BALANCING SOCIAL AND ENTREPRENEURIAL FOCI IN BORN AND ADAPTED SOCIAL ENTERPRISES (SUMMARY)

Francine Schlosser  
*University of Windsor, fschloss@uwindsor.ca*

Eva Balan-Vnuk  
*University of Adelaide*

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Principal Topic

This paper explores the multiple organizational identities that social enterprises must balance in order to maintain their legitimacy, allow them to achieve their social mission, and satisfy the need to be financially viable. We consider potential differences between traditional non-profits, those that are ‘born’ with an underlying social enterprise, and those that ‘adapt’ to changing resource availability by introducing a social enterprise. Limited empirical research has examined multiple identities (Moss et al., 2010; Foreman & Whetten, 2002). We explore how these enterprises develop legitimacy given the tensions that emerge from having to address both entrepreneurial and social identities, and how this is portrayed in official communications. Conceptually, we use strategic balance theory (Deephouse, 1999) to inform social entrepreneurship theory wherein we are faced with a struggle between strategic differentiation (to reduce competition) and strategic similarity (to increase legitimacy).

Method

Building upon methods and entrepreneurial word dictionaries used by Moss et al. (2010), we utilize DICTION, a computer-aided content analysis software that applies a set of procedures to categorize or classify organizational communications (Weber, 1990). We examine the content of written messages relayed by 106 Canadian and 124 Australian nonprofit organizations in their annual reports (the Chair’s and CEO’s messages to stakeholders) and websites. We consider how the portrayal of their organizations differs among three groups: those nonprofits that undertake social enterprises early on (born social enterprises, n=79), those that undertake them later (adapted social enterprise, n=81), and those that never undertake social enterprises (traditional nonprofits, n=70).

Results and Implications

Data analysis indicates several key differences between the style and length of official messages of Canadian and Australian Chairs and CEOs, with Australian messages being, on average, double the length of Canadian messages. The Canadian messages, overall, portray a much more social, or normative, posture in comparison to the Australians, there being no marked differences between the three types of nonprofits. The Australian adapted social enterprises demonstrated the most entrepreneurial posture, based on the DICTION analysis, as well as the strongest normative posture, possibly to balance the entrepreneurial focus. We observed however a strategic similarity among all the enterprises, which underlines strong institutional isomorphism.

CONTACT: Francine Schlosser; fschloss@uwindsor.ca; (T) 519.253.3000 ext. 3107; Associate Professor, Odette School of Business, University of Windsor, Canada.