship, 6(3), pp.299-319.

10. Antadze, N. and Westley, F.R., 2012. Impact metrics for social innovation: barriers or bridges to radical change?. Journal of Social Entrepreneurship, 3(2), pp.133-150.

11. Arena, M., Azzone, G. & Bengo, I. 2015, "Performance Measurement for Social Enterprises", Voluntas, vol. 26, no. 2, pp. 649-672.

12. Austin, J., Stevenson, H. and Wei-Skillern, J., 2006. Social and commercial entrepreneurship: same, different, or both?. Entrepreneurship theory and practice, 30(1), pp.1-22.

13. Auvinet, C. & Lloret, A. 2015, "Understanding social change through catalytic innovation: Empirical findings in Mexican social entrepreneurship", Canadian Journal of Administrative Sciences, vol. 32, no. 4, pp. 238-251.

14. Azmat, F. 2013, "Sustainable Development in Developing Countries: The Role of Social Entrepreneurs", International Journal of Public Administration, vol. 36, no. 5, pp. 293-304.

15. Azmat, F., Ferdous, A.S. & Couchman, P. 2015, "Understanding the dynamics between social entrepreneurship and inclusive growth in subsistence marketplaces", Journal of Public Policy and Marketing, vol. 34, no. 2, pp. 252-271.

16. Bacq, S. and Lumpkin, G.T., 2014. Can social entrepreneurship researchers learn from family business scholarship? A theory-based future research agenda. Journal of Social Entrepreneurship, 5(3), pp.270-294.

17. Bacq, S., Ofstein, L.F., Kickul, J.R. & Gundry, L.K. 2015, "Bricolage in social entrepreneurship: How creative resource mobilization fosters greater social impact", International Journal of Entrepreneurship and Innovation, vol. 16, no. 4, pp. 283-289.

18. Bacq, S., Ofstein, L.F., Kickul, J.R. and Gundry, L.K., 2015. Bricolage in social entrepreneurship: how creative resource mobilization fosters greater social impact. The International Journal of Entrepreneurship and Innovation, 16(4), pp.283-289.

19. Bagnoli, L. & Megali, C. 2011, "Measuring performance in social enterprises", Nonprofit and Voluntary Sector Quarterly, vol. 40, no. 1, pp. 149-165.

20. Baierl, R., Grichnik, D., Spörrle, M. and Welpe, I.M., 2014. Antecedents of social entrepreneurial intentions: The role of an individual's general social appraisal. Journal of Social Entrepreneurship, 5(2), pp.123-145.

21. Bargsted, M., Picon, M., Salazar, A. and Rojas, Y., 2013. Psychosocial characterization of social entrepreneurs: A comparative study. Journal of Social Entrepreneurship, 4(3), pp.331-346.

22. Battilana, J. & Lee, M. 2014, "Advancing Research on Hybrid Organizing - Insights from the Study of Social Enterprises", Academy of Management Annals, vol. 8, no. 1, pp. 397-441.

23. Battilana, J., Sengul, M., Pache, A.C. and Model, J., 2015. Harnessing productive tensions in hybrid organizations: The case of work integration social enterprises. Academy of Management Journal, 58(6), pp.1658-1685.

24. Beckmann, M. & Zeyen, A. 2014, "Franchising as a Strategy for Combining Small and Large Group Advantages (Logics) in Social Entrepreneurship: A Hayekian Perspective", Nonprofit and Voluntary Sector Quarterly, vol. 43, no. 3, pp. 502-522.

25. Berglund, K. & Schwartz, B. 2013, "Holding on to the Anomaly of Social Entrepreneurship Dilemmas in Starting up and Running a Fair-Trade Enterprise", Journal of Social Entrepreneurship, vol. 4, no. 3, pp. 237-255.

26. Berglund, K. and Schwartz, B., 2013. Holding on to the anomaly of social entrepreneurship dilemmas in starting up and running a fair-trade enterprise. Journal of Social Entrepreneurship, 4(3), pp.237-255.

27. Beugré, C.D. 2014, "Exploring the motivation to create social ventures: A model of moral engagement", International Journal of Entrepreneurial Venturing, vol. 6, no. 1, pp. 37-50.

28. Bhatt, P. & Altinay, L. 2013, "How social capital is leveraged in social innovations under resource constraints?", Management Decision, vol. 51, no. 9, pp. 1772-1792.

29. Bhowmick, S., 2011. Social cause venturing as a distinct domain. Journal of social entrepreneurship, 2(1), pp.99-111.

30. Bloom, P.N. and Smith, B.R., 2010. Identifying the drivers of social entrepreneurial impact: Theoretical development and an exploratory empirical test of SCALERS. Journal of social entrepreneurship, 1(1), pp.126-145.

31. Blundel, R.K. & Lyon, F. 2015, "Towards a 'Long View': Historical Perspectives on the Scaling and Replication of Social Ventures", Journal of Social Entrepreneurship, vol. 6, no. 1, pp. 80-102.

32. Bridgstock, R., Lettice, F., Özbilgin, M.F. & Tatli, A. 2010, "Diversity management for innovation in social enterprises in the UK", Entrepreneurship and Regional Development, vol. 22, no. 6, pp. 557-574.

33. Brown, M.L., McDonald, S. & Smith, F. 2013, "Jungian archetypes and dreams of social enterprise", Journal of Organizational Change Management, vol. 26, no. 4, pp. 670-688.

34. Chalmers, D.M. & Balan-Vnuk, E. 2013, "Innovating not-for-profit social ventures: Exploring the microfoundations of internal and external absorptive capacity routines", International Small Business Journal, vol. 31, no. 7, pp. 785-810.

35. Chen, S. 2012, "Creating sustainable international social ventures", Thunderbird International Business Review, vol. 54, no. 1, pp. 131-142.

36. Chen, X. & Kelly, T.F. 2015, "B-Corps—A Growing Form of Social Enterprise: Tracing Their Progress and Assessing Their Performance", Journal of Leadership and Organizational Studies, vol. 22, no. 1, pp. 102-114.

37. Chew, C. 2010, "Strategic positioning and organizational adaptation in social enterprise subsidiaries of voluntary organizations: An examination of community interest companies with charitable origins", Public Management Review, vol. 12, no. 5, pp. 609-634.

38. Cho, S. & Sultana, R. 2015, "Journey from NGO to Sustainable Social Enterprise: Acceleratory Organizational Factors of BRAC", Asian Social Work and Policy Review, vol. 9, no. 3, pp. 293-306.

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45. Costanzo, L.A., Vurro, C., Foster, D., Servato, F. & Perrini, F. 2014, "Dual-mission management in social entrepreneurship: Qualitative evidence from social firms in the United Kingdom", Journal of Small Business Management, vol. 52, no. 4, pp. 655-677.

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48. Curtis, T. 2011, "'Newness' in Social Entrepreneurship Discourses: The Concept of 'Danwei' in the Chinese Experience", Journal of Social Entrepreneurship, vol. 2, no. 2, pp. 198-217.

49. Daskalaki, M., Hjorth, D. & Mair, J. 2015, "Are Entrepreneurship, Communities, and Social Transformation Related?", Journal of Management Inquiry, vol. 24, no. 4, pp. 419-423.

50. De Bruin, A. & Lewis, K.V. 2015, "Traversing the Terrain of Context in Social Entrepreneurship", Journal of Social Entrepreneurship, vol. 6, no. 2, pp. 127-136.

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