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EXPLAINING CONFLICTS AMONG STAKEHOLDERS IN SOCIAL ENTERPRISES (INTERACTIVE PAPER)

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∽ **INTERACTIVE PAPER** ∽

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Principal Topic

How does conflict among stakeholders impact an entrepreneur's ability to obtain resources? Scholars have proposed that an entrepreneur's network of social relations and interactions is central to the entrepreneurial process (Aldrich & Zimmer, 1986; Birley, 1985; Chell & Baines, 2000; Dubini & Aldrich, 1991). However, conceptual issues still remain unresolved about how such networks are created. Stakeholder theory presents us with a suitable lens to examine the interactions among an entrepreneur's network and subsequent impact on resource mobilization. In this paper we propose that the composition of stakeholders in a venture is endogenous to an entrepreneur's strategic decisions that are related to expectations of future conflict.

Method

We interviewed eight early-stage social entrepreneurs from two major metropolitan areas in the United States. We transcribed and coded the interviews into a data matrix in order to search for themes along dimensions relevant to our research question (Miles & Huberman, 1994). At the time of the interviews, these individuals were still in the process of acquiring resources and did not have a fully developed stakeholder network. We interviewed entrepreneurs from social ventures because their stakeholders are particularly likely to share a common mission, interest, and values. Therefore, we expect social ventures to exhibit low levels of conflict among stakeholders. However, when conflict does arise we expect it will influence resource mobilization.

Major Findings

The interviews indicate that social entrepreneurs make strategic decisions while creating an organization to reduce future conflict among stakeholders. Within this sample, it appears that relationship conflict is more impactful on stakeholder management than task conflict is. Additionally, social entrepreneurs may avoid aligning with a stakeholder group if it creates a barrier to gaining resources from potential stakeholders.

Implications

Despite the altruistic nature of a social venture, relationship conflict among stakeholders still exists. Realizing this, social entrepreneurs make strategic decisions regarding which stakeholders to include in their network. Specifically, social entrepreneurs view relationship conflict as a barrier to resource obtainment and, therefore, intentionally avoid stakeholders that have a high potential for relationship conflict. Future research should examine if other entrepreneurs also manage their stakeholder networks based on conflict expectations.

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