A TYPOLOGY OF SOCIAL ENTREPRENEURS’ COMPASSION AND HOW IT INFLUENCES IDENTITY AND OPPORTUNITY RECOGNITION

Fredric Kropp
Middlebury Institute of International Studies at Monterey, USA, and the University of Adelaide, Australia, fkropp@miis.edu

Ronit Yitshaki
Ariel University, Israel

Recommended Citation
Available at: https://digitalknowledge.babson.edu/fer/vol37/iss15/2
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Fredric Kropp, Middlebury Institute of International Studies at Monterey, USA,
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ABSTRACT

This study examines the role of compassion in explaining social entrepreneur’s (SE’s) motivations for prosocial action. Using life-story interviews, we identified self-compassion, derived from intimate experiences of suffering, and other-regarding compassion, derived from social awareness and value structures. Self-compassion SEs want to alleviate the suffering of others with similar experiences and provide healing for themselves and others. Other-regarding compassion SEs want to alleviate the suffering of others based on strong commitment and calling. We analyzed discovered and created opportunities and imprinting and reflexive mechanisms and time lags of opportunity recognition (OR). We developed a data-driven process model.

INTRODUCTION

Motivation is a core concept within the psychological literature and can be traced back to early work by Freud more than 100 years ago. Recent research identifies that, in addition to cognitive components (Grégoire, Corbett & McMullen, 2011), entrepreneurial motivation contains affective elements such as passion (Cardon et al., 2009; Murnieks, Mosakowski & Cardon, 2014), compassion (Miller, et al., 2012) and founder’s self and social identities (Fauchart & Gruber, 2011; Powell & Baker, 2014; Yitshaki & Kropp, 2016b).

Compassion is a three-part process that involves noticing other’s suffering, developing affective feelings towards the suffering, then taking action (Dutton et al., 2006; Dutton et al., 2014; Kanov et al., 2004). The psychology literature distinguishes between self-compassion and other-regarding compassion. Self-compassion involves being touched and open to one’s own suffering, not disconnecting from it, and trying to heal oneself with kindness Neff (2003a). It contains three basic components: “1) extending kindness and understanding to oneself rather than harsh self-criticism and judgment; 2) seeing one’s experience as part of the larger human experience rather than as separating and isolating; and 3) mindfulness and holding one’s painful thoughts and feelings in balanced awareness rather than over-identifying with them” (Neff, 2003b, p. 234). Other-regarding compassion occurs when a person notices another person’s suffering, feels empathic concern and responds to the suffering (Lilis et al., 2011). It can be based on an awareness of suffering or can be aligned with an individual’s basic value structure. The action that arises from other-regarding compassion can be viewed as the fortunate helping the less fortunate (Dutton et al., 2006; Shepherd & Williams, 2014). There has been significant interest in the role of compassion in social entrepreneurship over the past five years (e.g., Miller et al., 2012; Shepherd and Williams, 2014). Much of the research, however, is anecdotal or at an intuitive theoretical level. Compassion is a distinctive form of motivation that can help explain prosocial behavior (Grimes et al., 2013). Miller et al. (2012) describe compassion as a “a prosocial motivator of cognitive and affective processes that are considered preconditions for undertaking social entrepreneurship”
Notwithstanding the source of compassion, both self-compassion and other-regarding compassion can be an antecedent to motivation.

Identity provides a set of meanings associated with roles in the social structure (Stryker, 1980). Identity theory is based on symbolic interactionism which has three core principles: “(1) that people act toward things, including each other, on the basis of the meanings they have for them; (2) that these meanings are derived through social interaction with others; and (3) that these meanings are managed and transformed through an interpretive process that people use to make sense of and handle the objects that constitute their social worlds” (Snow, 2001, p. 367). Entrepreneurial identities are important to motivation. Powell & Baker (2014) define founder’s identity as “the set of identities that is chronically salient to a founder in her/his day-to-day work” (p. 17). Another aspect of entrepreneurial identity is role identity that can include being an innovator, taking risks, being action oriented, being an organizer, facilitator, and communicator (Mitchell, 1997; Murnieks & Mosakowski, 2007). Role identities strongly condition how entrepreneurs recognize new opportunities (Mathias and Williams, 2014) and shape how opportunities are pursued. A founder’s social identities and role identities influence entrepreneurs and helps them become who they want to be (Fauchart & Gruber, 2011; Powell & Baker, 2014; Alsos et al., 2016).

Opportunity recognition (OR) has been studied extensively in the entrepreneurship literature. There are many definitions of OR in commercial entrepreneurship, (e.g., Gregoire et al., 2010; Hansen et al. 2011; Stevenson and Jarillo, 1991 to name a few). However, we were unable to find a definition of social entrepreneurship OR. For the purposes of this paper, based on work by Austin, Stevenson, and Wei-Skillern’s (2006), Martin and Osberg (2007), and Alvarez and Barney’s (2007), we develop the following definition “Social entrepreneur’s opportunity recognition, albeit, discovered or created, involves the identification of unmet social needs through affective and cognitive processes, with the goal of developing an innovative solution to create social value in order to fulfill the needs.” The social opportunities can be discovered or created, based on imprinting or reflexive processes (Alvarez and Barney, 2007).

We suggest that there is a need for theoretical development of the relation between compassion, identity and OR in the social entrepreneurship domain. As our work progressed we narrowed our specific research questions to: 1) What is the relationship between SE compassion and opportunity recognition? 2) Is opportunity recognition different for SEs motivated for self-compassion than for SEs motivated by other-regarding compassion? We also examine the role of identity in the process. This research is one of the first empirical studies to examine the role of SE compassion and OR. Our study extends the literature (Miller et al., 2012; Shepherd, 2015) by showing that self-compassion and other-regarding compassion are two distinct forms of compassion reflecting different processes. We also extend that understanding about how different types of compassion lead to OR through different types of agency, sensemaking, and mental distance. Our study also contributes to the OR literature by showing how compassion leads to created and discovered opportunities based on reflexive and imprinting mechanisms. We also extend the literature on the role of affect in OR (Baron, 2006 by demonstrating affective-cognitive processes. Finally, we develop a process model based on our findings and define OR in the social entrepreneurship arena.

HYPOTHESES DEVELOPMENT

This study used the life-story method which is a form of narrative analysis. Therefore, no a priori hypotheses were developed. Rather propositions developed based upon rigorous grounded-theory methods.
METHODS

In-depth, in-person life-story interviews were conducted with 27 Israeli small-scale SEs selected as a purposeful sample to capture different types of activities. The life-stories method is a form of narrative analysis in which respondents discover and reveal themselves to others by the story they tell (Mitchell, 1997). Data were collected in two rounds. The first set was in-person interviews conducted with 32 SEs by graduate students trained by the authors. SEs were asked to discuss their motivations and their ventures in any way they liked. Each interview took 90–120 minutes. All interviews were tape-recorded and later transcribed verbatim. In the second stage of data collection, the authors conducted follow-up interviews with five SEs from the original set of respondents, in order to obtain a deeper understanding of the constructs. We also conducted content analysis of data collected from SEs’ sites, Facebook pages, videos, and newspaper articles to get more information about how the opportunity evolved over time.

We used a five-stage approach to analyze the interviews and develop theory: 1. Each interview was analyzed separately, based on the meaningful life events described by the SE; 2. We analyzed each story focusing on references to the SEs’ compassion and identity; 3. We looked for and analyzed similar themes that emerged across the stories; 4. We conducted a second stage of data collection to get a better understanding of the initial patterns that emerged in previous stages of analysis; 5. We examined two distinct types of compassion, self-compassion and other-regarding compassion as well as identity.

RESULTS

We identified two major sources of compassion: self-compassion, derived from intimate experiences of suffering in the past or present, and other-regarding compassion, derived from social awareness and a value structure. SEs motivated by self-compassion want to alleviate the suffering of others with similar experiences and to provide healing for themselves and similar others. SEs motivated by other-regarding compassion want to alleviate the suffering of others based on strong commitment and calling. We further analyzed discovered and created opportunities and imprinting and reflexive mechanisms and time lags of OR.

Self-Compassion

SEs in the self-oriented compassion category are motivated by their own life experiences and suffering which could have occurred in the past or present. SEs had two different paths between self-compassion and OR, self-compassion based on reflexive mechanisms and self-compassion based on imprinting mechanisms. Fifteen SEs had intimate experiences with suffering, 12 in the past and 3 in the present. All 15 discussed their self-compassion using similar narrative structures, referring to (1) the story of their suffering; (2) their suffering as being part of common humanity; (3) a time lag between their suffering in the past or present and mindfulness and, (4) healing and well-being. SEs in this category were motivated by their own suffering and wanted to alleviate the suffering of others. SEs experienced diminished suffering by identifying with others going through similar experiences and a sense of common humanity.

In 12 of the 15 cases, SEs’ suffering was based on past experiences which allowed time for mental distance and mindfulness. For example, NV (entrepreneurship education for women) described that it took her a long time to realize that she could turn her trauma into something positive. Their narratives demonstrated a sense of balanced awareness of their suffering and the
suffering of others. In three cases, SE’s self-compassion was based on suffering in the present. They were coping with their own suffering while noticing, in real time, that there were others in similar circumstances who were also suffering. Self-compassion focused on common humanity and mindfulness, as the SEs were driven to alleviate their own suffering through collective action. These SEs took an agency role, leading prosocial action at the time they were suffering. Self-compassion led to creating a community that strengthened both the SEs and similar others and enhanced their ability to cope with the suffering.

Self-compassion and OR are linked. Self-compassion is associated with both created and discovered opportunities. In turn, the process of opportunity identification is associated with two different mechanisms: reflexivity and imprinting.

For self-oriented compassion and created opportunities based on reflexivity, there is a relationship between an SE’s own suffering and the desire to alleviate the suffering of others in similar circumstances. An SE’s compassion comes from his or her own experience, combined with a deep understanding of what people with similar experiences feel and need, as well as developing an approach to alleviate their suffering. The OR was based on affective processes rather than a deliberate cognitive search for the opportunity. The process entails creating a unique solution to an opportunity that would not have been identified or exploited by others. Compassion can be elicited by increasing social awareness and identifying distress in others. SEs in this sub-group made extensive use of their own suffering to identify the opportunity to help others. They evoked compassion and raised social awareness by sharing their personal suffering, involving key social actors and opinion leaders, and through various communication channels. Their actions bridged self-compassion and collective compassion toward others, demonstrating that compassion has a contagious affect.

For self-oriented compassion and discovered opportunities based on imprinting, SEs did not emphasize their own suffering in the past as being directly linked to the social opportunity the seek to address. Rather, their personal suffering was a kind of trigger for social awareness to other’s suffering and to helping them. These SEs discovered new opportunities through an imprinting mechanism, that is, opportunities that are embedded within the social, political and economic environment. The opportunities were recognized within the social context based on an imprinting mechanism. This SEs discovered a well-known opportunity among his community. SEs became social agents understanding of how to alleviate others suffering and a desire to provide a solution for their own helplessness in the past.

Other-regarding Compassion

Twelve SEs were identified as having other-regarding compassion that evolved from noticing another person's suffering, feeling empathic concern and responding to the suffering. Our analysis revealed that the path between other-regarding compassion and OR was based on both reflexive and imprinting mechanisms. Other-regarding compassion can be triggered by a sudden awareness, social awareness that evolved over time, values structures or a combination of the factors. The understanding of other-regarding compassion was constructed retrospectively through strong sensemaking rather than a life-story. The sense-making narratives explain SEs motivations: social responsibility as life meaning, knowing how to generate social solutions based on professional or personal capabilities (narratives as knowing), strong social sensitivity to social injustice, and a sense of calling to be active to alleviate others suffering.
For other-regarding compassion and created OR based on reflexivity, SEs address overlooked or neglected social problems and created a novel solution to address the problem. SEs compassion derives from noticing others suffering. Their reflexivity is based on a mix of the subjective meaning they assign, the social problem and their emotional obligation to alleviate other people's suffering, combined with an objective understanding of the suffering and the social solution needed. While their professional capabilities were mentioned to be as a source of the capabilities of SEs to alleviate others suffering, they also mentioned that in some cases they had to find the best way of acting because they were pioneers.

For other-regarding compassion and discovered OR based on imprinting, opportunities are associated with identifying social opportunities within the social context. SEs started a social venture that identified a known social problem and provided different approaches to solving the problems. Most SEs in this sub-group mentioned a sudden awareness that triggered noticing others' suffering rather than a systematic search for social opportunity. Our data suggest that discovered opportunities possibly reflect a more objective view of the suffering as the SEs have emotional distance from the suffering. SEs were able to alleviate others suffering were the sufferers could not alleviate their own suffering in real time. Three of the six SEs prosocial actions to alleviating other's suffering were based on ingrained religious values. The other SEs indicated that their social sensitivity had its roots in their early childhood, modeled for them by their families. One of the SE’s, A (drug addicts) described it as “an intergenerational transfer of compassion.” Another EA (animal rights) described it as acting to correct actions made by family members who were furriers and butchers.

In summary, there was a degree of commonality of other-regarding SEs and their paths to OR. Their compassion was based on noticing an injustice towards a vulnerable group, feeling and a desire to alleviate the suffering of others. Compassion for the individual transformed into compassion for the group. The SE was not an SE before the triggering event. Understanding the suffering of others came from their ability to put themselves in the others’ shoes.

**Compassion and SEs identities**

Our findings show that SEs identities were expressed differently for self- and other regarding compassion. SEs in the self-oriented compassion category expressed feelings of differentness. AY (youth integration in Kibbutzim) described his sense of identity and being different: “Being cross-eyed caused me feelings of inferiority. In addition, I also had Hemangioma (benign lumpy tumors).” DS (LGBT support) discussed his otherness in terms of how he dealt with his sexuality. He had read that homosexuality was thought of as a deviance or an incurable disease, and felt closeted. Most SEs in this category mentioned an identity change. They used self-compassion as a source for identity change and capability to shift from a victim to a healer mode, transforming past vulnerable behavior into social actions. NV (empowerment of women through entrepreneurship training) went through a difficult divorce that changed her world. She felt a sense of otherness; she lost her identity. “I would not consider the issue if I was not going through a traumatic divorce process... I am totally in this story because I went through this experience and I was forced to be economically independent.”

SEs in the other-regarding compassion category, indicated that they felt different from other people as a function of heightened social sensitivity and awareness or value structure. AH spoke about her social sensitivity: “I became sensitive to other people, that I have something in common (with them). I think that I am healing my wound through this activity and helping others. It is a
“win-win situation.” She also described a strong sense of identity, with no distinction between her activities and herself. Religious SEs in this category acted upon their core values, compassion is part of Judaism. Religious SEs did not feel special because of their prosocial activity.

DISCUSSION AND FUTURE IMPLICATIONS

Our study makes several contributions to social entrepreneurship theory. First, our findings add to the compassion literature (Miller et al., 2012; Shepherd, 2015) by demonstrating that compassion among SEs has different roots. We show that the process of compassion transfer is multi-staged. Compassion is a motivational construct based on a combination of emotional and cognitive drives to alleviate the suffering of others. The process of self-compassion is associated with a process of seeing suffering as part of common humanity and mindfulness. In contrast, other-regarding compassion is associated with noticing, feeling, and acting. In most cases noticing a social problem were not associated with a systematic search for a social problem. Second, our study adds to the OR literature by showing that compassion can have different roots that lead to different prosocial actions based on different OR processes. We show that self-compassion is associated with the healing process. In contrast, other-regarding compassion is associated with sensemaking. These findings extend the understanding about the cognitive-affective process with regard to OR process (Shepherd, 2015) and the role of entrepreneurial affect (Foo, 2011; Gartner 2008; Grichnik et al., 2010) in explaining entrepreneurial motivations. Finally, our findings extend the literature by examining the dynamic process between entrepreneurial compassion, entrepreneurial identities and OR (Powell and Baker, 2014). showing that SEs’ compassion and identities are related. We identify different paths between identity and compassion, and show that identity can reinforce compassion and vice versa, and that identity change can lead to compassion.

CONTACT: Fredric Kropp; fkropp@miis.edu; 831-647-6684; MIIS, 460 Pierce St., Monterey, CA 93940.