SUCCESSION STRATEGIES IN SOCIAL ENTREPRENEURIAL VENTURES: AN EMPIRICAL INVESTIGATION (INTERACTIVE PAPER)

Sophie Bacq
*Université catholique de Louvain, s.bacq@neu.edu*

Frank Janssen
*Université catholique de Louvain*

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Principal Topic

Social entrepreneurship implies major organizational challenges when it comes to the viability of such initiatives that blend social mission and entrepreneurial skills and mindset – a blend known as the “double bottom line”. One of these challenges is CEO succession. We define succession as the process occurring between the moment at which the entrepreneur starts thinking about the continuity of his/her activity and the point in time when the successor officially takes over both the management and the ownership of the organization. Although identified as an issue as important as growth (Imperatori & Ruta, 2006), succession has been hardly empirically examined in the context of social entrepreneurial ventures (SEVs). However, we believe that this context can offer unique insights on this issue given that succession in SEVs can be made more complex by the importance of passion and commitment to social goals. Like in any entrepreneurial firm, the social entrepreneur can be considered as one of the key success factors of the SEV, and his/her replacement can be even trickier when his/her visionary and ethical concerns are deeply rooted. Hence, the problem does not lie as much in the lack of potential candidates as in the availability of talented candidates committed to the double bottom line (Peattie & Morley, 2006).

Thus, our research question is: which succession strategies (familial, internal, or external) are better suited to help SEVs outlast the departure of the social entrepreneur?

Method

We explore this research question by means of qualitative semi-formal interviews in three SEVs located in India – where social issues are of the utmost importance – that have recently undergone a CEO succession. In each SEV, we conducted interviews with the former CEO/social entrepreneur, the successor/new CEO, some employees and board members. We analyzed them using content analysis.

Results and Implications

This study contributes to the development of the social entrepreneurship field by examining an unaddressed but important question. Indeed, succession can mark the demise of a SEV. Based on family business and entrepreneurship literature, we identify succession mechanisms peculiar to and efficient for SEVs, and reflect on the possibility of a “social filiation” similar to familial succession.

CONTACT: Sophie Bacq; sophie.bacq@uclouvain.be; (T) 646-642-6095; Université catholique de Louvain, Louvain School of Management, 1 Place des Doyens, 1348 Louvain-la-Neuve, Belgium.