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Accepted Version

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STRUCTURED ABSTRACT

Purpose
This paper discusses strategies that nascent social enterprises adopt to recruit and retain their managers.

Design/methodology/approach (limit 100 words)
We used qualitative methods and conducted 35 in-depth interviews with social entrepreneurs and managers in the Indian context. We used NVivo version 11 to analyse the themes as part of our analytical approach.

Findings (limit 100 words)
Our findings suggest that social enterprises rely on managers' prior experience and P-O fit when recruiting. Further, they also emphasise the importance of industry-specific human capital related to social and commercial missions in their prior employment. Surprisingly, our results also indicate that social enterprises prefer to recruit those with prior experience in commercial rather than social settings. As part of their retention strategies, social enterprises rely on institutionalising interpersonal and other-oriented factors related to social mission, such as caring and sharing, which requires embedding the practices of the ethic of care. Combining these findings, we propose a compassion-centred HRM practice for recruiting managers in social enterprises.

Originality/value (limit 100 words)
This study advances social enterprise and strategic HRM literatures by shifting focus from entry-level staff socialisation to the strategic agency of mid-level managers. Moving beyond descriptive application, we elaborate the theory by establishing a conditional, contingency-based framework that links commercial manager preference to specific structural boundaries: venture stage, asset scarcity, and founder competence gaps. Furthermore, we theorise compassion-centred HRM as an organisation-level mechanism rather than an individual antecedent, demonstrating how institutionalised care routines act as a structural buffer that stabilises long-term retention when traditional macro-buffers are absent.

Keywords: blended value; human capital; manager; social entrepreneurship; recruitment and retention.

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1. Introduction

Social enterprises have gained significant academic attention due to their stated objective of blended value creation, which entails the simultaneous creation of commercial and social value to address persistent social problems (Emerson, 2003; Kummitha, 2022). A central feature of social enterprises is their focus on dual missions – social and commercial – at the heart of their operations and impact generation. Given the dual missions at play, there has been growing interest in understanding the Human Resource Management (HRM) practices of social enterprises, as they proliferate or help navigate through the complexity and tensions arising from the combination of dual missions (Roumpi et al. 2020).

However, the literature on hybrid organising and strategic HRM continues to pose a theoretical puzzle, as it fails to clarify the recruitment and retention strategies adopted at the managerial level. Traditional strategic HRM frameworks assume that firms recruit actors at market rates and then align them with organisational value systems (Arthur, 1994). On the contrary, the hybrid organising literature claims that organisations typically navigate the tensions resulting from dual missions through structural decoupling or departmental segregation, in which they separate commercial and social operations (Battilana et al. 2015).

This convergence results in theoretical tensions within nascent social ventures (those less than five years old). These organisations particularly suffer from an extremely resource-constrained environment, with hardly any resources to create separate departments, leaving them to place both financial and social operations under the same department/division. Mid-level managers handle heavy lifting under such a constrained environment. However, these organisations often fail to recruit effective mid-level managers for the same reason: a lack of resources. As a result, these social enterprises are caught in an interactive paradox: balancing the need to acquire commercial human capital to close operational competence gaps, which

may, in turn, result in mission drift or accelerate managerial turnover due to uncompetitive pay. On the other hand, heightened focus on P-O fit may deepen over-embeddedness, limiting its potential to attain commercial success. Given this background, how resource-scarce, nascent firms build specialised human resource management mechanisms to resolve the tradeoff safely remains an unresolved theoretical puzzle. This study thus poses the following question: how do human capital requirements and P-O fit interactively configure managerial recruitment and retention within resource-constrained, nascent social enterprises?

To address the research question, this paper examines an empirically extreme and theoretically informative context: nascent Ashoka social ventures operating in India. The Indian context combines institutional voids, including absolute capital constraints, with traditional recruitment strategies for managers (British Council, 2016). By analysing data from 35 in-depth interviews with social entrepreneurs and managers, this study makes two distinct contributions to social entrepreneurship, strategic HRM and prosocial organising literature. First, our findings challenge the conventional understanding that social enterprises should prioritise recruiting managers with social sector backgrounds. Instead, we argue that blended value creation requires recruiting managers with specific human capital aligned with their commercial mission backgrounds to strengthen operational capacity, a challenge further compounded by the baseline P-O fit threshold. While the literature argues that P-O fit operates as a generic alignment of values (Cable and Judge, 1996), we show that, in the context of social enterprises, this baseline serves as imprinting guardrails that allow newly recruited managers to rapidly absorb social logic through structured field exposure without resulting in mission drift.

Second, our results further extend compassion and prosocial organising literature from an individual-level antecedent (Yitshaki et al. 2022) to an organisational-level mechanism. We introduce a Compassionate-Centered HRM (CCHRM) framework that

demonstrates the importance of institutionalising the ethic of care into collective, routine HR practices. When operationalised within the organisation's daily practices, it functions as a non-monetary strategic asset.

2. Review of Literature

In our review below, we focus on three issues. First, we introduce the concept of blended value creation, then discuss how both human capital and the P-O fit are perceived in the literature on social enterprise HRM practices.

2.1 Blended Value Creation in Social Enterprises

Social enterprises are recognised for their ability to pursue multiple missions — i.e., social (and/or environmental) and commercial — to create blended value (Satar, 2024; Kummitha et al., 2025). While the social mission aims to create social value by addressing stubborn social problems, the commercial mission helps generate income to advance its social mission (Clyde and Karnani, 2015). Activities that advance a social mission include serving communities and promoting societal value. Activities involved in advancing a commercial mission may include undertaking commercial activities that eventually support the organisation's social mission (Kachlami *et al.,* 2018). As Crane et al. (2014) argue, blended value requires maximising the sum of what both missions achieve. Elkington et al. (2006) refer to this approach as steering and blending multiple value streams, thereby enhancing the prospects of creating sustainable business models. Adopting a blended value proposition allows organisations to be more efficient, which is generally not possible when they are tied purely to social mission (Hechavarria *et al.,* 2017).

The literature argues that HR practices play a crucial role in sustaining a social venture's interest in blended value creation (Dorado et al., 2022). However, the unique positioning of social enterprises to create blended value makes it challenging to recruit and

retain managers, who play a pivotal role in setting strategy and overseeing operations once ventures are established. Managers play a crucial role in recruiting employees and ensuring that recruits' personal values align with organisational values (Riviere et al. 2025). Furthermore, managers need to foster an environment conducive to building bonds among organisational members (Nguyen et al. 2020). Managers also engage in strategic decision-making and enforce those decisions (Ohana and Meyer, 2010). As a result, their motivation appears to be closely linked to employee retention (Qamar and Soomro, 2025). On the contrary, a lack of competent talent hampers their ability to create blended value effectively and to address stubborn social problems. The emerging literature suggests that, even when ventures successfully recruit talented managers, they tend to retain them for only short periods (British Council, 2016). For example, social enterprises tend to pay less and offer no formal training due to the resource-constrained environment in which they operate (Roumpi et al., 2020). Austin *et al.* (2006) argued that social entrepreneurs may need assistance in paying market rates for key hires, emphasising that they often face more constraints than mainstream entrepreneurs, which inhibits their intention to create blended value. Particularly nascent social enterprises experience severe resource constraints, resulting in limited resources to recruit and retain their managers. On the other hand, mission-matched managers can work fairly to pursue the blended value, even at the expense of their well-being (Besley and Ghatak 2005).

Consequently, surviving this resource-constrained hybrid environment requires managers to possess a unique duality: they must simultaneously have the operational capacity to navigate commercial markets and the ideological commitment to safeguard the social mission. We conceptualise the former through the lens of Human Capital Theory and the latter through the lens of *Person-Organization (P-O) Fit Theory*, arguing that blended value creation is ultimately a function of the interactive configuration of these two dimensions.

2.1 The Role of Human Capital in Managerial Recruitment

Human capital theory provides a foundation for understanding firms' recruitment choices by clarifying the nature of talent needs (Godfroid *et al.,* 2022). Human capital refers to individuals' skills, competence, and knowledge (Davidsson and Honig, 2003). The human capital lens is particularly helpful for determining how founders' and teams' skills and competencies contribute to the creation and growth of new ventures (Kuratko, 2005; Unger *et al.,* 2011; Kummitha, 2022). It has been argued that exponential human capital is critical for social enterprises, from identifying and exploiting opportunities to fostering venture growth (Battilana and Dorado, 2010; Hockerts, 2017).

Human capital has been classified into three categories: generic, specific, and entrepreneur-specific human capital (Castanias and Helfat, 2001). Generic human capital is acquired through prior education and experience and is useful for gaining general knowledge. Battilana and Dorado (2010), in their study of Bolivian microfinance organisations, suggested that social enterprises need to recruit individuals with generic human capital and then socialise them into organisational routines, specific to a particular mission, thereby reducing the complexity of managing multiple missions.

Individuals gain industry-specific human capital by working in firms within the same industry, whereas firm-specific human capital is acquired by working in a specific firm (Morris *et al.,* 2017). These two types of human capital constitute "specific human capital." Hockerts (2017) highlighted that specific work experience is an antecedent for social entrepreneurial intentions. The experience gained in a managerial position or the skills developed through prior entrepreneurship training are considered entrepreneur-specific human capital. Individuals may also gain entrepreneur-specific human capital from their prior experience as founders.

Apart from possessing relevant cognitive knowledge and skills, those recruited in the social enterprises need to be compassionate (Yitshaki *et al.,* 2022; Kang *et al.,* 2007). Managers with relevant human capital can effectively influence other employees' competence, thereby promoting an innovative culture at the venture level (Hornsby *et al.,* 2002; Zahra *et al.,* 1999). Short *et al.* (2009) highlighted that managers are intrinsically motivated to act in the organisation's best interests. Accordingly, managers of social enterprises and their employees share a sense of entitlement stemming from the impact they create (McMullen and Bergman, 2017). Managerial entrepreneur-specific human capital may also benefit firms, as it often ensures that founders' values and expectations are aligned with venture operations, particularly when managers assume responsibility for day-to-day operations (Bacq et al., 2019). As a result, managers are expected to adhere to paradoxical thinking (Smith and Besharov, 2019).

Crucially, possessing entrepreneur-specific or industry-specific human capital provides managers with the cognitive capability to handle these commercial complexities. However, human capital alone is insufficient for sustaining hybridity. For these skills to be deployed effectively toward blended value rather than slipping into mission drift, they must be anchored in an individual's intrinsic alignment with the enterprise's dual goals—a tension that the concept of Person-Organization (P-O) fit addresses explicitly.

2.2 ***P-O Fit in Managerial Recruitment and Retention***

While human capital dictates operational capacity, P-O fit operates as a psychological buffer against the severe resource constraints inherent in social enterprises. The P-O fit literature highlights the importance of value, belief, and interest alignment between employees and employers, and the role of this alignment in determining employee commitment to achieving organisational objectives (Dorado et al. 2022). The literature notes that social ventures often cannot pay market rates (Roumpi et al., 2020; Austin et al., 2006).

Here, high P-O fit functions as a distinct retention mechanism: value alignment with an 'ethic of care' (André & Pache, 2016) shifts a manager's utility function from extrinsic financial reward to intrinsic mission validation. This alignment allows mission-matched managers to sustain high performance even under conditions of material scarcity.

Similarly, it is pivotal that the competing nature of social enterprise culture, driven by its multiple missions, is managed to align with managers' values (Doherty, 2010). Newman *et al.,* (2018) particularly argue the importance of building an internal culture that enables workers in social enterprises to address challenges associated with blended value creation. Similarly, high-involvement work practices, including building a 'family feel' culture in social enterprise, are crucial to achieving positive organisational outcomes (Truong and Barraket 2018). In addition, a culture that emphasises the organisation's social purpose may help retain employees, as they see themselves as helping others by working for the social venture (Moses and Sharma, 2020). However, the evolving nature of organisational culture in social enterprises, driven by their interest in blended value creation, makes it difficult for managers to understand these growing needs and work alongside them (Royce, 2007).

Paradoxically, even after finding value-aligned managers capable of addressing the social mission, social enterprises may still struggle to balance the financial mission, making it challenging to create sustained blended value. For example, overemphasising social employment and disregarding the commercial market led to the failure of Metalcon, a Belgian social enterprise (Bruneel et al., 2016). Wry and York (2017) thus emphasised that conflict within social enterprises should be viewed as interpersonal, as talent mismatches lead to imbalances within these organisations.

2.3 Synthesis and Boundary Condition

The tension inherent in the literature highlights a critical theoretical gap: Human Capital and P-O fit have largely been studied as independent vectors of recruitment. Yet, in

social enterprises, they function interactively. While managers' specific human capital provides the operational mechanisms to convert their commitment into financial sustainability, the P-O fit ensures their psychological commitment to withstand resource constraints and lower market pay (Roumpi et al. 2020).

By integrating these two literatures, we move beyond viewing human capital and P-O fit as isolated recruitment vectors. Instead, we argue they exist in a dynamic tension that defines the boundaries of social enterprises that intend to create blended value. High P-O fit without specific human capital results in financial fragility (e.g., the failure of Metalcon; Bruneel et al., 2016), while high human capital without P-O fit accelerates mission drift or managerial turnover due to uncompetitive compensation.

The interactive configuration of these two elements highlights why managers constitute a distinct category of actors within social enterprises. Unlike in established firms, nascent ventures cannot segregate these structural conflicts into different bureaucratic departments (Battilana et al. 2015). They are inherently internalised among the individual leaders. In particular, managers' backgrounds and human capital must align with the beneficiary welfare dictated by the P-O fit. Therefore, the theoretical boundary of blended value creation is realised when high operational capacity (human capital) interacts with high mission commitment (P-O fit). Therefore, understanding the recruitment and retention strategies of social enterprises requires an integrated framework that examines how ventures achieve a configuration of high operational capacity (human capital) and mission alignment (P-O fit) to deliver blended value.

3. METHODS

3.1 Data Collection

We conducted our field research in India. We adopted a qualitative, exploratory approach (Guercini, 2014). Social enterprises play a significant role in India, given the prevalence of poverty and inequality (Burton *et al.,* 2015). Like any other enterprise, social enterprises also face substantial operational constraints. For example, the British Council (2016) highlights that attracting human capital remains the second-largest barrier to the growth of social enterprises in India, after financial capital. Social enterprises often struggle to attract skilled managers. Our respondents are from social enterprises that have been operating for 3 to 5 years. We chose this timeframe because about 57 per cent of the social enterprises in India are younger than five years old (British Council, 2016). Theoretically, selecting ventures in this age group is relevant, as firms aged 5 or less are generally considered nascent (Ruvio and Shoham, 2011; Oh, 2025). The organisational growth models proposed by Churchill and Lewis (1983) and Flamholtz (1995) share the view that, as ventures set out to grow, entrepreneurs tend to diversify roles by recruiting managers and key staff. Leung (2003) particularly argues that during the start-up phase, entrepreneurs tend to act as if they are synonymous with the venture, making all the decisions. However, as ventures set to grow tend to recruit managers, this generally occurs during the nascent stage.

The list of social entrepreneurs was selected from the Ashoka database in India. Selecting social entrepreneurs as Ashoka fellows in the Indian context is theoretically informative because of the clear role these actors play in building inclusive societies by transforming institutional environments that constrain the participation of several communities in the mainstream (Sen, 2007). Ashoka fellows are heterogeneous in their operations, ranging from for-profit, non-profit, and hybrid entities. Further, Ashoka selects social entrepreneurs at different stages of venture development (Meyskens et al. 2010). As we are interested in studying those ventures that focus on creating blended value, we were particular in selecting our respondents. Of the 350 social entrepreneurs selected by Ashoka,

68 are 3 to 5 years old, of which 52 social entrepreneurs engage in some sort of blended value creation – the creation of both social and commercial value. For this selection, we ensured that our sample must meet two precise criteria: first, it must actively pursue blended value creation – simultaneously engage in both social and commercial value; second, the venture must be in a nascent stage, operationally active for 3 to 5 years, where ventures tend to transit from founder centrality to distributed management routines (Churchill and Lewis, 1983). We approached all of them in 2018, but in the end, 47 agreed to participate. However, we had to leave 12 of them out because they reportedly have not recruited any managers thus far; as a result, the total number stands at 35. Our data collection consists of 14 in-person interviews and 21 Skype interviews. Some of the interviews were attended by more than one respondent from the same venture. The longest interview lasted 63 minutes, and the shortest was about twenty-five minutes. Our unit of analysis is strictly restricted to mid-level operational, functional and tactical managers. These actors operate beneath the founder, where they engage in resource allocation, workflow enforcement, and the transition to dual mission. In essence, we have excluded entry-level field workers and community beneficiaries who lack strategic or administrative oversight. Further, we have also excluded social entrepreneurs. Appendix 1 shows the questionnaire we used during the interviews.

We have not come across any differences in responses due to the mode of the interactions – online vs offline (Anthony *et al.* 2025). To ensure consistency between the online and offline interview modes, we have employed the same data-collection procedures, including recording the interviews and using the same interview guide. Furthermore, we systematically assessed potential mode effects in our data. We compared transcript lengths, response depth, and the distribution of codes across the different formats. This check confirmed that the core themes emerged uniformly across both interview modes, suggesting

that the medium of delivery did not substantively influence the nature of the evidence or the resulting thematic framework.

We tested our semi-structured questionnaire with three participants – two social entrepreneurs and one manager. Based on the feedback provided, we restructured our questions. Our interview questions focused on how they recruit managers for their ventures and the skills and backgrounds they value in the selection process. Furthermore, our questions also centred on the firms' retention strategies. The first author conducted all the interviews. During the interviews, the first author asked follow-up questions based on respondents' responses. However, these follow-up questions largely centred on the research's central focus – managerial recruitment and retention. After completing about 28 interviews, we realised the responses were repetitive, indicating data saturation. However, we have conducted all interviews as agreed with the respondents.

3.2 Data Analysis

We have over 800 minutes of data for analysis. We followed Gioia et al. (2012) for our analysis. Given the exploratory nature of this research, we first reviewed the data and built on the respondents' narratives about competence, experiences, and backgrounds that social enterprises consider when recruiting managers. We traced the narratives in parallel with our fieldwork, which gave us enough time to seek further information from respondents as needed. The iterative process helped us conduct a robust analysis grounded in the data, the literature, and our analysis (Pratt, 2009).

In addition to transcribing the interview data, we developed summary documents for each interview. The verbatim transcription helped us use the same words the respondents originally used. Furthermore, each summary document comprises 300-500 words and highlights the recruitment and retention strategies of each social firm participating in the

study. We prepared the summaries immediately after the interview, which allowed us to capture the key aspects of the conversation. This also allowed us to briefly cross-check whether key themes emerged similarly across the online and offline data collection procedures we used. The 35 summary documents helped stimulate new perspectives and fed insights into our emergent perspective.

We conducted thematic coding, with pointers for our aggregated dimensions directly drawn from our research question. We imported all our data into NVivo 11 to identify the themes (nodes) (Ates and Acur, 2022). The second author, who did not participate in data collection, conducted the data analysis. Using NVivo, we reviewed the data to identify codes. Upon identifying the codes, the second author met with the first author to discuss them and generate second-order themes. Both authors have reviewed the codes to develop second-order themes. Disagreements that arose during the process were resolved through follow-up meetings between the two authors to achieve interrater reliability (O'Connor and Joffe, 2020). For example, four different codes refer to organisational cultural aspects and organisational practices. Both authors disagree on whether to use one or two second-order themes to represent these codes. Before organising a meeting to discuss trade-offs, both authors have reviewed additional literature and agreed to convert these codes into two themes – organisational culture and organisational-centred care. Overall, we initially identified 27 codes. Based on their similarity, we manually collapsed some of these first-order concepts and reclassified the rest, thereby retaining 18 for final inclusion (Strauss and Corbin, 1990). We could then identify four second-order themes in which our first-order codes can be classified.

During the analysis, we found that social enterprises recruited individuals with backgrounds in both social and commercial missions, i.e., those who had worked for social enterprises or firms where both missions were prevalent. However, when they had to choose,

they relied on recruiting people with commercial backgrounds rather than those with social mission backgrounds. This was particularly interesting, given that existing literature largely focuses on generic human capital, whereas this finding prompted us to consider the importance of specific human capital.

Following Gioia et al. (2013), we iterated between the emergent codes and themes and the literature to uncover novel insights from the fieldwork. Figure 1 shows our coding structure. Our data indicated that compassionate organisational practices grounded in the ethic of care were instrumental in retaining those they recruited. We approached three respondents who had initially participated in data collection and shared our findings with them as part of the member checking process. All three respondents agreed with and appreciated the diversity of managerial recruitment and retention strategies. As argued by Thomas (2017), the member-checking procedure, apart from confirming the research findings, did not contribute to improving them.

Insert Figure 1 here.

4. FINDINGS

We present our findings in two sections. The first section highlights recruitment strategies, and the second section describes retention strategies.

4.1 Specific human capital driven by P-O fit

Our first aggregate dimension emphasises social ventures that prioritise recruiting people whose values align with the focal organisation. This choice is closely connected to selecting those with specific human capital gained from prior experience in the commercial sector. In the process, organisations may also choose to recruit internal candidates and individuals from beneficiary communities. We discussed the diversity in the selection process in detail below.

Before recruiting managers in social enterprises, they first check if the person is a good fit for the organisation. They consider the values and beliefs the candidates exhibit. Such an interest in P-O fit allows organisations to ensure that the individuals they recruit at the managerial level are motivated to fulfil organisational goals.

> First and foremost, we want to ensure that the actor we aim to recruit has interests and values that align with our own. You can say it is part of our screening (respondent 5).

When ensuring the P-O fit, social ventures consider prior work experience an asset in managerial recruitment. Sector-specific work experience is valuable as it allows organisations to deepen their work in the area of focus - such as health, education, or waste management. The social entrepreneurs we interviewed demonstrated their commitment and passion for their ventures. However, they rely on their managerial cognition to understand and affirm their beliefs and values. Most importantly, they seek to confirm the business case for their ideas. The managerial prior experience fills the competence gap and aids in the process:

> We are in the financial sector. When recruiting managers, whom we expect to act as our second-level leaders, we prefer candidates with prior experience in the financial sector. Managers need a solid background to understand and navigate the sector in focus. Second, experience in handling a 'similar' context is necessary. What I mean by a similar context is that we would prefer to have someone who worked in the same industry in the past (Participant 3)

Industry-specific experience (in this case, prior experience working in social enterprises) not only deepens organisational exposure but also helps ventures, as managers use their backgrounds to learn and adapt to organisational practices quickly. When organisations recruit quick learners, they do not plan to incur costs on training and socialisation. One of the respondents claims that,

> We want to spend our resources and time on anything but training. Because we need more resources for problem-solving, we may consider recruiting and training someone from scratch to enable them to understand our social and financial aspects here. However, we want to allocate most of our resources to project implementation.

> Thus, we prefer to recruit someone with at least 3 years of experience in the social sector, specifically in commercial aspects. (Participant 34).

We also found that some of the social entrepreneurs we interviewed had prior work experience, which they leveraged to build their networks. They appreciate their prior industry experience, which helped them grow their ventures. As a result, they believe that such prior experience is also essential for their managers:

> Let me give you my own example. I never went to a school to study entrepreneurship. Nevertheless, what helped me throughout the process of building this venture was my prior work experience in an organic product company. I leveraged my connections, knowledge, and procedural know-how to grow this venture. Based on my experience, I assess that someone who wants to join us as a manager should have similar industry experience. There is nothing new in what we ask. This is common across industries for recruiting managers; they need experience dealing with a particular environment. (Participant 22)

As social enterprises aim to create blended value, we were intrigued to learn that managers with relevant social-sector experience were ill-prepared to manage them. This was due to their over-embeddedness in the community culture and value systems. As a result, they may fail to build viable business models around the products or services that social enterprises offer or to create new business models that contribute to blended value.

In prior work experience, handling both social and commercial activities is considered crucial. Integrating value is necessary, all the while ensuring that the social value creation is both sustainable and commercially viable. In the event of a clash between choosing someone with a social work background and someone with a commercial background, social enterprises prefer to recruit individuals with a commercial background, as they consider it will be relatively easier to socialise them:

> As a hybrid venture, we sought to recruit someone with both social and commercial backgrounds. For example, someone who has worked in another social enterprise addressing social and commercial issues. However, we had a few people applying from the commercial side and a few with social experience, primarily from NGO

> backgrounds. After a thorough consultation, we recruited someone with commercial experience. During our interactions with the candidates, we understood that it would be easy to socialise him within the organisation. We did not find any problems with him later. (Participant 20).

Organisations also seek to promote their employees to managerial positions. In the absence of incentives for growth, employees tend to leave organisations when a better opportunity arises elsewhere. As turnover would severely impact existing resources, social enterprises, within their capacity, do everything to retain staff and promote them to managerial roles (Participant 19). One of the respondents highlighted that,

> We often need help finding the right person we want to recruit. This is because when someone switches jobs, they want to earn a higher salary. As you know, we are a startup with limited resources. When we cannot afford it, we stick with our in-house staff. We are aware that this will certainly constrain our growth prospects. (Participant 14).

When social enterprises fail to recruit managers, one way they fill the talent gap is by focusing on in-house resources; on the other hand, they also turn towards their serving communities.

> We recruit community members to lead our teams, as they help us navigate the communities quickly. However, one thing is crucial here again. Too much community focus is dangerous for us. Therefore, we selected individuals with experience in managing a commercial organisation. Our current manager is from one of the communities we serve. Nevertheless, she had previously worked at a small firm, looking after their accounts. (Participant 8).

At times, social enterprises recruit employees from communities to enhance community representation within the organisation:

> We deal with a taboo situation here [sanitary napkins]. So, we need community support. Like the other staff, we also recruited a community member as our manager to handle one of our projects. We have numerous benefits from having community members on our teams. First and foremost, we can offer direct employment to community members in need. Second, community members act as intermediaries between communities and our organisation, reducing the time and effort required to build trust and legitimacy. Third, they keep us focused on our mission; fourth, they do not abandon us for other ventures in search of better pay [laughing loudly]. (Participant 18).

We have included further illustrative examples of recruitment strategies in Table 1. We now proceed to the next section of our findings on social enterprises' strategies for retaining recruited managers.

Insert Table 1 about here.

4.2 The central focus on the Ethic of Care

We discuss below how the ethic of care, rooted in both inward- and outward-centred care at organisational and community levels, helps create the right stage for organisations to retain their newly recruited managers.

Upon recruitment, organisations strive to ensure that recruited candidates stay longer. Accordingly, they make efforts to embed the recruited candidates in the organisational culture, particularly by enabling the ethic of care practices:

> Our primary concern is to ensure that those we recruit remain with us as long as possible. First, we want to be sure that those we recruit have long-term plans to stay with us. Then, we ensure the new members dive deep into organisational routines and embrace our philosophy and mission. (Participant 32).

Given their industry experience, newly recruited managers generally understand the organisational routines and overall expectations. Organisations encourage managers to invest time and effort in understanding community concerns and the value the focal organisation creates for vulnerable communities. The learnings and quick understanding of the local context are then internalised through weekly meetings with other team members, helping new managerial recruits share their field experience with the rest of the team (Participant 7). Such a strategy helps in two ways. First, the new managers are familiar with serving communities and relate their community's suffering to the organisation's core mission. The reflections during weekly meetings allow them to share their impressions with other team members and

gain insights into the positive change the organisation is creating at the grassroots level. Information accumulation and exchange help create and maintain a strong sense of mission among all employees. Whereas those who are recruited based on their work experience in a commercial setup were socialised in organisational routines:

> In our manager Rao's case, it did not quite happen as we had planned. He had come with banking experience. Finding a fit between the candidate and the mission was challenging. Although we work in the microfinance space, where his experience would make a difference, we expected him to have a passion for the societal cause. That was when we first encouraged him to visit communities and interact with women to understand how we helped them and how they benefited from our interventions. This process enabled him to understand our societal context gradually. (Participant 21).

The information accumulated from exposure in the local context helps recruits empathise with the affected communities and enhance their compassion levels:

> We ensure that our employees build strong bonds with the communities and team members, and share a commitment to addressing others' problems. This is why we are here, working in the space of waste management. We need to collaborate with external parties that provide financial support for our mission, as well as with our workers who collect waste. One of our employees' daughters has completed a master's in economics. She has worked with us on the operations side for several years. Then, we elevated her to a manager role. Now, she is a key player in our venture. (Participant 19).

The impact social enterprises create helps them to have a positive reputation among communities, which inspires managers to work for the organisations through extended periods:

> When Suresh, our new manager, joined, he was constantly encouraged to meet the communities. He was personally touched by how communities treated him with respect because of the contributions we as an organisation make. In our weekly meeting, he was emotional. He has been quite active, making an extra effort to connect with communities. I forgot to tell you, he joined us with expertise in the commercial side, having previously worked in the investment space. (Participant 21).

Often, such a close connection with communities and the team members within the organisations offers new avenues for managers to cherish their working environment:

> Earlier, I worked in the CSR wing of a well-known firm. I have over 15 years of experience and a well-paid job. However, I was looking for a change. Then, I took up

> this opportunity. The salary is less than one-third. However, I knew it in advance since it was a startup. The work environment would be dynamic; it is heartwarming whenever I meet community members. They have problems, but they respect us. I like this. (Participant 11).

Such a bonding helps recruits to enhance their compassion towards communities and their problems. As managers gain knowledge from communities, they sometimes see themselves in the communities' shoes. The team meetings turn into an emotional rollercoaster as they share how communities respect them because of the organisation's good work. It is that emotional connection that helps them integrate into the organisational context. The greater the managers involved, the more difficult it becomes for them to leave the organisations. One of the managers shares that,

> Before joining here, my plan was to get hands-on experience in the social sector. I used to work in the banking sector. It was good there. However, there has been considerable interest recently in organisations operating in social and commercial contexts. In line with this, I wanted to get exposure to social space. I did not then quit my banking job, but I took a leave of absence without pay. I joined here to assist these individuals with developing a sustainable farming business model. However, it has been a year since I arrived here. I quit my banking job because my current role is more challenging, and the freedom I have here is unparalleled. (Participant 5).

Apart from community-based relationship-building, organisational members also ensure strong internal bonds. It is a common practice in any social sector organisation for employees' family members to meet and spend time together during holidays, such as picnics or open days. There are days set aside for such special events in social enterprises (Participant 27). One of the respondents claims,

> Our team makes sure that new employees feel at home in the organisation. They build rapport and trust as we organise monthly social gatherings, inviting all our families for recreational evenings. This strategy helps us build a strong bond among our employees (Participant 17).

Internal bonding among employees also helps them address organisational-level problems. For instance, any issues related to the social mission or marketing are discussed cordially

among employees and managers without internal conflicts. As they discuss in harmony, the outcomes mostly result in the members speaking the same language.

Particularly nascent ventures rarely have established rules for overcoming internal conflicts related to operations, strategy-building, prioritising communities over customers, etc. Thus, managerial active visioning based on their rationale helps overcome the initial struggles:

> We have not established any rules internally. Everyone should do the right thing, which benefits our organisation and community. That is why the manager's role becomes so important. The co-founder and I mostly deal with external factors and must rely on a reliable manager to handle internal situations. Therefore, the manager's rationality becomes key, and the rationality that emerges from his active involvement at both the organisational and societal levels forms a crucial foundation for us.

Such a bond helps build strong networks among employees and communities. Interactions with communities over extended periods, the overall work social enterprises carry out to help communities, and the internal bonding being built among employees helps team consistency, which results in employees working for the organisation for extended periods:

> When one of our employees' daughters suffered from a critical health condition, every member contributed financially and supported her family over the hurdle. We will do it again if our family members need it. (Participant 22).

Further illustrative examples on retention strategies are included in Table 2.

Insert Table 2 here.

5. ***Discussion***

Our research aimed to understand how successful social enterprises recruit and retain their managers, responding to calls to unpack human capital and P-O fit dynamics in nascent, resource-constrained hybrid organisations (Newman et al., 2018; Roumpi, 2019). Unlike general employee recruitment, which often draws on generic human capital pools (Battilana & Dorado, 2010), our results demonstrate that managerial recruitment and retention are driven by a specialised configuration that includes specific human capital that provides

operational capacity and is tightly bound to an institutional logic of care. This structural integration forms what we introduce as the Compassion- Centered Human Resource Management (CCHRM) framework (illustrated in Figure 2).

Our findings indicate that once a baseline P-O fit is established, social ventures intentionally seek managers with industry-specific, commercial experience to complement the founder's competence gaps. While prior literature suggests that social firms generally prefer candidates with backgrounds in social mission, our data reveal a deliberate prioritisation of individuals with commercial work histories.

We theorise this preference as a strategic mechanism to resolve a paradox, bounded by two distinct conceptual realities: i) the commercial capacity condition and ii) the over-embeddedness backfire condition. When it comes to the first reality, nascent social enterprises typically lack the slack resources to fund extensive training or weather prolonged financial inefficiencies (Wright et al., 2014). Managers with commercial backgrounds possess the cognitive schemas and market-driven human capital required to rapidly absorb operational complexities, optimise revenue streams, and build sustainable business models. The second reality, which emphasises over-embeddedness, highlights that early-career exposure to social issues alone can backfire. It frequently leaves managers *over-embedded* in purely social contexts, depriving them of the commercial acumen required to balance a dual mission. Over-embeddedness impairs a manager's ability to engage with market mechanisms, ultimately risking the venture's financial collapse.

The mechanism that prevents these commercially trained managers from triggering mission drift is value imprinting. Because founders imprint their core prosocial value systems onto the venture's baseline operations, these established organisational values act as a structural guardrail. This imprinting rapidly socialises newly recruited commercial managers

(De Cuyper et al., 2020), ensuring their operational capability is harnessed strictly to serve the social mission rather than subverting it.

Furthermore, under extreme resource scarcity where market-rate recruitment fails, our framework identifies an alternative boundary pathway: promoting internal employees or recruiting active members from the serving communities. While literature on work-integration social enterprises has traditionally viewed community hiring as merely a form of social service (Battilana et al., 2015), we argue that it is a sophisticated strategic mechanism. Recruiting community members with commercial exposure leverages localised social capital, effectively mitigating the liability of newness when proposing novel, disruptive solutions to persistent local problems.

Insert Figure 2 here.

Once recruited, managers' retention shifts from reliance on market compensation to an emphasis on the ethic of care (Dorado et al., 2022). Crucially, our findings extend the theory by demonstrating that successful nascent ventures do not merely implement care as a desirable HR practice or a soft, family-feel culture. Instead, they operationalise care as dominant organising logic embedded in everyday practices.

As an organising logic, the ethic of care acts as the essential structural counterweight to the market logic introduced by commercially trained managers. It establishes the foundational rules for internal resource allocation, operational priorities and external stakeholder management. Because social ventures we studied operate in resource-constrained environments and cannot match corporate salaries (Roumpi et al., 2020), the logic of care alters managers' utility functions. By embedding managers in a dense web of prosocial relationships at both the firm and community levels, the organisation activates mechanisms of intrinsic fulfilment and communal pride (Blatt, 2009; Seet et al., 2021). This allows managers

to synthesise their prior commercial human capital with an emergent, compassionate perspective (Kang et al., 2007). It bridges the gap between market efficiency and beneficiary well-being, translating individual managerial capability into collective communal wealth (Lumpkin et al., 2018).

Ultimately, this dual orientation—internal alignment with employees and external integration with target communities—allows cultivation of space for negotiations within the firm. While existing literature asserts that structural conflicts in hybrid firms require formal, bureaucratic procedures and segregated departments to negotiate trade-offs (Battilana et al., 2015), our CCHRM framework offers an alternative theoretical boundary. We argue that in nascent social enterprises, compassionate, mission-aligned managers can dynamically navigate and resolve complex dual-mission trade-offs without formal structures. The internal bonds generated by the logic of care provide the psychological safety and communicative elasticity needed to handle hybrid tensions fluidly.

Consequently, CCHRM fundamentally diverges from traditional strategic HRM frameworks, such as High-Commitment HRM (Arthur, 1994; Boon & Kalshoven, 2014). While high-commitment practices focus on manipulating employee attitudes to maximise firm-level operational efficiency, CCHRM explicitly seeks to institutionalise a compassionate environment. By balancing operational capacity with an unyielding commitment to care, CCHRM structurally safeguards the social enterprises against both financial fragility and mission drift, ensuring long-term managerial retention.

While our sample consists of ventures that crossed the three-year survival threshold, our data indicate that the CCHRM framework relies not merely on successful recruitment and retention strategies, but also on lessons learned from negative friction, recruitment failures, and structural trade-offs. For example, when firms fail to recruit through an open-market approach, they rely on sourcing in-house staff. When ventures fail to recruit in the open

market due to resource constraints, they pivot by relying on less strategically mature internal assets or community members. We also noticed that commercially minded managers do not always enter social enterprises with ease, as their interests, expectations and backgrounds clash with those of these organisations. For example, they bring market-driven cognitive schemas which invariably clash with the venture's prosocial identity. We thus suggest that CCHRM may not be considered a sanitised, harmonious HR template, but rather a highly stabilised mechanism designed to mitigate persistent operational failures and resource limitations.

Boundary Conditions and Evaluating Alternative Explanations

To ensure the conceptual validity of the CCHRM framework, we analytically evaluate our model against six prominent alternative explanations for managers' recruitment and retention in social enterprises: founder charisma, mission attractiveness, venture stage, founder's internal competence gaps, venture prestige, and donor networks. While traditional literature frequently credits these external or individual-level factors as primary drivers of social enterprise sustainability, our data and structural context allow us to clarify what our framework can and cannot determine.

First, *founder charisma* and *mission attractiveness* remain undoubtedly important mechanisms for initial attraction. A compelling social mission or a well-known founder, such as Ashoka fellows, in our case, can effectively attract high-potential talent to a startup venture. However, our framework seeks a balance between initial recruitment and sustained retention. Under conditions of resource scarcity and uncompetitive salaries, those who work even under a charismatic leader inevitably experience diminishing returns, leading to burnout. CCHRM fills this explanatory gap. While founders charisma may contribute to the initial attraction, it is the institutionalised organising logic of care that converts fleeting ideological attraction into long-term managerial retention.

Second, *venture-stage* and *founder's internal competence gaps* remain crucial for the applicability of our findings. The mechanisms we proposed are highly relevant for nascent firms (3-5 years) that are particularly experiencing the liability of newness and seek to move away from centralised founder control to distributed managerial delegation (Churchill and Lewis, 1983; Leung, 2003). Furthermore, the recruitment of managers with commercial training to fill the gaps exhibited by the founders' extreme mission intensity.

Third, macro-level factors such as *venture prestige* and *deep donor networks* serve as strong mechanisms of organisational resilience, as prestigious firms are adept at leveraging external funding to buffer against material scarcity. However, our framework is explicitly bounded to nascent social enterprises. By definition, the organisations in our sample operate with low institutional prestige and minimal donor cushions, frequently forcing them to bypass traditional recruitment pools and rely on localised community talent. Although they are recognised by Ashoka, their nascent nature means they continue to operate at the lower rung of the institutional prestige ladder. Therefore, while our data cannot adjudicate how CCHRM functions in highly mature, heavily endowed international non-profits, it demonstrates that in the absence of prestige and donor wealth, the interactive configuration of managerial capacity and structural care becomes the primary engine driving hybrid survival.

5.1 Theoretical Contributions

Our study makes two distinct contributions to the literature on hybrid organisations, strategic human resource management, and prosocial organising. By developing the Compassion-Centred HRM (CCHRM) framework, we move beyond descriptive accounts of social enterprise management to provide interactive and sustained managerial recruitment and retention strategies under resource constraints.

Our first contribution is to the literature on blended value creation and institutional hybridity in social enterprises (Battilana & Dorado, 2010; Wry & York, 2017). While prior

scholarship highlights that the competing logics of market efficiency and social welfare are internalised as intense interpersonal and operational tensions (Wry & York, 2017), the structural solutions offered have remained either broad or heavily focused on generic entry-level staff (Battilana & Dorado, 2010). We advance this conversation by introducing a novel, interactive configuration that connects specific human capital with Person-Organisation (P-O) fit literature at the managerial level.

Specifically, we challenge the conventional assumption that social enterprises should prioritise recruiting managers with social-sector backgrounds. Instead, we demonstrate that sustainable blended value creation requires recruiting managers with specific human capital derived from commercial missions to establish operational capacity, which is bounded by a baseline P-O fit threshold that is instrumental to their retention. While early literature positions P-O fit as a generic alignment of values (Cable & Judge, 1996; Downes et al., 2017), we show that in nascent hybrid setups, this baseline fit operates as a cognitive guardrail. It allows commercially-trained managers to rapidly absorb social logic through structured field exposure without triggering mission drift.

Furthermore, we contribute to social entrepreneurship scholarship by decentralising the overemphasised heroic role of the social entrepreneur (Kummitha, 2022). Existing research suggests that founders imprint value systems (De Cuyper et al., 2020) and rely on managers to operate the ventures —such as navigating bureaucratic hurdles (Mikołajczak, 2022) or executing localised innovations (Alt & Craig, 2016). In contrast, our framework highlights that given the extreme complexities nascent social enterprises experience due to the resource-constrained environments, they depend fundamentally on their managers as active co-imprinters who collaboratively affirm, defend and operationalise founders intrinsic values. CCHRM conceptualises mid-level managers not merely as operational agents but as essential structural anchors required to scale and protect the venture's identity.

Our second contribution is to the prosocial organising and compassion literature (Meyer, 2018; Müller et al., 2024). Traditional scholarship widely positions individual compassion and empathy as powerful psychological motivators for establishing social ventures (Yitshaki et al., 2022; Müller et al., 2024). We extend this boundary condition from an individual-level antecedent to an organisation-level mechanism, demonstrating how nascent hybrid firms systematically institutionalise the ethic of care into collective, daily HR routines (Atkins & Parker, 2012; Heaphy, 2017).

This structural shift departs significantly from existing hybrid strategic HRM models. For instance, Truong and Barraket (2018) frame welfare and non-financial incentives as useful, isolated practices for employee recruitment. Similarly, Zhang et al. (2018) treat progressive HR structures as general tools to empower workplace engagement. By introducing the CCHRM framework, we demonstrate that successful nascent social enterprises embed the ethic of care as a dominant organising logic rather than an optional, descriptive good practice. When care is institutionalised into the firm's core operational routines (such as cross-functional field reflection and relational networks), it acts as a strong non-monetary strategic asset. It alters the manager’s utility function, generating deep emotional attachment (Choudhary et al., 2017) and relational validation that offsets the uncompetitive salaries dictated by material scarcity. Subsequently, we contribute to prosocial theory by establishing that when a social enterprise structures an ethic of care through specific CCHRM routines, it builds an organic psychological buffer. This buffer secures long-term managerial retention and relational elasticity, providing a clear, contingent pathway to sustain hybridity in environments where traditional financial resources are absent.

5.2 Practical contributions

The Compassionate Centred HRM (CCHRM) framework provides social entrepreneurs with highly operational, contingent decision rules that create blended value. Survival in nascent social ventures depends on navigating structural trade-offs between intent to create commercial value and mission commitment under extreme resource constraints. We translate our empirical findings into four explicit, conditional decision rules for social entrepreneurs.

Rule 1: Contingent Sourcing Based on Founder Competence Gaps: As social entrepreneurs rely on their mid-level managers heavily to complement venture-level competence, recruitment decisions must be strictly contingent on the founder's background. Particularly, if the founder lacks commercial expertise, it would be ideal to prioritising recruiting managers with commercial and corporate backgrounds to ensure immediate financial viability and build operational capacity. On the contrary, if the founder already possesses a strong commercial background, then it may be useful to recruit candidates with broader backgrounds. However, what remains crucial is that founders do not prioritise recruiting managers with purely NGO or social-work experience, as our data warn that exclusive early-career exposure to social contexts leaves managers *over-embedded*, hampering their ability to execute blended value creation.

Rule 2: Institutionalising Care as an Operational Buffer against Asset Scarcity: It is important to note that social entrepreneurs must avoid treating the ethic of care as merely an optional, generic good practice. In particular, if a nascent venture operates in an environment of extreme capital constraints, which are typically seen in the global south, and cannot match competitive market salaries, then social enterprises must intentionally embed the ethic of care as a dominant organising logic within organisational routines. Institutionalising care practices translates abstract goals into validated grassroots-level relationship-building, which serves as an internal strength that stabilises long-term retention of those recruited.

Rule 3: Cascading Application of the CCHRM Framework: It is important that social enterprises distinguish between the organisational boundaries of recruitment and retention within the CCHRM framework. Social enterprises with an intention to optimise entry level of the pipeline, then the recruitment strategies outlined in this study must remain highly specialised at the managerial level, where strategic cognitive schemas are necessary. However, if organisations consider long-term optimisation to attain organisational stability, the relational retention strategies driven by the logic of care may be cascaded across all organisational levels, creating a cohesive, cross-functional safety net that protects both employees and managers.

Rule 4: Sourcing In-House Staff and Community Beneficiaries: When ventures face severe open-market talent shortages and cannot afford external lateral hires, they may be better off deploying localised sourcing rules. If an open-market talent shortage risks paralysing venture operations, then social entrepreneurs may choose to promote internal employees or recruit managers directly from their serving communities. However, recruiting from serving communities must be contingent on the candidate possessing foundational commercial literacy (e.g., small-firm operations or bookkeeping). When this boundary condition is met, this practice simultaneously boosts internal morale, mitigates the venture's liability of newness, builds immediate local legitimacy, and acts as a retention anchor.

5.3 Limitations and Implications for Future Research

This study is not without limitations. First, firms that have existed for over five years may already have specific structures in place. Thus, enabling CCHRM practices may not always be possible, given the size of the organisations. Hence, our results may be appropriate for nascent social ventures. Future research may examine recruitment and retention strategies in larger and more mature organisations. In addition, further research may be conducted through longitudinal studies to determine whether the retention strategies are instrumental in

the long run. For example, it is unclear whether recruiting those with commercial backgrounds backfires. In addition, it would be worth studying whether commercial background preference is absolute or contingent on other factors, such as resource availability, specific industry context, or the strength of P-O fit. Further, it may be interesting to conduct a comparative study of early-stage and scaling ventures, or of mission-intensive versus commercial-intensive models.

A related issue is that we have not focused on how overemphasis on compassion may lead to compassion fatigue, which we believe is important. We thus suggest that future research focuses on this topic. Second, although we did not observe this in our field research, an overemphasis on compassion may lead to organisational-level compassion fatigue (Schabram and Maitlis, 2017). Thus, understanding how social enterprises and managers address compassion fatigue would be a useful area of research.

Third, as we have tracked ventures that successfully navigated the nascent phase, our results are subject to survivor bias. Although we unpacked the internal frictions, structural compromises, and open-market recruitment failures within these successful surviving cases, our data is limited in explaining if any of these constraints result in organisational collapse. We encourage future research that targets failing or defunct social ventures to map out the negative externalities of our model. These include studying when open-market recruitment failures may completely paralyse organisational survival or understanding if managers with commercial experience may fail to socialise well, leading to mission drift.

Fourth, we adopted an exploratory approach to data collection, given the limited evidence and unclear results in the previous literature. However, we believe future research may be able to rely on a quantitative approach to strengthen our findings. Another avenue of interest is to compare hiring practices across regions to examine how compassion-based socialisation might interact with financial incentives over time. Our data collection relied

solely on interviews. However, we believe that additional sources of information, including recruitment advertisements, other team-building-related communications among colleagues within the organisation and between the organisation and its employees, and internal communications, could also be valuable. Further research could also undertake a mixed-methods design to test whether compassion-based socialisation interacts with financial incentives or goal conflict over time.

Fifth, we have not discussed how managers overcome conflict between goals, if any. We also encourage future research to focus on managers' roles in helping organisations overcome the conflict with the goal. Sixth, we acknowledge that the Indian context in which this study was conducted remains a boundary condition, as our results may be relevant for only emerging or poor economies where compassion might play a crucial role in day-to-day living. Further research may focus on other national and institutional contexts to understand the practices and processes for recruiting and retaining managers in social enterprises.

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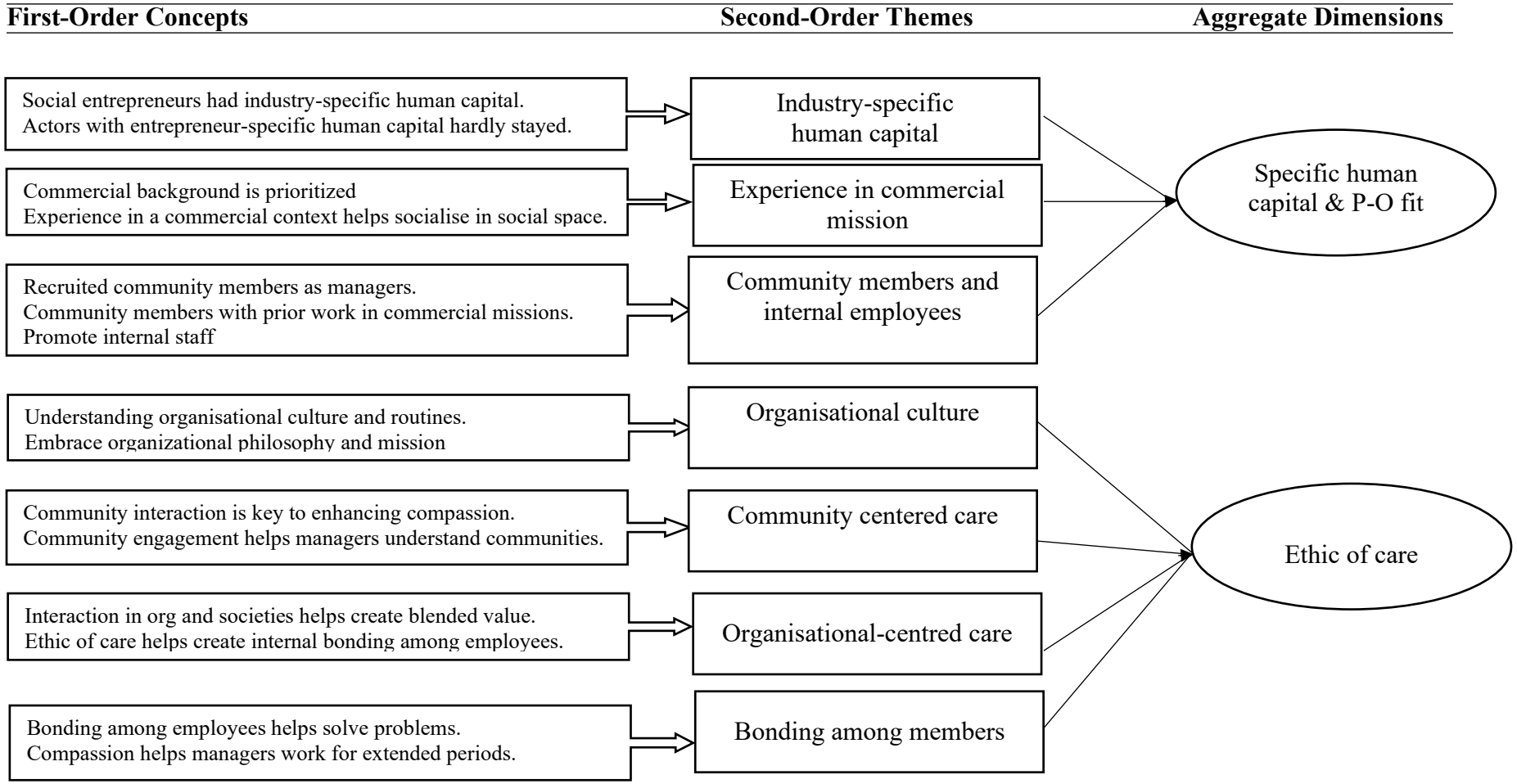
FIGURE 1
Data Analysis



Source: Authors own work

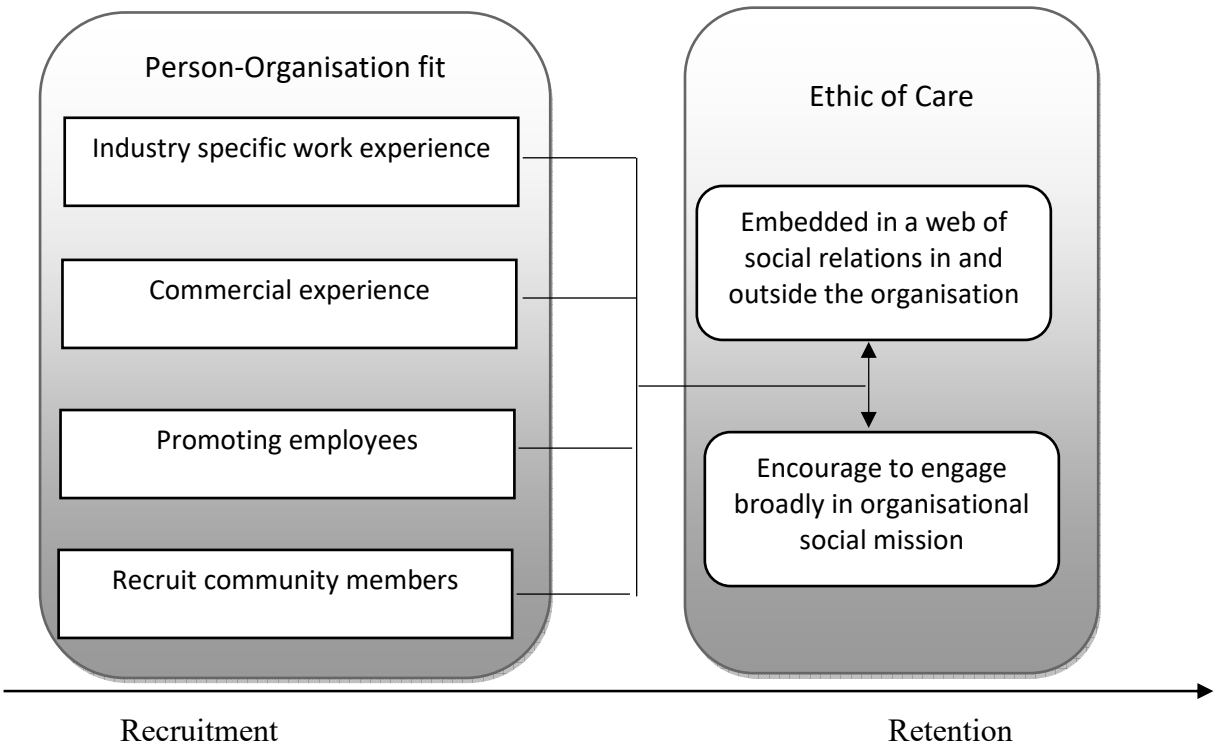


Figure 2
A framework on Compassion Centred HRM Practices related to Managerial Recruitment and Retention in Social Enterprises

Source: Authors own work

When we recruited Lal as our manager, we wanted to spend our resources on something other than training him. That is why he was chosen, as he had prior work experience, which would help him in his routines in our venture. (Participant 37).
We recruited one guy I want to leave out. However, he approached us in a very humble way. He had a master's degree in social entrepreneurship. We also liked him; he was well-travelled and had all these new insights about social entrepreneurship. He spoke about communities, always referring to business models, business plans, etc. He convinced us. However, he indicated that he had an idea to start his venture but not do so quickly. He was referring to about three years since then. However, one fine day after four months of working, he called to inform me that he quit. Later, we found that he created a venture, and the most surprising thing for us was a replica of our model. (Participant 24).
We recruited Suman, who earlier worked in a different social venture. We are into community development, but he earlier worked on slum development projects. However, he was dealing with their commercial aspect, where the NGO used to market products produced by women. We liked his background and took him on Board. (Participant 41).
I am specifically concerned about our potential to create blended value. We are now four years old and have a strong team of 42 very enthusiastic members. However, the problem is that there needs to be a balancing mechanism. Although we integrated the social and commercial aspects, we sometimes led toward financial aspects. We realised it towards the end of the second year as our balance sheet was very strong, and our social impact started to diminish. So, we recruited two managers with prior experience to ensure they mentor and guide our staff members on the right track. They have been with us for the last two years, and now we can see the improvements in the community side as well. (Participant 28).
The manager who we recruited about a year back brought connections. He knows how to handle a situation well because he worked in the sector and has widespread knowledge and networks. Something that happened in our venture I would never forget. We badly needed connections to get CSR grants from a reputable corporate firm. It was to work on a technology prototype that would create awareness among farmers about their eligibility for different loans. We knew that this firm would give the grant for this type of intervention. However, the due process will take about four months. However, we only had a little time. When we were all struggling, our manager contacted someone with contacts, and it all helped us get an appointment with the CSR head in 4 days, and the grant agreement was signed in less than ten days. (participant 11).
When we recruited Madhav, he found him to be very nice, let me be frank. However, the problem was that he needed to be more into communities. We must also blame ourselves because his background was in social work, and then he worked in an NGO. Then, he needed help understanding our business model. He quit after three months of struggle. (Participant 5).
We were looking to recruit a manager a few months back because we are a growing team. I need more time to look into the day-to-day operations. I wanted someone with a pure interest in social entrepreneurship. Ultimately, we ended up with a guy with a consulting background. However, after this guy joined us, it became challenging for me. Because this guy started developing three new plans. We are now full of activities. (Participant 33).
It is only viable for us to recruit people with experience, as we want quick learners, and people with familiar backgrounds show such a propensity to learn because we often rely on them for ideas about how to move forward. (Participant 31).
I was working in a different firm before moving here. I joined here because I was looking for a change, and I wanted to have a startup experience and benefit from the dynamic environment. I initially wanted to be here for one year, but now it is three years. It is good to work here. (Participant 21).
Suneetha came here with her daughter one day. Suneetha has been with us since we started this venture. Her daughter had a Master's from a college here, and she also worked in a small firm she started along with her friends with a microfinance loan. She was looking for a job. We are also considering recruiting someone with basic accounting and community-level understanding. So, she filled in all our dots. We ended up recruiting her. However, she needed more time to be elevated as a manager. (Participant 27).

TABLE 1: Illustrative Examples of Recruitment Strategies - Source: Authors own work

Once we recruit, we ensure that our manager spends at least a couple of months interacting with the communities as part of the initial setup. By engaging with communities, they share their concerns and understand their sufferings and, therefore, our interventions. The initial period is crucial for the managers and the organisation, as they invest their time and effort to understand our serving constituencies and our interventions, and we can create a compassionate link between them and communities. (Participant 24).
When Venkat joined us, we had a tricky situation. Because he was our first manager to join. Unlike our employees, who are often fresh graduates, Venkat has had prior work experience in a different social organisation dealing with their accounting department. Hence, what we did in his case was that in the first two months, we asked him to observe and understand the way we work both internally about how team members interact with each other and how our employees interact with our communities. In those two months, Venkat became close with other employees and communities and understood the reason for our existence. (Participant 18).
I liked the organisational culture here. The way they positioned it. I liked it from the beginning. Especially the bonding within the organisation. We are all well-connected professionally and personally. Allowing employees to share the work is very important, even if not theirs. I mean, they are always ready to help. (Participant 26).
I joined here a few months back. I had a tight schedule between the serving groups and our team in the first few weeks. I had to understand things quickly, and it was challenging. (Participant 39).
When I joined here, it was all surprising because instead of offering job training, I was expected to keep interacting with other employees. While it was weird for me, I later understood how it helped ensure that I stayed within the language used in the organisation. (Participant 43).
I read through success stories and community narratives before I joined the organisation. Then, after joining, I was asked to interact with the communities. This was one of the things that I was told during the interview for my selection itself. They said this because I was earlier working in a commercial venture. However, I do see why they asked me to do it now. (Participant 1).
I have got a better offer through a referee from a CSR wing of a well-known company. However, it was an important time for me and the venture here. I was working on a project which was at its peak. It was about women's micro-enterprise building; my role was important. I was personally mentoring and monitoring the situation. So, I had to stay. To put it simply, I did not want to leave. (Participant 28).
Our venture office is in a nearby town. However, we got a project funded by the government to undertake developmental work in a village. So, five of the employees were relocated there, and they recruited me to oversee. I had previous experience handling a government project, but now, as we live and stay in the village, where the need to connect with the communities is so close, it is challenging. I almost know everyone in this village now. (Participant 32).
It is an unwritten policy of our venture that all those we recruit first will have a good understanding of the communities we serve. Since we are a small venture and we have a total of 16 employees, our reach is also small. We work in three communities, which is at most 4000 people. So, it is easy for us to approach and help them address their social problems. Simultaneously, our newly recruited employees undergo organisational-level training related to a specific job role. However, since I was recruited to lead the employees, I had prior employment in a similar working environment. Hence, I mostly spend time in communities. It is fun, you know, to go there and interact with them. (Participant 27)
Since we are a small team, we are well-connected. Whenever someone needs help, we are all there as a team. Of course, I am also referring to personal needs such as helping with kids' admission or assisting in their office work. (Participant 3).
It was unclear when I joined, but all the employees came forward to help professionally and personally settle down. I liked this harmony and helping nature. Over the months, I realised that there is something special about it here. Here, people are helpful. This may be the case in all other social ventures. I came from a commercial background. So, it looks like a strength here. (Participate 41).
I like the rich connections between the employees and our strong connection with the stakeholders, which help us keep doing our good work. (Participant 16).

TABLE 2: Illustrative Examples of Retention Strategies
Source: Authors own work

Appendix 1: Questionnaire used for this study.

1. Please tell us more about your venture:
    a. When was the venture started?
    b. What kind of activities does it carry out?
2. What impact does your venture create at the ground level, and how do communities respect it?
3. Why did you start the venture?
4. To what extent does your venture create both social and commercial value?
5. How many employees currently work in your venture.
6. Did you recruit any managers in your venture? If yes, when was that?
7. What procedure did you follow to recruit them?
8. Any novel practices that you adopted in the process?
9. What role do your managers play in the venture?
10. What type of experience do you consider relevant while recruiting your managers?
11. Do you recruit any from the local communities you serve as your managers?
12. Have you promoted any of your internal staff as managers? If yes, why?
13. What role do the candidates' personal values and their alignment play in the recruitment of managers?
14. What role the social entrepreneurs competence and skills play and if they look for supplementary skills among the candidates?
15. Do you give priority to those candidates with prior experience in the social sector or the commercial sector? Please provide additional information on this choice.
16. Do you provide any training for the managers upon recruiting?
17. What retention strategies do you adopt once you recruit your managers?
18. How do you socialise the managers?
19. How do you ensure that they appreciate the kind of work your organisation does?
20. Do you have any practices in place to ensure internal bonding among the employees and new recruits?