SCALING SOCIAL IMPACT – A CONFIGURATIONAL THEORY APPROACH (INTERACTIVE PAPER)

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Scaling social impact receives increasing attention in society, politics, science, business, and economics. Confronted with pressing social problems worldwide (Boschee, 2008; Weerawardena and Mort 2006; Zahra et al., 2008), not-for-profit managers, impact investors, entrepreneurs, and politicians seek to understand how social interventions that successfully benefit socially disadvantaged people can be scaled effectively and efficiently. The difficulty in tackling this topic lies in the fact that scaling social impact efforts in the social sector somewhat diverge from growth strategies in the more comprehensively elaborated commercial sector due to the differing organizational and contextual conditions of these two areas (Austin, Stevenson and Wei-Skillern, 2006). Based on configuration theory (Minzberg 1989), our study aims to answer the following research question: Which bundles of success factors assist social enterprises to scale their social value creation successfully?

Method

In order to analyze the interrelatedness of the different success factors in a social company’s strategy, we apply fuzzy-set qualitative comparative analysis (fsQCA) to a hand-collected dataset comprising 139 social enterprises. The fsQCA approach is considered the best suiting method for analyzing suspected interrelatedness of different variables as it is based upon the notion that a phenomenon can be explained by set-theoretic relations, i.e., different sets of causal conditions can equifinally be sufficient for an outcome to occur (Fiss, 2007).

Results and Implications

Our preliminary findings suggest eight different successful scaling strategies. We demonstrate that a high replicability of a firm’s processes is not always needed for scaling social impact successfully while the style of leadership seems to be central. In addition, independence from third parties and a high amount of earned income seem to work both as hindering as well as conducive components in a social enterprises’ strategy.

We contribute to research on social entrepreneurship by providing empirical evidence that success factors mutually enforce each other. Hence, it is the bundles of success factors that are central for scaling social value creation effectively. Moreover, with our findings for social entrepreneurship research we contribute to the field of commercial entrepreneurship by helping rethink the definition, assumptions and boundaries of growth strategies. Finally, we advance configuration theory.

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