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THE PERFORMANCE OF SOCIAL VENTURES PURSUING MULTIPLE OPPORTUNITIES: UNCOVERING THE MODERATING EFFECT OF ORGANIZATIONAL TASK ENVIRONMENTS (SUMMARY)

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≈ SUMMARY ≈

**THE PERFORMANCE OF SOCIAL VENTURES PURSUING
MULTIPLE OPPORTUNITIES: UNCOVERING THE MODERATING
EFFECT OF ORGANIZATIONAL TASK ENVIRONMENTS**

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Principal Topic

In their quest to create and scale social value to address social issues or catalyze social change, social ventures often pursue more than one opportunity simultaneously, which may hurt performance. At the same time, exploiting multiple opportunities may be necessary depending on the requirements of the specific social issue being solved. We propose that the performance of organizations exploiting multiple opportunities depends on the task environment in which the organizations belong. The organizational task environment is composed of other organizations that complement or compete for resources and markets with the focal organization. According to Dess and Beard (1984), organizational task environments consist of munificence, complexity, and dynamism. Given the complexity that pursuing multiple opportunities entails and the increased resource requirements, we predict that social ventures exploiting multiple opportunities will, in general, underperform those that exploit a single opportunity. Additionally, we predict that a munificent environment will weaken the negative relationship between exploiting multiple opportunities and performance. We further predict that complexity and dynamism will exacerbate this relationship. Finally, we propose another dimension of the organizational task environment, which we term *environmental multiplicity*. This dimension refers to the degree to which other organizations in the task environment pursue multiple opportunities. We expect environmental multiplicity to positively impact the relationship between pursuing multiple opportunities and organizational performance.

Methods

The sample for this study is comprised of all registered charity organizations in Canada between the years 2005 and 2010. Data was obtained from the T3010 tax form, which includes questions relating to organizational programs, revenues, and expenditures. Our performance measure is organizational survival. Thus, we employ Cox proportional hazard models to test our hypotheses.

Results and Implications

Preliminary results support our predictions, including the existence of, and variance within, the environmental multiplicity dimension. Our results contribute to the social entrepreneurship literature by uncovering the influence that the task environment exerts on the relationship between multiple opportunity exploitation and performance. We further contribute to social entrepreneurship by proposing modified measures of the organizational task environment dimensions that are more appropriate to the social venture context. Finally, we theoretically advance a novel and salient dimension of the organizational task environment that is applicable to social ventures.

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