COMPARING THE MOTIVATIONS OF SOCIAL AND COMMERCIAL ENTREPRENEURS (SUMMARY)

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Principal Topic

Despite arguments that social entrepreneurs are different than their commercial counterparts, there exists little compelling evidence in support. In response, Short et al. (2009) argue that in order to advance our understanding of social entrepreneurship, one question worth answering is whether the motivations of social venture creation are the same as or different from those of traditional venture creation. In response, we explore entrepreneurs’ situationally-specific motivation to start new businesses (rather than motivation in general) and draw upon seminal research on entrepreneurial motivation to develop the following hypotheses: compared to commercial entrepreneurs, social entrepreneurs will (H1) envision greater long-term growth for their organizations, (H2) have more ambitious short-term goals, and (H3) have higher levels of self-efficacy.

Method

We use the Panel Study of Entrepreneurial Dynamics II to test our hypotheses. We operationalize social entrepreneurs as respondents who wanted to start a business primarily to help others/the community and/or aid in the economy/economic development, vision as the scale they sought to attain with their businesses, goals as their projected five-year compound annual sales growth rates, and self-efficacy as their beliefs that they could start a business. Controlling for gender, race, education, age, marital status, household income, retirement status, start-up experience and industry experience, we analyze the weighted data using logit regression.

Results and Implications

Our results, which offer robust support for all three hypotheses, are important in that they provide generalizable empirical evidence that social and commercial entrepreneurs differ in measurable ways. In so doing, our study supports assertions that social entrepreneurs may indeed represent a unique subset of entrepreneur and that the field itself represents a unique area of academic inquiry. Given the increasingly important role that social ventures are playing in the world economy, our findings add to what we know about the drivers motivating social entrepreneurs to undertake such an important task. In this way, we believe our study responds well to Short et al.’s (2009) call to generate knowledge on social entrepreneurship than can be useful in better understanding and legitimating the field.

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