Conceptualising the baggy beast: An institutional framework for social entrepreneurship and social enterprise

Heather Douglas
School of Management, RMIT University

How we frame our research influences what we understand. Positioning a study within a preferred ontology and epistemology shapes the questions we ask, how we examine these questions, what kind of data we collect, and how we analyse our data. Many scholars including Haugh (2012) and Nicholls (2010) observe that the dual fields of social entrepreneurship and social enterprise are under theorised. This domain is “still in flux, searching for a direction and legitimacy, and theories are rare” (Lehner & Kansikas, 2013, p. 213). Lerner and Kansikas found that studies adopt a variety of frameworks and research “is often led by advocacy worldviews of the researchers themselves” (p. 198). These are serious propositions which challenge the value of our work. Conceptual clarity is vital to ensure we capture the issues we seek to scrutinise. The domain of social entrepreneurship and social enterprise is a free flowing field with limited conceptual clarity and research is at risk of creating multiple meanings.

Many scholars have noted the lack of agreed definitions for social entrepreneurship and social enterprise and that different concepts and meanings are used in different places. In this paper, social entrepreneurship is conceptualised as an action or process that involves some form of business activity to create beneficial social change (Douglas, forthcoming) whereas social enterprise is considered to be an organisation that trades to fulfil a social or environmental mission for community benefit (Barraket, Collyer, O’Connor, & Anderson, 2009). These terms will be used specifically in this paper if there is a need to distinguish between them; otherwise SE denotes the overall field of social entrepreneurship and social enterprise research or practice.

entrepreneurship framework, Austin, Stevenson & Wei-Skillern (2006) explain the nature of social entrepreneurship as a business activity (Figure 1). This framework has the social value proposition (SPV) at its core, surrounded by opportunity, (financial) capital and people with social entrepreneurship positioned within strategic management traditions of the macro economy, tax, demographics, and the political, regulatory and socio-cultural environments. This is very much a traditional business framework which acknowledges the influence of economic systems but it does not account for the variety of SE organisations reported in the literature.

Weerawardena and Sullivan Mort’s (2006) multidimensional social entrepreneurship framework is widely cited. Consistent with Austin, Stevenson and Wei-Skillern, Weerawardena and Sullivan Mort (2006) extend the traditional entrepreneurial orientation and position social entrepreneurship as an entrepreneurial activity with innovation, proactivity and risk taking as central elements. This framework acknowledges that social entrepreneurship operates in a complex environment with conflicting constraints of achieving the social mission, managing the external environment, and maintaining organisational sustainability (Figure 2). While acknowledging the complex expectations under which social
entrepreneurship is operationalised, this framework continues the assumption of businesslike activities activated by semi heroic innovative, proactive and entrepreneurial people.

Figure 2: Multidimensional social entrepreneurship model, Weerawardena & Sullivan Mort (2006)

Kerlin’s (2013) social enterprise conceptual framework is based on macro institutions and institutional processes. Rather than working from an entrepreneurship or strategic management perspective, Kerlin adopts a theoretical frame of historical institutionalism, stressing “the importance of underlying power relationships, both in terms of how power is involved in the creation of institutions and how institutions then create and structure power in different ways” (p. 87). Kerlin’s model has two foundations: Mahoney’s (2000) concept of institutions as mechanisms of reproduction, characteristics of institutions, and mechanisms of change, and Salamon & Sokolowski’s (2010) civil society framework. Kerlin proposes social enterprise is shaped by the effects of four interconnected institutional elements:

1. culture, global, regional and local hierarchies, and political economy histories
2. type of government (democratic, authoritarian, supportive, unsupportive)
3. stages of economic development (innovation driven, efficiency driven and factor driven)
4. model of civil society (liberal, welfare partnership, social democratic, deferred democratization, traditional).

Kerlin’s (2013) social enterprise model advances an understanding of institutional change mechanisms and creates an awareness of civil society which is lacking in previous
frameworks. Yet it does not appear to explain SE in less developed nations where institutional systems are very different from those in developed nations and where civil society exists as traditions in villages without organisational forms. Despite the complexity of Kerlin’s model, other mechanism would appear to shape SE.

This conceptual paper examines SE in an environment which does not conform to Kerlin’s model. It identifies that existing frameworks do not account for social enterprise arrangements in this context. A new Multidimensional Institutional Framework is proposed comprised of structure and agency elements, the geographic location, and political systems, sociocultural traditions and economic influences.

While acknowledging the limitations of a single site, this study makes three contributions to the social entrepreneurship and innovation literature. First, it extends Kerlin’s institutional framework to consider more broadly the effects of location, sociocultural systems and sub cultures on social enterprise practices. Second, the innovative Multidimensional Institutional Framework improves understanding of social enterprise in less developed nations and also micro or subcultures in developed countries. This is an important element not contained in Kerlin’s framework. Third, by identifying the underpinning epistemology which dominates social entrepreneurship studies, it challenges the conflation of social entrepreneurship and social enterprise concepts in the extent literature.

The Multidimensional Institutional Framework provides a foundation for a more extensive cross country examination of the effects of diverse institutional systems on social enterprise operations in different countries. Such a study will facilitate the development of more inclusive typologies of national and sub national practices. Importantly, by highlighting the complex systems and contexts in which social enterprise operates in different national contexts, the Multidimensional Institutional Framework will assist national and international agencies to develop more effective policies.

References


