CONCEPTUALIZING SOCIAL ENTREPRENEURSHIP: SETTING THE PATH FOR
OPERATIONALIZATION

1. Abstract

Despite the pervasiveness of social entrepreneurship (SE) in academic publications, the concept lacks consensus, which holds back empirical studies. Although a single definition might not be a realistic goal, we argue that it is crucial to clarify which dimensions of SE could be common to all perspectives and which might differ among them.

From a two-step content analysis using the Gioia methodology (Gioia et al., 2012) to 60 definitions of SE, we suggest building blocks of the concept for subsequent empirical test. Acknowledging more than a single perspective exists, we build on extant theories and concepts to put forward a parsimonious construct based on three key components: (1) pursuing a transformational social mission, through solving a societal problem at its roots and increasing the wellbeing of a disadvantaged group, (2) acting entrepreneurially, through the display of innovativeness, proactiveness, and tolerance to ambiguity, and (3) seeking economic sustainability, through leveraging resources beyond organizational boundaries and applying managerial practices. These three theoretical dimensions allow for boundary clarification with neighboring concepts, such as social enterprise and nonprofit activity.

We hope our work contributes to unify studies of SE dispersed in several fields of knowledge through providing a holistic grasp of the concept. Additionally, by clarifying the boundaries of SE and neighboring concepts, we provide a mental map to help untangle concepts to assist future research. Moving forward, we suggest confirming the dimensions proposed through qualitative in-depth interviews with social experts and practitioners. This knowledge is central to rigorously define sample frames in both qualitative and quantitative studies. Regarding the latter, we hope our work contributes to setting the path in developing an instrument to assist causal studies in SE phenomena.

2. Introduction

The field of SE is growing rapidly (Drayton, 2002; Martin and Osberg, 2007; Mort et al., 2003), holding the promise to alleviate social problems (Dees, 1998a; Drayton, 2002; Tan et al., 2005). At the academy level, SE is still emerging as an area of inquiry (Mair and Martí, 2006; Short et al., 2009). Despite the pervasiveness of SE in academic publications, the concept still lacks consensus (Choi and Majumdar, 2014; Dacin et al., 2010; Dees, 1998b; Short et al., 2009). There are numerous definitions of SE (Dacin et al., 2010; Santos, 2012) that follow different schools of thought to identify SE phenomena, based on the requirement of earned income, innovation, or a central social mission (Choi and Majumdar, 2014; Anderson and Dees, 2006). The disparity in terminology creates serious barriers to establishing a legitimate academic field (Dacin et al., 2010). Researchers investigating the generalizability of findings in SE will find obstacles in selecting samples and applying multivariate techniques without a clear operational definition (Short et al., 2009).

Our inductive analysis aims at identifying the components that constitute SE and clarifying the boundaries between SE and similar concepts, frequently used interchangeably. To that end, we build on three widely accepted theories and concepts. From the psychology and economics literature, we use the Subjective Well-Being (SWB) construct (Diener, 1984; Kroeger and Weber, 2014) to clarify the nature of social goals. Additionally, we build on Resource-Based Theory (Grant, 1991) to explain the importance of resourcefulness and managerial practices in ensuring economic sustainability in SE. Finally, we use the Entrepreneurial Orientation (EO) concept (Lumpkin and Dess, 1996; Morris et al., 2011) to suggest the adequate unit of analysis and understand the dimensions present in acting entrepreneurially.

3. Assessing Social Entrepreneurship Definitions

3.1. Process and Sample

We conducted a two-step content analysis to 60 different SE definitions. Starting with the conceptualization article by Santos (2012), which referred to Dacin et al's (2010) list of 37 definitions and Zahra et al's (2009) list of 20 definitions, we added Santos' (2012) and Dacin et al's (2010) own definitions. Out of 59 definitions, 10 were overlapping. On the works mentioned in the compiled list of 49 definitions, we found two additional lists: Masseti's (2008) with 11 definitions and Weerawardena and Mort's (2006) with 20. We added 11 new definitions to the previous list of 49, framing our sample
with a list of 60 definitions. To the best of our knowledge, this compilation contains a representative selection of definitions that can be found in SE literature. Using the Gioia’s method (Gioia et al., 2012), we analyzed the identified definitions. This inductive qualitative method is “a systematic approach to new concept development and grounded theory articulation that is designed to bring ‘qualitative rigor’ to the conduct and presentation of inductive research” (Gioia et al. 2012: 15). Previous efforts to conceptualize SE have used different methods, such as Grounded Theory (Weerawardena and Mort, 2006) or comparative analysis (Austin et al., 2006). However, given the abundance of definitions, conducting content analysis on existing representative definitions should contribute to bring together conceptualizations. Following Gioia’s method, we identified 282 first-order categories using terms from the definitions and making little attempt to distill themes. Then, we reduced data into 13 second-order theoretical-level themes from seeking similarities and differences among first-order categories and from existing concepts in extant literature. Finally, analyzing the complete articles with NVivo, we identified the relevant debates within each theme. Next, we put forward a potential common understanding of each discussion around the themes that emerged.

3.2. Second-order themes analysis and propositions

3.2.1. Unit of analysis. SE definitions suggest numerous units of analysis that can be grouped in two perspectives. First, within the substantive metaphysics, typically associated with variance theorizing (Langley et al., 2013), the subject carries out certain activities or displays specific qualities or behaviors. Within this paradigm, the social entrepreneur is an individual, group, network, organization, or alliance of organizations’ (Light, 2006). Other definitions grounded in substantive metaphysics may refer to SE as the actor’s behavior (Mort et al., 2003). Grounded in process metaphysics, which assumes a world composed of events and experiences (Langley et al., 2013), several definitions refer to SE as an activity (Austin et al., 2006), an approach (Said Business School), or a process (Mair and Marti, 2006). Under this paradigm, scholars are interested in “the particulars that make knowledge actionable” (Langley et al. 2013: 4).

Each ontological paradigm illuminates knowledge from a different perspective. In this research, we assume the substantive metaphysics paradigm, because we aim at setting the path to operationalize SE, which is particularly useful in variance theorizing. Within such paradigm, assuming the organization as the unit of analysis may be problematic, because it may have multiple goals, namely profit and social goals, and include more than one initiative (Kroeger and Weber, 2014). SE may be present in one initiative, but not others, determining that the organization level is too broad to study SE phenomena. Studying SE at the individual level, on the other hand, would assume that solving a social problem is the work of a sole entrepreneur. Therefore, we assume as the central unit of analysis the initiative, intervention or business model, defined as “the interconnected set of activities that create value by addressing a particular need” (Santos 2012: 346). Analogously, Lumpkin and Dess (1996) suggests the strategic business unit as the suited unit of analysis to study EO in the commercial context.

3.2.2. Pursuing a social mission. Most definitions agree that having a social mission (Dees, 1998b; Harding, 2004; Mort et al, 2003; Seelos and Mair, 2005), addressing social problems (Alvord et al, 2004; Bornstein, 2004; Dacin et al, 2010; Light, 2006; Mair and Marti, 2006; Waddock and Post, 1991) or creating social value (Austin et al, 2006; Peredo and McLean, 2006) is key in SE. We identified three relevant debates within this theme.

First, academics have questioned what constitutes social goals (Santos, 2012; Seelos and Mair, 2005; Stevens et al, 2015). Scholars tried to positively define the social mission as opposed to an economic orientation in commercial entrepreneurship. In this perspective, SE creates social value and commercial entrepreneurship creates personal, shareholder or economic wealth (Austin et al, 2006; Mair and Marti, 2006). However, this dichotomy is complicated because economic goals are inherently social, as they improve social welfare through a better allocation of resources (Santos, 2012). Other scholars normatively enumerated social goals (Fowler, 2000). Seelos and Mair (2005) proposed the United Nation’s Millennium Development Goals as the focus of SE. Pragmatic in nature, this suggestion may nevertheless leave out important social goals that are not at that moment a priority to the United Nations. More recently, the construct of Subjective Well-Being (SWB) from Diener (1994) was suggested as a way to access social value creation with the argument that social goals are those that create a positive change in the wellbeing of individuals that are disadvantaged in a specific life domain (Kroeger and Weber, 2015). Koeger and Weber (1995: 49) further argue that SWB “is a well-researched and evaluated concept in terms of its validity” and could become a widely accepted framework to investigate social goals.
Second, debate sparked on how transformational the social mission should be. Some authors argue that, more than alleviating social needs, the social mission should aim at a transformation or a new equilibrium (Drayton, 2002; Martin and Osberg, 2007; Light, 2006; Santos 2012). Traditional social service typically aims at alleviating the symptoms of an unjust social equilibrium (Martin and Osberg, 2007). In order to fulfill the promise of solving intractable social problems, we posit that the social mission in SE should aim further than the current status quo and contribute to solve the problem at its roots.

Third, scholars discussed the centrality of the social mission phenomena. Peredo and McLean (2006) suggest that social goals can co-exist with other goals and even be subordinated to them. The authors further challenge the centrality of the social mission by accepting to include within the realm of SE an enterprise that, having its profits hindered, sacrifices part of its social goals. To other academics, the social mission should be explicit and central (Dees, 1998a; Mort et al, 2003) and should guide the overall strategy (Weerawardena and Mort, 2006). In this case, the social mission being dismissed for profit concerns becomes questionable. We argue that in Corporate Social Entrepreneurship (Short et al., 2009), an initiative developed within a profit-oriented organization to address a social problem, the social mission may not be central at the organization level, but it is central at the initiative level. Adopting the initiative as the unit of analysis captures both realities.

**Proposition 1.** The SE initiative pursues the mission of increasing the wellbeing of a disadvantaged group in a specific life domain by solving the root cause of a societal problem.

### 3.2.3. Being virtuous

Some SE definitions associate virtuosity with SE (Drayton, 2002; Martin and Osberg, 2007). Scholars argue that SE displays virtuous behavior, because it focuses on solving a social problem, rather than providing a social service (Fowler, 2000), donating profits for a cause (Thompson, 2002), or pursuing a profit (Mort et al, 2003). More recently, scholars concluded that “there is considerable need to research further the ethical context of social entrepreneurship and enterprise.” (Chell et al 2016: 621). Zahra et al (2009) highlighted three ethical concerns in SE. First, social entrepreneurs develop untested organizational models reconciling contradictory demands, in which accountability is not clear. Second, the lack of oversight and formal governance may lead social entrepreneurs to “cut ethical corners” (Zahra et al 2009: 520) and even dismiss the social mission. Third, social entrepreneurs’ self-centeredness, as their business counterparts, may lead some to believe that any actions taken are ethically justified. We agree with Santos (2012) in that “social entrepreneurs do not need to be defined as ‘good’ or ‘moral’ agents that want to help others” (Santos 2012: 344), but rather as agents motivated to create value without concern for the amount they capture.

**Proposition 2.** The SE initiative focuses on solving a social problem without necessarily being perceived as virtuous.

### 3.2.4. Re-investing profits

Some authors have alluded to profit reinvestment as a characteristic of SE (Harding, 2004; Hartigan, 2006; Hibbert et al, 2005) to ensure the initiative pursues a social mission. However, setting the social mission as the priority does not prevent SE initiatives to make profits and even to distribute them. SE initiatives may target private investment to ensure funding requirements, which may depend upon some profit sharing (Battilana et al, 2012). As long as profit distribution does not lead to social mission drift, one can argue that profit re-investment is not a requirement for SE to occur. The possibility of profit and profit re-investment or distribution is aligned with the suggestion that the legal format of an SE initiative is diverse and ranges from nonprofit to profit organizations (Austin et al, 2006; Hockerts, 2006; Yunus, 2008).

**Proposition 3.** In SE, profits are viewed as a by-product that can be either distributed or re-invested in the social mission.

### 3.2.5. Seeking sustainable solutions

Some authors refer to the need of financial sustainability in SE (Lasprogata and Cotten, 2003; Sharir and Lerner, 2006; Weerawardena and Mort, 2006). However, ‘sustainability’ in SE is often understood beyond financial into achieving a sustainable social change (Alvord et al, 2006; Light, 2006; Santos, 2012), irrespective of the type of resources being financial or other. If SE’s goal is to solve social problems, its greatest measure of success would be to tackle a problem in such a way the initiative becomes redundant (Santos, 2012). Financial sustainability is just a means to an end and is justified inasmuch as it creates social value, which is the ultimate goal of SE (Mort et al, 2003; Dees, 1998a). We agree with Santos (2012) in that “(s)ustainable solutions are
approaches that either permanently address the root causes of the problem or institutionalize a system that continuously addresses the problem” (2012: 345). Empowerment of beneficiaries, for example, enables a sustainable social transformation (Martin and Osberg, 2007; Santos, 2012). We argue that the focus should shift from ensuring financial sustainability to seeking economic sustainability, which leverages not only financial assets, but also human and material resources to ensure the solution’s sustainability.

**Proposition 4. SE initiatives seek ‘economic sustainability’ for their social mission, leveraging financial, material, and human resources and managerial capabilities**

**3.2.6. Being resourceful.** Resource-Based Theory informs us that resources and capabilities are the basis of a sustainable advantage of the firm (Grant, 1991). In SE, despite the focus on a sustainable solution rather than on a sustainable advantage (Santos, 2012), academics acknowledge that resources and capabilities are equally important (Alvord et al, 2004; Mair and Martí, 2006; Seelos and Mair, 2005). Nevertheless, being resourceful in the SE context presents some particularities noteworthy. First, social entrepreneurs leverage whichever resources to effectively serve a social mission, irrespective of norms or conventions limiting traditional sectors (Dees, 1998a; Seelos and Mair, 2009). Financial resources are usually more constrained than in the traditional for-profit context (Austin et al, 2006; Santos, 2012), which further constrains the access to other resources, such as talent (Austin et al, 2006). Social entrepreneurs are thus likely to do ‘more with less’ (Short et al, 2009) and tap unconventional resources to ensure the solution’s economic sustainability. Second, profit-seeking firms typically assess internal scarce resources and limit their access to competitors to obtain a competitive advantage (Grant, 1991). In SE, initiatives often leverage abundant resources outside the organization’s boundaries (Austin et al, 2006) using them in a cooperative fashion (Dacin et al, 2010; Dees, 1998b) instead of obtaining a competitive advantage. Empowering beneficiaries and sharing know how is a way to mobilize resources outside the organization, as these stakeholders gain capabilities to contribute to their own wellbeing (Santos, 2012).

**Proposition 5. In SE, using and sharing resources beyond the organization’s boundaries aims at obtaining economic sustainability for the social mission.**

**3.2.7. Being hybrid.** Hybridity is a key characteristic of a social enterprise, defined as an organization “whose goal is to achieve a social mission through commercial activities” (Pache and Santos 2013: 972). Social enterprises can be for-profits with social goals or nonprofits that develop commercial activities to help fund their social goals (Dorado, 2006). It is also common to associate SE with innovative funding strategies, which may include commercial activity, as a means to extend the organizations resource base. Despite several SE definitions include the idea of hybridity (Boschee and McClurg, 2003; Hockerts, 2006), we argue that ‘social entrepreneurship’ is a distinct concept from ‘social enterprise activity’ (Santos, 2012) and can occur without hybridity. As such, commercial activities, key to social enterprises, may be excluded from SE funding strategies that can be commercial or not (Anderson and Dees, 2006). SE displays innovation through developing new products, services or processes, which includes but is not restricted to innovative funding strategies comprising commercial activities.

**Proposition 6. In SE, hybridity is a means to extend the resource base of the organization, but it is not a necessary condition for SE to occur.**

**3.2.8. Having a business approach.** To have a business approach in SE can relate to two different ideas. First, SE initiatives using business models or solutions may relate to the development of earned income strategies (Boschee and McClurg, 2003) to pursue the social mission. In this case, scholars argue for the requirement of hybrid organizations in SE (Hockerts, 2006), referring to the theme previously discussed. Second, using business principles (Dacin et al, 2010) or skills (NYU Stern) may also refer to applying entrepreneurial or managerial practices, such as using strategies, structures, norms, and values of businesses (Dart, 2004). The adoption of such practices is particularly attractive in social programs that are typically resource constrained, because they lead to greater economic efficiencies (Short et al, 2009). We understand such managerial practices as the capabilities that constitute, together with the resources, the basis of sustainability of the organization according to the Resource-Based Theory (Grant, 1991).
Proposition 7. The SE initiative leverages managerial practices to increase efficiency and effectiveness and achieve economic sustainability

3.2.9. Acting entrepreneurially. The manifestation of entrepreneurial quality (Drayton, 2002; Thompson, 2002), behavior (Hibbert et al, 2005; Mort et al, 2003; Thompson, 2002), or strategies (Lasprogata and Cotten, 2003) is a theme often present in SE definitions. EO is a well-established concept in the business context and refers to a behavior that encompasses autonomy, innovativeness, proactiveness, risk taking, and competitiveness (Lumpkin and Dess, 1996). Adapting EO to the nonprofit sector entails three of the five original dimensions, namely innovativeness, proactiveness, and risk taking (Stevens et al, 2015), which also emerged from our analysis. We had no evidence supporting the inclusion of competitiveness and autonomy. Next, we discuss separately each of these three dimensions in the SE context.

Proposition 8. In SE, acting entrepreneurially encompasses innovativeness, proactiveness, and risk-taking.

3.2.10. Being innovative. In defining SE, scholars use terms such as new programs, new services, new solutions (Korosec and Berman, 2006), new activities (Austin et al., 2006), new ideas (Bornstein, 2004; Drayton, 2002; Light, 2006) or new combinations of resources (Mair and Martí, 2006). Innovativeness is a dimension of acting entrepreneurially, because it reflects an important means by which new opportunities are pursued (Lumpkin and Dess, 1996; Zahra et al, 2009). Innovation in SE does not necessarily mean inventing a new product or service, but is often associated with developing new models, approaches, methods of production, strategies, and ways of organizing to increase effectiveness and efficiency in solving a social problem (Dees, 1998a; Peredo and Chrisman, 2006; Prabhu, 1999). Proximity to the target population is a source of inspiration in developing innovative and transformational solutions to persistent social issues (Fowler, 2000; Prabhu, 1999). The degree of radicalness in innovation is subject to debate. Some authors imply that innovation must be radical (Dart, 2004; Light, 2006; Martin and Osberg, 2007), but most scholars simply refer to innovation without mentioning its degree. Drawing a parallel with the conceptualization of EO, which does not require radical innovation, we argue that there are degrees of innovation that can ultimately influence the degree of SE displayed.

Proposition 9. Innovativeness in SE refers both to offering new products or services, and to developing new processes to increase effectiveness and efficiency in solving a social problem.

3.2.11. Being proactive and pursuing opportunities. Proactiveness means taking initiative by anticipating and pursuing new opportunities (Lumpkin and Dess, 1996). Academics often mention proactiveness as a relevant dimension of SE, referring to the direct action involved in pursuing an opportunity (Bornstein, 2004; Korosec and Berman, 2006; Mair and Martí, 2006; Martin and Osberg, 2007; Mort et al, 2003; Peredo and McLean, 2006). Proactiveness calls for two considerations. First, the understanding about the nature of SE action has shifted with time. Earlier definitions viewed the change agent closer to a social activist, playing “critical roles in bringing about ‘catalytic changes’ in the public sector agenda and the perception of certain social issues” (Waddock and Post 1991: 393). More recently, scholars have argued that SE differs from social activism in that, unlike the latter, the former requires the creation of an organizational context (Mair and Martí, 2006) and direct action to solve a social problem (Martin and Osberg, 2007; Santos, 2012). Second, SE opportunities, particularly in the international arena, differ from commercial opportunities, providing relevant clues to identify SE phenomena (Zahra et al, 2008). According to the authors, stemming from the pervasiveness of human needs, social opportunities are prevalent while commercial ones are likely to focus on narrowly defined niches. Additionally, a social opportunity may emerge from an urgent needed response that may suddenly disappear. These opportunities are less appealing to commercial entrepreneurs, who seek sustainable advantages. Furthermore, unlike commercial opportunities that increase in sectors with high entrance barriers, opportunities that enable accessibility and collaboration of other players may expedite internationalization and legitimacy and increase interest of social entrepreneurs. Finally, social opportunities may require particularly innovative approaches, which usually defy welfare organizations with established structures. The international context and inaccessibility of the social opportunity may determine the degree of radical innovation required to address it.
Proposition 10. The SE initiative displays proactiveness by acting directly to address a social opportunity.

3.2.12. Taking risk. Taking risk is a key dimension of EO (Covin and Slevin, 1989; Lumpkin and Dess, 1996). Definitions of SE also refer explicitly to risk (Mort et al., 2003; Peredo and McLean, 2006; Tan et al., 2005). It is important to clarify that risk, uncertainty, and ambiguity are different concepts (Santos and Eisenhardt, 2009). While risk exists when both scenarios and probabilities are known, in uncertain contexts potential scenarios are known, but not their probabilities, and in ambiguous environments neither scenarios nor probabilities are clear. Entrepreneurs typically face nascent markets, with unknown structures and lack identity definition and power to influence other players (Santos and Eisenhardt, 2009). In SE, the inability to predict revenue streams and the lack of funds (Weerawardena and Mort, 2006) increase the ambiguity of launching a new venture (Santos and Eisenhardt, 2009). As such, we argue that, rather than risk takers, social entrepreneurs are tolerant to ambiguity.

Proposition 11. Social entrepreneurs display tolerance towards ambiguity.

3.2.13. Reaching large scale impact. In some definitions of SE, reaching widespread impact and achieving large-scaled change is a necessary ingredient (Drayton, 2002; Light, 2006; Martin and Osberg, 2007). Major SE Associations have endorsed this view, such as Ashoka, the Schwab Foundation, and the Skoll Foundation. Although large-scaled impact is desirable (Bornstein, 2004) and success stories are important to legitimize social activities (Nicholls, 2010), scholars have cautioned against relating SE with achieving a large scale, because ‘many initiatives stay small and local, mirroring the tendency of many micro and small businesses not to grow into medium-sized enterprises.’ (Thompson, 2002). In the academic arena, as in the entrepreneurship field itself, SE should not require growth to be considered SE. Entrepreneurial failure actually provides potential lessons to be learned (Dacin et al, 2010; Mair and Martí, 2006; Peredo and McLean, 2006; Tan et al, 2005). We argue that SE may exist in small or local initiatives as well as in large scaled solutions that achieve widespread impact.

Proposition 12. Although social entrepreneurs may seek widespread impact of their solutions, SE may also occur in small and local initiatives.

4. Discussion

To define a parsimonious SE construct, it is important to identify dimensions that are common to all SE initiatives and those that may be present in some initiatives, but not others. Emerging from our analyses, we suggest that SE is a multidimensional concept (Weerawardena and Mort, 2006), consisting of a number of interrelated attributes and existing in multidimensional domains (Law et al., 1998). We propose that all SE initiatives necessarily display three key components (Figure 1). First, all SE initiatives pursue a transformational social mission, aiming at both increasing the wellbeing of a disadvantaged group and solving the root cause of a societal problem. Second, SE initiatives seek economic sustainability, which can be obtained through using different economic resources, namely those beyond organizational boundaries, and through applying managerial practices to have a more effective and efficient use of those resources. Third, SE initiatives act entrepreneurially, displaying innovativeness, proactiveness, and tolerance ambiguity.

Insert Figure 1 about here

The suggested dimensions can be used as criteria that sets SE apart from similar concepts, often used interchangeably in the literature (Table 1).

Insert Table 1 about here

4.1. Social Enterprise. The boundaries between SE and the activity of social enterprises are blurred and scholars have used them interchangeably (Peredo and McLean, 2006). Social enterprises often act entrepreneurially, adopting innovative models to address societal issues (Santos et al, 2015). There are, nevertheless, differences between these concepts. While an SE initiative seeks to solve a social problem, a social enterprise may aim at alleviating symptoms of a social need without necessarily aspiring at solving it at its roots. Additionally, social enterprises explicitly aim at profits, while to SE initiatives “making money is a by-product (…) (m)aking a difference is what they aim for”
(Harding 2004: 43). Finally, unlike SE, being a business with social goals does not necessarily require innovativeness, neither in the approach nor in the products or services provided, but merely trading for a social purpose.

4.2. Nonprofit. Some authors argue that SE should be located in the realm of the nonprofit sector (Lasprogata and Cotten, 2003; Thompson, 2002). More recent conceptualizations are explicitly agnostic to the sector in which SE initiatives can be found (Austin et al, 2006; Hibbert et al, 2005; Santos, 2012; Short et al, 2009; Yunus, 2008). Unlike nonprofit activity, “social entrepreneurship is not defined by legal form, as it can be pursued through various vehicles” (Austin et al: 2006). Nonprofit organizations can display social entrepreneurial behavior if they aim at solving a societal problem and act innovatively, proactively and take risk (Morris et al, 2011). This entrepreneurial behavior in the nonprofit sector has grown significantly due to globalization effects, the needs of the beneficiaries, and competition for funding (Mort et al, 2003). Nevertheless, many nonprofits keep their traditional methods and offerings (Morris et al, 2011), focusing on alleviating symptoms of social problems, using classic models, and displaying low tolerance to ambiguity.

4.3. Social Activism. Social activism and SE share a transformational social mission. Additionally, both frequently leverage innovative approaches to achieve their social goals. Scholars have overlapped the two concepts and suggested that social entrepreneurs ‘play critical roles in bringing about ‘catalytic changes’ in the public sector agenda and the perception of certain social issues’ (Waddock and Post, 1991, p. 393). Recently, academics have proposed that the social activism and SE have different action orientation (Martin and Osberg, 2007). Social activism is inherently a political activity (Santos, 2012) and takes indirect action to attempt to create change (Martin and Osberg, 2007). In SE, “rather than waiting for someone else to intervene or trying to convince somebody else to solve the problem, the entrepreneur takes direct action” (Martin and Osberg 2007: 33). This difference creates contrasts in organizational solutions. While SE takes place in newly created or established organizations and commits resources in an ambiguous context, social activism is associated with more loosely structured initiatives (Mair and Martí, 2006).

4.4. Social Service. As SE initiatives, social service providers pursue a social mission (Martin and Osberg, 2007; Santos, 2012). However, there are important differences that distinguish both concepts. First, the outcome of social service providers is ameliorating the current social equilibrium, while the goal of SE is to solve a social issue by creating a sustainable social change (Martin and Osberg, 2007; Santos, 2012). Second, while commercial-driven or social mission enterprises may provide social service, governments often subsidize this activity (Santos, 2012). SE contrasts with the social service funding approach by developing innovative strategies and leveraging resourcefulness to achieve economic sustainability. Third, social service typically shares centralized assumptions of large institutions on what needs to be done and develops proven models to achieve their social mission (Seelos and Mair, 2005). This mentality contrasts with SE’s innovative approaches derived from the proximity to their beneficiaries (Seelos and Mair, 2005), with higher tolerance to ambiguous outcomes.

4.5. Corporate Social Responsibility (CSR). While aiming at social goals, CSR takes place within a corporation, whose primary goal is profit. For most corporations acting socially responsible, their motivation is the belief that it will improve the bottom line (Dorado, 2006). In addition, CSR does not necessarily entail entrepreneurial behavior, often leveraging corporate financial resources to provide philanthropic funding to other social organizations (Porter and Kramer, 2006). Such behavior does not display innovativeness, or proactiveness, or tolerance to ambiguity, which we suggest are fundamental dimensions of SE. Nevertheless, linking SE and CSR can be a promising model to tackle social issues (Seelos and Mair, 2005). CSR may allocate resources to individuals or initiatives that aim at solving a societal problem within the corporate context. Scholars have coined this model corporate social entrepreneurship (Short et al, 2009) or social intrapreneurship (Mair and Martí, 2006). CSR and SE can also establish promising links in initiatives where social entrepreneurs do not belong to the corporate context (Seelos and Mair, 2005). Individuals are much better than companies at scanning social opportunities and sticking to a social mission, but can use corporate funding and managerial knowledge to ensure sustainability of their initiatives.

4.6. Commercial Entrepreneurship. Both concepts share a similar entrepreneurial behavior (Morris et al, 2011), having in common the display of innovativeness, proactiveness, and tolerance to ambiguity (Lumpkin and Dess, 1996; Morris et al, 2011; Santos and Eisenhardt, 2009). There are,
however, significant differences between the two constructs (Austin et al., 2006; Dees, 1998a; Mair and Martí, 2006; Mort et al., 2003). First and foremost, SE’s ultimate goal is to solve a social problem (Dees, 1998a; Santos, 2012), which contrasts with profit goals characterizing commercial entrepreneurship (Dees, 1998b; Prabhu, 1999). Austin et al. (2006) argue that the focus in the social mission leads to several operational differences, such as resource mobilization, performance management, governance, opportunity identification, strategic decision-making, and value transactions. Furthermore, acting entrepreneurially in the business sector is characterized by competitive aggressiveness (Covin and Slevin, 1989; Lumpkin and Dess, 1996), while in the social sector it is often associated with collaborativeness (Dees, 1998b; Morris et al., 2011).

5. Conclusion

The development of a sound operational construct is key to advance knowledge in the field of SE. Acknowledging past conceptualization efforts, this study conceptualizes a parsimonious construct of three key dimensions theoretically extracted from the literature. First, SE initiatives pursue a transformational social mission aiming at increasing the wellbeing of disadvantaged groups through solving the root cause of a societal problem, rather than alleviating its symptoms. Then, SE initiatives seek economic sustainability of their social mission, through leveraging a diverse base of resources and applying managerial practices. Finally, SE initiatives act entrepreneurially displaying innovativeness, proactiveness, and tolerance to ambiguity. We expect SE initiatives to manifest all three dimensions, while similar management concepts may present a sub-set of those dimensions. Moving forward, future research should confirm the theoretically emerged dimensions through in-depth interviews with experts. Researchers are then armed with the necessary knowledge to advance with scale development methodologies and provide a sound measurement instrument to rigorously study the increasing SE phenomena.

6. Tables and Figures

Table 1. Comparative Analysis between SE and Boundary Concepts

<table>
<thead>
<tr>
<th>1.1 Increases the wellbeing of a disadvantaged group</th>
<th>SE initiative</th>
<th>Social Enterprise</th>
<th>Nonprofit</th>
<th>Social Activist</th>
<th>Social Service Provider</th>
<th>CSR</th>
<th>Commercial Entrep</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2 Targets the root cause of societal problem</td>
<td>+</td>
<td>+/-</td>
<td>+/-</td>
<td>+</td>
<td>-</td>
<td>+/-</td>
<td>-</td>
</tr>
<tr>
<td>2.1 Develops innovative approaches</td>
<td>+</td>
<td>+/-</td>
<td>+/-</td>
<td>+/-</td>
<td>-</td>
<td>+/-</td>
<td>+</td>
</tr>
<tr>
<td>2.2 Displays proactiveness</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
<td>+/-</td>
<td>+/-</td>
<td>+</td>
</tr>
<tr>
<td>2.3 Tolerates ambiguity</td>
<td>+</td>
<td>+</td>
<td>+/-</td>
<td>+/-</td>
<td>-</td>
<td>+/-</td>
<td>+</td>
</tr>
<tr>
<td>3.1 Is resourceful beyond organizational boundaries</td>
<td>+</td>
<td>+/-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+/-</td>
</tr>
<tr>
<td>3.2 Applies managerial practices</td>
<td>+</td>
<td>+</td>
<td>+/-</td>
<td>-</td>
<td>+/-</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>
Figure 1. Dimensions of the Social Entrepreneurship Construct

1. Pursues a transformational social mission
   1.1 Aims at increasing the wellbeing of disadvantaged groups
   1.2 Targets the root cause of a societal problem

2. Seeks economic sustainability
   2.1 Uses resources beyond organizational boundaries
   2.2 Applies innovative practices

3. Acts entrepreneurially
   3.1 Develops proactiveness
   3.2 Displays tolerance to ambiguity

7. References


