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FOR THE PH.D. DEGREE
SOCIAL ENTREPRENEURSHIP AND SOCIAL INNOVATION:
INSTITUTIONAL ENVIRONMENT, IDENTITY CONFIGURATION, AND
RESOURCEFULNESS

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ABSTRACT OF THE DISSERTATION

Social Entrepreneurship and Social Innovation: Institutional Environment, Identity

Configuration and Resourcefulness

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Unlike the commercial counterparts who hold a constant salient business identity that is for profit and opportunity oriented, social entrepreneurs need to resourcefully control the tension and reach the equilibrium between both salient social activist identity and business identity. However, a very limited number of studies exist to explain and uncover the process of social innovation through social entrepreneurship. In this dissertation that consists of three essays, I strive to provide insights on the knowledge of social entrepreneurship and social innovation.

Essay 1 of this thesis starts by reviewing current literature of social innovation and entrepreneurship to depict a picture of domain knowledge and delineate future research questions. First, the boundaries of social innovation processes have not yet been fully defined, leaving considerable room to contribute to both theory and practice. Further, social entrepreneurship opportunities are the constructed results of motivation and entrepreneurial alertness, as well as institutional, societal, organizational, and market contexts where they are embedded. Likewise, these contexts also bring the institutional norms and routines that challenge and constrain innovation process. Finally, building on current theories, I bring together the three approaches (i.e., individualistic, structural and

contextual) together and present a new conceptual framework to investigate social innovation.

Essay 2 focuses on the main gap of how do the social entrepreneur's salient role and personal identity, which concurrently straddle both business and social welfare logic, affect their cognitive schema and behavior patterns regarding being resourceful. By doing so, this study tests a model of social entrepreneurial identity configuration and resourcefulness for Chinese social entrepreneurs. Results indicate social entrepreneur identity is composed of both the pro-social and the business identities (both role and personal identity), and that the salience and structuring of them lead to the variation of their resourcefulness. Resourcefulness was highest when the social entrepreneur's identity configuration holds a salient role identity aligned with both social and business logics (i.e., balanced social entrepreneur). However, the perception that the local institutional environments valued social businesses weakens the between-group difference. Implications for social innovation and future research are also discussed.

Essay 3 relies on institution-based view to examine the role of both subnational institutional environment and resourcefulness of social enterprises in China on their innovative endeavors. Using survey data on Chinese social ventures, our results show that regional institutional development enhances social innovation, while the role of institutional development can be altered by entrepreneur's engagement of resourceful behavior. These findings contribute to research regarding determinants of social innovation under emerging market and provide new lenses to see innovation from institution-based view and entrepreneur's active resources building. Implications and limitations of the research are discussed.

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Chapter 1- SOCIAL ENTREPRENEURSHIP: A GENERAL REVIEW

Garnering more and more visibility, social entrepreneurs make significant and diverse contributions to their communities and societies, adopting business models and eliciting entrepreneurial spirit to offer innovative solutions to complex and persistent social problems (Zahra, Gedajlovic, Neubaum, & Shulman, 2009). Aligned to the changing perception of market failure and government failure, the emergence of social entrepreneurship has come to be interpreted as an essential mechanism for supporting economic activity and transferring institutional arrangement in areas deemed unprofitable by the private sectors and overlooked or insufficiently served by the governmental planning (Dees, 1998; Mair & Marti, 2006). Meanwhile, the sophisticated network of organizations exists to support and highlight the work and contribution of social entrepreneurs further inform the general public as to how some of the most intractable social issues, including poverty, inequality, environmental problems in both developed and developing countries can be addressed efficiently (Dacin, Dacin, & Tracey, 2011).

On the one hand, we see the increasing awareness of the general public for a more ethically and socially inclusive sourced and produced products (Nicholls & Opal, 2005), adding pressures to both the market players such as companies and corporations to reconsider their business model regarding social responsibility. Moreover, market policymakers such as government as well are under social pressure to develop and implement policies to promote social inclusiveness and environmental sustainability (Friedman & Miles, 2001). On the other hand, traditional NGOs or NPOs are under reforming pressure too. Confronted with the shrink of funds provided by the original

resources as well as rising intensity of competing for such valuable resources, the requirements on more sustainable and effective solutions are urgent (Fowler, 2000). In addition, the public grants have been cut back, which has aggravated the situation. As a consequence, non-profit organizations have to cope with the competition with each other and, in the meantime, provide better service for their clients (Nicholls, 2009). From this perspective, social organizations are no longer purely responsible for charity activities supported by donations, but are accountable for their own revenues, striving to expand their financial sources with an all-out effort.

Social entrepreneurship (SE), as an essential subset of entrepreneurship theory, has been steadily amassing the literature and becoming a significant domain of inquiry. However, scholarly research faces several challenges. First and foremost, while some scholars embrace broader definitions that relate social entrepreneurship to individuals or organizations engaged in entrepreneurial activities with a social goal (Certo & Miller, 2008; Mair & Marti, 2006), still other scholars coming from different domains (e.g., not-for-profits, for-profits, the public sector) are defining and examining the concept with their respective perspectives, indicating that a unified theoretical definition of social entrepreneurship has yet to emerge (Dacin, Dacin, & Matear, 2010; Short, Moss, & Lumpkin, 2009). However, this continuing definitional debate did little to aid theory development and sustained academic inquiry. Moreover, in spite of the differences between these organizations and other enterprises regarding of their operation strategies, creative ways to achieve their objectives in social aspects as well as training initiatives, there is a point in emphasizing the estimated profits gained through constant attention to the social entrepreneurship (Leadbeater, 1997). Finally, entrepreneurship is inherited in a

certain social context, dependent on social relations and closely connected with nature, which is especially applicable to the satisfaction of urgent social demands and the generation of novel opportunities in the society which private enterprises and the massive social members are unable to achieve. Thereby, social opportunities and institutional factor are deeply related (Urbano & Ferri, 2011; Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2008). However, current researches of social entrepreneurship primarily center on a handful of countries and their social context (e.g., U.S., Great Britain, India, South Africa and the like), a condition we can improve and complement the picture by employing more specific institutional settings in emerging economies such as China (Lan & Galaskiewicz, 2012). Thus, an institutional approach can be useful to understand better the complexity of this phenomenon (Mair & Marti, 2006). In the next sections, I further elaborate on this phenomenon systematically in three sections to articulate how and why social entrepreneurship provides us the unique opportunity to inform and extend management and organizational sciences.

1.DEFINITIONAL CHALLENGE OF SOCIAL ENTREPRENEURSHIP

Social enterprise has been identified as invaluable to the development and delivery of innovative approaches to social problems/needs that persist, despite the efforts of traditional public, voluntary or community mechanisms. Therefore the term "social entrepreneurship" has been emerged as a new label for describing the work of the community, voluntary and public organizations, as well as private firms working for social rather than for-profit objectives (Shaw & Carter, 2007).

However, the concept of social entrepreneurship means different things to different people and researchers (Dees, 1998), and there have been several attempts to define SE in the literature (e.g., Mair & Marti, 2006; Mair & Marti, 2009; Robinson, 2006), with most of such attempts focusing heavily on conceptual over empirical research (Short et al., 2009). For example, some scholars define social entrepreneurship as a process applied when the government or nonprofit organizations function by using business principles/schemes (Austin, Stevenson, & Wei-Skillern, 2006). There are other scholars see it as the activities of entrepreneurs who practice corporate social responsibility (Baron, 2007) or as outcomes of organized philanthropy (Van Slyke & Newman, 2006) and social innovation (Bornstein, 2007). More narrow and specific definitions also exist, for example, Robinson (2006) define social enterprise as an economically sustainable venture that generates social value through the completed entrepreneurial process of identification, evaluation, and creation. Table 1 contains a representative selection of the various definitions found in the social entrepreneurship literature.

Table 1 Definition of Social Entrepreneurship/Entrepreneurs

	Source	Definition
1	Thake and Zadek (1997)	Social entrepreneurs are driven by a desire for social justice. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions, which are sustainable financially, organizationally, socially and environmentally.
2	Dees (1998)	Play the role of change agents in the social sector, by: 1)

		Adopting a mission to create and sustain social value (not just private value), 2) Recognizing and relentlessly pursuing new opportunities to serve that mission, 3) Engaging in a process of continuous innovation, adaptation, and learning, 4) Acting boldly without being limited by resources currently in hand, and 5) Exhibiting heightened accountability to the constituencies served and for the outcomes created.
3	Fowler (2000)	Social Entrepreneurship is the creation of viable socio-economic structures, relations, institutions, organizations and practices that yield and sustain social benefits.
4	Mort, Weerawardena, & Carnegie (2003)	A multidimensional construct involving the expression of entrepreneurially virtuous behavior to achieve the social mission, a coherent unity of purpose and action in the face of moral complexity, the ability to recognize social value-creating opportunities and key decision-making characteristics of innovativeness, proactiveness and risk-taking.
5	Bornstein (2004)	Social entrepreneurs are people with new ideas to address major problems who are relentless in the pursuit of their visions . . . who will not give up until they have spread their ideas as far as they possibly can.
6	Schwab	Applying practical, innovative and sustainable approaches

	Foundation (2005)	to benefit society in general, with an emphasis on those who are marginalized and poor.
7	Austin et al. (2006)	Social entrepreneurship as innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors.
8	Mair and Marti (2006)	A process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs.
9	Robinson (2006)	I define social entrepreneurship as a process that includes: the identification of a specific social problem and a specific solution . . . to address it; the evaluation of the social impact, the business model and the sustainability of the venture; and the creation of a social mission-oriented for-profit or a business-oriented nonprofit entity that pursues the double (or triple) bottom line.
10	Martin & Osberg (2007)	We define social entrepreneurship as having the following three components: (1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration,

		creativity, direct action, courage, and fortitude, thereby challenging the stable state's hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large.
11	Short et al. (2009)	The distinctiveness of social entrepreneurship lies in using practices and processes that are unique to entrepreneurship to achieve aims that are distinctly social, regardless of the presence or absence of a profit motive.
12	Zahra et al. (2009)	Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner.
13	Tracey, Phillips, and Jarvis (2011)	The social entrepreneurs creatively combined elements of two established logics—the logic of for-profit and the logic of nonprofit to develop a sustainable solution to societal problems.
14	Dacin et al. (2011)	Social entrepreneurs balance both sets of priorities. A social value creation mission does not necessarily negate nor diminish a focus on economic value. In fact, economic value

		is crucial for the sustainability of social entrepreneurial ventures and the creation of social value.
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The various and non-unified definitions of social entrepreneurship reflect that the concept is very much multifaceted. From the civilian society perspective, social entrepreneurship exemplifies a new force and format of cross-sector cooperation for social and political transformation (Austin et al., 2006). From the governmental perspective, social entrepreneurship keeps providing innovative solutions to social problems, making up the deficiency of governmental function ((Lemaitre, Laville, Nyssens, & Nyssens, 2006). From the more traditional commercial and business perspective, social entrepreneurship offers the market more opportunities just as their commercial counterpart (Austin et al., 2006). The differences in definition between entrepreneurs, enterprises and social entrepreneurship are illustrated in Table 1, where they are referred to as, respectively, the venturing of a business endeavor, the physical manifestation of their ventures and the specific process or actions.

In line with many other authors (Austin et al., 2006; Short et al., 2009), I contend that definition on the basis of individual characteristics hold the least potential for social entrepreneurship research, because summarizing a definitive set of attributes that apply to all kinds of social entrepreneurial activity across all contexts is almost impossible and not meaningful (Austin et al., 2006; Moss, Lumpkin, & Short, 2008; Short et al., 2009). Among these definitions, the one that is the most likely to help with the distinctive comprehension of social entrepreneurship and its application in practice should emphasize the objectives and results of the process of generating social values, no matter

if they are beneficial or detrimental. Centering on the mission that prioritizes social value creation allows researchers to examine the activities through which individuals and organizations achieve specific outcomes. Such focus will enable researchers to uncover novel insights into social entrepreneurship as well as to recognize the extent to which insights associated with different kinds of entrepreneurs and organizations apply to the social entrepreneurship context (Dacin et al., 2010).

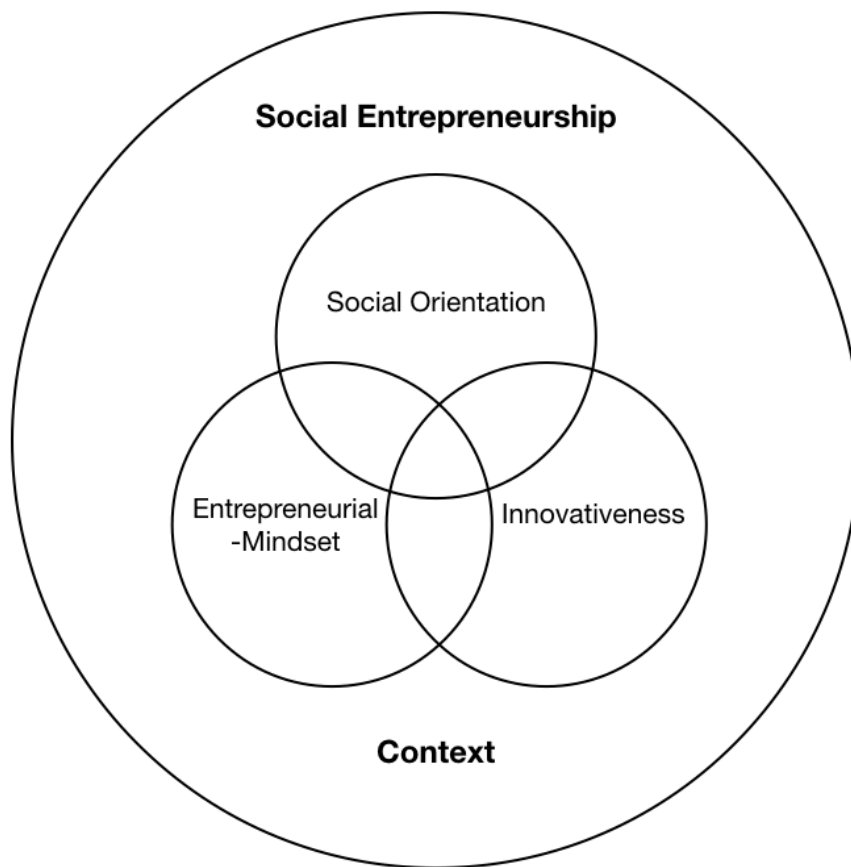
In this dissertation, specifically, I employ Mair and Marti's (2006: 37) definition of social entrepreneurship as 'a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change or address social needs.' In line with Austin et al. (2006), It is believed that the social entrepreneurship is an integral component of the general notion of entrepreneurship and that it can contribute to its counterpart in the economic sector. In addition, it seems impossible to give a clear-cut distinction between economic and social entrepreneurship. Instead, entrepreneurship can be defined with a scope with sheer social and commercial purposes being the two extremes (Billis, 2010; Mair & Marti, 2006; Meier & O'Toole, 2011).

2. DIMENSIONALITY OF SOCIAL ENTREPRENEURSHIP

Though there are some differences in how scholars define the term "social entrepreneurship", this domain of inquiry shares the striking commonality as socially oriented and commercially instrumental supporting mechanism for under-served segments and market dysfunctions by creative problem-solving (see Dacin et al., 2010; Zahra, Gedajlovic, Neubaum, & Shulman, 2009 for a comprehensive review of SE definitions). By summarizing key themes from the mainstream literature, three

fundamental, yet not exhaustive, dimensions of SE emerge 1) social mission orientation; 2) entrepreneurialism; 3) innovation orientation. Figure 1 shows the three key dimensions of social entrepreneurship.

Figure 1 Three Dimensions of Social Entrepreneurship



2.1 Social Mission Orientation

The creation of social value is the centerpiece and prerequisite for social entrepreneurship, whereas traditional commercial entrepreneurship aims at exploiting profitable opportunities resulting in private gain (Austin et al., 2006; Dees, 1998; Dees & Anderson, 2003; Peredo & McLean, 2006). The ideological underpin for the concept of

social value creation confer ideas of virtuous behaviors, altruistic orientation, and more general social interests such as freedom, equality, and environmental sustainability. This aspect is the fundamental component that epitomizes the "social" part, and has further been embedded in the mission statement for social wellbeing, in the goal management for creating social wealth and addressing social issues and problems, and in the regard for social needs rather than profit maximization (Dees, 1998; Mair & Marti, 2006; Zahra et al., 2009). However, using social value creation as a contrast to commercial entrepreneurship should be treated with caution. Indeed, the mission to create social value is what drives most social entrepreneurs to pursue social entrepreneurship at least in the first place, we should note that commercial entrepreneurship also greatly benefit society in terms of new inventions and products, services, and employment opportunities, which all have potential to make 'transformative social impact' (Austin et al., 2006:3) and such transformative opportunity can even become motivator for some commercial entrepreneurs. Further, there is a danger that in the process of venture creation, the social entrepreneur may become increasingly focused on mobilizing resources to further the organization's growth as a means to achieve social impact rather than on social value creation or social impact itself. Resource procuring, if left unchecked, may develop and become a primary focus of the social organization's operations and many times incur the cost of social value creation. Authors such as Zahra et al. (2009) address this relationship in a more systematic way in their proposed equation of 'total wealth', which they argue as the combination of both tangible (e.g., products, beneficiaries served, or funds generated) and intangible (e.g., happiness, emotional strength, or general well-being) outcomes. 'Thus, Total Wealth (TW)=Economic Wealth (EW)+Social Wealth (SW).

Further, $TW = EW + SW$, where $EW = \text{Economic Value (EV)} - \text{Economic Costs (EC)} - \text{Opportunity Costs (OC)}$; $SW = \text{Social Wealth} = \text{Social Value (SV)} - \text{Social Costs (SC)}$. As a result, $TW = EV + SV - (EC + OC + SC)$. (Zahra et al., 2009: 522). This model is applicable not only to the social enterprise but also to general entrepreneurship and can be regarded as a response to the calling of defining entrepreneurship as ranging from purely social to purely economic (Billis, 2010; Dees, 1998; Meier & O'Toole, 2011). It illustrates very well the scenario of how the social value created by entrepreneurs may be offset by economic costs (i.e., the market value of goods and services spent to create social value) and the social costs (e.g., social discord) incurred, giving a promising heuristic for stakeholders as well as social entrepreneurs themselves the checklist to reflect and design to what extent she might dedicate her resources to social value generation while balancing the role of economic value creation (Zahra et al., 2009).

Although it is not so hard to identify the primary unmet social needs, such as food shortage, medical support, training or education, rescue and reconstruction, poverty alleviation, the concept of 'social' itself is a highly ambiguous, complex and contested concept (Choi & Majumdar, 2014). Oftentimes, social objective is intrinsically complex and contextual in its nature (Di Domenico, Haugh, & Tracey, 2010; Seelos, Mair, Battilana, & Dacin, 2011; Zahra et al., 2009), many of the products and services that social entrepreneurs offer are non-quantifiable (e.g., is providing clean water for remote villages in Africa more social valuable than empowering poor women to engage in entrepreneurial activities in India?). Hence, it is difficult and imprecise to assess what social value entails and which activities and projects can be considered as creating social value (Dees, 1998; Zahra et al., 2009). However, theoretical and methodological

advancements continue to emerge as the field of social entrepreneurship keeps drawing elite scholars' interest. For example, in a recent AMR paper, Kroeger and Weber (2014), drawing on subjective well-being literature and organizational effectiveness theory, came up with a very innovative framework to show its potential to solve the age-old measurement issue of comparing unrelated social interventions that aim at different needs of different treatment groups in different institutional contexts. Therefore, both the creation of social value and concept of social value itself are the integral aspects of social entrepreneurship, they delineate the distinctiveness and unique contribution of social entrepreneurship, and at the same time add up the internally complex characteristics of social entrepreneurship (Choi & Majumdar, 2014).

2.2 Entrepreneurialism

The second integral aspect of social entrepreneurship is the aspect of entrepreneurialism, which addresses the entrepreneurially resourceful behavior/means/processes to achieve the social goal (Mair & Marti, 2006), and is also related to ideas such as market orientation (Nicholls & Cho, 2006), business-like discipline (Dees, 1998), commercial efficiency and effectiveness (Austin et al., 2006). While most entrepreneurial ventures operate under considerable resource constraints, resources mobilization and acquisition challenges for social enterprises are seemingly more significant due to hybridization of both social and business operation as well as general weak institutional support in the environment (Battilana & Dorado, 2010; Desa, 2012; Desa & Basu, 2013; Zahra et al., 2009). Thus, critical questions such as to what extent and by engaging in what kind of processes the social entrepreneurs can do with

less and creatively recombine what's already in hand or the environment will eventually determine its survival and sustainability.

Various forms of resourcefulness (e.g., bricolage, effectuation, bootstrap, improvisation, creativity) have been discussed in entrepreneurship literature to describe the logic underlying the entrepreneurial process (Alvarez & Barney, 2007; Baker, Miner, & Eesley, 2003; Baker & Nelson, 2005; Bhidé, 2000; Hmieleski, Corbett, & Baron, 2013; Powell & Baker, 2014; Sarasvathy, 2004). Among them, the entrepreneurial effectuation theory (Sarasvathy, 2001, 2009; Sarasvathy & Dew, 2005) and entrepreneurial bricolage theory (Baker et al., 2003; Baker & Nelson, 2005; Garud & Karnøe, 2003) have been extended to social entrepreneurship to unpick the black box of social entrepreneurial venturing (Desa, 2012; Desa & Basu, 2013; Di Domenico et al., 2010; Teasdale, Sunley, & Pinch, 2012; Zahra et al., 2009). While both approaches highlight that successful entrepreneurs can outmaneuver competitors by make use of resources they have on hand to uncover the opportunity, the two perspectives differ in that effectuation theory tend to underscore the entrepreneurial strategy to avoid long-range goals and plans, and focus more on what the entrepreneur is willing to lose in making decisions about whether to pursue an opportunity (Sarasvathy, 2001, 2009), and entrepreneurial bricolage theory maintains the salience of refusal to enact institutional limitation for the pursuit of new opportunity (Baker & Nelson, 2005). Because social enterprise's unique organizational form has been designed to take care of both social and economic value under conditions of resource constraint, authors suggest that the concept of bricolage might be most appropriate to shed light on social entrepreneurship (Desa, 2012; Di Domenico et al., 2010). For example, Di Domenico et al. (2010) enrich the original 'bricolage' dimensions

by including the distinctive feature of SE (i.e., social value creation, stakeholder participation, and persuasion). According to Di Domenico et al. (2010:699), ‘the lack of resources pushes the SE to use all available means to acquire unused or underused resources that are capable of being leveraged in a different way to create social value’, and social entrepreneurs deploy social bricolage to tap into their stakeholder networks to access and build resources, to utilize persuasive tactics to construct legitimacy and financial sustainability. Theorization as such provides explanatory power to answer the question like how SE adapt to weak and insufficient resource environment not by applying the conventional business model, but rather by engaging in an entrepreneurial manner to reuse the redundant resource and untapped social capital.

In sum, the entrepreneurialism aspect characterizes the use of entrepreneurial mindset and skill set to deal with resource scarcity and newness (Stinchcombe, 1965), and its importance for the social mission organization’s long-term sustainability. This can also be interpreted as using entrepreneurial orientation (Lumpkin & Dess, 1996; Rauch, Wiklund, Lumpkin, & Frese, 2009) to gain organizational efficiency and effectiveness and pay more attention on the performance strategies for financial sustainability and self-sufficiency but doing so without sacrificing the social value creation both in the means and ends. However, notably, social entrepreneurial activity can manifest itself in different ways where there exists an interactive dynamic between the specific social mission goal and the deliberate entrepreneurial schema used. Specifically, commercial activities by social enterprise generate financial base to ensure the sustainability of social entrepreneurial activities and self-sufficiency of the organization (Nicholls & Cho, 2006), on the other hand, entrepreneurial orientation in the form of commercial activities could,

in its implication, serve as the direct resource mobilization and allocation mechanism to ensure the most effective and efficient distribution of social services and products, and the desirable social impact expected. Therefore, entrepreneurialism is an integral part of social entrepreneurship, evoking the contextual nature of the process and contributing to the internal complexity of social entrepreneurship.

2.3 Innovativeness

The third aspect of social entrepreneurship, which has been identified by many authors, is the centrality of innovation. While it is possible to be a successful entrepreneur without being innovative, social entrepreneurs almost always use innovative methods (Leadbeater, 1997, 2007; Schmitz & Scheuerle, 2012; Westall, 2007). Following the Schumpeterian school of thought (e.g., innovation as economic transformation or more intensive form of creative destruction), traditional commercial entrepreneurship is understood as the process of identification and exploitation of business opportunity. However, social entrepreneurship differs from commercial entrepreneurship not so much because of the general social outcomes (e.g., at least in the sense that both social and economic enterprises create jobs, and benefit society financially and socially), but most importantly because of the input, be it either the sources of opportunity or the founding mission as starting point (Bacq & Janssen, 2011; Neck, Brush, & Allen, 2009). In other words, social entrepreneurship is not only about innovation, but it is also about social innovation, which denotes the core of social entrepreneurship (Zahra et al., 2009).

By engaging in ‘a process of continuous innovation’ (Dees, 1998: 4), social entrepreneurs adopt the non-traditional, and sometimes a disruptive way of approaching

the social issue (Nicholls & Cho, 2006). The active involvement of innovation regarding products/service and process is a notable distinction between social entrepreneurship and traditional social service provision (Choi & Majumdar, 2014). Other authors emphasize that social entrepreneurship is an 'innovative, social value creating activity' (Austin et al., 2006:1) to define and answer social challenges. Social entrepreneurship, therefore, represents an ideal context to detect the link between the social-mission oriented organization and social innovation process. What needs to be noted is that definitions of social entrepreneurship are not restricted to the founding of start-ups but also related innovation initiatives in established nonprofits or for-profits, a phenomenon referred to as *social intrapreneurship* (Mair & Marti, 2006; Seelos & Mair, 2012). Current research in this field, however, is lagging behind maybe because the perceptive bias that mature nonprofits are low in their responsiveness and agility to adapt to the changing environments and demands (Dees, 1998; Seelos & Mair, 2012).

Moreover, social enterprises are regarded as innovators in social activities also because of the social changes they have purposely pushed forward (Mair & Marti, 2006). What makes social entrepreneurship unique is the nuanced employment of entrepreneurial innovativeness to the social tasks that are difficult to meet without such pattern-breaking thinking and means (Alvord, Brown, & Letts, 2004). Along the process, a new business model is created, the new tool is utilized, and resource is created and recombined for the new purpose of specific social change. The role of social innovations in inducing social change has thus been strongly emphasized in the literature. For the sake of disrupting the status quo and sustaining social transformation for a better world, social entrepreneurs are the real fighters and "change agents" of the society (Dees, 1998).

In this regard, social innovation is the third inseparable part of social entrepreneurship and a suitable parameter of basing the social enterprise's performance. The social innovation view sees social entrepreneurship as a change agent at the system level where the system of public interest is sustainably evolved (Nicholls, 2010; Phills, 2008). A social innovation perspective of social entrepreneurship provides a unique opportunity for the scholarship to integrate other perspectives and reconcile the competing understandings of what social entrepreneurship is and what it should be (Austin et al., 2006; Dacin et al., 2010).

To summarize the above, these three dimensions can be regarded as the fundamental characteristics of social entrepreneurship (SE), and SE thus can be viewed as the processes, structure, and behavior/practice set out by an entrepreneur to solve social problems/needs and create social values by combining business skillset and entrepreneurial innovativeness to sustain or scale the double-bottom line (or triple bottom line) business model of social interaction and optimization.

3.THE DISTINCTIVENESS OF SOCIAL ENTREPRENEURSHIP

Another prominent argument, yet of great theoretical importance, is whether all entrepreneurial forms can be defined as "social"? The rationale is straightforward that all successful enterprises will inevitably generate some social value—either directly, by solving a social problem, or indirectly, by making tax revenues and creating employment (Mair & Marti, 2006). In contrast to those who question the distinctiveness of social entrepreneurship, a number of authors have emphasized the not-for-profit nature of social

entrepreneurial activities as a distinctive feature of social entrepreneurship, and others suggest that “the mission, motives, and challenges of social entrepreneurship are different enough to warrant its own body of theory “(see, e.g., Austin et al., 2006; Hockerts, 2006). Thus, the goal of this part is to elucidate the distinctive feature of social entrepreneurship to delineate the concept further.

Firstly, SE is not CSR. The public often got confused with these two concepts, thinking that the SE can be regarded as activities of conventional entrepreneurs who practice corporate social responsibility. Corporate social responsibility, often abbreviated "CSR," is a corporation's initiatives to assess interests of various stakeholders, and take responsibility and accountability for the company's effects on environmental and social wellbeing. While both SE and CSR stress their priority to make social value and accountability, there remain two fundamental differences: CSR does not necessarily require entrepreneurial initiative, nor does it require innovations. In other words, CSR, to a greater extent, is an expected normative behavior that spread among organizations. Though such efforts commonly go beyond what may be required by regulators or environmental protection groups, they do not have any innovative implication (Baron, 2007). While the CSR of the organization reflects its careful attention to social issues, profit maximization is still its ultimate goal.

Secondly, social entrepreneurship doesn't equal to social innovation. SE represents an excellent example of social innovation model but is not the only practical model. People sometimes talked about social entrepreneurship and social innovation interchangeably, but distinctive difference exists. Social innovation as a process and outcome can occur in various social sectors (public sector, the non-profit sector, and of

course the business sector). In other words, social innovation can be a market-driven product and initiative, and also can be a non-market oriented process, which exerted by mindful individuals and organizations. We will have a more sophisticated discussion on this topic in the following part of this dissertation, as social innovation is our primary outcome variable.

Thirdly, Previous studies have laid a solid foundation for current researchers of social entrepreneurship to proceed with their quest in this field. Research methods and frameworks created and adopted in the economic sector have played an important role in the efforts of defining the social entrepreneurship (Mair & Marti, 2006). But there are two major distinctions between commercial and social entrepreneurship. To begin with, they focus on different markets. Social entrepreneurship is mainly responsible for the interests of the public, especially in case of market failures, while the commercial entrepreneurship focuses on the commercial market. Moreover, social entrepreneurship aims to spread the influence throughout the society, while commercial entrepreneurship is dedicated to generating profits (Austin et al., 2006). Nevertheless, what is worth noting is that social enterprises are not necessarily exclusively not-for-profit, but can pursue benefits during their operations decided by their nature characterized by the requirements on resources, services, and products provided by the society, fund-raising channels and value-generating capabilities (Mair & Marti, 2006).

The last distinctive feature of social entrepreneurship lies in the limited potential to capture the value created. It is virtually impossible for those social entrepreneurs catering to fundamental social demands in substances, housing, and education to generate remarkable profits, due to the limited, or even lack of abilities of the population in urgent

need of these products to afford them (Kroeger & Weber, 2014; Mair & Marti, 2006; Seelos & Mair, 2005).

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Chapter 2-STUDY ONE

TITLE: THE ENTREPRENEURSHIP PERSPECTIVE OF SOCIAL INNOVATION: TOWARDS A CONCEPTUAL MODEL

ABSTRACT

With the increasing interest in social problems in relation to entrepreneurship, management, and public administration, the study on social innovation has achieved considerable development over the last decade. However, the boundaries of social innovation processes have not yet been fully defined, leaving considerable room to contribute to both theory and practice. Finally, social entrepreneurship opportunities are the constructed results of motivation and entrepreneurial alertness, as well as institutional, societal, organizational, and market contexts where they are embedded. Likewise, these contexts also bring the institutional norms and routines that challenge and constrain innovation process. Building on current theories, this article aims to contribute to the emerging theoretical discourse of social entrepreneurship by bringing together the three approaches (i.e., individualistic, structural and contextual) together and introduces a new conceptual framework to examine social innovation.

1. INTRODUCTION

Because of its perceived capacity to generate outstanding solutions to different interrelated crisis confronted by lots of societies currently, social innovation has become the main interest of study for scholars from varieties of disciplinary areas, as well as for both policymakers and actors of the civil society (Cajaiba-Santana, 2014). The

unparalleled problems at territorial, national and international levels require new tools and strategies to solve the problems successfully. On their own, the market and the state cannot manage and solve all problems. New methods are required to address the significant social problems, “most especially in the presence of the systematic retreat of the governments from the provision of public goods in the face of new political ideologies that stress citizens’ self-sufficiency and give primacy to market-driven models of welfare” (Nichols, 2006:1). The irreversible globalization offers the opportunity for substantial and continuous restructuring and change. With the increase of competition, territories need to more intensely engage in social and technological innovation. Furthermore, regarding entrepreneurship, it should be “social” (intend to satisfy and solve social needs that have not met, and thus generating social value) and “commercial” (to pursue business as a primary objective economic value and appropriation).

A varieties form of social innovation, such as Grameen Bank, established in Bangladesh by M. Yunus in 1976, and Ashoka, the global network of social entrepreneurs generated by Bill Drayton in the 1960s, was like the glimpses of hope when there are adversities and multiple challenges. However, there are thousands small quiet, locally embedded, and “grassroots” social innovations emerge in every part of the world on a daily basis, together contributing to the social betterment. Although both of social innovation and social entrepreneurship are intended to offer creative solutions to social issues that are unsolved, putting the creation of social value at the core of their goal to improve the well-being and living condition of people and communities, they both are recent fields of study and practice and related concepts are not well-defined. “Social entrepreneurship” is a buzzy word, and is likely to overlap with the other terms, such as

third sector, social entrepreneur, social economy, social enterprise and non-profit sector, some of which are also ill-defined and overlapping (Austin et al., 2006; Moss, Short, Payne, & Lumpkin, 2011).

Furthermore, the definition can be context-sensitive, in the sense that cultural and geographical context should be taken into account. According to the explanation of some authors (Defourny & Nyssens, 2008; Kerlin, 2006), social enterprise, social entrepreneurship and social entrepreneur do not share the same meaning in America as in European countries. The same confusion can be found in social innovations. Therefore, there are varieties of context, scale and process of diffusion amongst what can be called social innovations, which suggests different disciplinary fields, conceptualizations, and definitions (Ruede & Lutz, 2012). Study on social innovations mainly relies on case studies and anecdotal evidence without any unifying paradigm (Mulgan, 2006; Murray, Caulier-Grice, & Mulgan, 2010). The literature remains scattered, disconnected and fragmented amongst various fields, like regional and urban development (Moulaert, Martinelli, Swyngedouw, & Gonzalez, 2005), administration (Klein, Tremblay, & Bussi res, 2010), public policy (Neumeier, 2012), social entrepreneurship (Lettice & Parekh, 2010; Mulgan, Tucker, Ali, & Sanders, 2007; Short et al., 2009). Thus, it is necessary to develop greater conceptual clarity around the fields.

A dialogue with the current theories is needed to have a full picture of the role played by social innovations as an important source of social transformations via social entrepreneurship. I follow the calling (Short et al., 2009) to combine the two theories which guided the endeavors of incipient study on the subject: the ‘structuralist perspective’ where social innovations are determined by the external context of structure,

as well as the ‘agentic centered perspective’, a behaviorist and individualistic method where social innovations can be created via the actions conducted by particular individuals.

First of all, social network theory and institutional theory are used to show that social innovations are the construed result of the collective social actions for social transformation. This viewpoint considers social innovations as the outcomes of the exchange and use of resource and knowledge by agents mobilized via legal activities (Hollingsworth, 2000). Secondly, bricolage theory is drawn to show how social innovations can be created as the transformation forces via the internal relationship between social systems, institutional structures, and agents. This study is a response to the call to action through a conceptual contribution to the conceptualization, discussion, and social innovation research. Moreover, it is an answer to encourage new conceptual and theoretical alternatives to comprehend the social innovation process (Mulgan, 2006; Murray et al., 2010).

The paper is organized as follows: firstly, I present a review of the literature that deals with systems of social innovation and social entrepreneurship and I highlight their interplay. Secondly, I present the theoretical framework and then discuss its implications and conclude.

2. THE “SOCIAL” INTO INNOVATION

In order to define social innovation as a distinct field of practice and research, the addition of “social” needs to be justified and qualified (Choi & Majumdar, 2015). Throughout the previous discussion, we have collected numerous insights from various

literatures to theorize social innovation in the field of social entrepreneurship. We have discussed that social entrepreneurship is not only about innovation, more importantly, it is about social innovation, meaning that social institutional factors and their interplays together constitute the organic whole. Notably, social innovation is not only conditioned by institutional arrangement, but it also reacts and modifies it (Cajaiba-Santana, 2014; Zahra, Ireland, & Hitt, 2000). In this section, I will discuss in detail in order to clarify the concept of social innovation, which diversifies in terms of scale, contexts, and diffusion processes.

Although extant research, especially in view of technology, has made the considerable development of the concept of innovation, the idea of social innovation remains to date underdeveloped (Cajaiba-Santana, 2014; Choi & Majumdar, 2015; Rüede & Lurtz, 2012). Theoretically fragmented and disconnected, literature on social innovation is scattered among different domains such as public policy (Guth, 2005; Heap, Pot, & Vaas, 2008; Klein et al., 2010; Neumeier, 2012), sociology (Gillwald, 2000; Howaldt & Schwarz, 2010; Zapf, 1991), urban and regional development (Bloch, 2011; Gerometta, Haussermann, & Longo, 2005; Moulaert et al., 2005), management (Drucker, 1987), creativity (Mumford, 2002), social entrepreneurship (Dees & Anderson, 2006; Lettice & Parekh, 2010; Mulgan et al., 2007; Short et al., 2009; Swedberg, 2009; Zahra et al., 2009), and practice-oriented institutions (Mulgan et al., 2007; Murray et al., 2010; NESTA, 2008; Phills, 2008; Phills, Deiglmeier, & Miller, 2008).

Table 2 summarizes a representative selection of the various definitions associated with social innovation in the literature.

Table 2 Definitions of Social Innovation

	Source	Definition
1.	Mulgan et al. (2007)	social innovation refers to new ideas that work in meeting social goals...We have also suggested a somewhat narrower definition: 'innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organizations whose primary purposes are social.' (p.8)
2.	Heap et al. (2008)	It includes such things as dynamic management, flexible organization, working smarter, development of skills and competences, networking between organizations. It is seen as complementary to technological innovation. Social Innovation is part of process innovation as well as product innovation and it includes also the modernization of industrial relations and human resource management. (p.468)
3.	Cajaiba-Santana (2014)	new social practices created from collective, intentional, and goal-oriented actions aimed at prompting social change through the reconfiguration of how social goals are accomplished.(p. 44)
4.	Zahra et al. (2009)	Creation of newer, more effective social systems designed to replace existing ones when they are ill-suited to address significant social needs. (p.523)
5.	Moulaert et al.	Social innovation is path-dependent and contextual. It refers to those changes in agendas, agencies, and institutions that

	(2005)	<p>lead to a better inclusion of excluded groups and individuals in various spheres of society at various spatial scales.</p> <p>Social innovation is very strongly a matter of process innovation – i.e. changes in the dynamics of social relations, including power relations.</p> <p>A social innovation is very much about social inclusion, it is also about countering or overcoming conservative forces that are eager to strengthen or preserve social exclusion situations.</p> <p>Social innovation, therefore, explicitly refers to an ethical position of social justice. The latter is of course subject to a variety of interpretations and will in practice often be the outcome of social construction (emphasis in the original).</p> <p>(p.1978)</p>
6.	Caulier-Grice, Davies, Patrick, and Norman (2012)	<p>...new solutions (products, services, models, markets, processes, etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources. In other words, social innovations are both good for society and enhance society's capacity to act (p. 18)</p>
7.	Mumford (2002)	<p>the generation and implementation of new ideas about how people should organize interpersonal activities, or social interactions, to meet one or more common goals. As with</p>

		other forms of innovation, the production resulting from social innovation may vary with regard to their breadth and impact (p. 253).
8.	Klein et al. (2010)	We see social innovation as an inextricable companion or dimension of technological innovation as well as a phenomenon that may arise independently from technological innovation in the form of new social arrangements. In both cases, social innovation allows to efficiently tackle social problems unresolved by means currently available. (p. 126)
9.	Cresson and Bangeman n (1995)	...being a synonym for the successful production, assimilation, and exploitation of novelty in the economic and social spheres' (p.1)... Innovation is not just an economic mechanism or a technical process. It is above all a social phenomenon. (...) By its purpose, its effects, or its methods, innovation is thus intimately involved in the social conditions in which it is produced' (p.11)
10.	OECD /LEED Forum on Social Innovation s, 2000	The OECD working definition of social innovation implies conceptual, process or product change, organizational change and changes in financing, and can deal with new relationships with stakeholders and territories. 'Social innovation' seeks new answers to social problems by: identifying and delivering new services that improve the quality of life of individuals and communities; identifying and implementing new labor

		<p>market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce.</p> <p>Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are linked with their quality of life and activity. Wherever social innovations appear, they always bring about new references or processes. Social innovation is distinct from economic innovation because it is not about introducing new types of production or exploiting new markets in itself but is about satisfying new needs not provided by the market (even if markets intervene later) or creating new, more satisfactory ways of insertion in terms of giving people a place and a role in production. The key distinction is that social innovation deals with improving the welfare of individuals and community through employment, consumption or participation, its expressed purpose being therefore to provide solutions for individual and community problems. (www.oecd.org/cfe/lead/forum/socialinnovations).</p>
11.	Cloutier and	<p>A social innovation is an intervention initiated by social actors to respond to an inspiration, to provide for a need, to</p>

	<p>CRISES (2003)</p>	<p>benefit from an opportunity to modify social relationships, to transform established patterns of behavior, or to propose new cultural orientations. (p.23)</p>
<p>12.</p>	<p>Skoll World Forum on Social Entrepreneurship and Social Innovation, 2007</p>	<p>Social innovation “can simply be understood as ‘new ideas that work which address social or environmental needs’. It may occur as a result of addressing new needs, reframing circumstances to make unmet social needs clear and urgent, or changing organizational structures to grasp new opportunities to add social value. New programmes, models, or ways of thinking – sometimes a combination of all three – may be the result. Social innovation is more than just invention. Diffusion or the scale of ideas is an integral part of making its impact effective, as is coordinated action by a wide range of people and organizations spanning social, government and business sectors.”</p> <p>(https://skollworldforum.org)</p>
<p>13.</p>	<p>EMES, 2007</p>	<p>According to the EMES, social innovation can be seen “As arising from a new kind of entrepreneurship focused on social goals, new products or new qualities of products, new methods of organization and/ or production (often involving different partners and resources), new production factors such as atypical employment and involvement in governance, mixing voluntary and paid employment, as well as new</p>

		market relations such as the changing welfare mix, or new legal forms such as the social co-operative in Italy which encourages entrepreneurial and commercial dynamics and formalizing multi-stakeholding.”
14.	NESTA, 2008	According to NESTA (2008) social innovation refers to “new ideas (products, services and models) developed to fulfill unmet social needs; many of those supported by the public sector, others by community groups and voluntary organizations; social innovation is not restricted to any one sector or field; it can take the form of a new service, initiative or organization, or a new approach to the organization and delivery of services; social innovation can either spread throughout a profession or sector – like education or healthcare – or geographically from one place to another.”
15.	Phills et al. (2008)	A novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals. A social innovation can be a product, production process, or technology (much like innovation in general), but it can also be a principle, an idea, a piece of legislation, a social movement, an intervention, or some combination of them. (p.39)
16.	Harris and	Innovation that is explicitly for the social and public good;

	Albury (2009)	innovation inspired by the desire to meet social needs which can be neglected by traditional forms of private market provision or be poorly served or unresolved by services organized by the state. Social innovation can take place inside or outside of public services and can be developed by the public, private or third sector, users and communities; however, some innovations developed by these sectors do not qualify as social innovation because they do not directly address major social challenges.(p.16)
17.	Zapf (1991)	Social innovations, then, are new ways of doing things, especially new organizational devices, new regulations, new living arrangements, that change the direction of social change, attain goals better than older practices, become institutionalized and prove to be worth imitating. (p. 89)
18.	Gillwald (2000)	Social innovations are, in a nutshell, arrangements of activities and procedures that differ from previous accustomed patterns and that have far-reaching social consequences. (p. 1)
19.	Heiskala (2007)	Social innovations are changes in the cultural, normative or regulative structures of the society which enhance its collective power resources and improve its economic and social performance. (p. 74)
20.	Swedberg	Social innovations are new combinations that produce social

	(2009)	change. (p. 102)
21.	Ziegler (2010)	Social innovation is the carrying out of new combinations of capabilities (p. 265)
22.	Pol and Ville (2009)	An innovation is termed a social innovation if the implied new idea has the potential to improve either the quality or the quantity of life. (p. 881)
23.	Howaldt and Schwarz (2010)	A social innovation is a new combination and/or new configuration of social practices in certain areas of action or social contexts prompted by certain actors or constellations of actors in an intentional targeted manner with the goal of better satisfying or answering needs and problems than is possible on the basis of established practices. (p.16)
24.	Dawson and Daniel (2010)	Social innovation can be broadly described as the development of new concepts, strategies and tools that support groups in achieving the objective of improved well-being. (p.10)
25.	Simms (2006)	Changes in [human] structure and organization are social innovations. (p.388)
26.	(Moulaert, 2010)	Social innovation is about the satisfaction of basic needs and changes in social relations within empowering social processes; it is about people and organizations who are affected by deprivation or lack of quality in daily life and services, who are disempowered by lack of rights or

		authorative decision-making, and who are involved in agencies and movements favouring social innovation. (p.10)
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As the above definitions show, different field of scholars often holds different conceptions of the concept. Some researchers view social innovation as a very broad and inclusive concept (e.g. Heiskala, 2007; Moulaert et al., 2005; Mulgan et al., 2007; Zapf, 1991), while others define it narrowly and consider specific phenomena as social innovations (e.g.Heap et al., 2008; Klein et al., 2010; Mumford, 2002; Zahra et al., 2009). This lack of consensus on the domain, boundaries, forms, and meanings of social innovation results in a field of knowledge characterized by no unified definition and largely idiosyncratic approaches (Cajaiba-Santana, 2014; Caulier-Grice, Davies, Patrick, & Norman, 2012; Choi & Majumdar, 2015; Rüede & Lurtz, 2012). Due to this conceptual confusion, theoretical advance is slow and cross-disciplinary dialogues are hampered.

However, by scrutinizing their use of “social innovation” through various lenses, discernable congruencies emerge and allow us to draw the common themes across the literature. Table 2 suggests that definitions of social innovation focus on three core features: social innovation as a response to the social challenge and unmet social needs, social innovation as social change, social innovation as a core of social value creation. Authors including Cajaiba-Santana (2014), Caulier-Grice et al. (2012), Choi and Majumdar (2015), also discussed some of these factors in their observations on social innovation. In the next, I briefly review these congruencies and provide synthesis with special consideration for the field of social entrepreneurship.

2.1 Social Innovation as Response to Social Challenge and Unmet Social Needs

Many definitions of social innovation share the assumption that those practices/process/mind of change is set forth to address specific social challenges, to benefit the disadvantaged group, and to enhance the general well being of people (e.g., Dawson & Daniel, 2010; Mulgan et al., 2007; NESTA, 2008; Phills et al., 2008). Moreover, this theme resonates with social entrepreneurship's definition, which put social problem-solving and pro-social mission for the public good as the core element (Dacin et al., 2010; Zahra et al., 2009). The emphasis of being "social" has been put on both means and ends. In their discussion, for example, Phills et al. (2008) stressed that not only the solutions (ends) but also the process (means) to arrive at these solutions is of equally important. The process, as they argued, should be open, collaborative, participative and experimental (Murray et al., 2010). Regarding the outcome dimension, authors such as Pol and Ville (2009) distinguish the improvement of micro and macro aspects of the quality of life. In their argument, micro aspect examples include personal characteristics and set of valuable options a person has, and environmental issues and political stability would be examples for macro-quality of life. Thus, the aggregating of both micro and macro aspect gives rise to education opportunities, material well-being, health domain, family life, job security, community life, political freedom and security, and gender equality. Pol and Ville (2009) further state that a vast majority of social innovations are at the same time business innovations since many business innovations also help enlarge the option pool. The authors note that the desirableness of certain social innovation is often a judgment call, and requires scrutiny. They use cigarettes as the

example for successful business innovation, which can hardly be described as a successful social innovation.

It has also been noted that social innovation as the solution to challenges can originate in every sector of society from public sector to build new laws to strengthen social cohesion, to economic sectors such as social entrepreneurship with a mission to solve social problems, and to the third sector where innovative approach is adapted to organize civil life. However, an emphasis has been put by some authors to build exchange mechanism through collaborations between representatives of different sectors (Goldsmith, 2010; Mueller et al., 2014; Nambisan, 2009). For example, Mueller et al. (2014) suggest that by looking at knowledge transfer within the SBE (Social, Behavioral, and Economic) sciences, and applying it to new policy development, might aid new social venture formation and their innovation capability. Sanchez and Ricart (2010) indicate that, for social ventures to create tangible value for the low-income market, the interactive model is advocated to combine, integrate and leverage both internal resources with ecosystem's capabilities to create new opportunity. Another SE context collaboration example is offered by Budinich, Manno Reott, and Schmidt (2006) in which they describe a hybrid value chain model used by a leading water systems company in Latin America and two social entrepreneurs in Mexico to work synergistically and provide better deliver irrigation systems to small farmers in rural Mexico. Phipps and Shapson (2009), using theories of knowledge transfer and exchange, explicated the experience of York University (Toronto, Canada) and their partnership with the local research users in strengthening the impact of non-commercial research through knowledge mobilization as a social innovation. As this school of thoughts

maintained, social innovations are explicitly designed to meet a recognized social need and are concerned with the relationship of the individual and society, the balance between private value creation and public value creation. While a social innovation can be both commercial and non-commercial, the main goal is often seen in the pursuit of social well-being, solidarity, or quality of life instead of in profit-seeking (Caulier-Grice et al., 2012; Mulgan et al., 2007; Phills et al., 2008).

2.2 Social Innovation as Social Change

A discernible group of scholars, especially those from sociology related background, anchor their definitions of social innovation on the changes of social practices and structure (e.g., Drucker, 1987; Heiskala, 2007; Howaldt & Schwarz, 2010; Nicholls & Murdock, 2012; Zapf, 1991). Some scholars even treat the terms “social change” and “social innovation” interchangeably, and therefore the word of social innovation does not necessarily indicate new products or services inducing the social change, rather the word of social innovation, in this case, speaks more to the social change itself, which unfolds in changing social structures. In this regard, the idea of “social” is rooted in the understanding of how people interact with each other and organize their relationships, and thus the social innovation signifies ‘the establishment of new social structures rather than specific new models, products, or services that aim for social change’ (Choi & Majumdar, 2015:26), and the term ‘innovation’ suggest not only something new and novel but also a notion of renewal on the general take-for-grantedness (Nicholls & Murdock, 2012). Based on institutional theory, Heiskala (2007: 74) specified social innovation as ‘changes in the cultural, normative or regulative structures of the society

which enhance its collective power resources and improve its economic and social performance.' Hence, research in this stream sees the term 'social' as a more neutral than to imply any normative notion of 'better' or 'socially desirable.'

Studies in this stream also inform a long-debated topic of the relationship between social and technological innovation. Dawson and Daniel (2010:11) point out 'profitability and commercial success as a key driver for innovation', and it is aligned with current mainstream management literature, which the definitional root of innovation is largely focusing on the exploitation of a new idea (Schumpeter, 1934; Shane & Venkataraman, 2000). Therefore, some authors tried to rationalize that the relationship between social and technological innovation is a bidirectional causal relationship in which a social innovation can be both a condition for a technological innovation or a result of a technological innovation and technological innovation may serve as the bases for some innovative social solution to be practically possible. The vivid examples are explained that 'although Thomas Alva Edison is mostly credited for the technological invention of the light bulb, his greatest invention might have been the modern research and development laboratory, as for Henry Ford it was not Model T but the assembly line, or for Walt Disney not Disneyland but the Disney creative department' (Rüede & Lurtz, 2012: 15). However, what needs to be noted is that social innovation brings up social change that cannot be built up by established practices. In other words, there is mutual interdependence between social and technological innovations, and the dialectical relationship is that while their intended purpose is fundamentally different, the overall innovation process often consists of both parts, and their outcomes might eventually

merge (e.g., the increase of overall well-being of the society) (Drucker, 1987; Gardner, Acharya, & Yach, 2007).

The perspective of social innovation as social change, which the 'social' denotes that the innovation manifested in the social interaction and social practice without requiring a tangible object, indicates another important distinction between technological innovations. Whereas technical innovations are directed at technological advancements to create new products or artifacts, social innovations are characterized by the immaterial structure of new social practices, which does not come to fore as a technical artifact (Cajaiba-Santana, 2014). Therefore, since social innovations are oriented toward social practices, the immediate guiding question might be how the social structure (e.g., institutional arrangements) enable and constrain actors while acting upon those practices. As Howaldt and Schwarz (2010) noted, the term 'social' does not limit to the behavioral practices or the social relationships involved in the whole process of innovation; it has a much broader meaning rested on the creation of a greater public good. Furthermore, this understanding of social innovation as the social change does not deny that new services, products, or technologies induce the change in the social structure, rather it views the resulting changes as social innovations, not the change-inducing innovations (Choi & Majumdar, 2015).

2.3 Social Innovation as the Core of Social Value Creation

The final approach to defining social innovation focuses on the forms, process, and outcomes of the social innovation, which centers on creating social value and thus on positive social change. This is congruent with a common theme across the majority of

social entrepreneurship definitions where the authors argue that the creation of social value is the centerpiece and prerequisite for social entrepreneurship (Choi & Majumdar, 2015; Di Domenico et al., 2010; Mair & Marti, 2006; Zahra et al., 2009). This aspect is the fundamental component that epitomizes the "social" part, and has further been embedded in the mission statement for social wellbeing, in the goal management for creating social wealth and addressing social issues and problems, and in the regard for social needs/purpose rather than profit maximization (Austin et al., 2006; Dees, 1998; Peredo & McLean, 2006). A social innovation that aims to create social value, therefore, must not necessarily manifest only on the level of social interaction and social practice, but can be as tangible as a new product or a new technology (Choi & Majumdar, 2015). The active involvement of innovation in terms of products/service and process is a notable distinction between social entrepreneurship and traditional social service provision (Dees, 1998; Mair & Marti, 2006; Zahra et al., 2009). The ideological underpin for the concept of social value creation confer ideas of virtuous behaviors, altruistic orientation, and more general social interests such as freedom, equality, and environmental sustainability. And social entrepreneurs are regarded as innovators in social activities also because of the social changes they have purposely pushed forward (Choi & Majumdar, 2015).

Besides the field of social entrepreneurship, a field such as urban and community development also provide great insight into processes and mechanisms, which are designed to induce positive social change and to create social value (Bloch, 2011; Gerometta et al., 2005; Healey, 2009; Moulaert et al., 2005). This stream of research places the community development orientation as the alternative in contrast to the

market-led regional development (Moulaert, Martinelli, González, & Swyngedouw, 2007; Moulaert & Nussbaumer, 2005). Authors in this group place central importance on the mobilization of citizens and the promotion of social cohesion at the community level. In their seminal work, Moulaert and Nussbaumer (2005) describe the examples of various European cities' local innovations thickly, these include Berlin, Germany (e.g. a local mediating organization that has been 'particularly successful in integrating groups of German resettlers from the Soviet Union in the governance structures of neighborhood management'), Sunderland, England (a united entity by a workers co-operative and a housing association continue to play central part in local economic development by sharing their skills and help new co-operatives start), Milan, Italy ('a psychiatric hospital has been (re)integrated in the public, social and economic space of the city and the metropolitan area by opening its doors and setting up economic activities run and used by patients and neighbors'), and Cardiff, Wales (a collaborative arts-based project to build awareness of the heritage and social history of a deprived neighbourhood and to engage citizen participation) (Moulaert & Nussbaumer, 2005:1970). And they further conceptualize social innovation as consist of three dimensions and theorize their relationships: content dimension as the first dimension aims to explicate the specific human needs and social goals that the social innovation addresses, and this dimension of social innovation capture and concretize the social value created through the changes in social relations and governance, which exemplify the second dimension. Also, those changes in the routines, practices, and structures are in turn increase the socio-political capability and empower the local agency to bring the about different form of social innovation, and this empowerment mechanism is the third dimension.

The emergence of this approach, is based on values such as solidarity and reciprocity, can be interpreted as the response to the negative effect of traditional regional development paradigms such as deregulation, privatization, and neo-liberalism (Moulaert & Nussbaumer, 2005). An approach that calls forth to strengthen social inclusion into and participation in social life, and meanwhile to make their voice heard whose needs are insufficiently served. However, authors also underlie that the creation of social value is often closely linked to economic outcomes that, in turn, produce tangible resources the social activists can use to proceed their undertaking of social change. Thus, there is no gain to discuss solely on social value creation while ignoring other critical outcomes that jointly play an essential role in successful social innovation. This is complementary to discourse on community sustainability in which the triple-bottom-line advocacy has been ringing for so long.

So far, I have presented different conceptions of social innovation and discussed their commonalities as social innovation as the response to the social challenge and unmet social needs, social innovation as social change, and social innovation as the core of social value creation. However, we should note that discourses on social innovation concept have roots in different disciplines, and such plurality, on the one hand, deepens our knowledge, and should, on the other hand, serve as a reminder that cautions need to be paid to the context and audience of the source when citing and referencing the literature. Among the three approaches identified above, for example, the distinction of social innovation should be made between a socially desirable and normative understanding (as discussed in approaches 1 and 3) and a sociological understanding of change (as discussed in approach 2). Thus, the concept of social innovation will have to

struggle for its clear epistemology and paradigmatic consensus, and we can imagine, scholars will continue to debate whether or not social innovation should be studied as a discrete field or yet another buzz word (Pol & Ville, 2009).

3. SOCIAL ENTREPRENEURSHIP AND SOCIAL INNOVATION

Social enterprise has been identified as invaluable to the development and delivery of innovative approaches to social problems/needs that persist, despite the efforts of traditional public, voluntary or community mechanisms. And therefore the term "social entrepreneurship" has been emerged as a new label for describing the work of the community, voluntary and public organizations, as well as private firms working for social rather than for-profit objectives (Shaw & Carter, 2007). Thus the social enterprise organizations (SEOs) include nonprofits with some earned income (Haugh, 2007); nonprofits or for-profits with equal concerns for social and economic ends (Battiliana, Lee, Walker, & Dorsey, 2012; Peredo & Chrisman, 2006) and for-profits with some emphasis on social responsibility (Baron, 2007; Van Slyke & Newman, 2006).

However, the concept of social entrepreneurship means different things to different people and researchers (Dees, 1998). Therefore necessary discussion and delineation of the definitions are required here. There have been several attempts to define SE in the literature (e.g., Mair & Marti, 2006; Robinson, 2006; Zahra et al., 2009), with most of such attempts focusing heavily on conceptual over empirical research (see Dacin et al., 2011; Short et al., 2009 for reviews). Though there are some differences in how scholars define the term "social entrepreneurship", the shared commonality as well as the distinction between commercial entrepreneurship is that social entrepreneurship is first

driven by social value and social change rather than private value and personal gain (Dees, 1998), and that such practice is facilitated by drawing on entrepreneurial process (Austin et al., 2006). Thus, definitions that reflect the opportunity exploitation and resource combination process, as well as the Schumpeterian understanding of entrepreneurship should hold the most promise to understand and delineate the field. In this regard, I extend on Mair and Marti's (2006) definition to define social entrepreneurship as a process involving the innovative use and combination of resources to pursue opportunities for both social and economic value that exhibits in the new form of organizing.

A tenuous balance is required for the social entrepreneur to concurrently promote social process without sacrificing the economic sustainability; such dual nature of social enterprising offers unique opportunity to examine how individuals and firms fulfill the entrepreneurial process of venture creation. Social entrepreneurial activity can manifest in differently concerning the specific social mission and the deliberate entrepreneurial schema used. Specifically, commercial activities by social enterprise generate financial base to ensure the sustainability of social entrepreneurial activities and self-sufficiency of the organization (Nicholls & Cho, 2006), on the other hand, entrepreneurial orientation in the form of commercial activities could, in turn, direct resource mobilization and allocation mechanism to ensure the most effective and efficient distribution of social services and products, and the desirable social impact expected. The integration of social entrepreneurship with general theories of entrepreneurship not only gives insights from established theories of traditional entrepreneurship but also has potential to add nuance or

enrich discussion about social value creation in traditional business models (Newth & Woods, 2014).

3.1 A Process-Oriented Perspective of Social Innovation

This paper emphasizes on the process of innovation of entrepreneurship and regards social innovation as the new integration of resources to solve social problems, and entrepreneurship in the society as pushing these novel combinations to the marketplace. Schumpeter (1934) centers innovation as the core of entrepreneurship process whereby the entrepreneur ‘pushes through’ the innovation to market. In reconstruction Schumpeter’s innovation framework toward a social orientation, Swedberg (2009) considers that social innovations as the involvement of the institutionalization of a specific innovation that become the accepted way of doing things. Such perspective is echoed by Zahra et al. (2009:52) when describing the Schumpeterian view of social innovation, ‘Creation of newer, more effective social systems designed to replace existing ones when they are ill-suited to address significant social needs’. This view of social innovation also resonates with Nicholls (2010) where it is argued that the social innovation view of social entrepreneurship hold great potential for reconciling the competing understandings of what social entrepreneurship is and what it should be.

In the above process-oriented definition of social entrepreneurship, the identification of a social need was the chief criteria applied to identify and recognize opportunities (Tracey et al., 2011). For traditional for-profit ventures, identifying and exploiting an unmet need is a key motivator, while the type of opportunity addressed by social enterprise is a social, community or public need which remains unsolved by both the

public sector and the established charity institutions (Austin et al., 2006; Dees, 1998; Robinson, 2006). Driven by the desire to affect change and make a difference and to meet local social, social enterprises need to tackle the particular social issue more critically and innovatively to expound and define opportunity of both social and economic value that would otherwise have not been fully explored. Although there is a dearth of research about what arms the social entrepreneur to be more innovative in identifying and exploring unique social-economic opportunity, a process model that takes into consideration contextual factors and cognitive dynamics will add to our understanding of how and why successful social innovation happens to some while not others (Corner & Ho, 2010; Dacin et al., 2011; Dacin et al., 2010).

3.2 Motivational Identity of Social Entrepreneurship - Tension and Balance

Social entrepreneurial motivation is complex and centered around the mission to create social change (Swedberg 2009). There are attempts to articulate motivational constructs of social entrepreneurs and how do they compare with commercial entrepreneurs (Germak & Robinson, 2014; Miller, Grimes, McMullen, & Vogus, 2012; Tan, Williams, & Tan, 2005). Compare with its traditional commercial counterpart; social enterprise has to deal with additional tension to manage expectations from various stakeholders in order to fulfill its social mission. So what role do non-pecuniary incentives play in the mobilization of people into social enterprises, if profit maximization is secondary to the social ventures? Altruism is attributed to such discourse (Tan et al., 2005), arguing that social entrepreneurs possess an inner motivation to help others and advancing social process. Miller et al. (2012) suggest that

the sense of compassion might be the distinctive motivator for the social entrepreneur, and model that the underlying mechanism of integrative thinking, pro-social cost-benefit analysis, and commitment to alleviating others' suffering together transform compassion into social entrepreneurship. By analyzing a unique in-depth interview dataset of nascent social entrepreneurs participating in a training program and mapping out pathways to social entrepreneurship, Germak and Robinson (2014) were able to identify possible SE motivations: 1) personal fulfillment, 2) helping society, 3) nonmonetary focus, 4) achievement orientation, and 5) closeness to social problem. Such findings would serve as bases for future questions such as to what extent can pecuniary incentive systems of businesses be effectively utilized in social enterprises and, vice versa, to what extent can non-pecuniary incentive systems in social enterprises be deployed in businesses. Moreover, managerial implication could also be facilitated concerning sorting out the most effective ways for a social entrepreneur to mobilize and manage volunteers, and investor, as well as supporting institutions, would adopt such findings to supplement their selection criterion. Thus, by examining these motivations and actions, future researchers can capture the variety of social ventures, and accumulate more refined understandings (Zahra et al., 2009).

From the identity perspective (Dacin et al., 2011; Simms & Robinson, 2009; Smith et al., 2013; Wry & York, 2015; Zahra et al., 2009), a social entrepreneur comes with her/his identity, which guides and reconfirms the decision-making schema and behaviors. However, the concept of social entrepreneurship itself has a contested connotation in which “social” and “entrepreneurial” each asks for and embodies its values and essences. For example, Simms and Robinson (2009) posit that social entrepreneur identity is

composed of both the activist and the entrepreneur identities and that the salience of one identity over the other affects the decision to be a for-profit or nonprofit organization. This stream of research is important because the concept of identity, defined as how people define themselves, speaks to the fundamental questions of “who am I” and is, therefore, the crucial antecedent of social entrepreneurial behaviors and processes. Future studies in social entrepreneurship could likewise examine what’s the impact of identity (e.g., activist vs. entrepreneur) on their perception of potential opportunity (value based vs. issue based)? How the conflict/tension of identity within social entrepreneur would downplay/deactivate their mindset of resourcefulness? Would social entrepreneurs who keep a tenuous balance between activist identity (social value/need driven) and entrepreneur identity (opportunity and growth driven) are more likely to achieve venture success in terms of effecting economic viability and long-term social impact? Would the salience of identity affect cooperation and competition among social ventures? Would social entrepreneurs who perceive the opportunity to be more value-based (vs. issue based) are more likely to engage in entrepreneurial behavior (e.g., bricolage/effectuation) to enact such opportunity for scale and impact.

Aggregated to a higher level, the organizational identity of social ventures represents as another research opportunity to investigate the interaction of between social identity and business identity within social ventures. Founder(s) cultivates and embodies the venture’s identity through the interaction and involvement with the local community, and their values are conveyed. Just as an individual social entrepreneur, a social enterprise could also possess multiple organizational identities due to its dual focus on both social and commercial requirement. Research showed that congruence between multiple

organizational identities impacts perceptions of organizational legitimacy (Foreman & Whetten, 2002), and more effort needs to be directed to examine, for instance, how members of social enterprise identify with their organization, what are the factors affecting this identification process (Hogg & Terry, 2000)? Also, would social enterprise possessing multiple organizational identities more advantaged in resource mobilization and conflict resolution, and how they manage to do that (Young, 2001)?

3.3 Creative Problem-Solving and Innovation through Social Bricolage

Resources constraints, though applicable to most entrepreneurial ventures, are perhaps more significant in social ventures due to both their mission tension between social nature and economic sustainability and a relatively challenging social task they deal with and less institutional support they can access to (Desa & Basu, 2013; Di Domenico et al., 2010; Gundry, Kickul, Griffiths, & Bacq, 2011). The theory of entrepreneurial bricolage (Baker & Nelson, 2005), focusing on traditionally less “rational” scripts and action, keeps providing interesting insights on how and why certain social entities are able to overcome environmental limitations and effectively implement their social innovations (Desa, 2012; Di Domenico et al., 2010; Ernst, Kahle, Dubiel, Prabhu, & Subramaniam, 2015; Linna, 2013; Mair & Marti, 2009). Although social entrepreneurs may engage in bricolage or “making do” out of necessity, such involvement might be driven by a strategic cognition for a long-term capability construction (Baker et al., 2003; Desa & Basu, 2013; Hmieleski et al., 2013). However, very little is known about the initiatives on bricolage brought by the mindful and resourceful social entrepreneurs. Nor do we fully understand what drives the variation in

the use of bricolage for social ventures. We also do not have a clear map on how bricolage processes or strategies would facilitate or constrain a social organization's innovativeness and effectiveness. Combining entrepreneurial bricolage with social entrepreneurship creates a new ground of interesting and valuable discourse to advance theory in both areas.

3.4 Social Embeddedness - the Contingent Nature of Networks

The social network, regarding the nature of content, governance mechanism, and structure of the relations, has emerged as a key theme within the entrepreneurship research literature (Aldrich & Zimmer, 1986; Birley, 1985; Granovetter, 1982; Hoang & Antoncic, 2003; Uzzi, 1996). Social entrepreneurship research can benefit from this perspective not only because SE's born 'social' nature as non-pure economic entity organically related with its local social environment, but also because the social mission impact makes various groups its stakeholders. Yet, how this theoretical body could be used to explain the creation process of social entrepreneurship is understudied and remaining as an interesting domain of inquiry (Busch, 2014; Certo & Miller, 2008; Gedajlovic, Honig, Moore, Payne, & Wright, 2013; Haugh, 2005; Mair & Marti, 2006). The concept of embeddedness is closely related to the notion of social networks, which structure the system of social interactions where economic activities occur (Granovetter, 1985; Uzzi, 1996). Thus some scholars state that social entrepreneurship has to be conceived in the relationships it maintains with other groups, other sectors of activity (Lemaitre et al., 2006). In their recent article, Seelos et al. (2011) combine the notion of social embeddedness with institutional theory to address that social enterprises can be

better understood by checking its relationships with its local community and that their sustainability is related to their ability to hybridize their social goals with the goals of various local stakeholders to institutionalize their presence. The networks in which social entrepreneurs embedded provide with not only social and emotional support but also the instrumentality in making them aware of local conditions and helping them identify local social needs that were not being met. Therefore, considering the local nature of the opportunities recognized by activists, it was not surprising that the networks of social entrepreneurs and social enterprises emerged as a key research theme. The involvement of the founders, key staff, and volunteers in local networks generated for social enterprises is a credibility gaining mechanism that offers assurance for their survival and growth (Shaw & Carter, 2007). For social entrepreneurs, networks and networking strategies were important for many of the same reasons which have been substantiated in the extant entrepreneurship literature: acquiring non-redundant information, knowledge of market and referrals of customer; identifying unmet opportunities and providing access to possible funding sources and generating local recognition and legitimacy for the enterprise (Peredo & Chrisman, 2006; Seelos et al., 2011; Westlund & Bolton, 2003). More strategically, the venture is the weft and weave in a network of ties is an important source of variation in the acquisition of competitive capabilities, and resource matrix and learning systems.

Given the difficult social needs and the complex social issues often addressed by social enterprises, a more sophisticated and nuanced understanding of the nature and effect of networking is needed. Though networks are important in general for acquiring information and building up trust, the boundary condition is worth investigation (Mair &

Marti, 2006). Embeddedness may have positive as well as negative effects on social entrepreneurship. For example, overly intimate bond (over-embeddedness) might exert too much expectation and obligation, constraining social venture's freedom to exploit the new opportunity and its structural autonomies to remain independent (Gargiulo & Benassi, 1999; Granovetter, 1982; Mair & Marti, 2006; Uzzi, 1996).

Summing up, as a key feature of social entrepreneurship, embeddedness needs to be examined in the relationships with other social actors. The embeddedness of social entrepreneurship with local players suggests the complex interaction with its social context, which can be defined as macro as to take consideration all the relationships around social entrepreneurship or as micro as to focus on strong ties of partners and resource holders to jointly fulfill their social venturing. A future study might study how the venture's or the entrepreneur's local embeddedness (the extent to which firm/entrepreneur has relationships with local partners) would possibly facilitate or retard the entrepreneurial process. In other words, the contingent nature of social networks should be examined in the context of social entrepreneurship and thus to offer implications.

3.5 The Role of Institutional Arrangement on Social Innovation

Social entrepreneurship emerges from social and historical contexts, which in turn bring the institutional norms, routines, and conventions that challenge and constrain venturing processes. Another emergent stream of research opens interesting opportunity to examine social entrepreneurship is to draw on institutional perspective (Battilana & Dorado, 2010; Mair & Marti, 2009; Robinson, 2006; Smith et al., 2013; Tracey et al.,

2011). The institutional theory focuses on the relationship between the organizations and the environmental settings, thereby offering insight into factors associated with the emergence of institutions and the processes by which they gain their legitimacy (Meyer & Rowan, 1977; Scott, 2008; Suchman, 1995; Tracey et al., 2011). However, because of the engagement of dual institutional logics (social welfare and business logic), social entrepreneurs may face more competing and conflicting institutional pressures from the environment and management of those pressures appear particularly challenging for social entrepreneurship (Dacin et al., 2011; Smith et al., 2013; Wry & York, 2015).

According to early institutional scholars (e.g., DiMaggio & Powell, 1983; Meyer & Rowan, 1977), ‘complete legitimacy’ and ‘institutional isomorphism’ would require internal clarity to align with external stakeholders, and thus make the position threatening to attend conflicting demands. Yet, as recent studies suggest, both formal and informal institutions jointly condition the process of enterprise creation (North, 1990), and most institutional environments are characterized by plural and complex arrangements interacting with each other (Dunn & Jones, 2010; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Holmes, Miller, Hitt, & Salmador, 2013; Pache & Santos, 2013; Thornton, 2002). Therefore, in order to build the legitimacy, social entrepreneurs have to approach the issues that take into account the interests of stakeholders in both for-profit and nonprofit institutions (Battilana & Lee, 2014). This leads to a unique tension for social enterprise to simultaneously demonstrate their social and business viability to manage institutional conflict (Dacin et al., 2011). Thus, the interesting line of inquiry would consider what kind of mentality and skillsets are needed to help SE across diverse institutional contexts to achieve the dual goals. Those successful social enterprises that

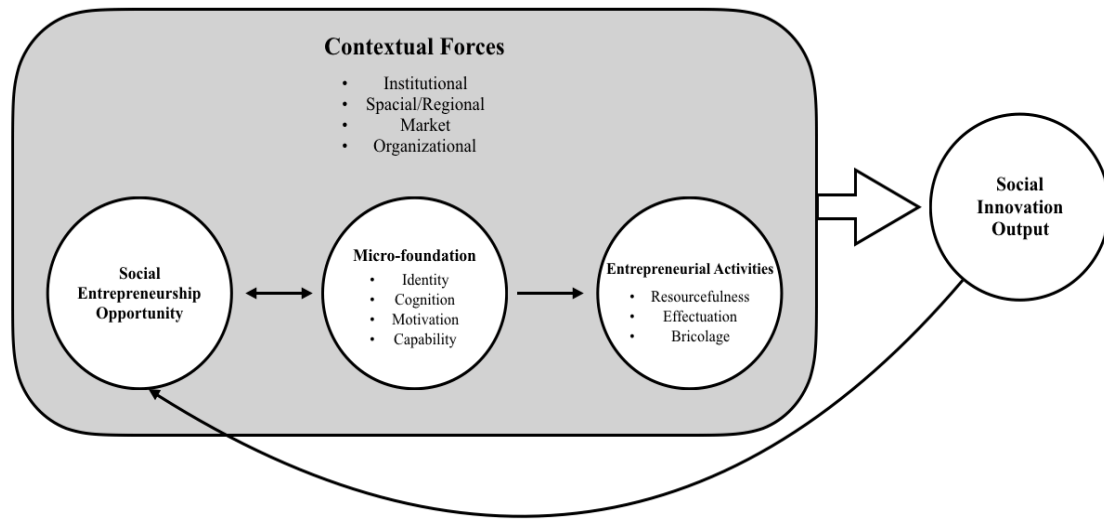
can operate within and across institutional boundaries may have great insight on the understanding of expectation and impression management of various and diverse stakeholders.

Moreover, social innovations brought by the SE are likely to be challenged by the liability of newness especially those innovations aim at introducing changes in social practices (e.g., norm and value, routine). At the crossing of balancing both social logic and business logic, the social entrepreneur will be asked to make trade-offs between different forms of legitimacy, which is offered by various institutional logics. However, such question is a judgment call for the social entrepreneurs, in terms of which form of legitimacy they value most at what stage of the entrepreneurial process and what kind resource mobilization strategies they would like to use. Those are very interesting theoretical questions that need to be addressed in future research under the context of social entrepreneurship, which struggle to demonstrate both financial and social worthiness.

4. PUTTING ARGUMENTS TOGETHER - A CONCEPTUAL FRAMEWORK

Throughout the previous sections, we have collected numerous insights from various literatures, on which we draw now to build our theoretical framework for future researches. See figure 2.

Figure 2 Theoretical Framework of Social Innovation



In this theoretical framework of social innovation, I take into consideration not only the three basic elements of the social entrepreneurship opportunity, the individual entrepreneur, and the venturing process, but also more importantly the contextual factors (formal and informal institutional arrangement; spacial and regional specification, industrial and market dynamism, and organizational culture and atmosphere) to more precisely describe the innovation process. As discussed previously, the social entrepreneurship opportunities are the constructed joint outcomes of entrepreneurial motivation and alertness and the organizational, institutional, and market contexts in which the SE is embedded. Further, contextual forces directly affect the entrepreneurial process concerning how and through what kind of pattern behavior (e.g., resourcefulness, effectuation) the entrepreneur will adapt to mobilize and allocate the resources, which in turn affect their capability accumulation. Meanwhile, the description, interpretation, and exploration of the micro foundation of entrepreneur will shed light on how, specifically, each of the contextual factors plays the role. “The social innovation process can be seen

as an organic process that unfolds from the dyadic relationship between actor and structure.”(Cajaiba-Santana, 2014:49). Such path is complicated and idiosyncratic as we are handling people’s real experience in the environment as well as the growth of social institutions and systems that are the key factors of social innovations. Not only do we need to know how people act but also how they validate and rationalize their behaviors. In other words, social innovation process is barely a linear development; rather it is sensitive to institutional situations where they take place and was constructed from social interactions between individuals and context between society and institutions (Cajaiba-Santana, 2011).

In the end, these contextual forces resist and refine social innovations such that they become the products of the financial, social, cultural, and political expectations of stakeholders of social entrepreneurship ventures. The social innovation process also requires attention to the individual persons; more specifically, to what they think, to what they value, to how they behave, and to how interrelations between actors and social systems take place. In order to take into account the complexity and contextual dimensions of social innovation, we need methodological frameworks able to encompass the procession evolution of the different elements that iterate in the social construction of social innovations.

5. DISCUSSIONS AND CONCLUSION

This study aims to take the first step toward a better conceptual and theoretical comprehension of the phenomenon to conduct the study in the future by providing insight on the research of social innovations. It makes contribution to the literature of social

innovations by putting forward a theoretical framework through a review of trans-disciplinary literature. Current knowledge of social entrepreneurship has been mostly from organizational scholars who focus more on the uniqueness of the social ventures and the traits of their founders (Dacin et al., 2011; Short et al., 2009). Following this perspective, social enterprise emerges as unprecedented form of hybridity where contesting institutional logics – shared values, norms and beliefs that shape cognition and guide decision-making in a field (Suddaby & Greenwood, 2005; Thornton, Ocasio, & Lounsbury, 2012) are organically combined into one entity (Battilana & Dorado, 2010; Battilana & Lee, 2014). Thus, research from this strand posits that social ventures are more subjected to conflict than other form of organizations due to their struggling of integrating social and financial goals aligned with the correspondent logics (Besharov & Smith, 2014; Smith, Gonin, & Besharov, 2013), and the major challenge for SE is to manage these tensions and reach for a productive and dynamic balance between the dual goal contention. It is my argument that such internal dynamics of managing conflict will lead to actors' entrepreneurial behaviors, which ultimately determine their innovativeness of providing social values. While current works have endeavored to understand how SE can resolve such tensions through transcending (Battilana & Dorado, 2010) negotiating (Battilana et al., 2014; Jay, 2013; Shepherd & Haynie, 2009b) and selectively coupling (Pache & Santos, 2010, 2013) aspects of the commercial and social welfare logics, this domain has much less knowledge about the process of innovating (Mueller et al., 2014a). Given the presumption that social entrepreneurs are carriers of multiple logics, it intrigues me to ask how do multiple logics (i.e., commercial vs. social welfare) become interrelated to the innovation process during tackling social issues? What accounts for the

level of their resourcefulness and innovativeness considering different perceived conflict/tension of logics? How does the perception of conflicting logics affect the patterned behaviors of combining social and economic aims? And what role does the local institutional environment play and become relevant in the venture creation process?

By positioning social innovations to the social entrepreneurship context, the framework is intended to consider exclusion and conflict as internal aspects of the society, which need to be addressed on a constant and dynamic basis. It is important to understand how behavior can be influenced by social systems and how social systems can be influenced by agency. As my model implies, the agents (social entrepreneurs) interact with social context reflexively and actively, changing and being changed by it since they encourage social transformations via social innovations. As for practical implication, an emphasis on various means and skills of thinking, instead of common analytical skills, social players should develop repertoires aiming at developing resourcefulness (e.g., creativity (Korsgaard, 2011), bricolage (Desa & Basu, 2013; Gundry et al., 2011)), and collaboration as a result of mobilizing resources and other agents.

This paper makes contribution to the opening up of new paths to explore the concept that is not yet deliberated in the literature of innovation. Using a processual perspective on social innovation creation, it is my intention to take a step in this direction. It shows promises that we can create a complicated description of the process of social innovation with this method. Thus, we can further expand our mindset by learning from and utilizing other approaches. To conclude, I hope to highlight the theoretical argumentation of framework in this paper and the operational tools for social innovation that should be further developed in the future study.

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Chapter 3-STUDY TWO

TITLE: MAKING SOCIAL CHANGE IN CHINA: HOW SOCIAL ENTREPRENEUR'S IDENTITY CONFIGURATION AFFECTS RESOURCEFULNESS

ABSTRACT

This study tests a model of social entrepreneurial identity configuration and resourcefulness for Chinese social entrepreneurs. Results indicate social entrepreneur identity is composed of both the pro-social and the business identities (both role and personal identity), and that the salience and structuring of them lead to the variation of their resourcefulness. Resourcefulness was highest when the social entrepreneur's identity configuration holds a salient role identity aligned with both social and business logics (i.e., balanced social entrepreneur). However, the perception that the local institutional environments valued social businesses weakens the between-group difference. Implications for social entrepreneurs and future research are discussed.

1. INTRODUCTION

The joint pursuit of social and economic goals distinguishes social enterprises from commercial entities where social responsibilities are ancillary to financial concerns, and from non-profits that depend on third-party donations for the pursuit of social welfare and philanthropy (Battilana & Lee, 2014; Dacin et al., 2011). In other words, social enterprise balances both social mission (ends) and entrepreneurial process (means), exemplifying a

form of hybrid organizing (Battilana & Lee, 2014; Besharov & Smith, 2012; Billis, 2010). From the institutional logic perspective (Thornton, Ocasio, & Lounsbury, 2012; Tracey et al., 2011), such hybridity means that social enterprise needs to gain legitimacy by simultaneously aligning with rules, norms, and values of various institutions where they are likely to impose competing and conflicting demands on the organization (Greenwood, Díaz, Li, & Lorente, 2010; Pache & Santos, 2010). Compared with its commercial counterpart, the challenges of resource constraint and resource mobilization are further exacerbated even in developed economies (Austin et al., 2006).

Generally, social ventures that operate in developing economies, such as those in China, face environments in which quality resources are extremely scarce (Seelos & Mair, 2005; Zahra et al., 2008) or where institutional financing mechanisms are absent or weak (Mair & Marti, 2009). However, such environmental constraint does not necessarily prevent social ventures from creating socially innovative products or services. Aside from some in-depth case studies of such exemplars, there has been limited theory development and empirical work on the different approaches that social entrepreneurs adopt to mobilize critical resources and the constraints that influence their choices. Concurrently attending to both social welfare and commercial logics makes social ventures more disposed to tension and conflicting pressure than other organization (Besharov & Smith, 2014; Smith et al., 2013; Wry & York, 2015). What intrigues us is how this variation of the level of resourcefulness was not easily explained by prior theories of strategic management or social entrepreneurship. To this end, some scholars have suggested that identity may play an important role (Cardon, Wincent, Singh, & Drnovsek, 2009; Simms & Robinson, 2009; Wry & York, 2015), but there has been little theorizing concerning

which specific aspects of identity are relevant and how they might influence the development and experience of being resourceful. Therefore, in the entrepreneurial context in the transitional Chinese society, we beg the question: Why are some social entrepreneurs able to utilize entrepreneurial resourcefulness more effectively and thus overcome resource constraints? Which logic(s) should be prioritized considering what conditional factors, and how social enterprises are able to address this challenge by achieving an effective balance between the dual goals?

In addition to these theoretical gaps, empirical gaps surround the social entrepreneurship domain; very limited empirical research exists to confirm the impact of an entrepreneur's identity structure on his or her actions. If we are to attempt to help individuals and social entrepreneurs better understand and manage their dual logic tension and balance, we need more insight into the pathways and constructs through which role and personal identity impacts individuals themselves. Extending on Wry and York (2015) and Simms and Robinson (2009), I argue that social entrepreneurs have salient role identities that are ready to enact ("who I am"), and valued social and personal identities ("who I want to be") that are subjectively important and central to the individuals, and these varied identities may be associated with either or both social welfare and commercial logics (Stryker, 2008; Thornton & Ocasio, 2008).

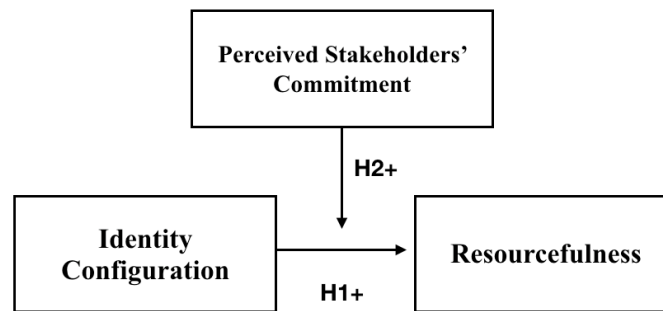
This study stands to make several contributions. First, I contribute to the social entrepreneurship literature by presenting identity-based resource mobilization framework for ventures that inherently need to balance social missions and financial missions, a key feature of public interest entrepreneurship. Our study builds new theory specific to the context of social entrepreneurship rather than just reapplying existing theories of

entrepreneurship. An identity theory lens provides useful insights into where resourcefulness might emerge and what factors play a role in influencing its growth. Though previous scholars have posited that identities may influence social entrepreneurs' behaviors (Cardon et al., 2009; Simms & Robinson, 2009; Wry & York, 2015), work exploring the specific links between identity configuration and entrepreneurial behavior (e.g., resourcefulness, bricolage, effectuation) has yet to be undertaken. Identities are not simple, monolithic constructs (Cardon et al., 2009; Murnieks, Mosakowski, & Cardon, 2014). They are composed of many intricate factors, and in this study, I theorize how the structuring of identity and logics may be one of the critical elements that affect entrepreneurs' cognition and behavior. By analyzing the level of resourcefulness of individual social entrepreneurs, the study provides useful insights for future research into the identity factors residing within the self-concept that might be responsible for the growth or decay of social venture. Second, the model noted the relevance of social context for entrepreneurial behavior and the application of identity theory might shed light on the mechanisms by which a social milieu creates a foundation for resourcefulness via self- image, and study findings here could complement and augment existing interactionist models that pose entrepreneurial resourcefulness as a complex product of identity and situation. Evidence from the emerging economy of China would contribute to our knowledge concerning its unique institutional environments. Figure 3 depicts our theoretical model for the influences of identity configuration, perceived social support and resourcefulness among social entrepreneurs.

In the sections that follow, I begin to address these needs by drawing from existing theoretical work concerning identity in general (Stryker, 1980, 2008; Stryker & Burke,

2000) as well as entrepreneurial resourcefulness (Baker & Nelson, 2005; Bradley, 2015; Desa & Basu, 2013; Di Domenico et al., 2010; Powell & Baker, 2014) specifically. I integrate these theoretical frames with tenets from identity theory (Stryker, 1968; Stryker & Burke, 2000) to develop a model of the specific identity factors that may influence a social entrepreneur's resourcefulness, and I propose the pathways through which the environmental conditional factor moderate the identity and resourcefulness relation. I then test the model using a sample of 499 Chinese social entrepreneurs. Finally, we present our empirical study and results that support this model and offer a discussion of our findings.

Figure 3 Hypothesized Model of Resourcefulness



Controls: Age, Gender, Education, Work Experience, Serial Entrepreneur, Organizational Form, Industrial Sector, Organizational Size

2. THEORY AND HYPOTHESES

2.1 Understanding Identity

Because there is so much diversity in theoretical approaches to identity, the concept of 'identity' has rich and complex meaning (Fiol, Pratt, & O'Connor, 2009; Petriglieri, 2011; Pratt & Foreman, 2000). By drawing on identity theory (Stryker, 1980; Stryker &

Burke, 2000) and social identity theory (Tajfel & Turner, 1979), I first delineate and clarify the terms of role identity, personal identity, and social identity.

Role identity. People occupy various positions and are involved in multiple social relationships, and thus are expected to play different roles under different circumstances (Stets & Burke, 2000). An individual's understanding of a role is shaped by social interactions with others who carry and express a set of specific behavioral norms and expectations, and when those behavioral standards are internalized and identified by the individual, they form the basis of a role identity (Stryker, 1980; Stryker & Burke, 2000). Individuals, therefore, shape their behavior to seek confirmation of valued roles through attempts to "elicit validating responses from others" (Stryker, 1980:63) by means of positive "reflected appraisals" (Gecas & Burke, 1995:51). In other words, a role identity of the individual reflects the self-view or meaningfulness she/he attributes to oneself to that particular role (Burke & Tully, 1977), a role that is generated through reflexively examining the perceived appearance to self and others and the effect based on such examination (McCall & Simmons, 1978). For example, a teacher cares for the students; she is confirming to herself and others that he is a teacher.

Further, the self-concept consists largely of the various social roles in which an individual engages (Farmer, Tierney, & Kung-Mcintyre, 2003; Piliavin & Callero, 1991), but the strength of the relationship to each role is not equally the same. Some identities are more central to that individual and reflect how committed an individual is to that role, and such commitment brought by identity centrality has been shown to play a significant role in how individuals behave in organizations (Ashforth & Mael, 1989; Burke, 1991; Burke & Reitzes, 1981). As a specific role becomes closely tied to an individual's sense of self or identity, that is being salient to the individual, such identity confers strong

internal and external accountability pressures and requires individual to behave in line with this role identity in order to verify the important self-meanings and enact specific sets of social relations (Riley & Burke, 1995; Stryker, 1980; Stryker & Burke, 2000). In the case of a social entrepreneur, which identity is more salient may evoke contentious identification path when processing self-related information (Simms & Robinson, 2009).

The generation of a salient role identity reflects not only a self-regulatory interpretative process of sense-making (Riley & Burke, 1995), but also a competent enactment and development of focused knowledge and competencies around the role (Dokko, Wilk, & Rothbard, 2009; Wry & York, 2015). In the end, after a complex interpretation and reconciliation of relevant inputs from others and oneself, a role identity emerges and embodies an internalized set of role standards and expectations. Through the process of verifying, supporting, and validating the identity, a salient role identity helps to answer the fundamental question of ‘who am I’ and ‘what I do’ (McCall & Simmons, 1978; Powell & Baker, 2014; Simms & Robinson, 2009; Stets & Burke, 2000; Stryker, 1989), and provides guidelines broadly on how to behave, and also a foundation specifically for the formation of deep professional and role-related peer relations (Chua, Ingram, & Morris, 2008; Farmer et al., 2003).

Personal identities. Personal identities refer to that part of an individual’s self-concept, which derives from his characteristics, experiences, attributes, and values that jointly distinguish oneself from others (e.g., being a caring or risk-averse person) (Deaux, 1991; Hitlin, 2003). According to Hitlin (2003), core personal identities entail beliefs about desirable behaviors that are experienced as fundamental meaningful to one's self-definition and create feelings of authenticity and personal fulfillment when enacted. That

being said, the behavioral expectations of a valued personal identity may be quite broad such as "liberal," or narrower, such as "communal harmonious," and the enactment and validation of these personal identity are contingent upon varied social contexts and relationships. Cherished personal identity, thus, also responds largely to the question of "who I want to be" (*social identity has also been argued to answer this question (Powell & Baker, 2014), which I will discuss in detail in the following part*).

A salient personal identity reflects the individual's ideological aspirations and expresses how the individual envisions the 'self' positioned in the future, which might be something different than its current state and is based on the cherished values that the individual is still pursuing (Hitlin, 2003; Powell & Baker, 2011). Thus, personal identities are constructed not necessarily because of the role she performs, but more because her idiosyncratic career path and the social context embedded (Burke, 2006; McCall & Simmons, 1978). Personal identity, if central to the individual, will motivate the actor either to customize a role to better resonate the values behind her central personal identity (Ibarra, 1999), or to just adopt an aligned role (Hitlin, 2003). For example, a person who labels herself as "environmentally friendly" will likely act as such as in her food consumer identity, and may also adopt roles such as "green activist" that fits with her personal identity (Stets & Biga, 2003; Stets & Carter, 2012).

Moreover, compared with role identities which the social relations and the corresponding social cues and expectations are much certain and identifiable, personal identity's behavioral standards is oftentimes a value-laden judgment call for each specific individual, and as such, the knowledge, competencies and social relations are likely to be ostensibly less instrumental or scattered disproportionately among each personal identity

(Stets & Biga, 2003). However, it should also be noted that valued personal identities may be suppressed by the individual's salient role identity, or in other words, those identities are incongruent and therefore casting distress for the actor. For example, Foreman and Whetten (2002) found that the incongruities between "business owner role" and "family caring" identities negatively impacts both member commitment and organizational legitimacy. Glynn (2000), in his research on cultural institutions, has likewise shown that conflict between "artist role" and "economic sustainable" identities can arise when one identity is emphasized over another. In each case, tension from the hybrids of multiple identities cast balancing pressure and cognitive inertial enactment for the individual (Smith & Woods, 2014; Smith et al., 2013).

Social identity. The third set of identities commonly discussed in the literature is social identities, the fundamental construct of social identity theory (Ashforth & Mael, 1989; Hogg & Terry, 2000; Tajfel & Turner, 1986). Identity theory (role identity as core) and social identity theory (social identity as core) have been historically identified as competing theories and not easily reconciled due to their theoretical base (Hogg, Terry, & White, 1995). An emerging stream of research has been conducted to combine those two perspectives to complement each other and jointly contribute to the social psychological theory (Ashforth , 2001; Ireland & Webb, 2007; Powell & Baker, 2014; Stets & Burke, 2000). A clear understanding of their respective theoretical assumptions and terminologies would help to avoid the confusion.

Social identity is "that part of an individual's self-concept which derives from his knowledge of his membership of a social group (or groups) together with the value and social significance attached to that membership (Tajfel, 1978:63)". Thus, the most

prominent difference is the basis of self-classification, where the *role* and the embedded expectation serve as the basis for *identification* in identity theory (McCall & Simmons, 1978), and a particular social *group/category* serves as the basis for *self-categorization* in social identity theory (Tajfel & Turner, 1986). In other words, social identities are based on collective membership such as organizational affiliation (e.g., church or union membership) or social categories such as ethnicity and gender (Thoits & Virshup, 1997), and thus having a particular social identity means “being at one with a certain group, being like others in the group, and seeing things from the group’s perspective” in order to enhance the evaluation of the in-group (self-esteem) relative to the out-group (Stets & Burke, 2000:226). Such emphasis on the uniformity of perceptions and behaviors (prototype) represents another key point of social identity theory that the group-based identities (i.e., social identities) neither needs nor excludes interactions with members in or associated with the group because group formation is just the result of unifying and mutual reinforcing perception (Stets & Burke, 2000). Recalling the definition of role identity, the emphasis is not on the similarity or unison of behavior with others in the same role (although roles are frequently regarded as meaningful social categories), but on the individuality and interrelatedness with others in the group or interaction context.

The difference, as well as the connection between social identity and role identity can also be interpreted as the different conceptualization of *group* by the researchers of each side, though not all roles are tied intimately to a group (e.g., husband and wife). Social identity theorists tend to regard the group as a collective of persons who identify with each other based on the similar views of "being" to contrast with members of out-groups (inter-group relations). On the other hand, identity theorists conceptualize the

group as a set of interrelated individuals, individuals that were seeing things from her own unique angle but performing interrelated activities and negotiating for their roles of interaction (intra-group relations) (Stets & Burke, 2000). As such, both inter and intra relations are influential on the individual's perception and behavior, and individual's salient identities are oftentimes both social and role-based (Ashforth, 2001; Powell & Baker, 2014), therefore it's hard, if possible, to separate role identity from group identity as one always and simultaneously occupies a role and belongs to a group (Ashforth, 2001; Thoits & Virshup, 1997).

However, integration of role and social identity is beyond the scope of this dissertation. In my model, I follow the track of identity theory (IDT) to explore role enactment of an individual while maintaining the complex interrelatedness of social structure (Stryker, 2008). Specifically, I use role identity to embody 'who am I' and the readiness to activate and coordinate the resources of the current role or the prior role, and personal identity to exemplify 'who I want to be' and the corresponding subjective importance to the individual as motivating actor.

2.2 Identities and Aligned Logics

As discussed in previous sections, identities are broadly defined as meaningful classifications that people apply to themselves and others as role player (e.g., role identities: entrepreneur, social worker, investor), group members (e.g., social identities: feminist, Asian American) and individuals (e.g., personal identities: caring, wealth, power). The commonality underlying all these sets of self-definition is that they provide the individual with behavioral guideline/standard and cognitive schema that reflect

commonly accepted social expectations (Stryker, 1980; Stryker & Burke, 2000). And this internal rationalization mechanism resonates organically with external legitimacy pattern of institutional logic (Lok, 2010; Thornton & Ocasio, 2008).

Institutional logics, which are defined as sets of material practices, values, beliefs, and norms, describing “the rules of the game” at the societal level, which in turn shape beliefs and behavior of organizations (Dunn & Jones, 2010; Hayes & Robinson, 2011; Thornton & Ocasio, 2008; Thornton et al., 2012). Individually, institutional logics rationalize legitimacy of particular values and goals and offer coherent prescriptions for action (Smith et al., 2013; Wry & York, 2015). Therefore, identities are affiliated with institutional logics and instantiate the path through which these values and goals are pursued (Creed, DeJordy, & Lok, 2010; Lok, 2010). In other words, identity is often associated with certain type of institutional logic, and that the enactment of institutional logic is finalized through identity activation, and if this identification is deep and broad enough, such identity dynamic can, in turn, transform institutional arrangement (Glynn, 2008; Rao, Monin, & Durand, 2003).

However, each logic is represented and supported by distinct institutional structures and such varied and often conflicting prescriptions increase the environmental uncertainty and ambiguity (Greenwood et al., 2011; Pache & Santos, 2010). Social enterprise, struggling for dual goals, is the typical organizational form that embeds those competing logics within its core features (Battilana & Dorado, 2010; Besharov & Smith, 2012). Most relevantly and prominently, institutional scholars have framed social enterprise as a hybrid that combines conflicting *social welfare* and *commercial logics* (Battilana & Dorado, 2010; Battilana & Lee, 2014; Battilana et al., 2014; Battilana et al.,

2012; Besharov & Smith, 2014; Jay, 2013). Specifically, the social welfare logic focuses on improving the welfare and general wellbeing of society, whereas a commercial logic put profit, efficiency, and operational effectiveness as the central goals (Battiliana et al., 2012; Pache & Santos, 2010; Smith et al., 2013). Thus, the key assumption here is that social entrepreneurs prioritize values and goals from the institutional logics to align with their salient identities, and variation occurs when the actors are socialized into favor certain type of logic (social welfare vs. commercial) and pursue the goal accordingly (Battilana et al., 2014; Pache & Santos, 2010).

In their recent theoretical paper, Wry and York (2015) attempt to link specific role identities and personal identities to both social welfare and commercial logics, and this results in a 2x2 table (table 3), representing different types of social entrepreneurs based on their different identity configuration (i.e., role and personal identity variously aligned with commercial or social welfare logics). As they reviewed the literature for role identities, clergy, community organizer, parent, social worker, and teacher have been tied to the social welfare logic; an accountant, a corporate lawyer, manager, and venture capitalist align with commercial logic. As for personal identities, social welfare logic has been found to include benevolence, caring, environmental protection, and social justice, and commercial logic is tied closely to power, wealth, and hedonism. Using this typology of the social entrepreneur as the starting point, I extend their model to discuss how the difference in identity configuration would affect social entrepreneur's resourcefulness, and what the role does institutional environment play in this process.

Table 3 Identity Configurations
(Adapted from Wry and York, 2015)

		Identities associated with the <u>Commercial logic</u>	
		Role Identities	Personal Identities
		Accountant, corporate lawyer, manager, management consultant, venture capitalist, prior entrepreneur	Wealth, power, and hedonism
Identities associated with the <u>Social welfare logic</u>	Role Identities	Balanced	Mixed: <i>Social Welfare</i>
	Clergy, parent, non-profit executive, social worker, teacher, social activist	<i>Knowledge, competencies, and social relationships:</i> Similar and strong for both commercial and social welfare logics	<i>Knowledge, competencies, and social relationships:</i> Deeper and more focused for social welfare logic
	Personal Identities	Mixed: <i>Commercial</i>	Social enterprise creation unlikely
	Social justice, benevolence, equality, care for the environment	<i>Knowledge, competencies, and social relationships:</i> Deeper and more focused for commercial logic	<i>Knowledge, competencies, and social relationships:</i> Similar, but weak for both logics

2.3 Resource Constraint Facing Social Entrepreneurs

In this study, we employ Mair and Marti's (2006:37) definition of social entrepreneurship as 'a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs.' Heeding the argument proposed by Austin et al. (2006) that entrepreneurship consists of both commercial and social dimensions, this paper follows that social entrepreneurship is a subset of the broader field of entrepreneurship and complementary to commercial entrepreneurship. Indeed, social and commercial entrepreneurship can be regarded as the two extremes of the entrepreneurship continuum (Meier and O'Toole, 2011; Dees, 1998). As a result, the problem of resource constraints, facing most entrepreneurial ventures, is likely to be more significant in social ventures. The reasons are as follows.

To begin with, it is virtually impossible and even deemed unethical for a dually motivated social enterprise to use their services or products to charge customers and promote sales in pursuit of the biggest profits. While commercial enterprises are free to venture into the capital markets and distribute its generated profits through incentives like stock shares, social enterprises are prohibited from any operation of the kind, and, instead, encouraged to focus more on their non-for-profit activities (Mair & Marti, 2006, 2009; Seelos et al., 2011). In other words, compared with commercial enterprises, social ones are not as enticing to employees with aspirations of making a fortune through their professional expertise (Austin et al., 2006). As a result, they have to provide services to the society while maintaining its daily business operations with the limited resources at their disposal.

The other factor that has a huge influence on the accessible resources of social ventures is the macro-environment (Desa & Basu, 2013), which consists of its own location, local population, the social, political, economic conditions of the region, as well as the technological advances (Hambrick, 1983; Tushman & Anderson, 1986). In addition, when social enterprises organize expeditions internationally, they may face two kinds of challenges: serious shortages of resources and accesses to them (Neck et al., 2009), and starkly different legislative and moral norms (Desa, 2012; Zahra et al., 2008). When it comes to local recruitment and internal training, social enterprises have to take into account the macro-environmental factors, such as local education, political trends, economic status, business potential and, above all, the employee base (e.g., Hmieleski and Baron, 2009).

2.4 Linking Identity Configuration to Resourcefulness

Resourcefulness has been used to describe how entrepreneurs, especially those who have fewer resource endowments, were able to outmaneuver the established competitors (Baker & Nelson, 2005; Bradley, 2015; Ganz, 2000; Powell & Baker, 2011). However, the issue of resource constraints becomes even more significant for social entrepreneurship because of both its internal tension to meet both social and financial goals and its external plural and complex institutional arrangements (Desa, 2012; Desa & Basu, 2013; Di Domenico et al., 2010). Thus, the challenge for the social entrepreneur is how to build up and nurture their capacity to innovate when facing more severe resource constraint and legitimacy tension compared with their pure commercial counterpart.

As a core representative of resourcefulness, the notion of ‘bricolage’ (Baker & Nelson, 2005; Garud & Karnøe, 2003), which has been defined as “making do by applying combinations of resources at hand to new problems and opportunities (Baker & Nelson, 2005:333)”, has been validated as theoretically appropriate and applicable to understanding of social venture creation (Desa, 2007; Desa & Basu, 2013; Di Domenico et al., 2010; MacMaster , Archer, & Hirth, 2014; Zahra et al., 2009). Social bricoleurs develop novel combinations of ideas, knowledge, and forms of organizing to create the order of the materials at hand (Mair & Marti, 2009; Weick, 1993), and such strategy has been argued as an instrumental mechanism for SE to respond to unpredictable circumstances (Ciborra, 1996). Connections with other processes such as bootstrapping (Bhide, 1992), effectuation (Sarasvathy, 2001), improvisation (Baker et al., 2003; Hmieleski et al., 2013) have also been discussed in the literature to specify the boundary of bricolage (MacMaster et al., 2014).

Admittedly, making do with limited resources at hand (i.e., bricolage) and manipulating personal finances or operating on business cash flow (i.e., bootstrapping) are important predictors of resourcefulness of social entrepreneur, creatively acquiring and managing traditional (e.g., financial) and non-traditional (e.g., stakeholder, persuasion) resources constitutes another dimension of resourcefulness that are germane to social entrepreneurship (Di Domenico et al., 2010; Di Domenico, Tracey, & Haugh, 2009). In other words, a resourceful social entrepreneur is not only capable of tinkering fallow resources, but also skillful of positioning and attracting necessary resources for the growth of the firm. Thus, based on extant studies, I define resourcefulness in the social

entrepreneurship context as learned repertoires of creative resource combination and acquisition.

Salient identities of the entrepreneur are germane to his/her knowledge, competencies and social relations (Benet -Martínez, Lee, & Leu, 2006; Beyer & Hannah, 2002; Dokko et al., 2009), and each of these is relevant to how the social entrepreneur will behave resourcefully (e.g., selective bricolage) or less resourcefully (e.g., frugal management) in dealing with novel problems. Therefore, I argue that identity configuration of the social entrepreneur affect their engagement of resourceful behavior.

Hypothesis 1: The resourcefulness of social entrepreneur is related to the identity configuration.

Balanced social entrepreneurs

Deep and focused knowledge associated with both logics enrich balanced social entrepreneur's repertoires and thus making them more resourceful. Compared with mixed social entrepreneurs whose salient role identities are associated with either commercial or social welfare logic, balanced social entrepreneurs possess salient role identities that speak to both logics. In other words, balanced social entrepreneurs are likely to be similarly aware of and knowledgeable about issues, information, and environmental dynamism in both business and social domains, making them sensitive to the context of the social issue and prone to see previously unperceived solutions for a more effective combination of resources to integrate both social and financial aims.

Though the external validating pressure for role identities are likely to be equally strong from both institutional logics, the resulting multiple high-frequent iterations between both logics offers the balanced social entrepreneur more chance to negotiate

possible integration and reach for the optimal balance. Compared with mixed social entrepreneurs who mainly concern external accountability from the given logic that associated with their single salient role identity, their feedback loop is often single-directed and restricted. In other words, balanced social entrepreneurs have feedbacks from the dual identity groups and therefore are more likely to take advantage of this unique position, and more willing to take challenging problems and test progressively more creative integration attempts.

Having salient role identities in both logics also help the balanced social entrepreneurs to enlarge their 'trove' to create and make use of networks and social relationship from both role categories and to locate significant actors to leverage the acquisition of new resources and support. Meanwhile, keeping roles across logics further provides the balanced social entrepreneur's unique advantage to create and make use of their multiple roles more discretionarily (e.g., one may use his church member role to mobilize resources for entrepreneurial initiative) (Halme, Lindeman, & Linna, 2012). Since she/he constantly and actively involves in integrating both social and financial aspect of the opportunity, a balanced social entrepreneur, presumably, is better equipped than the mixed social entrepreneur to translate the social entrepreneurial opportunity in front of different stakeholders who aligned with different logic in order to get better external acknowledgment.

Hypothesis 1a: Balanced social entrepreneurs are more likely to engage in resourcefulness to develop innovative activities than both mixed-commercial entrepreneurs and mixed-social welfare entrepreneurs.

Mixed social entrepreneurs

Prior work roles that are related to business processes make mixed-commercial entrepreneur more aware of the importance of an entrepreneurial orientation in the process of venture creation and innovation. While those mixed-social welfare entrepreneurs might be mentally constrained and therefore less resourceful because their prior work roles are often more stable and routinized and the accumulated experience is more about certainty rather than uncertainty. Mixed-commercial entrepreneurs are also more likely, than the mix-social welfare entrepreneurs, to test the limitation boundaries and refuse to be constrained by pervading environmental constraints because the mentalities such as risk-taking and proactiveness are embedded in their salient role identities associated with business logic. On the other hand, salient role identities associated with social welfare logic emphasize more on the 'human' and 'social' side of the matter and less on the efficiency and creativity of taking an initiative. Additionally, a strong external accountability of social welfare logic may also exert conforming pressure on the individual and increase the resistance to think out of the job description and the comfort zone, and thus limiting their potential resourcefulness.

Hypothesis 1b: Mixed-commercial entrepreneurs are more likely to engage in resourcefulness than mixed-social welfare entrepreneurs.

2.5 The Moderating Influence of Stakeholder Alignment

Social entrepreneurship, from a social structuration perspective (Nicholls & Cho, 2006), is a process resulting from the continuous interaction between social entrepreneurs and the context in which they and their activities are embedded (Mair & Marti, 2006; Seelos et al., 2011). Among the most crucial context factors, the alignment of

stakeholders in SE ventures regarding the concurrent creation of social and economic value is arguably more proximal to social entrepreneurs' decisions making process and actions than non-immediate elements (e.g., national culture), and thus may be more consequential for the entrepreneurial process (Di Domenico et al., 2010; Smith & Woods, 2014; Townsend & Hart, 2008).

Stakeholder relationship is gaining increasing importance in management studies both theoretically and practically (Freeman, 2010). In the case of social entrepreneurship, key community stakeholders (e.g., local government, financiers and community groups) are often playing the center role in generating support for SE's planned strategies and projects (Di Domenico et al., 2010; Mair & Marti, 2006). Those groups of parties certainly affect the ventures that are closely related and simultaneously affected by these ventures in evolving the attitudes and postures. A proper management of stakeholders is said to be critical to the survival and future growth of the firm (Donaldson & Preston, 1995; Gimeno, Folta, Cooper, & Woo, 1997), but before such benefits can be fully derived, stakeholders must have a clear understanding of the SE and fundamentally buy into the double bottom-line concept of the venture (Eikenberry & Kluver, 2004; Townsend & Hart, 2008). However, some stakeholders may have concerns about the appropriateness of making "earned income" through a prosocial mission and the feasibility of a double bottom-line model given the potentially competing demands for the use of the generated profits.

Whether the venture creation is a social mission-oriented for-profit or a business-oriented nonprofit entity, the essential commonality is to pursue the double- (or triple¹-) bottom-line (Robinson, 2006). For those stakeholders involved with nonprofit SE ventures, their clear understanding of the double bottom-line concept is critical since the SE will have to divert some of its resources that would otherwise be used towards pursuing the social goals of the firm to maintain self-sustainability both fiscally and professionally. Though the external stakeholders might be eligible to receive some tangential benefits such as tax deductions, publicity, etc., the direct financial benefit from the organization is disallowed. In the same vein, stakeholders associated with for-profit SE ventures must have a crystal understanding of the double bottom-line model to be willing to allow some of their endorsement to be diverted towards pursuing social goals, and to be tolerable enough to know that such diversion of capital oftentimes may not necessarily maximize and benefit returns to their investments (Townsend & Hart, 2008). I argue that the extent to which the social entrepreneur perceive their key stakeholders' willingness and commitment to forgo short-term returns for the long-term effectiveness of the double bottom-line would impact social entrepreneurs' resourcefulness through interfering their felt tension and prominence of identity conflict due to straddling on dual logics.

¹ Double Bottom Line (DBL) and Triple Bottom Line (TBL) are performance measures aiming at advance sustainability in business practices, in which the focus of companies is extended beyond profits to include social and environmental issues to measure the total cost of doing business. The two bottom lines in DBL are financial and social dimensions. The three pillars in the TBL are people, planet, and profit, capturing social, environmental, and economic impact respectively.

In the case of social entrepreneurship, resolution of the identity conflict hinges on how efficiently the social entrepreneur constructs her idiosyncratic repertoire of “negotiating, modifying, developing, and shaping expectations through interaction” (Burke, 2003:198) between groups of valued identities, and thus transforming the new role identity through the collective understanding of the behavior expectations that span social activist and entrepreneurial business role and the interaction of both. Notably, this transformation constantly refers to the socially situated context and involves participatory behaviors that inform what is fitting and appropriate in order to build up the equilibrium. Thus, an environment in which various community actors and key stakeholders, from local investors, through government, to community groups, explicitly and actively support and endorse social entrepreneurial initiatives is likely to expedite this transformation process by providing clear social cues and facilitating social entrepreneur’s cognitive negotiating process to alleviate emotional stress of reconciling the formerly irreconcilable identity conflict.

Additionally, current societal norms have greatly shifted from perceptions of solely maximizing shareholder wealth to the recognition of social and obligations of firms (Baron, 2007; Van Slyke & Newman, 2006). In other words, even those stakeholders, who are fundamentally profit-driven, are also very much likely to sacrifice some economic returns to satisfy and conform to the mainstream normative values towards social obligations of the firm. However, variation exists regarding their commitment and persistence of willingness to make such sacrifice in a constant manner supporting the social ventures. An additional situation is also worthy of consideration is from a strategic competitive advantage point of view that once the concomitant focus on social and

economic value creation of the specific SE has been accepted and espoused by the general public and followed by consumers' consistent preference for such goods and/or services, such firm might have a higher chance to create a resource-based advantage based on uniquely positioning the double bottom-line focus. In this case, stakeholders are eagerly associate with and actively participate in exploiting opportunities in SE ventures due to the public goodwill the SE attracts, rather than passively making tradeoffs for the sake of social obligation discussed in previous scenario (Baron, 2007; Mackey, Mackey, & Barney, 2007).

In either case, the display of strong support by key stakeholders and community actors offers the social entrepreneurs not only the access to both tangible (e.g. finance, raw materials) and intangible (e.g. information, emotional support) resources in a practical sense, but also a thrust to liberate their mind to accommodate the conflicting part to form a new collective understanding of the balance between a social welfare role and entrepreneurial business role. Specifically, the more social entrepreneurs perceive the commitment of supporting and accepting the double bottom-line model of the SE from key external stakeholders, the more reconciling and accommodating their attitude towards the identity conflict because such perception gives them a hint that a negotiated identity is not only possible but also socially endorsed (Burke, 2003).

During the process of venturing, especially that of social entrepreneurs who contend and struggle to maintain the dynamic between social and economic goals, if external stakeholders don't fully buy into their model, the social entrepreneurs may need to spend more time and efforts to interpret the dual focus model in a way that make sense to them, and this is especially challenging if the stakeholder holds an inertia to the status quo and

hostile to newness such as a hybrid form of organizing. Therefore, the cognizance of ‘I am not alone’ and ‘support is out there’ is crucial to pacify their psychological strain embedded in the identity conflict and tension because of dual logics, and reassure them to forge ahead resourcefully regardless of ongoing and impending uneasiness. Further, a high level of perceived stakeholder commitment may also enhance individuals’ entrepreneurial self-efficacy, which empowers them with confidence and latitude to experiment and try out various methods without fearing breaking the existing stereotype that has labeled the hat of ‘social entrepreneur’, to define and dispatch those opaque identity intersection, and to become faithfully that they have the abilities to conquer the challenges.

To sum up, higher level of key stakeholders’ commitment to support SE’s hybridity nature would allow greater tolerance for trial and error, help social entrepreneur speed up the renegotiation process of dual identity conflict and reach the consensus, create discretion around response strategies testing the institutional barriers, and be more assertive in defining new rule of game through resourcefulness. Thus, I propose that the perceptions of stakeholder commitment, namely the state of being dedicated to support the form of social enterprise from local government, financiers, and local groups, will moderate the relationship between identity configuration and resourcefulness such that when the social entrepreneur perceives strong stakeholder commitment and support to their SE course, they are more encouraged to behave entrepreneurially and innovatively through resourcefulness, because the value incongruence from identity configuration may become less prominent and stressful and a higher legitimacy and normative approval is conveyed by means of such perception. However, it is noted that this moderating effect

may not be significant for the balanced social entrepreneurs, because they concurrently possess salient role identities from both social welfare logic and business logic, meaning that their grasps of knowledge, expertise, and social relations from both domains are likely to be equally strong, and thus they maybe cognitively more capable of resolving and negotiating conflicts through resourcefulness and related activities such as higher order of reasoning (Wry & York, 2015), and therefore the effect of perception of environmental factor weakens. In formal terms:

Hypothesis 2: The relationship between identity configuration and engagement of resourcefulness is positively moderated by the commitment of key external stakeholders to the double bottom-line focus of an SE venture. However, such moderating effect is stronger for the mixed type of social entrepreneurs than for the balanced social entrepreneurs.

3. METHODOLOGY

3.1 Research Design

In the first stage, I used a focus group and interviews to refine constructs and their interrelations for their applicability to the Chinese culture (see Berry, 1990), and this also helps develop a greater understanding of the role of identity configuration and perceived institutional factors within social enterprises. Appendix D provides a brief description of the 10 social enterprises from which I gathered data from informants. All these surveyed enterprises are located in different provinces and regions throughout China. I adopted the purposive sample in order to reveal certain common patterns in operations of the studied units under various conditions and restrictions of resources. Doing so was conducive to

the extraction of theories, overcoming the limitation of critical or similar samples. By checking their previous and current work roles (besides being a “social entrepreneur”), I’m able to categorize and label entrepreneurs 1) as balanced social entrepreneur if she/he holds/held multiple work roles aligned with both business logic and social welfare logic, and meanwhile she/he identifies that role(s) as salient to her/him, 2) as mixed-commercial entrepreneur if current or previous work roles are found only to be associated with either business logic or social welfare logic, and meanwhile their business role identity is salient, 3) and as mixed-social welfare entrepreneur if roles are found only to be related to social welfare logic and meanwhile their business role identity is relatively less salient.

These structured interviews were conducted either in person or by telephone. Founders or CEOs of these enterprises were involved in several interviews organized in a semi-structured manner. They were selected as interviewees of this research due to their overall comprehension of each enterprise’s features, behaviors, and strategies (Miller & Toulouse, 1986). In addition, questions in a general sense were raised during the interviews coupled with prompts aimed at supplementing the questions and obtaining more information from them (Creswell, 2003). Probes were proposed to help investigate critical factors intensively mentioned in the interviews. A total of ten in-depth interviews indicated that the construct definitions for identity configuration, resourcefulness, perceived stakeholder commitment and the other study variables are semantically clear and culturally meaningful for the participants. Exact records and transcripts of the interviews, along with related information and data of the enterprises, were documented during the interviewing process so that they could serve as references for post-research inquiry.

Coded names for the interviewees and enterprises were assigned for the sake of their privacy.

For stage two, the online and paper survey were developed which was distributed across social entrepreneurship networks, social entrepreneurship incubators and supporting institutes, and social media groups. I created English survey items that could be easily translated into Mandarin Chinese and adjusted wordings to make items more concrete and less hypothetical. To improve the reliability and validity of survey items, back translation is conducted (Brislin, 1970, 1986) in which the translated Chinese version is retranslated back to English by two independent bilingual individuals, and we repeat the process to ensure convergence among the translations is satisfactory. Pilot study for the instrument was first conducted with several Chinese individuals, debriefing question-by-question for understanding and wording issues. Minor change has been made for item accuracy, and then the instruments were given to a sample of 10 social entrepreneurs for additional pretesting, and then the instrument was finalized.

3.2 Sample and Data Collection

Firstly, the sample selection follows the national context in China. Social welfare enterprises, private non-enterprise units, cooperatives, and some companies that have been registered in the business sector but engaged in public benefit activities are all included in the sample range. Although there is no relevant law or regulation for defining the categories and behaviors of social enterprises in China, the above social enterprises are most likely to be legally recognized. Social enterprises are related to traditional commercial enterprises, but they are essentially different. On the one hand, both of them

are enterprises that realize their own profits and losses through independent operation, instead of non-profit, non-government or charitable social organizations that operate depending on the donation from government, enterprises and the society. On the other hand, there are essential differences in income distribution. The surplus of social enterprises is not shared as traditional commercial enterprises did but used to create social value in addition to necessary costs, which can be judged and monitored according to financial information.

To get access to the sample, I firstly attended events and conferences where I could meet social entrepreneurs in person in order to exchange our views on the venturing process. After these candid conversations, many of the entrepreneurs and major organizers agreed to join my research. Oftentimes, founders and core members of these social enterprises coordinated with other social enterprises in their region to help to implement the data collection. Secondly, I contacted several social entrepreneurship network-building institutions in China to get access to social entrepreneurs, and all of them are agreed to grant me the contact information of the nascent founders and provide help if necessary. (Institutes includes: Shanghai Social Enterprise Research Center; Shanghai NPI public welfare organization platform; Shenzhen Zheng Weining Charity Foundation; Beijing Nandu Foundation; China Social Entrepreneurship and Social Venture Capital Summit Forum). Snowball sampling is designed into the survey where research respondents are asked to refer or identify other social entrepreneurs to participate. I further screened according to sample selection criteria of the research to guarantee the representativeness of the social enterprise samples. In this sample, social

entrepreneurs serve a number of sectors, including environment, education, hunger, arts and culture, mental health, and social capital investing.

Finally, the database includes 499 cases from two channels both the online and offline, and collecting period is from March to December 2017. For the online part, I sent out 1170 emails containing the survey link, and 302 have started the questionnaire (a response rate of 25.8%). After data cleaning, the valid cases from online dropped to 111 (due to key information missing and inappropriate filling manners, an effective response rate of 9.5%). For the offline part where we adopted face-to-face interviews, we have 388 useable questionnaires and 33 invalid ones. Another two colleagues from SERC ShangHai and two researchers from NPI (Chengdu) have also helped to collect the survey data. Combining the two parts, the total validity rate comes to 31.3%. Table 4 summarizes the details for the study sample of 499 social entrepreneurs.

The majority of the social ventures were registered in Commercial Form (36.5%) and Civilian-Run Non-Enterprise Form (42.3%). Regarding their industrial sectors, 30.1% of them are working in “Education”, 29.5% in “Other Community and Social Services”, 22.8% in “Business Services and Activity”, 11.8% in “Poverty Alleviation and Rural Development”, 5.8% in “Environment and Health”. Concerning the size of the organization, majority of the organizations have fewer than 5 full-time employees (48.9%). Other demographic characteristics include Gender (“Male, 61.1%” and “Female, 38.9%”); Education (e.g., “University Degree, 54.3%”); Age Group (“20-29 year-old, 29.1%” and “30-39 year old, 41.7%”); Serial Entrepreneur (“Yes, 22.6%” and “No, 77.4%”). Regarding the gender ratio in these data, we reviewed the current literature of Chinese entrepreneurship research (He, 2009; Shinnar, Giacomini, & Janssen, 2012;

Warnecke, 2013), and our sample did not over represent male entrepreneurs. Though, entrepreneurship in China and most developing countries remains heavily male-dominated (Warnecke, 2013), our study is consistent with the current trend of increasing levels of female entrepreneurship in many — though not all — countries around the world (Global Entrepreneurship Monitor 2012). Furthermore, our cross-tab analysis did not find a significant between-group difference among the three type of social entrepreneur.

In order to minimize the potential effects of common method variance, we took several procedures. First, in our explorative stage, pre-test of the survey instrument is conducted with 10 social entrepreneurs who are not included in our final sample. In doing so, we debriefed question-by-question for possible ambiguous items to make sure our question is conceptually clear in this Chinese context and thus to helps to prevent the respondents from developing their own idiosyncratic meanings for them. Second, regarding the problem of social desirability and retrospective data, we made specific statement in our questionnaire that there were no right or wrong answers and that their responses were confidential. Additionally, we checked for common method bias using Harman's one- factor test. We use SPSS 22.0 to conduct a principal factor analysis of all measurement items, showing the KMO measure is 0.87, and that the Chi-square for Bartlett's test of sphericity is 3169.86 with a significant level at 0.000. Before rotation, 2 factors are extracted, and together accounted for 60.25 percent of the variance. Because the first factor accounts for 46.99 percent of variance (less than half the variance explained by the set of factors with eigenvalues greater than one), common method variance is unlikely to be a serious problem in the data (Podsakoff and Organ, 1986).

Table 4 Descriptive Statistics – Study Two

Demographic characteristics *N = 499

Organizational Form	Items	Frequency	Rate
	Commercial Registration	182	36.5%
	Civilian-Run Non-enterprise Registration	211	42.3%
	Social org Registration	95	19%
	Other	11	2.2%
Industrial Sector	Items	Frequency	Rate
	Business Services	114	22.8%
	Rural Development	59	11.8%
	Education	150	30.1%
	Environment	29	5.8%
	Social Services	147	29.5%
Full-time Employee	Items	Frequency	Rate
	≤5	244	48.9%
	6~10	121	24.2%
	11~19	49	9.9%
	20~25	40	8%
	> 25	45	9%
Gender	Items	Frequency	Rate
	Female	194	38.9%
	Male	305	61.1%
Age Group	Items	Frequency	Rate
	20-29	145	29.1%
	30-39	208	41.7%
	40-49	91	18.2%
	50-59	51	10.2%
	Above 60	5	0.8%
Education	Items	Frequency	Rate
	Less than High School	5	1.0%
	High School	22	4.4%

	Some College Degree	98	19.6%
	University Degree	271	54.3%
	Advanced Degree	102	20.4%
	Other	1	0.2%
Work Experience (years)	Items	Frequency	Rate
	≤5	132	26.5%
	6~10	84	16.8%
	11~20	200	40.1%
	> 20	83	16.6%
Serial Entrepreneur	Items	Frequency	Rate
	Yes	113	22.6%
	No	386	77.4%

3.3 Variables and Measurement

Identity configuration of social entrepreneur

The construct of identity configuration includes both role identity and personal identity elements. In assessing role identity, a role identity list is first created based on existing literature where specific role identities have been indicated to align with either commercial or social welfare logic (Battilana & Dorado, 2010; Cardon et al., 2005; Glynn, 2000; Lounsbury, Ventresca, & Hirsch, 2003; Pache & Santos, 2010, 2013; Wry, Lounsbury, & Jennings, 2014). If choosing role identities that the respondent possess or has possessed, she will be required to indicate the self-felt importance of the specific role identity. I adapted Callero's (1985) role identity scale to measure the extent to which the role of the entrepreneur or/and the prosocial person had been incorporated into self-identity. This well-validated scale uses five-point Likert scaling for responses.

To operationalize the personal identity, I developed a scale using items from the PSED questionnaire to capture the characteristics advanced by existing studies (Battilana

et al., 2014; Besharov & Smith, 2014; Hitlin, 2003; Stets & Biga, 2003; Stets & Carter, 2012). Personal identities (in the form of values) that speak to social welfare logics and commercial logics are validated. Specifically, the former include social justice (“correcting injustice, care for the weak”), benevolence (“Enhance the well-being of others”), Caring (“Improve community and society”), and environmental protection (“Protect and Improve the environment”); on the other hand, identities related to wealth (“Have financial security”), power (“Gain a higher status”), autonomy (“Be free to adapt my approach to life”), pleasure (gratification of desires), and exciting life (“Get greater flexibility for personal life”) align with the commercial logic. Rating is employed rather than ranking to sustain more useful statistical properties, allow longer lists of values to be included in the instrument, avoid forcing choices among values that might be equally important. In answering these questions, the focal point was the person, rather than a role or position that one holds in the social structure (For items, please see the Appendix A).

Resourcefulness

Resourcefulness was considered in two ways – bricolage and community. Bricolage borrows from the eight-items scale offered by Steffens, Senyard, and Baker (2009). This is by far the first scale created to measure the original definition of entrepreneurial bricolage by Baker and Nelson (2005). Social entrepreneurs will be asked to indicate the degree to which, on a five-point response scale (1 = ‘never’; 5 = ‘always’), they behave in doing things for the social venture. Guided by the exploratory research and made to apply for the Chinese setting, we dropped four items because of translation problems. And to capture the notion of creatively using and finding resources through building and leveraging community networks (Starr & MacMillan, 1990; Brown & Duguid, 1991), I

develop a 4-item scale to measure the construct of community. Specifically, the items created to measure the ties of social enterprise with local government agencies, social networks, and communities. In total, eight items were used for the construct of resourcefulness, and the Cronbach's alpha reliability is 0.88. (Appendix A)

Perceived key stakeholders' commitment

Perceived key stakeholder's commitment will be measured by adapting three items from PSED's subjective community norm scale. The original scale comprises items on perceptions of support of various community actors (e.g., government, bankers, community groups, local media, etc.), all of which are consistent with the definition. This construct is assessed on a five-point Likert response scale. In total four items were used, with the Cronbach's alpha of 0.84 across these four items. (Appendix A)

Control Variables

Similar to previous research (e.g., Salunke, Weerawardena, & McColl-Kennedy, 2013; Senyard et al., 2014), I controlled for other variables that could potentially affect the outcome variable. First, I control a set of variables that assess the characteristics of the firm. These include organizational registration form, industry effects, and size of the organization. Second, I control variables that indicate the new founder's resource endowments. These include founder's age and education level, years of working experience, and entrepreneurial experience.

4. RESULTS

4.1 Correlations

Correlation analysis shows that there are significant relationships between the dependent variable-resourcefulness of the social entrepreneur and the major independent variable- identity configuration. (Table 5)

Table 5 Correlations between major variables – Study Two

Variables	1	2	3	4	5	6	7	8	9
1.Resourcefulness	1								
2.IdentityConfig	-0.294**	1							
3.Org Form	-0.073	0.371**	1						
4.Org Size	0.099*	-0.240**	-0.205**	1					
5.Industry	-0.071	0.338**	0.471**	-0.131**	1				
6.Gender	-0.007	0.011	0.035	-0.113*	-0.063	1			
7.Age	-0.002	-0.120**	-0.115**	0.118**	-0.135**	-0.028	1		
8.Edu	0.015	0.000	-0.040	0.068	0.003	0.047	-0.095*	1	
9.Work Experience	0.031	-0.136**	-0.127**	0.126**	-0.137**	-0.039	0.947**	-0.162**	1
10. EntreExperience	0.205**	-0.501**	-0.341**	0.212**	-0.386**	0.039	0.111**	-0.029	0.120**

Note: n=499; significant at:*p<0.05 and **p<0.01

4.2 Main Effects Test

The ANOVA analysis, group analysis, and hierarchical regression are used for the hypothesis testing. First, the ANOVA test shows that the our main independent variable - Identity configuration does have a significant effect on the DV, and the partial ETA squared shows that identity configuration is accounted for 6.6 percent of the variance of resourcefulness (H1 supported, Table 6). Table 7 presents the means of three types of social entrepreneurs, and the balanced type of social entrepreneurs has the highest level of resourcefulness, and such difference is statistically significant ($p < 0.01$) (H1a supported). Though mixed commercial type does have a higher mean than mixed social type, such difference is not statistically significant, and thus our H1b is not supported. (Table 8,9) In sum, compared to mixed commercial and mixed social type of social entrepreneurs, balanced social entrepreneurs were more likely to engage in resourcefulness in the social venturing process.

Table 6 ANOVA analysis of the Identity Configuration and Resourcefulness

	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	28.207	10	2.821	6.542	0.000	0.118
Intercept	143.737	1	143.737	333.384	0.000	0.406
Org Form	0.587	1	0.587	1.362	0.244	0.003
Org Size	0.064	1	0.064	0.149	0.699	0.000
Industry	0.077	1	0.077	0.179	0.673	0.000
Gender	0.004	1	0.004	0.008	0.928	0.000
Age	2.399	1	2.399	5.564	0.019*	0.011
Edu	0.187	1	0.187	0.434	0.510	0.001
Work Experience	2.195	1	2.195	5.091	0.024	0.010
Entre Experience	0.041	1	0.041	0.095	0.758	0.000
Identity Configuration	14.833	2	7.417	17.202	0.000**	0.066
Error	210.398	488	0.431			
Total	6952.578	499				
Corrected Total	238.605	498				

Note: Significant at: *p<0.05, **p<0.01
Dependent variable: Resourcefulness
R square = 0.118 (adjusted R square =0.100)

Table 7 ANOVA analysis of the Identity Configuration and Resourcefulness - Mean Compare

Resourcefulness								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Balanced	106	4.0896	0.62506	0.06071	3.9692	4.2100	2.75	5.00
Mixed Commercial	184	3.6053	0.65289	0.04813	3.5103	3.7003	2.25	5.00
Mixed Social	209	3.5096	0.67497	0.04669	3.4175	3.6016	2.25	5.00
Total	499	3.6681	0.69219	0.03099	3.6072	3.7290	2.25	5.00

Table 8 ANOVA analysis of the Identity Configuration and Resourcefulness -F-test

Resourcefulness					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	24.812	2	12.406	28.783	0.000**
Within Groups	213.792	496	0.431		
Total	238.605	498			

Note: Significant at: *p<0.05, **p<0.01

Table 9 ANOVA analysis of the Identity Configuration and Resourcefulness - Multiple Comparisons

Resourcefulness						
(I) Identity Configuration	(J) Identity Configuration	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Balanced	Mixed_Comm	.48432 ^a	0.08006	0.000**	0.3270	0.6416
	Mixed_Soci	.58005 ^a	0.07829	0.000**	0.4262	0.7339
Mixed_Comm	Balanced	-.48432 ^a	0.08006	0.000**	-0.6416	-0.3270
	Mixed_Soci	0.09573	0.06637	0.150	-0.0347	0.2261
Mixed_Soci	Balanced	-.58005 ^a	0.07829	0.000**	-0.7339	-0.4262
	Mixed_Comm	-0.09573	0.06637	0.150	-0.2261	0.0347

Note: Significant at: *p<0.05, **p<0.01

4.3 Moderation Effect

We used a linear hierarchical regression analysis with moderating effects to test the hypotheses proposed (Table 10). Model 1 analyzes the influence of the control variables and independent variable. They all explain with statistical significance 11.8 percent of the variation in resourcefulness. Concerning the role of control variables, we can observe that only the age is significant and negative. Such finding is interesting that social entrepreneurs with older age are not less likely to engage in resourcefulness, namely, age may limit their ability to make do with handy resources or may condition their mentality to become resourceful in solving problems. Regarding the independent variables, we used balanced type as the reference and putted both mixed commercial type and mixed social type as two dummy variable. The results show that the unstandardized β coefficient is negatively and statistically significant for the two dummy variables, indicating that balanced social entrepreneur (the reference group) has a statistically higher level of resourcefulness and confirming our first study hypothesis regarding identity configuration.

Model 2 incorporates the interaction terms between identity configuration and two dummy variables (mixed commercial and mixed social). We can observe that the coefficients corresponding to the interaction term between resourcefulness and two dummy variables are positive and statistically significant. The total explained variance of the model significantly increases by 0.236 and reaches 0.354. Following Cortina et al. (2001) , we generated an interaction plot (see Figure 4) using the standardized equation with the Y-axis metric in standard deviations. Supporting Hypothesis 2, results showed that the relation of identity configuration to resourcefulness is augmented when social

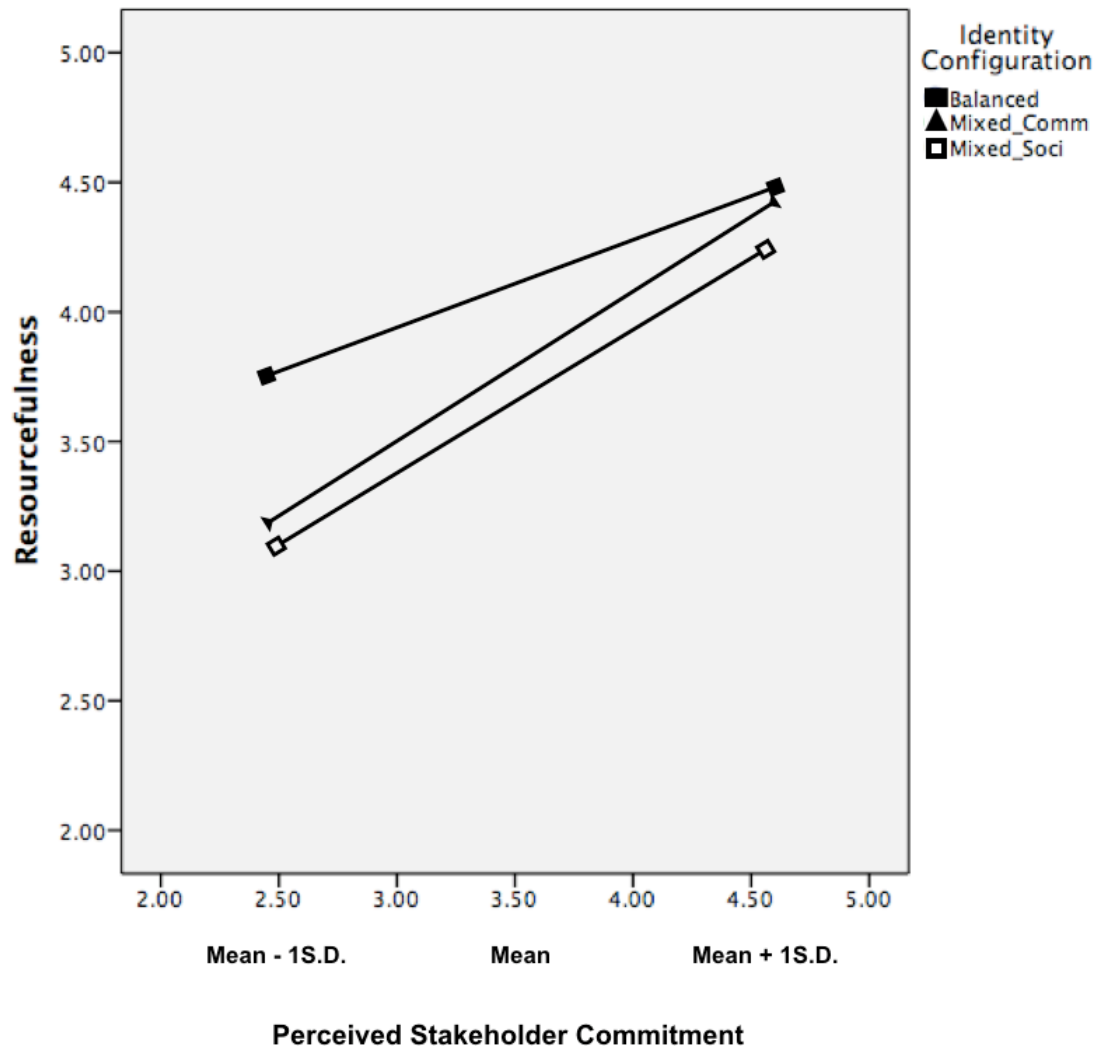
entrepreneur perceive that their stakeholder values their double bottom line model of business. As the perceived stakeholder support grow, the between group difference narrows, meaning a stronger positive moderating effect for mixed type social entrepreneurs.

Table 10 Results of the Regression for Resourcefulness

Variables	Modle I Beta	Modle II Beta
Control Variables		
Org Form	0.052	0.076
Industry	0.010	-0.008
Org Size	0.001	0.000
Gender	-0.006	-0.018
Age	-0.226*	-0.139
Edu	0.025	0.041
Work Experience	0.023	0.014
Entre Experience	0.030	0.062
Independent Variables		
Mixed_Commercial (MC)	-0.499**	-2.155**
Mixed_Social (MS)	-0.602**	-2.253**
Moderators		
MC x SC		0.479**
MS x SC		0.477**
Model		
R square	0.118	0.354
Adjusted R square	0.100	0.338
Change in adjusted R squared	0.118	0.236
F	6.543**	22.170**

Note: Significant at: *p<0.05, **p<0.01

Figure 4 Interaction of Identity Configuration and Perceived Stakeholder Support for Resourcefulness



5. DISCUSSIONS AND CONCLUSION

Research on social enterprise is crucial for understanding how entrepreneurship may contribute to resolving severe societal challenges. However, the domain has limited knowledge about how the seemingly conflicting social and financial aims can be configured together as to be meaningful for the entrepreneur, and further make a

difference in their behavior patterns. Providing a foundation to theorize about internal tensions within the social enterprise, extant works calls for entrepreneurship frameworks to be extended in ways that account for social enterprise (Dacin et al. 2010; Shepherd et al. 2015; Shepherd 2015) through the integration of identity theory (Dacin et al., 2011; Simms and Robinson, 2009). Arguably, the personal identities and salient role of the actors relate to entrepreneurship and meanwhile may be associated with the logics of social welfare and commercial business. Hence, it is necessary to understand the theory that provides helpful insight since it attracts external feedback via social relationship, as well as attention and assessment directly via competency and knowledge (Wry & York, 2015; Stryker & Burke, 2000); the key mechanisms of opportunity recognition and resource combination as well as mobilization. In this paper, we developed an identity-based model of social entrepreneurship that helps to explain the variation of strategic behavior in terms of being resourceful, as well as the ways in which the entrepreneur's perceived environmental support may reconcile such relationship. We then empirically test the model of hypotheses.

In general, the main hypotheses of our research model are supported, i.e., identity configuration is significantly related to the social entrepreneur's resourcefulness. The moderation effect of perceived stakeholder commitment does exist, demonstrating that a higher level of key stakeholders' support to the SE's hybridity nature play an important role in helping social entrepreneur speed up the renegotiation process of dual identity conflict, create discretion around response strategies testing the institutional barriers, and be more assertive in defining new rule of game through resourcefulness.

Implications

Major implications for theory and practices are summarized below. First, our model moves toward developing a theoretical approach to explain the behavior of social entrepreneurs, whereas much of the current SE literature has been centered around the definitional issues of social entrepreneurship and has applied traditional entrepreneurship theory to social entrepreneurs (Simms & Robinson, 2009). Our integrated model shows how the relationship between an individual's role and personal identities operate in the social entrepreneurship context. The empirical findings offer insight into the importance of specific identity configuration of social entrepreneurs in its impact on entrepreneurs' resourceful activities in the process of venture creation. Our empirical results suggested that this process may play out in different ways depending on the types of identities that an entrepreneur holds, and the knowledge, competencies, and social relations that are associated with each. Once an individual develops her/his identity configuration, such structuring processes evolve, and their identities are further confirmed through the self-categorization process. This cycle helps a social entrepreneur's identity further develop and ultimately provides a schema for that individual's behavior. Our evidence shows that balanced entrepreneurs (in comparison with mixed entrepreneurs who favor role over personal identities), whose salient identities are associated with both logics, are more likely to engage in creative integration attempts and creative resource combinations through higher order integrative reasoning align each role. Though the mixed commercial group has a higher mean for resourcefulness than that of the mixed social group, such difference is not statistically significant, and therefore our Hypothesis 1b is not supported. Our theoretical assumption that prior work role related to business processes can make mixed-commercial entrepreneur more aware of entrepreneurial and innovative may have

more conditional factors and need more nuances for the explanation. For example, our data does not capture how long the individual has been in a particular role (Stryker & Serpe, 1994; Simms & Robinson, 2009). People may spend different amount of time on conforming to their salient identity, though those identities are all “salient”, the cognitive schema maybe variously different for each and specific individual people. Thus, having a salient role identity associated with business logic alone may not be enough to dictate resourceful behavior more effectively.

Second, founder identity’s role in addressing the conflict has not been examined whereas researches have indicated that internal strife between stakeholders who have conflicting logics can be destructive (Besharov & Smith, 2014) or generative (Ashforth & Reingen, 2014; Battilana et al., 2015). Our proposed model and empirical findings complement research on how plural logics affect the entrepreneurs’ behavior pattern through individual founder role and personal identities, presenting a complementary mechanism on how organizations deal with institutional complexity. The traditional legitimacy-seeking explanation may be informed by incorporating an understanding of the entrepreneur’s salient identities and how this affects their approach to integrating conflicting goals.

Third, the moderating effect of perceived commitment is stronger for the mixed type of social entrepreneurs than for balanced social entrepreneurs. The finding confirms our argument that higher level of key stakeholders’ commitment to support SE’s hybridity nature would allow greater tolerance for trial and error, help social entrepreneur speed up the renegotiation process of dual identity conflict and reach the consensus. Context matters in general, but in the case of social entrepreneurship, we call for more attention

on entrepreneurs' perception of alignment of stakeholders of the SE ventures regarding the concurrent creation of social and economic value, because such contextual factors is arguably more proximal to their decisions making process and actions than non-immediate elements (e.g., national culture), and thus may be more consequential for the entrepreneurial process (Di Domenico et al., 2010; Smith & Woods, 2014; Townsend & Hart, 2008).

Last but not least, for entrepreneurs, our finding suggests that a greater awareness of their own salient identities, as well as how such identities affect behavior, could be a critical consideration. Knowing 'who we are and what we want' is crucial because it not only informs our behavior in the social environment but most importantly, it shapes our perspective and provides a lens through which we view this world (Simms & Robinson, 2009). In our case, single-minded social welfare entrepreneurs may struggle to raise resources due to their inability to pursue practices aligned with a commercial logic, and a singular focus often limits the view. According to the identity theory, actors are very reluctant to abandon salient identity and actually will do so under extreme circumstances (Burke, 2004; Stryker & Burke, 2000). We argue that it is the overlap of both salient prosocial and business identities that creates a unique vision that may give an entrepreneur a competitive advantage by exposing an idea and resources others would not recognize as instrumental and useful. Social entrepreneurship offers us a context where individuals may be forced to confront the incongruence of their salient identities. Indeed there is some benefit to training programs, entrepreneurship workshops, incubation programs and the like, but such projects themselves are not enough to help individuals to exploit opportunities, act entrepreneurially and resourcefully, and ultimately to assure

business sustainability. Hence, greater identity awareness, by the individual himself, plays even a bigger role in assisting entrepreneurs in spotting not only weaknesses in their business models, but also gaps in their knowledge, competencies, and social relationships. However, for many, it is their first time engaging in entrepreneurial ventures, the cognitive schema for these individuals to begin to view themselves primarily as entrepreneurs and behave as such is not readily available. Thus, we argued that especially those from a traditional philanthropy mindset and thinking of switching to an SE model, actors should construct a salient entrepreneur identity so that these individuals can at least balance the prosocial and business identities in an attempt to maximize the financial and social value created. It is important to find out methods and ways to develop the self-schema systematically to generate and reinforce the two identities related to business and prosocial logics. As a result, the breadth and width of the perspectives position the entrepreneurs uniquely to highlight their potentials for financial development and meanwhile create the most significant benefit simultaneously for the largest group of people they hope to serve.

Future research and limitations

We hope that the proposed theoretical framework can help explain some of the behaviors of social entrepreneurs and shed light for future research. As our results indicated, social entrepreneurs may experience a conflict between their prosocial and business identities, and the configuration of salience of that identity can influence the way in which they can mobilize resources creatively. If mixed commercial and social entrepreneurs are low resourceful in general, we might expect lower variance in the performance of their organizations. Meanwhile, because balanced social entrepreneurs

are more likely to be resourceful and aware of neglected resources, we would expect them to create more unique business models and high variance in the performance of their ventures. It is of great interest to ask if there is best identity configuration that can address identity conflict effectively and contribute to the venture's final success. If this conflict does pose a problem and cannot be configured together in a compatible way, what else factors should take into consideration about maintaining their focus on social aims over time? Moreover, our research just emphasizes the business and social welfare identities that constitute the identity of the social entrepreneur. It is essential to know whether other parts of one's self-definition can have effect on the behaviors and cognition of a social entrepreneur (for instance, gender and race). To identify the antecedents to a social entrepreneur's behavior will further enrich our understanding of the social entrepreneurship process. While our theory scratches the surface of these implications, future research may move to predict whether these identities can be altered and reconfigured to better ensure a venture's success and to examine potential linkages between founder identity on social impact generation and financial performance as well as innovation for social enterprises.

In addition, while we focus on individual entrepreneurs, many ventures are co-founded. This points out the necessity for the extra study on how the communication and decision-making of a team may be affected by different kinds of identity configurations, though the theory should be used in a founding team's members. Furthermore, it is important to know that as the passage of time, entrepreneurs might change through typology and actor might use the identities of salient role in the area of social welfare or commercial and thereby turn to the other sector. The length of time during which an actor

holds a certain identity might influence the degree of knowledge and the competency accrued by them via its establishment. We cannot explore the transactions in the present thesis yet the examination of these would be a promising use of the theory in the study.

Like any research, this one is not exempted of limitations. The theory does not distinguish between varieties of identities related to the dual logics of social or commercial. However, there might be some differences in the level to which particular identities can relate to a certain logic in real practice. Furthermore, there might be the identities, which do not conform to one logic yet combine, many aspects of various logics. For example, the role of parent would play an essential role in encouraging individuals to obtain social welfare via the creation of new ventures and a higher level of stability in finance. In method, all the measures used in this study are based on self-reported data collected through a questionnaire. To minimize the potential effects of common method variance, we used several procedural remedies, as indicated in the methodology section (Podsakoff et al., 2003) and tested for common method bias using Harman's one-factor test. We found that common method variance is unlikely to be a serious problem in the data. Furthermore, the present study is cross-sectional; the effects of identity configuration on resourcefulness may require a time lapse to be fully assessed. Finally, because it is a context with Chinese social entrepreneurs, new studies in other countries and in different types of organizations could help to corroborate the results shown in this research.

Conclusion

Though social enterprise has the potential to help address critical social and environmental problems, they often have to offer both the economic and social solutions

and simultaneously maintain a self-sufficient status. The goal of this research was to understand how some factors might influence social entrepreneurs' identity structure, leading them to behave resourcefully. We used identity theory to help explain the nature of these differences, and the approach we developed here can contribute to the understanding of social enterprise creation and growth. Just as a majority of entrepreneurs, social entrepreneurs offer services with great value although they are just starting to hold the recognition that they should have. In this way, it is essential to gain the understanding of the nature of the developmental processes to ensure greater amount of success for the organizations. Our identity-based model moves to explain an important step in the process of creating social ventures.

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Chapter 4-STUDY THREE

TITLE: LOCAL INSTITUTIONAL ARRANGEMENT AND SOCIAL ENTREPRENEURIAL RESOURCEFULNESS: SOCIAL INNOVATION UNDER EMERGING ECONOMIES

ABSTRACT

Since social entrepreneurship thrives in resources-constrained environment, social innovation may depend on the extent to which social entrepreneurs can make the best of the accessible resources, no matter how limited, to come up with ingenious and plausible methods when tackling social problems - “resourcefulness”. In addition, the environment factors of social enterprises, such as institutions and the structural supports, may have a

positive or negative effect on their operation successes. In this study, I present a model that explores the regional institutional factors' impact on the innovative endeavors of social enterprises in China. It was found that SE could get legitimacy and resource for innovation under better-developed subnational institution. I also examined the role of social entrepreneur's resourcefulness on further bringing in legitimacy and resource for innovation. Results show that regional institutional development enhances social innovation, while the role of institutional development can be altered by entrepreneur's engagement of resourceful behavior. These findings contribute to research regarding determinants of social innovation under emerging market and provide new lenses to see innovation from institution-based view and entrepreneur's active resources building.

1. INTRODUCTION

Social entrepreneurship (SE) has emerged as an important approach to social problem solving (Robinson, Mair, & Hockerts, 2009; Short et al., 2009). The process of social venture creation came to be interpreted as an instrumental mechanism not only for supporting economic activities but more importantly transferring institutional arrangement in areas deemed unprofitable by the private sectors and overlooked or insufficiently served by the governmental policy (Dees, 1998; Desa, 2012; Mair & Marti, 2006). The core of the SE, therefore, is to creatively and innovatively integrate social welfare and commercial aim in order to provide social value (Battilana & Lee, 2014; Battilana, Sengul, Pache, & Model, 2014).

Indeed famous social innovations such as the Grameen Bank, created by Dr. M. Yunus to empower disadvantaged through microfinance (Battilana & Dorado, 2010), or

Ashoka, launched by Bill Drayton in the US in 1980 to build a international network of social entrepreneurs, give hope to millions and represent models to refuse enacting institutional limitations (Mair & Marti, 2006). In such way, social enterprise differs fundamentally from pure commercial organizations because it prioritizes social impact and social value as the primary goal while financial concerns comes secondary; it also differs substantially from other non-profits which place a predominant reliance on donor support to fulfill social welfare practices (Dacin et al., 2011). Though distinction remains between social and commercial entrepreneurship (see Austin et al., 2006 for a review), a growing body of work evidences that both social and commercial entrepreneurship addresses similar conceptual questions about the discovery, evaluation, and exploitation of opportunities and the set of individuals who engage in these actions (Shane & Venkataraman, 2000). In addition, social enterprises like commercial ventures, offer products and services to gain financial sustainability (Di Domenico et al., 2010). The cross-fertilization of knowledge between social and commercial entrepreneurship blurs the boundaries between social and economic value creation (Austin et al., 2006; Mair & Marti, 2006).

Among the ways social entrepreneurs assess their impact is through meaningful innovation (Choi & Majumdar, 2015; Mair & Marti, 2006). The extent to which social enterprises are supported by local institutional arraignment may determine the sustainability of any innovative endeavor, and, in turn, plays a critical role in their cultivation of creativity.

These supports include financial and human resources that enable these firms to identify plans and methods and to implement desired ideas and solutions to solve social

problems. Thus, social entrepreneurs' perceptions of the degree to which their environment is favorable to the generation and evaluation of new ideas and opportunities enabled by these support systems many impact their ways of formulating and assessing novel chances and ideas. It is of great significance to study the impact of local institutional support on operations of social enterprises, especially when there are limits on their resources environments. However, current studies still focus on the implications of commercial entrepreneurship and are predominantly carried out in developed countries, leaving many research vacancies, particularly the strategies adopted by social enterprises in terms of resource and legitimacy to adapt to dramatic institutional transformations when expanding in new markets, so as to continue with the innovation endeavor. To date, very few researchers have been dedicated to explaining the processes by which social entrepreneurs mobilize resources to initiate, develop, and grow their enterprises. While every economy is always in some sort of transition, a distinguishing feature of transition economies is that they tend to have more "fundamental and comprehensive changes introduced to the formal and informal rules of the game that affect firms as players", which are labeled "institutional transitions" (Peng, Wang, & Jiang, 2008). As a result, the concept of social innovation is perceived from a fresh angle within the framework of these institutional transitions. It has been found that a variety of innovations of enterprises can be understood through looking at the diverse elements in the environment (Cajaiba-Santana, 2014; Newth & Woods, 2014). However, it is difficult to explore an entire country as the institutional context due to the complexity and gigantic amount of variations concerned, despite that it is extensively adopted in current research field (Chan, Makino, & Isobe, 2010). In comparison, regional institutions are much closer to the

social enterprises on the operational level, which can offer them immediate resources and institutions with social connections in the locality. Therefore, the effects of local environment on innovative activities of social enterprises can be studied from the perspective of the regional institution instead of the national one. Premised on the argument of institution-based view, this study aims at unraveling how the local institutional context, province-level institution to be specific, may constitute a core component in understanding emerging market SE's innovation. It is maintained in this study that regional institutions, with its proximity to critical local resources, may play a significant role in innovative activities of social enterprises. The institutional peculiarities of different locations within a country affect the resources of that location to the venture.

Furthermore, very few studies have focused on the strategies of social enterprises in pooling resources and seeking legitimacy within the local context. Due to the inherent discrimination against private businesses in most new markets, social enterprises may encounter many more problems in the changing institutional environments, such as the absence of legitimacy (Low & Abrahamson, 1997) and external validation (Stone & Brush, 1996). Compared with widespread allegations and stories that social entrepreneurs make do with the resources they currently possess (Bornstein, 2007; Dees, 1998), very few academic inquiries have been made into the contribution made by the environment to impact social enterprises accomplishing innovations and providing services to the vulnerable groups and individuals. It has been long held by the public that the individuals are not powerful enough to mobilize institutions into actions, thus eliminating the academic attention on such attempts (Lounsbury & Glynn, 2001). Nevertheless, as Rao (1994) argued that entrepreneurs could become skilled users of cultural tool kits rather

than cultural dopes, in order to be successful, entrepreneurs may take various actions to seek legitimacy and resource to alter their unfavorable environmental condition. In other words, entrepreneurs can be skilled institutional operators so as to display the potential and strengths of their organizations in the way their future resource providers find attractive (Lounsbury & Glynn, 2001). A primary mechanism employed in this process, I propose, is the extent to which social entrepreneurs can apply and combine the resources (both material and social) they have at hand to new problems- a behavior known as “resourcefulness”. The concept of resourcefulness has been used to describe how entrepreneurs, especially those who have fewer resource endowments, were able to outmaneuver the established competitors (Baker & Nelson, 2005; Bradley, 2015; Ganz, 2000; Powell & Baker, 2011). However, the issue of resource constraints becomes even more significant for social entrepreneurship because of both its internal tension to meet both social and financial goals and its external plural and complex institutional arrangements (Desa , 2012; Desa & Basu, 2013; Di Domenico et al., 2010). The notion of ‘bricolage’ (Baker & Nelson, 2005; Garud & Karnøe, 2003), which has been defined as “making do by applying combinations of resources at hand to new problems and opportunities (Baker & Nelson, 2005:333)”, has been validated as theoretically appropriate and applicable to understanding of social venture creation (Desa, 2007; Desa & Basu, 2013; Di Domenico et al., 2010; MacMaster, Archer, & Hirth, 2014; Zahra et al., 2009). Social bricoleurs develop novel combinations of ideas, knowledge, and forms of organizing to create the order of the materials at hand (Mair & Marti, 2009; Weick, 1993), and such strategy has been argued as an instrumental mechanism for SE to respond to unpredictable circumstances (Ciborra, 1996). Connections with other processes such as

bootstrapping (Bhide, 1992), effectuation (Sarasvathy, 2001), improvisation (Baker et al., 2003; Hmieleski et al., 2013) have also been discussed in the literature to specify the boundary of bricolage (MacMaster et al., 2014). Admittedly, making do with limited resources at hand (i.e., bricolage) and manipulating personal finances or operating on business cash flow (i.e., bootstrapping) are important predictors of resourcefulness of social entrepreneur, creatively acquiring and managing traditional (e.g., financial) and non-traditional (e.g., stakeholder, persuasion) resources constitutes another dimension of resourcefulness that are germane to social entrepreneurship (Di Domenico et al., 2010; Di Domenico et al., 2009). In other words, a resourceful social entrepreneur is not only capable of tinkering fallow resources, but also skillful of positioning and attracting necessary resources for the growth of the firm. Thus, based on extant studies, I define resourcefulness in the social entrepreneurship context as learned repertoires of creative resource combination and acquisition. As such, resourcefulness may predict social entrepreneurs' attempts to bring social innovations to the marketplace to solve meaningful problems and challenges. Also, these social entrepreneurs' active making do and seeking for legitimacy and resource can alter the impact of institutional environment.

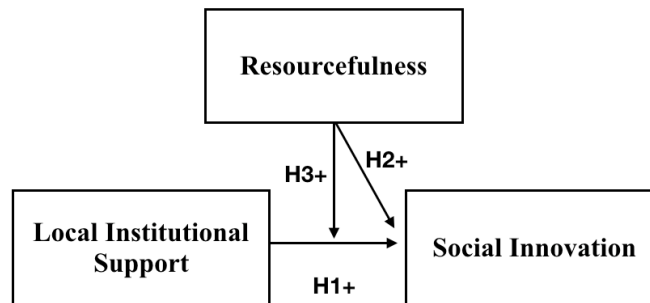
As social entrepreneurs are engaged in the search to develop effective solutions to the complex problems, they must generate new approaches that are both scalable and sustainable-a meaningful social innovation. In here, a social innovation is not real unless it deliberately addresses a social need (meeting social challenge), effectively induces changes in social practices (initiating social change), and genuinely improves the well-being of the beneficiaries and the society as a whole (creating social value). I draw on prior studies (Cajaiba-Santana, 2014; Caulier-Grice et al., 2012; Howaldt & Schwarz,

2010; Phills et al., 2008) to define social innovation as *new configuration of social practices (products, services, models, markets, processes, relationships etc.) that are created from intentional and mission-oriented actor(s) at more effectively addressing social needs and problems than is possible on the basis of established practices*. To what extent can social entrepreneurs endeavor to behave resourcefully to initiate solutions that benefit their communities, thereby becoming social innovators? (Figure 5 presents the theoretical model)

The present paper aims to contribute to this field of research through examining the proposed hypotheses with data collected in China, the most influential new market in the world. To begin with, through analyzing the supportive local institutions, the resourceful actions of the social entrepreneurs and the contribution they make to the local market using innovations, this study enriches social enterprise-based research literature concerning innovations. It is highlighted in this study that, apart from national institutions, regional ones also have an impact on the innovativeness of social enterprises. The more developed institutional environment is, the more the resources and supports social enterprises can get, and the better the strategies they can make in order to solve the problems. For instance, the significance of the immediate environment is revealed through the introduction of macro-micro linkage. Moreover, this study describes how social entrepreneurs leverage environment to legitimate their SE by engaging in resourcefulness, thus advantage subsequent resource acquisition and innovative activities. Through exploitation of resources in constrained environments, social entrepreneurs are able to engage in resourcefulness as a means to identify new and novel ways of resolving social problems and meeting needs. The interaction of regional institutional development

and entrepreneur's resourcefulness helps to understand how the SE embed and interact with its environment to pursuit social innovation. Having realized the significance of the local environment, social entrepreneurs are willing to adopt the tool of resourcefulness in order to ease the confinements posed by the environment. Through taking resourceful strategies, these social entrepreneurs are able to exert influences on the institutional changes to have access to key resources.

Figure 5 Hypothesized Model of Social Innovation



Controls: Age, Gender, Education, Work Experience, Serial Entrepreneur, Organizational Form, Industrial Sector, Organizational Size

2. LITERATURE REVIEW AND HYPOTHESES

Contrast to social enterprises in developed countries with developed institutional environments; social ventures operating in transition markets have to put up with the backward institutional contexts in the countries of origin. In addition, distinct local institutions also pose a challenge. In new markets, there is a severe shortage of institutions that can support the market in times of grave needs, which is in contrast to the developed countries, where there are many supportive institutions (McMillan, 2007). Thus the within-country unbalanced institutional developments provide us an opportunity

to see how institutions matter for social innovation. Many emerging markets have a long way to go until they can reach the final goal of the market economy because they almost start from scratch. Prior studies have discussed the starkly unbalanced economic development among different areas within a country (Allen, Qian, & Qian, 2005; Jennings, Greenwood, Lounsbury, & Suddaby, 2013; Seelos et al., 2011). As a result, the often-used country homogeneous argument of country institutions becomes inefficient in its explaining power when it comes to the innovational activities of social enterprises operating in transition markets. In contrast, the regional institutions can offer social enterprises an environment with diversity such that it is virtually impossible to find two regions in a single country where the institutions and resources are the same.

2.1 Local Institutional Support and Social Innovation

Institutional environments are characterized as complex and plural (Dunn & Jones, 2010; Greenwood et al., 2011; Powell & DiMaggio, 2012), with multiple aspects and multiple levels (Batjargal et al., 2012; Scott, 1995). Such complexity might be particularly salient in emerging economy where regional institutional development is highly unequal and fragmented (Bruton, Ahlstrom, & Puky, 2009), with some regions have an early start for the transition to market economy and have reformed economically and institutionally faster than others (Xiaolu & Gang, 2004). As a result, each of the subnational regions has its patterned institutional arrangements for legitimacy requirements. Thus, the regional or local environment, as the most direct context that provides firms with a resource environment, may offer us a new lens to view the role of

environment or location to social innovation. I argue that a supportive local institutional infrastructures and community culture are essential for the creation of new social value.

China, starting from the 1980s, has undergone drastic changes during the process of advancing a more market-oriented economy, yet the accompanying social issues such as income gap and environmental degradation call for a revised and more sophisticated role of the “visible hands” of the government (i.e., governmental intervention) to creatively solve social problems with social entities. The understanding of organization without considering its wider social and cultural context is weak and incomplete (Scott, 1995). For social enterprises, either for profit or nonprofit, under institutional upheaval, as the one in China, the institutional development is particularly relevant because it draws particular attention to how the broader social context defines what kinds of opportunities and resources are available to them (Bruton, Ahlstrom, & Obloj, 2008).

For social enterprise to be innovative, a sufficient and effective social supporting system is needed (Lan & Galaskiewicz, 2012; Yu & Zhang, 2009; Zhao, 2012). Although China, especially in recent years, has implemented a series of supporting policies (e.g., direct funding, deregulation) for the transformation of the third sector and advancement of social enterprise model for better social innovation, social entrepreneurs still maintain that it's sometimes difficult and laborious to benefit from these programs due to the shortage of information transparency and effective intermediary mechanisms to bridge the supporting systems and SEs in need (Man & Terence, 2011; Yu & Zhang, 2009). Yet, variation exists in terms of to what extent the local institutional system emphasizes the legitimacy for innovation and facilitates interpretation and connection among groups of socially disadvantaged, policy maker, and social entrepreneurs. For example, social

enterprises embedded in a subnational system of well-developed institutions have routines and processes that provide an advantage in understanding and anticipating innovative strategy. In other words, the strong and efficient local institutions lower the information searching and aggregating cost needed for social innovation by reducing information asymmetry and increasing transaction transparency. Therefore, I argue that the stronger and more efficient institutions embody more legitimacy for more creative and innovative initiatives and more emphasis on enhancing market collaboration in allocating resources for innovative strategy.

Furthermore, the motivation and sustainability of innovation creation, transmission, and relocation are greatly determined by the institutional infrastructure. For subnational regions in China with better-developed institutional arrangements, government is consciously avoiding excessive controlling over resource allocation and intervention, rather, they have a higher sense of acting more as a “judge” or “facilitator” to help build and maintain tangible and intangible infrastructures that business entities and non-state sectors can utilize to get the legitimacy and resource for innovation by their own ability. Notably, innovation intermediaries, deliberately built and facilitated by the government and third sector, can help bring in resources from a larger network and encourage collaboration between different actors (e.g., application of valuable academic research in terms of technology or process to better advance social welfare through commercialization) (Mueller et al., 2014). Thus, regions with effective innovation intermediaries enable SE innovation by help transfer the innovation output and enhance the innovative capacity of the sector and region.

Last but not least, local cultures and norms of the general public also play a significant role in determining social entrepreneur's cognitive schema and perceptual well being when trying to employ business thinking to social welfare initiative for better innovation. In their work, Dodd and Hynes (2012) found that, in many of the less developed areas (some of the more Southern and Eastern European nations), there is a lack of cultural support for entrepreneurship and in some cases the entrepreneurs will have to face quite pronounced antipathy because local norms portrayed them as greedy and exploitative and thus taking career as an entrepreneur is very unfavorable. Likewise, some general Chinese culture values such as “being heartless because of becoming rich”, “being related with business will dampen the original kindness of public welfare” etc., if left unchecked and without a proper explanation, may also lead an image of heretic for the social entrepreneur. On the contrary, local cultures and norms, which are favorable to entrepreneurship and open in newness of social enterprise modeling will encourage and spur the social innovation. Therefore, local cultures and norms, which are resistant to entrepreneurship and conservative in newness of social enterprise modeling may discourage or even stifle social innovation. Formally:

Hypothesis 1: Entrepreneurial supportiveness of local institutional environment (i.e., formal infrastructures and informal social norms and culture) has a positive relationship with the social innovation of social enterprise.

2.2 Resourcefulness and Social Innovation

Generally, resourcefulness has been used to describe how entrepreneurs, especially those who have fewer resource endowments, were able to cope with limited handy

resources and outmaneuver the established competitors (Baker & Nelson, 2005; Bradley, 2015; Ganz, 2000; Powell & Baker, 2011). However, the issue of resource constraints becomes even more significant for social entrepreneurship because of both its internal tension to meet both social and financial goals and its external plural and complex institutional arrangements (Desa, 2012; Desa & Basu, 2013; Di Domenico et al., 2010). Therefore, social entrepreneur has to do better than those in commercial ones in that they are supposed to overcome the difficulty caused by insufficient resources and lack of legitimacy with their acquired innovative capability.

As a core representative of resourcefulness, the notion of ‘bricolage’ (Baker & Nelson, 2005; Garud & Karnøe, 2003), which has been defined as “making do by applying combinations of resources at hand to new problems and opportunities (Baker & Nelson, 2005:333)”, has been validated as theoretically appropriate and applicable to understanding of social venture creation (Desa, 2007; Desa & Basu, 2013; Di Domenico et al., 2010; MacMaster, Archer, & Hirth, 2014; Zahra et al., 2009). “Social bricoleurs” develop novel combinations of ideas, knowledge, and forms of organizing to create order of the materials at hand (Mair & Marti, 2009; Weick, 1993; Zahra et al. 2009), and such responsive strategy has been argued as an instrumental mechanism for SE in unpredictable circumstances (Ciborra, 1996). Admittedly, making do with limited resources at hand (i.e., bricolage) and manipulating personal finances or operating on business cash flow (i.e., bootstrapping) are key predictors of resourcefulness of social entrepreneur, creatively acquiring and managing traditional (e.g., financial) and non-traditional (e.g., stakeholder, persuasion) resources constitutes another dimension of resourcefulness that are germane to social entrepreneurship (Di Domenico et al., 2010; Di

Domenico, Tracey, & Haugh, 2009). In other words, a resourceful social entrepreneur is not only capable of tinkering fallow resources, but also skillful of positioning and attracting necessary resources for the growth of the firm.

Each environment has its unique store of resources, and social enterprises can have a competitive edge through favorable understanding and utilization of the resources of a particular region, implying that resourcefulness may be integral in the beginning when innovations are required for coping with social change. This is because the resourceful social entrepreneurs, who continue to create new solutions and perspectives for examining different markets, have taken the interrelationship between social enterprise and the environment into account. Resourcefulness is also connected to notions of knowledge spillover, economic regeneration, and proximity designs, which refers to regeneration through firm development utilizing the scarce but low cost, even cost-free, local resources. Other characteristics of resourcefulness include information propagation, economic regeneration and proximity designs, which refers to a type of regeneration by way of enterprise growth while utilizing the scarce but low cost, even cost-free, local resources. Desa (2012) pointed out that, for social enterprises operating in environments where there is severe lack of resources, the notion of resourcefulness seems a sensible and plausible approach to illustrate their development mode. To accomplish their tasks in regions with limited resources, social entrepreneurs should be capable of creatively soliciting unconventional resources as well as adapting them to the new solutions to social problems. Moreover, social entrepreneurs are more likely to adopt the instrument of resourcefulness when finding effective ways to solve those persistent problems that are

possibly immune to conventional strategies. It is often the case that innovative replacements are most sought for in the case of failure in traditional methods.

Previous work on certain dimension of resourcefulness (e.g., bricolage) suggests that these behaviors may affect firm's innovativeness (Ernst et al., 2015; Senyard et al., 2014). Based on their theoretical track, I define resourcefulness as not being confined in making do with whatever is handy (i.e., bricolage), but also include creating and making use of social resourcing (i.e., community) to jointly make more out of limit or none. So, here I set forth to examine the degree to which these behaviors may affect social entrepreneurs' ability to develop social innovations for their communities and the general public. As previously discussed, resourcefulness facilitates how social entrepreneurs use creative approaches to recombine handy resources as well as attract possible resources, to spot unserved market segments and offer products and services that solve the social issues and serve the neglected social needs more effectively (e.g., cost-efficient and value satisfactory). Formally, through the means of social enterprise, resourcefulness positively drives social innovation.

Hypothesis 2: Social entrepreneur's resourcefulness has a positive relationship with the social innovation of social enterprise.

2.3 Moderation of Resourcefulness on Institution-Innovation Relation

As previously discussed, regional or local institutional environments, serving as the most immediate and direct concerns for the entrepreneurs, play the essential roles in facilitating market transaction and communication and thus supporting firm's innovative activities (Meyer, Estrin, Bhaumik, & Peng, 2009). Specifically, the strong and efficient

local institutions lower the information searching and aggregating cost needed for innovation by reducing information asymmetries and increasing transparency. Given the local institutional environments as the macro foundation for innovation initiatives, the resourcefulness by the social entrepreneur can be regarded more as a strategic response, rather than a necessity based adaptation, to combine external legitimacy requirement in its local settings and internal legitimacy appeal of the SE (Desa & Basu, 2013).

The key benefits that resourcefulness brings to the social innovation of SE are the creative reusing of otherwise neglected yet valuable resources through resourceful activities and the involving of a symbolic role as an active innovator to stakeholders through social resourcing and community engagement. Purposively developing resourcefulness enables firms to reduce uncertainties, endure environmental fluctuations and configure their own strategies and repertoires (Desa & Basu, 2013; Di Domenico, Haugh, & Tracey, 2010; Halme et al., 2012). For social enterprises with high resourcefulness, the role of institutional strength and efficiency is more important because resourcefulness can fulfill its value under more mature and supportive institutions. In other words, given the same level of resourcefulness, a better regional institutional arrangement will better facilitate social ventures' innovative activities. The combination of high resourcefulness and high supportive institutions would benefit social innovation at most. In contrast, for social ventures with less mental set and skill set of resourcefulness, the local institutional arrangements play a less important role and that the difference of high and low supportiveness of institution will become narrowed and not significant.

Hypothesis 3: The positive role of local supportive institutional environment on social innovation will be strengthened by social entrepreneur's resourcefulness.

3.METHODOLOGY

3.1 Sample and Data Collection

First, I conducted survey to collect the firm level innovation data. Social welfare enterprises, private non-enterprise units, cooperatives, and some companies that have been registered in the business sector but engaged in public benefit activities are all included in the sample range. To get access to the sample, I attended events and conferences where I can meet social entrepreneurs in person in order to exchange our views on the venturing process. After these candid conversations, many of the entrepreneurs and major organizers agreed to join my research. Oftentimes, founders and core members of these social enterprises coordinated with other social enterprises in their region to help to implement the investigation. Secondly, I contacted several social entrepreneurship network-building institutions in China to get access to nascent social entrepreneurs, and all of them are agreed to grant me the contact information of the nascent founders and provide help if necessary. (Institutes includes: Shanghai Social Enterprise Research Center; Shanghai NPI public welfare organization platform; Shenzhen Zheng Weining Charity Foundation; Beijing Nandu Foundation; China Social Entrepreneurship and Social Venture Capital Summit Forum). Snowball sampling is designed into the survey where research respondents are asked to refer or identify other social entrepreneurs to participate. I further screened according to sample selection criteria of the research to guarantee the representativeness of the social enterprise samples.

In this sample, social entrepreneurs serve a number of sectors, including environment, education, hunger, arts and culture, mental health, and social capital investing.

Finally, the database includes 499 cases located in 31 regions (i.e., 22 provinces, 4 province-level municipalities and 5 minority autonomous regions) from two channels both the online and offline, and collecting period is from March to December 2017. For the online part, I sent out 1170 emails containing the survey link, and 302 have started the questionnaire (a response rate of 25.8%). After data cleaning, the valid cases from online dropped to 111 (due to key information missing and inappropriate filling manners, an effective response rate of 9.5%). For the offline part where we adopted face-to-face interviews, we have 388 useable questionnaires and 33 invalid ones. Another two colleagues from SERC ShangHai and two researchers from NPI (Chengdu) have also helped to collect the survey data. Combining the two parts, the total validity response rate comes to 31.3%. This broad range of variation in local institutional settings allows us to investigate how Chinese social enterprises are influenced by institutional heterogeneity across regions. Second, for regional/local institutional environment data, a new dataset is available which is called "China entrepreneurship index," and is by far the best one for studying regional institutional support on innovation activities in China.

In order to minimize the potential effects of common method variance, we took several procedures. First, in our explorative stage, pre-test of the survey instrument is conducted with 10 social entrepreneurs who are not included in our final sample. In doing so, we debriefed question-by-question for possible ambiguous items to make sure our question is conceptually clear in this Chinese context and thus to helps to prevent the

respondents from developing their own idiosyncratic meanings for them. Second, regarding the problem of social desirability and retrospective data, we made specific statement in our questionnaire that there were no right or wrong answers and that their responses were confidential. Additionally, we checked for common method bias using Harman's one- factor test. We use SPSS 22.0 to conduct a principal factor analysis of all measurement items, showing the KMO measure is 0.81, and that the Chi-square for Bartlett's test of sphericity is 2814.59 with a significant level at 0.000. Before rotation, 2 factors are extracted, and together accounted for 57.79 percent of the variance. Because the first factor accounts for 38.89 percent of variance (less than half the variance explained by the set of factors with eigenvalues greater than one), common method variance is unlikely to be a serious problem in the data (Podsakoff and Organ, 1986). Table 11 summarizes the details for the study sample of 499 social entrepreneurs.

Table 11 Descriptive Statistics – Study Three

Demographic characteristics *N = 499

Organizational Form	Items	Frequency	Rate
	Commercial Registration	182	36.5%
	Civilian-Run Non-enterprise	211	42.3%
	Registration		
	Social org Registration	95	19%
	Other	11	2.2%
Industrial Sector	Items	Frequency	Rate
	Business Services	114	22.8%
	Rural Development	59	11.8%

	Education	150	30.1%	
	Environment	29	5.8%	
	Social Services	147	29.5%	
Gender	Items	Frequency	Rate	
	Female	194	38.9%	
	Male	305	61.1%	
Education	Items	Frequency	Rate	
	Less than High School	5	1.0%	
	High School	22	4.4%	
	Some College Degree	98	19.6%	
	University Degree	271	54.3%	
	Advanced Degree	102	20.4%	
	Other	1	0.2%	
Serial Entrepreneur	Items	Frequency	Rate	
	Yes	113	22.6%	
	No	386	77.4%	
Item	Min.	Max.	Average	SD
Size (Employee)	1	150	11	15.3
Age	22	80	36.1	8.8
Work Experience	1	40	13.4	9.2

3.3 Measures

Local institutional support

Social entrepreneurial supportiveness of the local institutional environment (formal structure and informal community norm) was measured by adapting the “China entrepreneurship index”, which is jointly developed by Chinese Academy of Sciences (Key Laboratory of Big Data Mining and Knowledge Management), and Administrative Committee of Zhongguancun Haidian Science Park. The index was computed based on data from registration reports from the administrations of industry and commerce, massive social media data on reports of local entrepreneurial activities from large Chinese social media companies, human capital data about higher education institutes and intellectual labor distribution from Ministry of Industry and Information Technology, and other data about new venture financing rates and other PE and Venture Capital events. The index measured the quality of innovation-supporting institutions at the regional level (province and municipality) and dynamically captures the development progress of environmental supportiveness toward innovation and creation status. This environmental index is an aggregate of five sub-dimensions, including public opinion toward entrepreneurship and innovation, human capital structure (higher education and labor pool), financial capital (venture capital), vitality (newly registered companies related to technology and finance), wellbeing (number of high tech companies and number of patents applied). This measure captures a total of 31 provinces across Mainland China, which well resonates with our argument on the regional level analysis of the institutional environment. In operation, we took the average of the province index for 12 months (October, 2016- October, 2017). Table 12 shows the descriptive statistics for the Index.

Table 12 Descriptive Statistics of Institutional Environment Index

Province (Rank)	Institutional Support Index	Frequency	Rate
1.Beijing	731.17	35	7.0%
2.Guangdong	723	67	13.4%
3.Shanghai	710.92	27	5.4%
4.Jiangsu	669.42	19	3.8%
5.Zhejiang	658	11	2.2%
6.Fujian	520.67	14	2.8%
7.Sichuan	514.67	33	6.6%
8.Shandong	488.08	15	3.0%
9.Hubei	480.92	14	2.8%
10.Hunan	443.92	13	2.6%
11.Tianjin	431.17	13	2.6%
12.Anhui	407.17	15	3.0%
13.Shanxi	396.83	13	2.6%
14.Henan	394.75	10	2.0%
15.Liaoning	384.75	11	2.2%
16.Chongqing	382.83	16	3.2%
17.Hebei	360.58	11	2.2%
18.Jiangxi	313.83	13	2.6%
19.Jilin	286.17	10	2.0%
20.Shanxi	261.17	14	2.8%
21.Guangxi	250.08	11	2.2%
22.Heilongjiang	238.42	9	1.8%
23.Yunnan	225.17	11	2.2%

24.Hainan	201	11	2.2%
25.Xinjiang	194.83	11	2.2%
26.Guizhou	184.08	12	2.4%
27.Gansu	179.75	11	2.2%
28.Neimenggu	156.58	11	2.2%
29.Ningxia	152.33	19	3.8%
30.Qinghai	95.75	14	2.8%
31.Tibet	76.25	5	1.0%

Note: n=499

Resourcefulness

Resourcefulness was considered in two ways – bricolage and community. Bricolage borrows from the eight-items scale offered by Steffens et al. (2009). This is by far the first scale created to measure the original definition of entrepreneurial bricolage by Baker and Nelson (2005). Social entrepreneurs will be asked to indicate the degree to which, on a five-point response scale (1 = ‘never’; 5 = ‘always’), they behave in doing things for the social venture.

To capture the notion of creatively using and finding resources through building and leveraging community networks (Starr & MacMillian, 1990; Brown & Duguid, 1991), I develop a 4-item scale to measure the construct of community. Specifically, the items created to measure the ties of social enterprise with local government agencies, social networks, and communities. In total, eight items were used for the construct of resourcefulness, and the Cronbach’s alpha reliability is 0.88. (Appendix A)

Social innovation

In recalling my definition of social innovation as “new configuration of social practices (products, services, models, markets, processes, relationships etc.) that are created from intentional and mission-oriented actor(s) at more effectively addressing social needs and problems than is possible on the basis of established practices”, I draw on the scale from Dahlgvist and Wiklund (2011), which measure the innovativeness of the venture idea, to develop a new scale extended to the social enterprise context and reflect the characteristics of the definition.

I keep three of their original scale items measuring novelty of an entrepreneurial idea in terms of (1) product/service, (2) method of production, (3) method of promotion and dropped the (4) target market/customers, because as our exploratory research shows that the target group of SE focus on limited industry and domain (includes provision of specialized social services (i.e., community service, psychological counseling, care of the elderly, care of children of prisoners or children with cerebral palsy), poverty alleviation and rural development, education and employment promotion.). Alternatively, SE’s industry/domain will be used as control variable.

However, necessary change in item wording is made to reflect the social enterprise context. Dahlgvist's (2011) original scale assess each of these dimensions by four categories: 1) ideas are entirely new to the world or 2) ideas are new to the market or 3) ideas substantially improved and or (4) imitative venture ideas. I keep their original dimensions because they are theoretically consistent with my definition of social innovation, and these three dimensions touch the base of "neglected social needs and group beneficiaries" and the corresponding "product/service and process" to address the needs of the targeting groups. However, what's lacking are the specific items that speak

directly to the higher effectiveness of the new social venture business model in making the social impact and creating more "social value " for the beneficiaries than the "established practices." Therefore, for further adaptation, I added the fourth item as "Does your new social venture initiative mean that you will use business model which are (1.not novel; 2.substantially improved over existing alternatives; 3. entirely new to the local targeting community 4. entirely new to the world) in attracting resources (e.g., social attention, funding and grants, volunteers, human capital, and etc.) compared to what another social entity has currently used". Combining types and levels of innovativeness, we arrived at an overall composite score for social innovation with a theoretical range from 0-16. Cronbach's alpha is 0.78. (Appendix A)

Control Variables

To account for potential confounding factors, a number of firm-specific variables were controlled to apart their effects on social innovation. Firm size is found to be related to firm innovation(Acs & Audretsch, 1987), and thus was controlled as measured by number of employees. Sector of activity (business services, rural development, education, environment, social services) and organizational form (Commercial registration, Non-enterprise registration, social org registration, and other) are controlled due to their potential influence on the depend variable. I also controlled entrepreneur characteristics, including their age, gender, education, and entrepreneurial experience.

4. RESULTS

We used a linear hierarchical regression analysis with moderating effects to test the hypotheses proposed. Table 13 shows the correlations between the major variables. Table

14 shows the results of the regressions analyses. To rule out the possibility of any effect derived from multicollinearity, we performed collinearity diagnostics, which indicated that the variance inflation factors (VIF) of the variables did not exceed 2, eliminating thus the possibility of multicollinearity.

Model 1 analyzes the influence of the control variables. They all explain with statistical significance 5.8 percent of the variation in social innovation. Regarding the role of control variables, we can observe that none of them is significant.

In model 2 we introduce the independent variables: institutional environment and resourcefulness. As we can observe, the beta coefficient is positive and statistically significant for the two variables, indicating a positive influence on social innovation and confirming our hypothesis 1 and 2 regarding local institutional support and resourcefulness. The incorporation of these variables improves the adjusted R Square by 0.266, significantly increasing the model's total explained variance to 0.325.

Model 3 incorporates the interaction terms between institutional environment and resourcefulness. We can observe that the coefficient corresponding to the interaction term between IE and RE is positive and statistically significant. The total explained variance of the model slightly increases by 0.007 and reaches 0.331. These results confirm our third hypotheses.

Table 13 Correlations Between Major Variables

Variables	1	2	3	4	5	6	7	8	9
1.Social Innovation	1								
2.Org Form	-0.182**	1							
3.Org Size	0.105*	-0.205**	1						
4.Industry	-0.165**	0.471**	-0.131**	1					
5.Gender	0.001	0.035	-0.113*	-0.063	1				
6.Age	0.117**	-0.115**	0.118**	-0.135~	-0.028	1			
7.Edu	-0.049	-0.040	0.068	0.003	0.047	-0.095*	1		
8.Entre Experience	0.151**	-0.341**	0.212**	-0.386**	0.039	0.111*	-0.029	1	
9.Institutional Environment	0.548**	-0.330**	0.172**	-0.314**	-0.046	0.127**	0.015	0.334**	1
10.Resourcefulness	0.211**	-0.073	0.099*	-0.071	-0.007	-0.002	0.015	0.205**	0.171**

Note: n=499; significant at: *p<0.05 and **p<0.01

Table 14 Results of the Regression for Social innovation

Variables	Modle I Beta	Modle II Beta	Modle III Beta
Control Variables			
Org Form	-0.109	-0.016	-0.006
Industry	-0.071	0.004	-0.002
Org Size	0.055	0.014	0.008
Gender	0.008	0.036	0.025
Age	0.077	0.049	0.048
Edu	-0.048	-0.060	-0.056
Entre Experience	0.064	-0.072	-0.083
Independent Variables			
Institutional Environment (IE)		0.539**	0.538**
Resourcefulness (RE)		0.132**	0.141**
Moderator			
IE*RE			0.084*
Model			
R square	0.058	0.325	0.331
Adjusted R square	0.45	0.312	0.317
Change in adjusted R square	0.058	0.266	0.007
F	4.348**	26.109**	24.159**

Note: Significant at: *p<0.05, **p<0.01

5. DISCUSSIONS AND CONCLUSION

The goal of this research was to study the relationship between institutional environment, resourcefulness, and social innovation. Though resource mobilization is a fundamental concern facing any ventures, the pressure of resource constraints is more significant for social ventures as they have socially driven missions wherein they need to forsake potentially higher margins to pursue maximum social impact (Desa, 2012; Desa & Basu, 2013; Di Domenico et al., 2010). Thus, social entrepreneurship provides a relevant experimental setting in which to examine the role of resourcefulness, since social entrepreneurs are forced to apply limited resources in creative and useful ways to solving problems and creating new opportunities. Additionally, social ventures often operate in environments that make it difficult to access quality resources at reasonable costs especially in a transition economy context such as in China. However, there is limited theory and empirical development on the approaches that social entrepreneurs can adopt in mobilizing critical resources, and how such behavior will influence their innovation output in terms of reducing and resolving social problems and challenges.

To deepen our understanding of the innovative initiatives of SE in emerging context, we lowered the analytic level from national to subnational level and drew on the institution-based perspective to examine the role of institutional development on social innovation. Our findings indicate that while local institutional support is associated with the degree of social innovation, the role of institution is not identical for different social enterprise. We argue that social venture's resourcefulness will change the influence imposed by institution. Furthermore, findings also suggest that resourcefulness implemented by the social entrepreneurs leads in novel approaches to attract and distribute material and social resources, identify unserved market segments. Within their

penurious environments and with limited and often sub-optimal choices, resourceful behaviors (e.g., bricolage and community) become the key to encounter institutional uncertainty to generate the types of needed solutions and innovations. Our results suggest a complex, contingent perspective on social innovation by highlighting specific conditions under which institutional theory and entrepreneurial bricolage theory may be applied to social ventures.

Contribution and implication

This study makes several contributions. First, our focus on emerging market and the empirical test in China with various subnational regions provide us a unique context in which to extend existing theories of institution-based view as well as to connect resourcefulness and innovation. Considering characteristics specific to this context, this research contributes toward generating greater knowledge on how social entrepreneurs benefit from the use of resourcefulness to survive and grow with limited available resources. Specifically, our quantitative evidence shows that resourcefulness not only directly influence the innovation of SE but also moderate the relationship between local environment and social innovation. Such finding helps us to understand that, while certain institutional conditions are likely to drive more innovation, the benefits of those conditions can only be gained if the social entrepreneur is able to “make do” with the resources at hand. This study, therefore, further highlights the importance of local knowledge and resources (material, labor, and skills) and leads us to think that the structural supports sustaining innovative activities are not sufficient to guarantee the actual development of innovative initiatives and that social entrepreneurs’ resourcefulness becomes a necessary link in the chain of social innovation. It can be seen

from the results that the policies, which are favorable towards innovation, like improving the grant from government agencies, developing the network of venture capital, and promoting availabilities of new technologies, will produce reluctant effects if the actions upon social change are limited. The driving force of such changes depends on the entrepreneurs as well as the strategies they tend to choose based on their current resources.

Second, this research adds theoretical nuance to the resourcefulness construct by identifying it as creative resource combination and social resourcing, a strategic choice by the entrepreneur to active interfere with their environment for legitimacy building and sense-making. Whether the role of regional factors or subnational institutional development can be altered by social venture's resourcefulness is an interesting question. Indeed, the unpredictable environmental conditions that characterize the context of social entrepreneurship show that, in case of great uncertainty, institutional and structural supports do not suffice to guarantee social innovation. In our case, SE with high resourcefulness will be more innovative under more developed institutional environment since resourcefulness plays a better role in such environment. Moreover, this logic reasoning may lead policy makers to focus on training programs, which promote entrepreneurs to make do practices, might be a more reasonable decision than merely arranging the government agencies and other supportive institutions. Our study shows that the active role of entrepreneur, through resourcefulness, to alter their environment, can be valuable in achieving firm innovation. Therefore, we argue that, in an emerging context, such as in China, resourcefulness can help SE integrate ideas and skills of a broader set of stakeholders, and may serve as a mechanism of strategic renewal.

Further, our study also advances the knowledge of the empirical context of the institutional research. As we argue that there exists subnational institution difference instead of the country-harmonized measurement. Especially, this is not the only case for China, many emerging economies and developed economies, like Brazil, India, US, and Russia, have distinctive features in country regions, which tend to bring forth different informal or even formal influence upon organizations' behaviors and strategies. It can be seen from our findings that subnational institutional development does not assure its utility; social entrepreneurs can take the initiative to transform institutions in ways favorable for them through a dynamic approach of resourcefulness. Over time, as local institutions perceive social ventures as legitimate and worthy partners, social ventures may obtain an enviable position where resource providers will be willing to invest or donate quality resources at a fraction of market price (Desa & Basu, 2013). Our findings give SE initiative to seek resources and legitimacy, rather than passive rely on the environment. Such recursive duality of the structure (resource environment) and the agent (social venture) implies that over time, the entrepreneurial action may bring forth a transformative impact on institution environment. Resource mobilization becomes part of the broader process of actor-initiated institutional change (Campbell, 2004) and acts as a mechanism for social innovation.

Future research and limitations

Like any research, this one is not exempted of limitations. Findings should be interpreted with caution and may lead to further investigation. First, our analysis of subnational institution and resourcefulness is limited to the domain of innovation. The more recognized outcome variables might be innovation performance or market

performance, as the ultimate outcome of organizational innovative strategy. More future studies should investigate the organization and institutional influence on other outcomes as well as the performance implications of adapting the resource-mobilizing approaches to a particular environment or specific organizational context to promote innovation for the public interest.

Second, this study mainly focuses on the resourcefulness of entrepreneur as an important capability of the firm. Resourceful behaviors may be developed into a more strategic tool, though they are traditionally spawned from ad-hoc intuitive processes. For social entrepreneurs, the development of such a tool can be used to evaluate the changes of the amount of resources needed to provide the products and services that solve social problems. In addition, via this application of knowledge, social entrepreneurs may also learn entrepreneurial skills through doing and instigate entrepreneurial behaviors linked with self-efficacy and build social firm capabilities in the venture creation and growth process to push effective social change. Our study may limit in not including other organizational assets, factors or dynamic capabilities. For example, it is noted from our study that the social capital market is expanding to include not only traditional nonprofit firms but also for-profit and hybrid entities that have strong social values and missions. Such blurring of organizational structures among the different types of entities creates opportunities in which non-profits are adopting and engaging in profit-seeking and sustaining behaviors, and for-profits are eagerly seeking social value through forging partnerships to reduce social problems and advance positive public outcomes (Austin et al., 2006). A thorough understanding of how the social enterprise continually builds, adapts, and reconfigures their internal and external resources to reach congruence with

the changing social, economic, and institutional environments would provide further insight into social impact modeling.

Another limitation lies in that our study is cross-sectional. However, the proposed relationship and model indicate causal direction. Causal inferences originated from cross-sectional modes are very limited. Future research will investigate many of these relationships with reliable data to make a good foundation for the study of causality. While the empirical sample in this article is designed to capture the wide variability across ventures operating in the public interest, future research can extend the examination to private commercial ventures and public corporations in larger sizes.

Conclusion

In this study, we examined how social ventures mobilize resources across a variety of institutional environments and internal conditions. Incorporation of the concept of entrepreneurial resourcefulness to the field provides a unique perspective in how social entrepreneurs mobilize and utilize existing resources to accelerate innovations that address some of the society's most pressing problems. As such, they not only figure out the innovative solutions but also utilize their relationships and knowledge to let the stakeholders notice these innovations as well as the corresponding impact in driving long-term and systematic changes. This study contributes to the entrepreneurship and social innovation literature by offering an institution-based framework for ventures that inherently need to balance social and financial missions—a key feature of social entrepreneurship. Thus, it is crucial that we understand the nature of the development process so that we can assure greater amounts of success for these organizations. Future

studies can leverage these findings to develop organizational and institutional environments conducive to social innovation and entrepreneurship.

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Chapter 5- CONCLUSION

Social entrepreneurship, widely admitted as the vehicle for social innovation, is lacking knowledge about the process of innovating for social value. In this dissertation, I explore how social entrepreneurs manage to survive and contribute to social innovation while maintaining mixed, oftentimes competing, logics, namely social welfare logic and commercial logic. Previous studies suggested that successful social entrepreneurship hinges on the embeddedness with the local institutional arrangements that enable or impede the innovation process (Seelos, Mair, Battilana, & Dacin, 2011) . Moreover, innovation to the social problem may also depend on how social entrepreneur sees her place in the social environment as well as the places of others to recognize the social need and expound upon it.

The first study aims to contribute to the literature of social innovations by putting forward a theoretical framework through a review of trans-disciplinary literature. It is my argument that the SE's internal dynamics of managing conflict will lead to actors' entrepreneurial behaviors, which ultimately determine their innovativeness of providing social values. While current works have endeavored to understand how SE can resolve such dual tensions through transcending (Battilana & Dorado, 2010) negotiating (Battilana et al., 2014; Shepherd & Haynie, 2009) and selectively coupling (Pache & Santos, 2010, 2013), this domain has much less knowledge about the process of innovating (Mueller et al., 2014). By positioning social innovations to the social entrepreneurship context, the framework is intended to consider exclusion and conflict as internal aspects of the society, which need to be addressed on a constant and dynamic

basis. It is important to understand how behavior can be influenced by social systems and how social systems can be influenced by the agency. As my model implies, the agents (social entrepreneurs) interact with social context reflexively and actively, changing and being changed by it since they encourage social transformations via social innovations. As for practical implication, an emphasis on various means and skills of thinking, instead of common analytical skills, social players should develop repertoires aiming at developing resourcefulness (e.g., creativity (Korsgaard , 2011), bricolage (Desa & Basu, 2013; Gundry et al., 2011)), and collaboration as a result of mobilizing resources and other agents.

The second study investigates how do the social entrepreneur's salient role and personal identity, which concurrently straddle both business and social welfare logic, affect their cognitive schema and behavior patterns in terms of being resourceful. Providing a foundation to theorize about internal tensions within the SE, extant works calls for entrepreneurship frameworks to be extended in ways that account for social enterprise (Dacin et al. 2010; Shepherd 2015) through the integration of identity theory (Dacin et al., 2011; Simms and Robinson, 2009). By doing so, this study tests a model of social entrepreneurial identity configuration and resourcefulness for Chinese social entrepreneurs. Results indicate social entrepreneur identity is composed of both the pro-social and the business identities (both role and personal identity), and that the salience and structuring of them lead to the variation of their resourcefulness. Resourcefulness was highest when the social entrepreneur' identity configuration holds a salient role identity aligned with both social and business logics (i.e., balanced social entrepreneur). However, the perception that the local institutional environments valued social businesses

weakens the between-group difference, demonstrating that a higher level of key stakeholders' support to the SE's hybridity nature play an important role in helping social entrepreneur speed up the renegotiation process of dual identity conflict, create discretion around response strategies testing the institutional barriers, and be more assertive in defining new rule of game through resourcefulness.

The third study tries to uncover the relationship between institutional determinants, resourcefulness, and the innovation strategy of SE in China. To deepen our understanding of the innovative initiatives of SE in emerging context, we lowered the analytic level from national to subnational level and drew on the institution-based perspective to examine the role of institutional development on social innovation. Our findings indicate that while local institutional support is associated with the degree of social innovation, the role of institution is not identical for different social enterprise. We argue that social venture's resourcefulness will change the influence imposed by institution. Furthermore, findings also suggest that resourcefulness implemented by the social entrepreneurs leads in novel approaches to attract and distribute material and social resources, identify unserved market segments. Within their penurious environments and with limited and often sub-optimal choices, resourceful behaviors (e.g., bricolage and community) become the key to encounter institutional uncertainty to generate the types of needed solutions and innovations. Our results suggest a complex, contingent perspective on social innovation by highlighting specific conditions under which institutional theory and entrepreneurial bricolage theory may be applied to social ventures.

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APPENDICES

APPENDIX A: Measurement Scales Overview

Items measuring Entrepreneurial Role Identity in the Entrepreneur Survey

(Cronbach's alpha 0.93)

Original item	Modified Item	Source
Blood donation is something I rarely even think about.	I often think about being user -oriented	Callero, 1985
Blood donation is something I rarely even think about.	I often think about being competitor-oriented	Callero, 1985
Blood donation is something I rarely even think about.	I often think about being inter-functionally coordinated	Callero, 1985
I really don't have any clear feelings about blood donation.	I do have a clear concept of myself as an entrepreneur	Callero, 1985
Blood donation is an important part of who I am.	To be an entrepreneur is an important part of my identity	Callero, 1985

Items measuring Prosocial Role Identity in the Entrepreneur Survey

(Cronbach's alpha 0.90)

Original item	Modified Item	Source
Blood donation is something I rarely even think about.	I often think about being socially oriented	Callero, 1985
I would feel a loss if I were forced to give up donating blood.	I believe I have a moral obligation to helping to meet the needs of others	Callero, 1985
I really don't have any clear feelings about blood donation.	I do have a clear concept of myself as a prosocial person	Callero, 1985
Blood donation is an important part of who I am.	To be a prosocial person is an important part of my identity	Callero, 1985

PSED items measuring Personal identity

Original item	Capturing personal value (Hitlin, 2003)
Have financial security	Used to measure the value of <i>wealth</i>
Gain a higher status	Used to measure the value of <i>power</i>
Be free to adapt my approach to life	Used to measure the value of <i>autonomy</i>
Get greater flexibility for personal life	Used to measure the value of <i>exciting life</i>
Enhance the well-being of others	Used to measure the value of <i>benevolence</i>

Improve community and society	Used to measure the value of <i>Caring</i>
Protect and Improve the environment	Used to measure the value of <i>environmental protection</i>
Correct social injustice, care for the weak	Used to measure the value of <i>social justice</i>

Items measuring Resourcefulness in the Entrepreneur Survey

(Cronbach's alpha 0.88)

Original item	Source
We use any existing resource that seems useful to respond to a new problem or opportunity.	Senyard et al. 2014
We deal with new challenges by applying a combination of our existing resources and other resources inexpensively available to us.	Senyard et al. 2014
When dealing with new problems or opportunities, we take action by assuming that we will find a workable solution.	Senyard et al. 2014
We combine resources to accomplish new challenges that the resources weren't originally intended to accomplish.	Senyard et al. 2014
We build and utilize local social networks to help my business grow.	Self-created
We strengthen ties with local communities for the social assets accumulation through the form of friendship, liking, gratitude, trust and obligation.	Self-created
We work and collaborate with nongovernmental organizations (NGOs), social enterprises or other locally influential community members to co-opt legitimacy	Self-created

and underutilized resources.	
We participate in social associations to reduce the uncertainty of doing business and increase access to critical resources.	Self-created

PSED items measuring Perceived key stakeholders' commitment

(Cronbach's alpha 0.84)

Original PSED-Community norm scale item	Modified Item
State and local governments in your community provide good support for those starting new businesses.	In your community, state and local governments provide good support for those starting new social enterprises.
Bankers and other investors in your community go out of their way to help new businesses get started.	In your community, influential organizations or well- respected people (e.g., socially responsible firms, impact investors or wealthy individuals) go out of their way to help new social ventures get started.
Community groups provide good support for those starting new businesses.	In your community, social groups such as neighborhood committees and associations provide good support for those starting new social enterprises.
The social norms and culture of your community encourage creativity and innovativeness.	In your community, creativity and innovativeness though entrepreneurship have often been reported in the public media.
The social norms and culture of the community where you live are highly supportive of success achieved through one's own personal efforts.	In your community, the social norms and culture are highly supportive of success achieved through one's own personal efforts.

Items measuring Social Innovation in the Entrepreneur Survey

(adapted from Dahlgvist and Wiklund, 2011). Cronbach's alpha 0.78

Does your new social venture initiative mean that you will offer a <i>product or service</i> , which is [Multiple choices] compared to what other social entity has currently offered? – (up to “not novel”, “substantially improved over existing alternatives”, “entirely new to the local targeting community”, “entirely new to the world”)
Does your new social venture initiative mean that you will use <i>methods of production or processes</i> , which are [Multiple choices] compared to what other social entity has currently used? - (up to “not novel”, “substantially improved over existing alternatives”, “entirely new to the local targeting community”, “entirely new to the world”)
Does your new social venture initiative mean that you will use <i>promotion strategies or marketing methods</i> , which are [Multiple choices] compared to what other social entity has currently used? - (up to “not novel”, “substantially improved over existing alternatives”, “entirely new to the local targeting community”, “entirely new to the world”)
Does your new social venture initiative mean that you will use <i>business model</i> , which are [Multiple choices] in attracting resources (e.g., social attention, funding and grants, volunteers, human capital, and etc.) compared to what other social entity has currently used? - (up to “not novel”, “substantially improved over existing alternatives”, “entirely new to the local targeting community”, “entirely new to the world”)

Items measuring Control Variables

Organizational forms	<p>What is the legal form of your business?</p> <p>1) Industry and Commerce Registration</p> <p>2) Civilian-run Non-enterprise Unit Registration</p> <p>3) Social Association Registration</p> <p>4) Other</p>
Industry	<p>Commercial service</p> <p>Agriculture & rural development</p> <p>Scientific research</p> <p>Education</p> <p>Health care</p>

	<p>Culture</p> <p>Eco-environment</p> <p>Social service</p> <p>Legal service</p> <p>Religion</p> <p>Career development</p> <p>International or foreign related</p> <p>Other</p>
Size of SE	So far, how many full-time employees does the organization have?
Age	Year of Birth?
Education	<p>The highest level of education completed:</p> <p>Less than High School</p> <p>High School</p> <p>Some College/University No degree</p> <p>College/University Degree</p> <p>Advanced Degree (e.g., Masters, Ph.D, Doctorate, JD)</p> <p>Other</p>
Working Experience	Years of work experience?
Entrepreneurial experience	<p>Do you have any previous experience creating a new business?</p> <p>[Yes/No]</p> <p>If yes (years of entrepreneurial experience)</p>

APPENDIX B: Qualitative Phase - Measures & Interview Protocol

Interview Consent Form

I am Huangen Chen, a Doctoral Candidate in the Department of Management and Global Business at Rutgers University, and I am conducting interviews of social entrepreneurs in order to understand how they became social entrepreneurs, what their role and personal identity mean to them, and how these identities interact to enact or constrain the resource mobilization in their initiatives.

During this study, you will be asked to answer some questions about your journey towards entrepreneurship, and to identify the sources of influence that you encountered on this journey. This interview was designed to be approximately thirty to forty-five minutes in length. However, please feel free to expand on the topic or talk about related ideas. Also, if there are any questions you would rather not answer or that you do not feel comfortable answering, please say so, and we will stop the interview or move on to the next question, whichever you prefer. Your participation is completely voluntary. If you decide not to participate, it will not affect you in any way. Your participation is not required by any service provider or funding source.

The research is confidential. Confidential means that the research records will include some information about you and this information will be stored in such a manner that some linkage between your identity and the response in the research exists. This means that we will record some information about you, such as your responses to the interview questions, which are audio-recorded. Please note that we will keep this information confidential by limiting individuals' access to the research data and keeping it in a secure location. The members of the research team and the Institutional Review

Board at Rutgers University are the only people that will be allowed to see the data, except as may be required by law. During the process of collecting data, it is possible that your name may disclose to members of the research team. Should a report of this research be published or presented in conferences, the data will be presented in such a way that it cannot be traced back to your name, by for instance reporting a group summary of responses. All study data will be kept for three years after the completion of the project.

You are aware that your participation in this interview is voluntary. You understand the intent and purpose of this research. If for any reason, at any time, you wish to stop the interview or to skip any questions that you do not want to answer, you may do so without having to give an explanation. You may decide not to finish and to withdraw from participation at any time without penalty.

We anticipate that there will be minimal risk to you from your involvement in this study. In particular, answering questions may be slightly tedious. There is also the possibility that your name may be disclosed to the research team when collecting data. You have been told that the benefits of taking part in this study may be renewed focus from being reminded of self-meaningfulness and other expectation associated with being a social entrepreneur.

You may also benefit indirectly from the findings of this research that promises to be of use to entrepreneurs. However, you may receive no direct benefit from taking part in this study.

The data gathered in this study are confidential with respect to your personal identity unless you specify otherwise. You understand if you say anything that you believe at a later point may be hurtful to you or damage your reputation, then you can ask the

interviewer to rewind the tape and record over such information or ask that certain text be removed from the transcripts. The interviewer will then ask you if you would like to continue the interview.

The recording(s) will be used for analysis by the research team. The recording(s) will include a code that is associated to your name. The recording(s) will be stored in a locked cabinet and labeled with a code that links to your identity through a list that will be kept in a separate locked cabinet. The recording(s) will be stored for three years.

If you have any questions about the study or study procedures, you may contact my advisor or me:

My own contact information as the Principal Investigator is:

Huangen Chen

1 John F. Kennedy Blvd, Apt51A, Somerset, NJ, 08873

Tel: 973-420-4418

Email: hc475@scarletmail.rutgers.edu

Faculty Advisor:

Jeffrey Robinson

100 Rockafeller Road, Room 2131, Piscataway, NJ, 08855

Tel: 848-445-5643

Email: jrobinson@business.rutgers.edu

If you have any questions about your rights as a research participant, you can contact the Institutional Review Board at Rutgers (which is a committee that

reviews research studies in order to protect research participants). The IRB Administrator at Rutgers can be reached at:

Institutional

Review

Board

Rutgers University, the State University of New Jersey

Liberty Plaza / Suite 3200

335 George Street, 3rd Floor

New Brunswick, NJ 08901

Phone:

732-235-9806

Email: humansubjects@orsp.rutgers.edu

You will be offered a copy of this consent form that you may keep for your own reference.

Once you have read the above form and, with the understanding that you can withdraw at any time and for whatever reason, you need to let me know your decision to participate in today's interview.

Your signature on this form grants the investigator named above permission to record you as described above during participation in the above-referenced study. The investigator will not use the recording(s) for any other reason than that/those stated in the consent form without your written permission.

Subject (Print) _____

Subject Signature _____ Date _____

Principal Investigator Signature _____ Date _____

Interview Protocol

I organized my interview questions in such a way that they allowed me to treat each interviewee/informant as a case study; in this way, all cases were compared along the same categories (Graebner, 2009; Eisenhardt & Graebner, 2007). The structure around which I built each case essentially sought to fill four categories of information in each interview and these categories were designed to tie back to the dissertation's three research questions.

The research questions are:

Research Question 1: What are the identity configurations in Social Entrepreneurs (i.e., role identity and personal identity being variously align with social welfare logic and commercial logic)?

Research Question 2: Does specific identity configuration of social entrepreneur affect their patterned behavior of resource mobilization (e.g., bricolage and community)?

Research Question 3: How does the perceived stakeholder commitment interfere the relationship between identity configuration and resourcefulness?

The four categories of information that constitute the structure on which each case is built are:

1. The informant's identity configuration and tension

2. Resourcefulness of the informant in dealing with challenges

3. The conditional effect of local institutional environments (perceived social support)

4. Social innovation as the outcome of resourcefulness

Case Category 1 gives us the baseline of identity configuration and tension to refer to in the research questions 1.

Case Category 2 on resourcefulness maps onto Research Question 2 on resourcefulness of the social entrepreneur attributed to identity configuration.

Case Category 3 maps on to Research Question 3 on perceived social support.

Case Category 4 focus on the innovativeness of the SE, and aim to answer the “so what?” question for this entire research by documenting impact and outcome of social entrepreneur’s resourcefulness and identity configuration.

Introductory questions

1. Good morning Jane/Jack. Thank you so much for taking time off to meet me and tell me about your entrepreneurial journey. As I mentioned to you earlier, I am a doctoral student at Rutgers Business School. You were referred to me by the NPI that you know so well since you attended their training and sponsorship programs. I am conducting research on social entrepreneurs and trying to understand what makes them take this path in life to be a social entrepreneur, and what makes them perceive such identity in different ways, and how do they address resource scarcity. The information that I gather through this research will be kept confidential, meaning that there will be no

way for anyone outside the research team to trace your statements back to you. We typically combine findings from several people and report them in the aggregate. If we cite any individual statements in any publication, we will do so using pseudonyms and not real names. Before reaching out to you, I went through a process of getting this research approved by Rutgers' Institutional Review Board. We typically ask the people we interview to sign a consent form allowing us to audio record the interview. Again this recording will be confidential and is just to make sure we correctly capture what you tell us so as to make our research as accurate as possible. This recording will be stored for a mandatory period of at least three years. So now, if you would be so kind...(hand over the consent form for signing).

2. *Could you briefly tell me about your line of business and your organization?*

3. *Could you tell us about your background?*

4. *If you were to give me a snapshot of your venture's history, what would you say have been the milestones (or important events or stages) and when did they occur?*

Probes:

a) *What lead you to become a social entrepreneur?*

b) *From where did the social needs/problems you set to resolve?*

c) *What stage are you in right now, as a social entrepreneur?*

Further Probes:

Have you registered the business yet?

Have you started the business yet?

How long has the business been in operation?

5. *Is this the first business that you have started? If you started one earlier, what became of it? What did you do prior to starting this SE?*

Main questions

I now proceed to list the main questions in such a way that I start with open-ended questions, and in some cases provide alternative ways of asking the question, just in case the first way does not yield a useful answer. For some of the questions, I have provided “probes” that I would only use if the open-ended questions seem vague to the informant, or if I sense the informant is not really addressing the question. These probes help specify the question and bring it nearer to the type of information that I would like to know. I could also use the probes to elicit more information if the answer to the open-ended question was insufficient, or if I saw the opportunity to go further down a particular/specific line within the purview of that open-ended question.

1. Identity configuration and tension

1. *What motivated you to start this business?*

(Alternative: What prompted you to start your business?

What motivated your decision to start a business?

What are the motivators that led to your decision to start this business venture?)

2. *Why is your business so important to you? Please give examples to illustrate what you mean.*

(Alternatives: What purpose does the business venture serve for you personally, what does the business venture mean to you? What is your SE's goal? Please give examples to illustrate what you mean.).

3. *How do you think about your work, generally? What meaning or significance does your business have for you in your life? Please give examples to illustrate what you mean.*

4. *When you think about your business, what is it about it that is most important to you? Please give examples to illustrate what you mean.*

5. *How does your prior work role(s) or other social role you adopt now affect your decision to become a social entrepreneur? Please give examples to illustrate what you mean.*

6. *How does the name "social entrepreneur" fit your identity? How does this identity look like to you?*

7. *A lot of people say that combining social welfare and business discipline is difficult. How would you comment? How strong you feel the tension? How would you address it?*

2. Resourcefulness of the informant in dealing with challenges

1. *Could you describe the discovery and exploitation process, in other words, how do you organize?*

2. What are the ways, activities, and processes, you use to deliver the value?

Probes:

What are the tools you use?

Are there unique properties about the technology you use in your SE?

3. What kinds of challenges do you face on a day-to-day basis?

Probes:

Have you found any challenges more difficult to overcome than others?

4. How do you acquire the resources or inputs you use in your products/services?

5. Do you purchase materials that you need or can you generally find what you need here?

6. Have you found that some resources work better than others?

Probes:

Do you often combine resources that are seemingly irrelevant?

7. Do you often try different ways to solve challenges?

8. Do you often engage in the community activities? Or you deliberately build and maintain the social networks with key actors.

9. Do you sometimes stretch the rules or norms of society selectively in bringing your new product or service? If so, how?

3. The conditional effect of local institutional environments

1. How does the local institutional arrangement impact your venturing process?

Probes:

Other general environmental factors that you think are important for your venture creation?

In what way you would hope the governmental sector and private sector to get involved and help social entrepreneurship?

2. What kind of role do the key external stakeholders play in supporting or constraining the venturing process?

Probes:

Key stakeholders such as local government, financiers, community groups and etc.

4. Social innovation as the outcome

1. How close is your current business idea to the original idea that moved you to become an entrepreneur?

2. What impact would you like your business to have?

Probes: on society/ on others/ on people/ on the environment

3. What makes your venture unique? Why do you think your product or service is a better choice?

Probes:

What about your targeting group, are you targeting a unique group of people?

4. How did you initially market the new product or service? Any unique improvement?

5. Before we conclude, is there anything else that you would like to share?

Concluding script

Jane/Jack, I'd like to thank you for having taken so much of your time to answer all my questions. You have given me a lot of food for thought, and I will now have to analyze these answers and learn as much as I can from them. I may in the process need to contact you if I need any clarification, and just to make sure I understood you right, but I hope that will not be necessary. Should you wish to contact me, here's my business card with all my contact information, and in any case, we have already emailed each other a couple of times. Once more, thank you very much, and I wish you all the very best in your business.

APPENDIX C: Quantitative Phase – Social Entrepreneurs Survey

Survey Consent Form

You are invited to participate in a research study conducted by Huangen Chen, a Doctoral Candidate in the Department of Management and Global Business at Rutgers University. I am conducting a survey of social entrepreneurs in order to understand what their identities mean to them, and how their identity characteristics influence their responses in dealing with resource mobilization, and the final impact on innovation.

Approximately 200 subjects will participate in this survey, which should last between 15 and 20 minutes. You will be requested to read and agree to this consent form and then to answer a single online survey of about 30 questions.

This research is confidential. Confidential means that although research records will include some information about you, this information will be stored securely in such a manner that access to this research data will be limited to the members of the research team and the Institutional Review Board at Rutgers University, except as may be required by law. Should a report of this research be published or presented in a conference, the data will be presented in such a way that it cannot be traced back to your name, by for instance reporting a group summary of responses. All study data will be kept for three years after the completion of the project.

There are no foreseeable risks to participation in this study. You are aware that your participation in this survey is completely voluntary. As such, if you are uncomfortable answering any of the questions, you may exit the survey. Your decision not to participate will not affect you in any way.

Potential benefits of completing this survey include automatic entry into a raffle where the winner gets a ¥ 1000 Taobao gift card when the survey closes and is informed by email. You may get renewed focus from being reminded of the self-meaningfulness associated with being a social entrepreneur. You may also benefit indirectly in future from the findings of this research. However, it is possible that you may receive no direct benefit from taking part in this study. The survey data will be used for analysis by the research team. The data will be kept securely in the online cloud storage (icloud by Apple company) by using password that is only known to the investigator. The data will be kept for three years after the completion of the research.

If you have any questions about the study or study procedures, you may contact me or my advisor:

My own contact information as the Principal Investigator is:

Huangen Chen

U.S. address: 1 John F. Kennedy Blvd, Apt51A, Somerset, NJ, 08873

China address: Shuanghu Rd, A2-2-10-1, Yubei, ChongQing, 401120

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Faculty Advisor:

Jeffrey Robinson

100 Rockafeller Road, Room 2131, Piscataway, NJ, 08855

Tel: +1848-445-5643

Email: jrobinson@business.rutgers.edu

If you have any questions about your rights as a research subject, please contact an
IRB Administrator at the Rutgers University, Arts and Sciences IRB:

Institutional Review Board

Rutgers University, the State University of New Jersey

Liberty Plaza / Suite 3200

335 George Street, 3rd Floor

New Brunswick, NJ 08901

Phone: +1732-235-9806

Email: humansubjects@orsp.rutgers.edu

Please retain a copy of this form for your records.

Sign below if you agree to participate in this research study:

Subject (Print) _____

Subject Signature _____ Date _____

Principal Investigator Signature _____ Date _____

Online Survey

1. Study of New Social Entrepreneurs

* 1. You are invited to participate in a research study conducted by Huang Chen, a Doctoral Candidate in the Department of Management and Global Business at Rutgers University. I am conducting a survey of social entrepreneurs in order to understand what their identity means to them, and how their identity characteristics influence their responses in dealing with resources, and the final impact on innovation.

This research is confidential. Confidential means that although the research records will include some information about you, this information will be stored securely in such a manner that codes are used to establish some linkage between your identity and your responses in this survey. Furthermore, access to this research data will be limited to the members of the research team and the Institutional Review Board at Rutgers University, except as may be required by law. Should a report of this research be published or presented in a conference, the data will be presented in such a way that it cannot be traced back to your name, by for instance reporting a group summary of responses. All study data will be kept for three years after the completion of the project.

There are no foreseeable risks to participation in this study. You are aware that your participation in this survey is completely voluntary. As such, if you are uncomfortable answering any of the questions, you may exit the survey. Your decision not to participate will not affect you in any way.

You may get renewed focus from being reminded of the self meaningfulness associated with being an social entrepreneur. You may also benefit indirectly in future from the findings of this research. However, it is possible that you may receive no direct benefit from taking part in this study.

If you have any questions about the study or study procedures, you may contact me:

Huangen Chen
Rutgers Business School (Department of Management and Global Business)
1 Washington Park, Newark, NJ, 07102
(973)4204418 or hc475@scarletmail.rutgers.edu

If you do not receive a prompt response from me, you can contact my advisor Professor Jeffrey Robinson:

Dr. Jeffrey Robinson
The Center for Urban Entrepreneurship & Economic Development
Rutgers Business School
94 Rockefeller Road, Piscataway, New Jersey 08854
(848) 4455643 or jrobinson@business.rutgers.edu

If you have any questions about your rights as a research subject, please contact an IRB Administrator at the Rutgers University, Arts and Sciences IRB:

Institutional Review Board
Rutgers University, the State University of New Jersey

Liberty Plaza/Suite 3200
335 George Street, 3rd Floor
New Brunswick, NJ 08901
Phone: 732-235-9806
Email: humansubjects@orps.rutgers.edu

Please print this page for your records.

By clicking continue below and going on to the next screen, you are providing your consent to participating in this research study.

- ☐ Continue
- ☐ Do not continue

Welcome

2. Welcome to the survey. In this survey we will ask you questions about how you perceive your identity as a social entrepreneur and how you deal with resource constraint.

In order to give you credit for completing the survey, please enter the following:

Your name	<input type="text"/>
Your organization	<input type="text"/>
Your Occupation	<input type="text"/>
Your preferred email address	<input type="text"/>
Your contact information (telephone/QQ/Wechat)	<input type="text"/>

I am working on a business right now...

3. Are you in the process of setting up a business, social enterprise or organization?

☐ Yes

☐ No

4. Have you legally registered this business?

☐ Yes

☐ No

5. If yes, what is the legal form of your business? If no, which form you intend to register?

☐ Industry and Commerce Registration

☐ Civilian-run Non-enterprise Unit Registration

☐ Social Association Registration

☐ Other (please specify)

6. If no, which legal form you intend to register?

☐ Industry and Commerce Registration

☐ Civilian-run Non-enterprise Unit Registration

☐ Social Association Registration

☐ Other (please specify)

7. Industry

- ☐ Commercial service
- ☐ Agriculture & rural development
- ☐ Scientific research
- ☐ Education
- ☐ Health care
- ☐ Culture
- ☐ Eco-environment
- ☐ Social service
- ☐ Legal service
- ☐ Religion
- ☐ Career development
- ☐ International or foreign related
- ☐ Other (please specify)

8. So far, how many full-time employees does the organization have?

9. From the list below of types of income or revenue sources, pick the ones you consider your business relies on for its income by dragging and dropping them into the adjacent box. Once you have the items that are applicable to your business in the box, please rank them by placing the highest income source at the top.

<input type="text"/>	Sales (of products)
<input type="text"/>	Contracts (for services offered)
<input type="text"/>	Grants (Government)
<input type="text"/>	Grants (Foundations)
<input type="text"/>	Donations
<input type="text"/>	Others (e.g., Memberships/Subscriptions;Advertising;Renting/Leasing)

10. Just before you decided to start this business, to what extent did you consider yourself to be already financially stable, i.e. able to meet your ordinary personal and family obligations?

- ☐ Very limited extent
- ☐ Limited extent
- ☐ Moderate extent
- ☐ Considerable extent
- ☐ Great extent

Participant questions-role identity

11. Do you now or have ever worked in one of the following roles? (skip the question if not applicable)

- ☐ Financial staff (e.g., Accountant)
- ☐ Business management (e.g., manager, director)
- ☐ Business consulting (e.g., Corporate lawyer, consultant)
- ☐ Investor (e.g., Business angels, venture capitalist)
- ☐ Serial or experienced entrepreneur

Other (please specify other business related work role(s) that is important for the venture creation)

13. Do you now or have ever worked in one of the following roles? (skip the question if not applicable)

- ☐ Social worker
- ☐ Volunteer for social purpose
- ☐ Education Worker (e.g., teacher)
- ☐ Social activist
- ☐ NGO worker
- ☐ Community organizer

Other (please specify other business related work role(s) that is important for the venture creation)

14. To what extent do you agree or disagree the following statement?

(1. strongly disagree, 3. somewhat agree, 5. strongly agree)

	strongly disagree			neither			strongly agree
I often think about being socially oriented (e.g, advancing specific social objective)	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
I do have a clear concept of myself as a prosocial person (e.g, voluntarily behave in a way to benefit other people or society as a whole)	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
I believe I have a moral obligation to helping to meet the needs of others	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
To be an prosocial person is an important part of my identity	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>		<input type="radio"/>
The role provides me important knowledge, competencies and social relations to start the new venture	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>		<input type="radio"/>

Social innovation

17. Does your new social venture initiative mean that you will offer **aproduct or service** which is ____ compared to what other social entity has currently offered?

- ☐ not novel
- ☐ substantially improved over existing alternatives (less costly and more valuable)
- ☐ entirely new to the local targeting community
- ☐ entirely new to the world

18. Does your new social venture initiative mean that you will use **methods of production or processes** which are ____ compared to what other social entity has currently used?

- ☐ not novel
- ☐ substantially improved over existing alternatives
- ☐ entirely new to the local community
- ☐ entirely new to the world

19. Does your new social venture initiative mean that you will use **promotion strategies or marketing methods** which are ____ compared to what other social entity has currently used?

- ☐ not novel
- ☐ substantially improved over existing alternatives
- ☐ entirely new to the local targeting community
- ☐ entirely new to the world

20. Does your new social venture initiative mean that you will use **business model** which are ____ in attracting resources (e.g., social attention, funding and grants, volunteers, human capital, and etc.) compared to what other social entity has currently used?

- ☐ not novel
- ☐ substantially improved over existing alternatives
- ☐ entirely new to the local targeting community
- ☐ entirely new to the world

Social Impact

21. From the list below of types of social and environmental impact, pick the ones you consider your business has an impact in by dragging and dropping them into the adjacent box. Once you have the items that are applicable to your business in the box, please rank them by placing the best performing item at the top.

- ☐ Educational Outcomes
- ☐ Creation of Jobs
- ☐ Health Outcomes
- ☐ Community Development
- ☐ Reduction in Recidivism
- ☐ Waste Reduction
- ☐ Environmental Outcomes
- ☐ Lifestyle Impacts
- ☐ Quality of Life Impacts

22. Comparing your business last year to how it was a year after it started, how much do you think your social/environmental impact has grown?

[illegible]

Resourcefulness

23. How does the following statements represent how you never, rarely, sometimes, often, or always go about doing things for your start-up?

	never	rarely	sometimes	often	always
We use any existing resource that seems useful to responding to a new problem or opportunity.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We deal with new challenges by applying a combination of our existing resources and other resources inexpensively available to us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When dealing with new problems or opportunities we take action by assuming that we will find a workable solution.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We combine resources to accomplish new challenges that the resources weren't originally intended to accomplish.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We build and utilize local social networks to help my business grow.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We strengthen ties with local communities for the social assets accumulation through the form of friendship, liking, gratitude, trust and obligation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We work and collaborate with nongovernmental organizations (NGOs), social enterprises or other locally influential community members to co-opt legitimacy and underutilized resources.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	never	rarely	sometimes	often	always
We participate in social associations to reduce the uncertainty of doing business and increase access to critical resources.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Perceived key stakeholder commitment

24. Now we would like to talk to you about the community in which you now live. Please tell me how much do you agree or disagree with the following statements? (1.strongly disagree, 2.disagree, 3.neither, 4.agree, 5.strongly agree)

	strongly disagree	disagree	neither	agree	strongly agree
In your community, state and local governments provide good support for those starting new social enterprises.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In your community, influential organizations or well-respected people (e.g. socially responsible firms, impact investors or wealthy individuals) go out of their way to help new social ventures get started.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In your community, creativity and innovativeness though entrepreneurship have often been reported in the public media.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In your community, the social norms and culture are highly supportive of success achieved through one's own personal efforts.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Demographics

You are now in the final section of the survey! We appreciate your having come this far. Here are the last few questions. The following asks about your background information. Please check the boxes that describe you.

25. Gender

- ☐ Male
- ☐ Female

26. Year of Birth

27. Highest level of education completed

- ☐ Less than High School
- ☐ High School
- ☐ Some College/University No degree
- ☐ College/University Degree
- ☐ Advanced Degree (e.g., Masters, PhD, Doctorate, JD)
- ☐ Other (please specify)

28. Years of work experience

29. Do you have any previous experience creating a new business?

- ☐ Yes
- ☐ No
- ☐ If yes (years of entrepreneurial experience)

30. Thank you for having been so generous with your time in taking this survey. Our final request is for you to nominate one to three social entrepreneurs that you know and might be interested in taking this survey to join the research and share their opinions.

We will write to your nominees directly inviting them to participate in the survey. None of what you have told us will be shared with your nominees, and similarly, their own responses will be aggregated, kept confidential.

Now please type the names and email addresses of one to three entrepreneurs you have nominated.

Nominee
1(Name/Email/Wechat)

Nominee
2(Name/Email/Wechat)

Nominee
3(Name/Email/Wechat)

31. We appreciate the time you spent in taking our survey. The survey is complete, and you may now close this window.

☐ End the survey

Appendix D- Cases of Social Entrepreneur

Case	Interviewee	Identity Configuration	Social Enterprise and description
1	Founder/ Female	Balanced	<p>Founded at: 2015, Shanghai Aroma Mind Care Center</p> <p>Location: Shanghai</p> <p>Social problem aimed to solve: Certain groups are under great social and emotional pressure, which may cause unpredictable bad results. The groups include (but not limited to) doctors and staff in hospital, young people under high work pressure, the neglected elderly and disadvantaged groups.</p> <p>Solution (Product/Service): We use an innovative therapy that is a combination of hypnosis, guided meditation, music treatment, and aromatherapy, to alleviate the stressful mind and body. Hopefully, they can build up a therapy system that can provide tailored service to individual and institutions accordingly.</p> <p>Phase and trend: Nascent Stage, but progress well, has recently sign a contract with a Shanghai local hospital to provide stress alleviation service to staff.</p> <p>Little background of the interviewee: Ms. Wu had a working experience in a Fortune 500 financial company, and was taking charge in the marketing department as a project manager. She's also a mother of 5-year-old boy.</p>
2	Co- Founder/ CEO/ Female	Mixed Commercial	<p>Founded at: 2014, Chengdu Lohas Sustainability Technology LLC.</p> <p>Location: Chengdu</p> <p>Social problem aimed to solve: If use common disposable sanitary napkins, a normal women probably use an average of 13000 or so in her whole life. There exist two important social problems. Most women only know the convenience of disposable sanitary napkin, but don't have any idea of the harm that disposable sanitary napkin can bring to the human body and the environment. On one hand, cancer-causing chemical substances such as</p>

		<p>formaldehyde, fluorescent agent are commonly used in disposable sanitary napkins, which can do a great harm for women's health in the long run. Second, the material of most of the disposable sanitary napkin is very difficult to degrade in the natural environment (a normal degradation time would be 500 years), and if burned, will produce great air harmful substances polluting the air. China alone has nearly 700 million women; annual produce sanitary napkin waste is an astronomical figure. In addition to the degradation process of the environmental harm, another huge environmental damage is that in the production of traditional sanitary napkin, the use of ordinary cotton, the kind of a common economic crop, though it accounts for only 2.5% of the global crop planting area, it consumes 10% of global fertilizer and 25% of the world pesticide. In plain language, the land that planting common cotton is under greater chemical damage. And in the long run, this kind of destruction is irreversible.</p> <p>Solution (Product/Service): 1. We provide with environmentally conscious women the organic cotton sanitary napkin; 2. We promote and support the organic cotton planting of cotton farmers in rural areas, and at the meantime, we provide with vulnerable groups, especially the disabled youth the job opportunities.</p> <p>Phase and trend: Nascent Stage, but growing very well, has recently received an investment from an angel investor, the company has a customer base that is very loyal and growing strongly.</p> <p>Little background of the interviewee: Ms. Xie start this business right after her graduation from the JiLing agriculture university. She has attended a lot of camps and workshops that teach organic and sustainable plantings. And she is a loyal fan of Lohas (Lifestyles of Health and Sustainability).</p>
3	Balanced	<p>Founded at: 2016, Qi Neng Public Safety</p>

	<p>Founder/ Male</p>		<p>Service Inc. Shun De. District. FoShan, Guang Dong Province Location: Shun De District, Fo Shan, Guang Dong Social problem aimed to solve: the public safety education is greatly neglected in China, though it's becoming increasingly important in people's mind. Public safety, including disaster, accident calamity, public hygiene event and welfare event. Due to the diversified development of modern society, situations that endanger human existence also appear to be more unpredictable and complicated. For example, According to the figure released in 2015 by the ministry of health in China, 57000 people drowned, that's more than 150, people a day on average. Drowning is higher than the proportion of the traffic accident casualties, high-risk groups is 6 to 16 years old children and adolescents. But to our deepest sadness, in most cases, people die just because of the lack of common sense and basic self save skills. In China, there is a huge gap in the public safety education, which means there are very limited social services to address this critical point. The existing educational model is too superficial and often just goes through the motions.</p> <p>Solution (Product/Service): the founder has a 32 year working experience and network resources in the Chinese police department, and wish to use his knowledge in the domain to create a education model of drill that is more issue-targeted, contextual, and operational. In the event of a major accident or dangerous situations, the public first need to keep calm, and then have mastered a certain amount of aid method, however this is easier said than done. Such kind of psychological quality and ability must be formed through emergency drills, rather than only learning theoretical knowledge of safety without real practice. In a nutshell, the real safety knowledge must be experiential.</p>
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			<p>Phase and trend: Nascent Stage, but grow well, has recently sign the contract with Foxcom, Panasonic and other institute such as school and community groups to provide safety education and emergency drills design.</p> <p>Little background of the interviewee: For the past 32 years, Mr. Wang used to work as a police chief, network monitor, chief commander of 110-command center, and accumulating abundant knowledge in public safety and network resources in government and public institutes.</p>
4	Founder/ CEO/ Male	Mixed Social	<p>Founded at: 2014, Fujian Zinong Technology LLC.</p> <p>Location: Fuzhou, Fujian</p> <p>Social problem aimed to solve: Living in the concrete jungle, children lose the chance to get to know the countryside life, a lifestyle that is close to nature and more pure human relations. On the other hand, rich cultures and heritages from those villages are about to disappear due to the lack of social recognition and bigger gap between the mainstream culture. This social problem, the village's sustainability, is becoming increasingly significant, as more and more young people leave their village to go the urban cities for jobs and opportunity.</p> <p>Solution (Product/Service): 1.A O2O (online to offline) platform: using ancient and old village as the foothold, we targeting on the family tour and outdoor education market. This platform combines the online communication and the offline real village tour experience in order to have better education result. Our Brand, Zinong Study Tour is now one of the best brands in its kind of business. 2.Customized tour: according to customers' needs, their tour package can be easily tailored to whatever works for them the best. 3.Study tour content provider and designer: the team has a deep knowledge and experience of ancient village culture and conditions, and has organized study tours successfully in the past 3</p>

			<p>years. We can export our knowledge and model to those who are also willing to go back to the village and revitalized the culture by bringing family and children back to the village.</p> <p>Phase and trend: Nascent Stage, but progress well, received 1.2 million RMB seed money using the crowd funding method in May 2014. Now have study tours in Yunan, Zhejiang, and mostly in FuJian.</p> <p>Little background of the interviewee: Mr. Zhang had a social working experience in a philanthropy foundation as a project manager for 7 years, involving in a lot of village rebuilding projects. When Mr. Zhang was in college, he's a student leader.</p>
5	Founder/ CEO/ Male	Balanced	<p>Founded at: 2015, Shenzhen Xihaner Caring Center.</p> <p>Location: Shenzhen</p> <p>Social problem aimed to solve: Xi-han-er (happy goofy kids) is a kind nickname generally referred to those people (especially kids) with mental disorders, including autism, down syndrome, mental retardation, cerebral palsy, and etc. When those kids grow up as adults, their integration with the social world has been a longstanding social problem. The family suffers a lot financially and emotionally. In China, the population of mentally disordered people has reached 12 million, however their employment rate is still lower than 5%, among all the disadvantaged groups, mentally disordered people has the worst job employment. Their unemployment and the unimaginable heavy financial and emotional burden for the family is a major social issue in China.</p> <p>Solution (Product/Service): The caring center consists of a carwash shop, an indoor farm, and the rehabilitation room. Mentally disable people not only get paid by washing the cars (wages are indiscriminate, they get paid as healthy people), but also get trained physically and mentally in washing the car parts (the car washing processes have been scientifically divided into several</p>

			<p>simple parts, and kids are allocated their jobs according to their own conditions). And most of the time they feel like they are playing rather than working, and they treat their job very seriously, which means the car has been washed really good, and customers keep coming back. Besides the car washing, the center hire teachers to help them learn language and simple math, and they have rehabilitation center where special designed instrument are used for the kids' recovery.</p> <p>Phase and trend: Nascent Stage, but grow well, received a lot media coverage, Mayor of Shenzhen had just visited the center. The center also started to export their experience and organizational knowledge to other province to help others build the same social business model.</p> <p>Little background of the interviewee: Mr. Luo has been working in the investment industry for the past years. He is very good at public speech, and has been invited to a lot of places to share his story. He's a father of a mentally disabled boy, and this is his major motivation to start this social enterprise.</p>
6	Founder/ Director/ Female	Mixed Social	<p>Founded at: 2004, Shenzhen QingQing Hearing and Speech Rehabilitation Center. An NGO</p> <p>Location: Luo Hu, ShenZhen</p> <p>Social problem aimed to solve: Children with speech and hearing disabilities are able to recover and acquire normal communication ability through professional training system. However, the public was generally not aware of this respect and they believe that deaf is born, which can not cured afterwards, and what's worse is that they don't know the right approach to the effective means of rehabilitation. This caused a lot of social problems, the disabled children missed the best period of treatment, and disabled children's family was also overwhelmed by the huge economic and psychological burden, leading to social disharmony.</p> <p>Solution (Product/Service): The center founder,</p>

			<p>a teacher, Wu,XueLing is a mother of deaf child. And after years of struggling and learning the rehabilitation skills, and finally successfully cured her child, she feel very strongly that she should share her experience and create the unique way of a customized teaching for each child. Meanwhile the center pays special attention to the children's parents as well, because parents' attitude and caring for the children play great role in encouraging the training and helping the children build up their dignity. For more than a decade, the center has successfully recovered more than 300 children with speech disability and helped them integrate to the mainstream society successfully.</p> <p>Phase and trend: this is the 13rd year of the center, and the center has just been certified as a social enterprise together with another 14 institutions. The center is growing well, and actively seeking for the new design of the social entrepreneurship model.</p> <p>Little background of the interviewee: Ms. Wu is the director and funder of the rehabilitation center, deputy of the National People's Congress in Shenzhen, mother of a girl with hearing disability.</p>
7	Co-Founder/Director/ Male	Balanced	<p>Founded at: 2014, Haining Nan-Guan-Xiang Vegetarian Cultural Center</p> <p>Location: Haining, Zhejiang</p> <p>Social problem aimed to solve: The spirit of common good, of social welfare, and a spirit of helping each other in the traditional Chinese culture needs to be well promoted in the current society, where people commonly pursue material things. On the other hand, a lot of consciously citizens also need a better way of showing their goodwill and benevolence, their trust in the traditional philanthropy foundation is limited, they ask for a more interactive way of doing social activities, rather than just a single movement of "donate money".</p> <p>Solution (Product/Service): the idea is a crowd funded vegetarian restaurant. People invest 10k-50k RMB to become a shareholder, with a</p>

			<p>common goal that the dividend of the restaurant will be and can only be repaid to the society, to help people in the real difficulties. Meanwhile, because it's crowd funded, a community emerged, where people have similar values and attitudes, meaning they are more likely to have strong ties and a more powerful executions on those social and philanthropy activities.</p> <p>Phase and trend: Nascent Stage but growing very strongly with more people joining in, now over 300 people invested money and effort as the shareholders of the restaurant. Team leaders have been invited to other province to introduce this new idea of doing social good. The center (with this crowd funded veggie restaurant as the primary business) is certified as a “social enterprise “ in the summer of 2016.</p> <p>Little background of the interviewee: Mr. Chen is an entrepreneur and a personal investor in the stock market, and is a keen fan of Warren Buffet. He keeps addressing that doing social enterprise is very similar to doing traditional business, because you need to have dignity and honesty in you and others, and producing the best product and service is doing the best social value and social good.</p>
8	Founder/ CEO/ Male	Mixed Commercial	<p>Founded at: 2016, Chengdu Idle Goods Recycling Resource LLC.</p> <p>Location: Chengdu</p> <p>Social problem aimed to solve:</p> <p>1. A longstanding social problem, a lot of modern people have idling goods they no longer use. It is reported that the white-collar businesswoman in Shanghai keep an average of 22 pieces of idling clothing. On one side we see this huge amount of waste, on the other side we see children in rural areas face great shortage of material resources, they are cold in the winter.</p> <p>2. Clothing donation and unused goods recycling has been a traditional model for many social organizations for charity. But the social impact is very limited, and general public have concerns the transparency of the whole process as we commonly hear news on some people resell</p>

		<p>those donations for their own interest, making people frustrated and gradually lose their faith in the social organization.</p> <p>Solution (Product/Service):</p> <p>1. Using current information technology, every single item can be tracked, and such information is published online. And the company finish this feedback in a timely basis, normally in less than 3 days, you will receive WeChat message about where your goods is going, and how they will be used for social purpose.</p> <p>2. Different from traditional method that people need to carry their goods to the location, Chen's SE will do the pick up at door, and send the donator little yet useful prizes such as soaps, paper towels for gratitude. Again, using WeChat platform, they maintain the online community very carefully and respond in a timely manner to peoples request and reviews. In addition, they also organize other social activity to strengthen the ties with donators.</p> <p>3. Bravely explain to the public that we are Social enterprise, meaning that we are self sustained, so for idle goods that are not proper for donations to vulnerable groups, the company uses partnership to do the recycling and gain the sustainability out of it. And the company is confident and welcome social supervision.</p> <p>Phase and trend: Nascent Stage, but growing well, and has received a lot of media coverage. The team has now 4 members and can do 20-30 pick-ups daily, has a "customer/fans " base over 7000, and is growing. They are now looking for place to open a second-hand shop, which they think is a good way of enhancing social recognition and also to broaden the source of "earned income".</p> <p>Little background of the interviewee: Mr. Chen went to work at the age of 16; he's done many jobs and quite entrepreneurial experience too. Before starting this social venture, he was doing the manger job in the real-estate company owned by his father - in -law.</p>
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9	Founder/ CEO/ Male	Mixed Social	<p>Founded at: 2013, Chengdu Green Life Technology LLC.</p> <p>Location: Chengdu</p> <p>Social problem aimed to solve: We have only 1864 wild pandas living on the earth, they are so precious not only because their adorable looks which bring them millions of fans worldwide, but also because biological values as a ancient species. These wild pandas mainly live in China's Sichuan, Shaanxi and Gansu province, involving 49 counties and 196 towns. However, in order to protect wild pandas and their habitats, villagers' sphere of activities is greatly delimited, namely hunting, adoption of bamboo shoots, and logging, hunting, adopting of bamboo shoot and etc. are strictly prohibited. Although government subsidizes for years, the living and working condition of the villagers are getting worse without the traditional method livelihood. The fact is that young generation chose to go to the big cities for work, and the population near those panda habitats has fallen sharply, causing serious social problems such as empty nesters, left-behind children, and community declining.</p> <p>As a matter of fact, these social problems are not only for panda villages, the china's other 2700 nature conservations face the same dilemma: protecting the rare animals and plants and giving up the villagers' interest? Is there a sustainable way? In the end, it's the people who near the habits doing the real protection.</p> <p>Solution (Product/Service): The logic is clear, that we need to create a balance and sustainable development among the pandas, the ecosystem of the habitat, and the local villagers. Firstly, Green Life came up with is a fair-trade platform called the "Green life Ecomart". On one side, under the guidance of the law and regulation, the platform help villagers to do the habitat exploitation in a orderly, scientific and sustainable way, through which the villagers can make eco-friendly products such as organic foods, healthy beverages, unique nutrients,</p>
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			<p>cultural hand-crafts, and etc. The 196 panda village, each has their own features, Green life tried hard to design one unique village product for each of them. On the other hand, the platform use online e-commerce strategy and off-line activity to connect thousands of conscious customers, and products are sold and job opportunities are secured for the villagers. Generally, 45% of the product revenue will be repaid to the villagers.</p> <p>In promoting the social welfare thinking and cognition, the “Green Life” combine resources to organize a series of study tours (mostly targeting the family and children) to the panda resorts to educate people how’s real situation in the habitats, to learn how the panda and people live there.</p> <p>Phase and trend: this is the 3rd year of the company, and by the end of 2016, there are over 200 products on the “Green Ecomart” online platform to sale, and they are from more than 30 micro enterprises and cooperatives from the panda villages. The team keeps a optimistic prospect toward the future, as more and more people get to know them, and most importantly know the real social problem that exist in the panda village.</p> <p>Little background of the interviewee: Mr. Zhang is a previous chief editor of the business magazine “China West”, and has a book publication called “the truth of philanthropy”. He is a social activist and famous social entrepreneur in Chengdu.</p>
10	Co-CEO/ Female	Mixed Commercial	<p>Founded at: 2011, Buy 42.com (善淘网), an online store selling second hand goods or goods that some other institutions were not able to cope with.</p> <p>Location: Shanghai (headquarter) & Nan Tong (Distribution center)</p> <p>Social problem aimed to solve: According to Shanghai statistics, the unused goods in every white-collar female closet reached 22 pieces, creating huge waste. Though someone may want to donate those unused goods to the</p>

		<p>disadvantaged group, the logistics is both expensive and slow in those areas and in most cases things like clothes from the urban people are not suitable for the poor people.</p> <p>Solution (Product/Service): So why not keep those unused good circulated among the urban people, which can not only make the best use of the goods, but at the same time creating job opportunities for the disadvantaged group of people.</p> <p>ShanTao Inc. is a web based social enterprise that try to combine the online e-commerce and off-line “philanthropy store” to build up a innovative social business model, namely through online sales of enterprise and individual unused items, plus all kinds of public goods, and etc., to help China's 80 million disabled partners to obtain employment, training, and enable them to integrate into the society and community.</p> <p>Phase and trend: this is the 6th year of the company; ShanTao now is one of the role model of Chinese social entrepreneurship. The company is growing strongly and gaining more media coverage.</p> <p>Little background of the interviewee: Ms. Yu got her Master degree from Bentley University in marketing. Her main job in the company is about marketing and public relationship.</p>
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