UNTANGLING THE SOCIAL AND ECONOMIC ORIENTATION OF SOCIAL ENTREPRENEURS. WHAT BRINGS THE ATTENTION OF SOCIAL ENTREPRENEURS TO SOCIAL AND ECONOMIC GOALS? (SUMMARY)

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SUMMARY

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Principal Topic

As attention is argued to be a limited resource (Cyert & March, 1963; Simon, 1947), firms cannot attend to all issues concurrently and must continually divide their attention to different goals (Greve, 2008; Cyert & March, 1963) and environmental stimuli (Hambrick and Mason, 1984; Ocasio, 1997). Since there is a growing societal and political consensus about the fact that firms need to address social issues, questioning the narrow focus on profit maximization (Margolis and Walsh, 2003), the question of what factors influence the attention patterns towards economic and social goals, is all the more relevant. This paper uses the Attention Based View (ABV) (Ocasio, 1997) to study how the values of the entrepreneur, organizational identity and resource availability affect the attention to social and economic goals. The study further hypothesizes that prior performance acts as a moderator on these relations.

Method

We tested our hypotheses on a sample of social ventures (N=143) in Flanders (region in Belgium) where balancing social and economic goals is a key issue (Dacin et al., 2010; Moss et al., 2010). We obtained data from financial reports and a survey which included theoretically grounded operationalizations of the constructs.

Results and Implications

The results confirm that other-regarding values and normative organizational identity have a positive impact on the attention to social goals in social ventures. In contrast to our hypothesis, we found a negative effect of resource-availability on the attention to social goals. The analysis further showed that prior performance has a moderating effect on the relation between other-regarding values and attention to social goals. The paper makes an important contribution by introducing values, identity, performance and resource-availability as significant mechanisms affecting attention to social and economic goals. By including values the study contributes to ABV theory which has mostly focused on contextual and organizational characteristics (Barnett, 2008) and confirms the central role of social entrepreneurs of social ventures (Zahra et al., 2009).

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