



Social Responsibility Journal

Social entrepreneurship theory and sustainable social impact
Raghda El Ebrashi

Article information:

To cite this document:

Raghda El Ebrashi, (2013), "Social entrepreneurship theory and sustainable social impact", Social Responsibility Journal, Vol. 9 Iss 2 pp. 188 - 209

Permanent link to this document:

<http://dx.doi.org/10.1108/SRJ-07-2011-0013>

Downloaded on: 19 August 2014, At: 02:15 (PT)

References: this document contains references to 89 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 1640 times since 2013*

Access to this document was granted through an Emerald subscription provided by 512966 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Social entrepreneurship theory and sustainable social impact

Raghda El Ebrashi

Raghda El Ebrashi is based at the Faculty of Management and Technology, The German University in Cairo, Cairo, Egypt.

Abstract

Purpose – *The purpose of this research is to introduce a theory for social entrepreneurship based on integrating the entrepreneurship literature with a global empirical research carried out on social entrepreneurs using grounded theory. Theoretical contributions and insights from the social entrepreneurship literature are integrated into the research.*

Design/methodology/approach – *This research is an exploratory inductive qualitative research based on the grounded theory methodology developed by Glaser and Strauss, and procedures developed by Strauss and Corbin with a constructivist stance.*

Findings – *The behavioral theory of social entrepreneurship studies the contextual factors that lead to social venture creation, the underlying organization dynamics and structures, and how these typologies measure social impact, mobilize resources, and bring about sustainable social change.*

Research limitations/implications – *The result of the research is a behavioral theory for social entrepreneurship, which introduces new organizational typologies that create, measure, and sustain social change. Studying the underlying motivations and conditions upon which social enterprises evolve will help in extending the research on management of social outcomes and impacts. As the focus of the different typologies of social enterprises is to produce measurable social impact, researching these types of social organizations will advance research in social sciences.*

Practical implications – *Studying the phenomena of social entrepreneurship and explaining the social enterprises' unique behaviors, characteristics, and typologies will advance research for creating sustainable public wealth rather than just focusing on private wealth and business performance. While Schumpeter's entrepreneurship theory led the literature on economic growth, social entrepreneurship theory might be a factor for social development through economically sustainable and viable models.*

Social implications – *This research will help in studying the role of social entrepreneurs in creating new social institutions and structures, promoting social movements, and mobilizing resources to create sustainable social impact.*

Originality/value – *This research is an attempt to contribute to the social entrepreneurship literature by providing new insights about social entrepreneurship behavior. The result of the research is a behavioral theory for social entrepreneurship, which introduces new organizational typologies that create, measure, and sustain social change.*

Keywords *Social entrepreneurship, Social enterprise, Social impact, Social change, Grounded theory, Organization typologies, Entrepreneurialism*

Paper type *Research paper*

Introduction

Social entrepreneurship was introduced in the 1970s to address the issue of social problems sustainably. The term "social entrepreneur" was first mentioned in 1972 by Joseph Banks in his seminal work named *The Sociology of Social Movements*, where he used the term to describe the need to use managerial skills to address social problems as well as to address business challenges. Social entrepreneurship practices emerged in the 1980s with the establishment of Ashoka, which is the first organization to support social entrepreneurs in the world (Ashoka, 2009). In addition, the term "social innovation" was described in the work of

Received 1 July 2011
Revised: 5 November 2011
Accepted: 13 January 2012

The author acknowledges the German University in Cairo, and Ashoka.

Drucker (1990), who wrote about the need for using management practices in non-profit organizations to increase the efficiency and effectiveness of producing social good.

Studying the phenomena of social entrepreneurship and explaining the social enterprises' unique behaviors, characteristics, and typologies will advance research for creating sustainable public wealth rather than just focusing on private wealth and business performance. While Schumpeter's (1943, 2004) entrepreneurship theory led the literature on economic growth, social entrepreneurship theory might be a factor for social development through economically sustainable and viable models (El Ebrashi, 2010). Social entrepreneurs focus on the creation of social impact and social change (Nicholls, 2006; Mair and Noboa, 2006) and social transformation (Alvord *et al.*, 2004). Having said this, introducing and explaining new organization typologies focusing on social change and transformation will contribute to our understanding of how social organizations evolve, how conditions in the world affect these organizations, and how these organizations sustain social fabric (Courpasson *et al.*, 2008).

The purpose of this research is to introduce a theory for social entrepreneurship based on integrating the entrepreneurship literature with an empirical research carried out using grounded theory. The social entrepreneurship theory introduces new organizational typologies for social entrepreneurial organizations, and it also studies the conditions, contexts, and motivations that bring about those typologies. Social entrepreneurship is embedded in the social sector or the citizen sector, which focuses on the creation of sustainable social change (Bornstein, 1998). Studying how organizations evolve is crucial to the study of organizations (Davis *et al.*, 2005), and introducing new typologies for social enterprises focusing on social change will ultimately contribute to the study of how these organizations create sustainable social impact.

The paper starts with introducing the literature on social entrepreneurship and social impact; highlighting the unique outcomes and impacts of social entrepreneurship. The section that follows explains the research design of the empirical research carried out using grounded theory. Afterwards, the behavioral theory of social entrepreneurship is thoroughly explained, and an example from the grounded research is presented to illustrate the theory. A conceptual framework follows, and then the conclusion is presented with aspects for future research.

Social entrepreneurship and social impact

Social entrepreneurship evolved as part of the entrepreneurship literature. Most of the entrepreneurship literature focused on the creation of new ventures to produce profits. However, forming new ventures (Schumpeter, 1934; Moore, 1986; Bygrave, 1997) and their outcomes (Weick, 1979) were not identified *stricto sensu* for profit making (El Ebrashi, 2010). Entrepreneurship is about discovering a fit between certain needs and resources (Kirzner, 1973; 1979), establishing (Gartner, 1985; Schumpeter, 1934) an innovative venture (Schumpeter, 1934), working on the venture's growth, pursuing more opportunities to continuously innovate in the venture (Moore, 1986; Bygrave, 1997) and producing sensible outcomes (Weick, 1979). This leaves a room for redefining entrepreneurship, or in other words, to produce new organization typologies with different outcomes.

The outcomes of social entrepreneurship are different from traditional entrepreneurship, and measurement of those outcomes is also different. According to Nicholls (2006), social entrepreneurs tackle market failures, which resembles the function of entrepreneurs as well (Kirzner, 1973). However, for social entrepreneurs, market failures are not only related to price disequilibria or the inability of some people to access certain products or services. Social entrepreneurs target market failures related to externalities and public goods, and distributional equity (Holcombe, 1997; Mankiw, 2008).

What differentiates social entrepreneurship from any other form of entrepreneurship is that the former focuses on achieving a social mission, which is clear in the context and outcomes of the social component. While both business and social entrepreneurship are socially valuable (Drucker, 2001), social value in social entrepreneurship is the explicit and central

driving force (Austin, 2006). Mair and Noboa (2006) said that the tangible outcomes produced from the social entrepreneurial behavior should “yield and sustain social benefits”. The sensible outcomes produced by social enterprises are social impact and social change (Young, 2006; Martin and Osberg, 2007; Austin, 2006), which sustain social benefits. Social impact is:

The process of assessing or estimating, in advance, the social consequences that are likely to follow from specific policy actions or project development [. . .] Social impacts include all social and cultural consequences to human populations of any public or private actions that alter the ways in which people live, work, play, relate to one another, organize to meet their needs, and generally cope as members of society. Cultural impacts involve changes to the norms, values, and beliefs of individuals that guide and rationalize their cognition of themselves and their society (Burdge and Vanclay, 1996, p. 59).

For business entrepreneurs, there are well-established methods for measuring the value they make, which are based on looking at price/earnings ratios and alike. Whatever different sorts of value businesses create, the financial profit – the traditional bottom line is accepted as the most important measure of value (Young, 2006). On the other hand, social entrepreneurs’ creation of social value rests on measuring the benefits acquired by people whose urgent needs are not being met by any means (Young, 2006), which is measuring social impact. One of the ways that social entrepreneurs use to assess their social impact is the logic model, which explains the relationships among inputs, processes, outputs, outcomes, and impact (Zappala and Lyons, 2009).

Inputs are resources dedicated to a certain program, whether these resources are human or financial resources. Outputs and results are the direct products of the program activities including for example number of classes provided for beneficiaries, number of beneficiaries participating in the program, number of service hours, and alike. The outcomes are the benefits for participants in the program activities, and usually they are short-term benefits as an immediate result of the program. For example, outcomes may include changes in beneficiaries’ performance, increase in beneficiaries’ knowledge, the ability of beneficiaries to pass exams . . . etc. Impact is the sustainable long-term change that happens in beneficiaries’ lives as well as the community at large; for example, changing stereotypes or creating new vocations (Buckmaster, 1999; Haugh, 2006; European Commission, 2006).

Although Fowler (2000) sees social entrepreneurship as purely not for profit and about creating a “surplus” to maintain organizational sustainability, Robinson (2006) definition of social entrepreneurship includes social enterprises, social venture capital, and social purpose organizations. These can include for-profit organizations creating financial, social, and environmental returns, as the social/environmental impact is as important as the financial return (Mair, 2006; Austin, 2006). Robinson (2006) defines social entrepreneurship as “a process that includes: the identification of a specific social problem and a specific solution (or set of solutions) 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” (Robinson, 2006, p. 95).

Another name for social entrepreneurship is “social enterprise”, where social entrepreneurs consider strategic moves to subsidize their services through exploiting profitable opportunities in the core activities of their non-profit venture (Nicholls, 2006; Dees, 1998), or via for profit ventures (Cleveland and Anderson, 2001), or through cross partnerships with commercial companies (Nicholls, 2006). However, using “social enterprise” as synonymous for social entrepreneurship may not be accurate because there are social ventures that are highly entrepreneurial without generating independent profit streams. This entrepreneurial factor comes from continuous innovation (Schumpeter, 1934) in providing public goods (Nicholls, 2006).

The earned income^[1] concept might not be a defining characteristic of social entrepreneurship, but it is crucial for social entrepreneurs to sustain their ventures (Anderson and Dees, 2006; Boschee and McClurg, 2003). Once the social entrepreneur operates at full cost recovery or beyond (i.e. generating profits), he/she has entered the

business world and thus is called “social business entrepreneur” (Yunus, 2006, p. 40). According to the Global Entrepreneurship Monitor (2006), in social businesses, profits might be dispersed to shareholders; however, most of the profits are recycled back into the business to maximize social impact and not to maximize profit. Conforming to Yunus (2006), social businesses have primary social objectives, and “[. . .] because of their structure and constitution, they are able to serve a triple bottom line achieving profitability, societal impact and environmental sustainability simultaneously” (Global Entrepreneurship Monitor, 2006, p. 4).

Research design

The research attempts to provide a behavioral theory for social entrepreneurship, which contributes to our understanding of why and how social enterprises are formed, the typologies evolving from different organizational contexts, and how the different typologies create and measure sustainable social impact. Grounded theory is recommended to draw theories about social entrepreneurship in specific (Robinson, 2006; Nicholls, 2006), and entrepreneurial cognitive and behavioral research in general (Neergaard and Uihøi, 2007; Bygrave, 2007). Grounded theory gives in-depth analysis of the phenomena as well as discovers new dimensions for social entrepreneurship (Bygrave, 2007). Thus, this research is an exploratory inductive qualitative research based on the grounded theory methodology developed by Glaser and Strauss (1967), and procedures developed by Strauss and Corbin (1990, 1998) with a constructivist stance.

Due to the richness of the entrepreneurship literature and the existence of cognitive and behavioral theories that are not found in the social entrepreneurship literature, findings from the grounded theory research on social entrepreneurship were integrated into the existing entrepreneurship theories on cognition and behavior, to build on existing theories (Strauss and Corbin, 1990; Whetten, 1989). This research depended on Bygrave (1997) entrepreneurship behavior theory, and Schumpeter (1934) theory of entrepreneurial innovation. The main cognitive theory used for theory building was Ajzen (1991) theory of planned behavior.

Sampling

Sampling in qualitative research tremendously affects the quality of the research; however, many qualitative researchers neglected this issue (Neergaard and Uihøi, 2007; Coyne, 1997). For this reason, this research considered rigorous theoretical and purposive sampling techniques that are suitable for grounded theory research (Strauss and Corbin, 1990; Coyne, 1997; Glaser, 1978; Neergaard and Uihøi, 2007). Glaser (1978) defines theoretical sampling as “the process of data collection for generating theory whereby the analyst jointly collects codes, and analyses his data and decides which data to collect next and where to find them, in order to develop his theory as it emerges” (Glaser, 1978, p. 36). When individual codes are saturated, elaborated upon, and fully integrated into the emerging theory, the researcher can stop collection of data. According to Glaser (1978), theoretical sampling also includes purposive sampling, which is described by Patton (1990) “the logic and power of purposeful sampling lies in selecting information-rich cases for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research” (Patton, 1990, p. 169; cited in Coyne, 1997, p. 624). Accordingly, grounded theory research always starts with purposive sampling to maximize the possibility of obtaining data and thus leads to knowing where to go afterwards and then proceeds with theoretical sampling (Glaser, 1978).

The empirical research was carried out in five different countries (Egypt, Germany, Malaysia, USA, and Jordan), where 30 social entrepreneurs and two experts were interviewed. These social entrepreneurs came from 13 different countries supported by five different supporting organizations[2]. The research consumed two years and started in 2007. This paper highlights one of the social entrepreneurs interviewed from Egypt. Refer to Table I for the research map including the social entrepreneurs interviewed and observed, supporting organization, countries, and dates of the research.

Table I The empirical research map

Supporting organization/experts	Brief background	Uniqueness of the supporting organization	Name	Social entrepreneurs/companies interviewed			Date	Direct observation		
				Country	Place of interview					
Ashoka	Established in 1980 by Bill Drayton to support social entrepreneurs all over the world to scale up their ventures mainly from local to the national level. The organization focuses on supporting social entrepreneurs in the civic sector as well in the private sector	The first organization supporting social entrepreneurs all over the world The organization supports social entrepreneurs who demonstrated success on the local level, and thus have a prototype to be replicated on the national level	Dina A. Ahab	Egypt	Cairo, Egypt	09/04/08	Observed			
			Ehab Abdou	Egypt	Cairo, Egypt	09/03/08	Observed			
			Magda Eskandar	Egypt	Cairo, Egypt	13/03/08	Not Observed			
			Maher Bushra	Egypt	El Menya, Egypt	24/03/08	Not Observed			
			Salah Arafa	Egypt	El Sharkyya, Egypt	11/03/08	Observed			
			Tandiar Mosaad	Egypt	Cairo, Egypt	10/03/08	Observed			
			Hisham El Rouby	Egypt	Cairo, Egypt	07/02/09	Not Observed			
			Heike Schettler	Germany	Munich, Germany	09/07/07	Not Observed			
			Murat Vural	Germany	Bochum, Germany	27/07/07	Not Observed			
			Ramazan Salman ^a	Germany	Hannover, Germany	28/07/07	Not Observed			
Schwab	Established in 1998 by Klaus Schwab to award and support social entrepreneurs all over the world who work in either the civic or the private sector. The organization supports social entrepreneurs who already scaled up their initiatives from the local to the national level or even to the international/regional level	Supports social entrepreneurs who have already scaled up their enterprises and moved to the national or international level	Bright Simons ^b	Ghana	Washington DC, US	07/11/08	Not Observed			
			Nnameka Ikegwonu ^c	Nigeria	Washington DC, US	05/11/08	Not Observed			
			Ibrahim A. Aish	Egypt	Sharkyya, Egypt	02/07/08	Observed			
			Laila Eskandar	Egypt	Cairo, Egypt	26/03/08	Not observed			
			Andreas Heineke ^d	Germany	Hamburg, Germany	01/08/07	Observed			
			Bjorn Czinczoll	Germany	Nurnberg, Germany	10/07/07	Not observed			
			David Schmultzer	Germany	Munich, Germany	18/07/07	Not observed			
			Zeinab El Momany ^e	Jordan	Amman, Jordan	10/02/09	Not observed			
			Young social entrepreneurs' forum	The forum was introduced in 2007 by the Global Knowledge Partnership in Malaysia to recognize young social entrepreneurs all over the world as well as network some of them to potential investors. The organization focuses on start-up social ventures in the civic or private spheres	Supports start-up social ventures rather than scaled up Focuses on young social entrepreneurs (under 25 years old)	Andrea Argintariu ^f	Romania	Kuala Lumpur, Malaysia	12/12/07	Not observed
						Gbenga Ogunjimi	Nigeria	Kuala Lumpur, Malaysia	11/12/07	Not observed

(Continued)

Table I

Social entrepreneurs/companies interviewed							
Supporting organization/experts	Brief background	Uniqueness of the supporting organization	Name	Country	Place of interview	Date	
						Direct observation	
Youth action net	The organization was established in 2001 as part of the International Youth Foundation. The organization supports social entrepreneurship initiatives that are between the scale-up phase and the leverage phase all over the world in the civic or private spheres	Supports social ventures on the verge of scaling up on the local level Focuses on young social entrepreneurs between 19-29	Joy Oliver Khalida Brohi Marisa Casey Rajeeb Dey Therese Fernandez	S. Africa Pakistan US UK Philippines	Washington, DC, US Washington, DC, US Washington, DC, US Washington, DC, US Washington, DC, US	07/11/08 05/11/08 03/11/08 04/11/08 04/11/08	Not observed Not observed Not observed Not observed Not observed
Arab World Social Innovators Program	The organization is part of Synergos that was founded in 1986. The Arab World program supports social entrepreneurs in the Arab region who are either starting-up or scaling up on the local level and in the civic or private spheres	Supports social entrepreneurs in the Arab World as one of the regions that needs focus and support Focuses on social entrepreneurs who are starting up their ventures or scaling up on the local level	Aref Hussein Ezzat Naem Kamal Mouzwak Paul Abi Rashed Sameh El Halawany	Palestine Egypt Lebanon Lebanon Egypt	Amman, Jordan Cairo, Egypt Amman, Jordan Amman, Jordan Alexandria, Egypt	06/02/09 06/02/09 07/02/09 07/02/09 10/02/09	Not observed Observed Not observed Observed Not observed
Social entrepreneurship expert			Andre Habishe (Schwab Judge and CSR Professor)	Germany	Ingolstadt, Germany	17/07/07	
Social entrepreneurship expert			Iman Bibars (Regional Director of Ashoka Middle East)	Egypt	Cairo, Egypt	23/06/08	

Notes: ^aHe was then selected as a Schwab fellow as well; ^bHe was previously a Youth Action Net Fellow; ^cHe was previously a YouthActionNetFellow; ^dHe was then selected as a Schwab Fellow; ^eShe then became an Ashoka fellow; ^fShe was previously a Youth Action Net fellow

To insure data triangulation (Strauss and Corbin, 1998; Eisenhardt, 1989; Coyne, 1997), all of the 30 social entrepreneurs were interviewed and indirectly observed, while some of them (eight social entrepreneurs) were directly observed. This research included both direct and indirect observations. Direct observations include attending their meetings with their staff, beneficiaries, as well as business meetings. Indirect observations included reviewing histories and profiles of social entrepreneurs on the Internet, reading their organizations' booklets and profiles, watching documentaries about their work, and most importantly reviewing the objectives and mission statements of all social entrepreneurs. According to Strauss and Corbin (1990, 1998), observing subjects will help in identifying behaviors, and thus will help in identifying concepts and categories. Social entrepreneurs who were only interviewed were met outside their countries (when they were attending conferences or business meetings) due to time and financial constraints. The interviews were kept semi-structured to allow for data emergence.

The first group of social entrepreneurs was selected from Ashoka and the Schwab Foundation for two reasons (i.e. purposive sampling). The first reason was these two foundations are regularly cited in the social entrepreneurship literature, and thus they can help in generating data for developing the next sample (i.e. purposive sampling followed by theoretical sampling). The second reason is that the two foundations differ in their definition of social entrepreneurs and support system for social entrepreneurs. Ashoka supports social entrepreneurs who demonstrated success on the local level, and thus have a prototype to be replicated on the national level, while the Schwab Foundation supports social entrepreneurs who have already scaled up their enterprises and moved to the national or international level.

Accordingly, by studying social entrepreneurs in different stages and with diverse definitions (according to their supporting organizations), it can be deduced if it is needed to diverge the research sample or focus on a certain supporting organization for social entrepreneurs. This first group of social entrepreneurs included three social entrepreneurs from Ashoka, three from the Schwab Foundation, and one expert; all of them in Germany due to convenience. E-mails were sent to all of the social entrepreneurs listed on Ashoka and the Schwab Foundation database in Germany, and interviewed all who conveyed interest in participating in the research.

After coding the research of the first group of social entrepreneurs, it was deduced there was a need to change the research plan and research social entrepreneurs from different supporting organizations, organizational stages, as well as culture (i.e. theoretical sampling). The literature on social entrepreneurship was scanned throughout the empirical research and found four other supporting organizations for social entrepreneurship namely YouthActionNet, Synergos, Young Social Entrepreneurship Forum, and the Skoll Foundation. A plan was created to interview a number of social entrepreneurs from all the supporting organizations, but due to time constraints, the Skoll Foundation was not included. However, the research is near-census. The social entrepreneurs interviewed were selected also based on willingness to participate from the above-mentioned organizations; however, the researcher made sure to include social entrepreneurs from various countries.

The research process

According to Straus and Corbin (1990), grounded theory research begins with defining research questions and introducing early constructs. According to Suddaby (2006) and Strauss and Corbin (1990), reviewing the literature prior to carrying out the grounded theory research is essential to create theoretical sensitivity, define the research focus and questions, and helps in early sampling. Researchers then prepare for their field research, where collection of data and its analysis are concurrent to allow for the data collection plan to be changed and hence a better theory discovered.

The research starts with reviewing the entrepreneurship literature as the starting point of realizing the entrepreneurship foundations. Then, social entrepreneurship literature is reviewed along with scanning social entrepreneurs in various countries so as to define the

research context and focus. After comparing the entrepreneurship literature with the initial scanning of the social entrepreneurship literature and practices, the research gap is developed and research questions are produced. The empirical research then starts including interviews with social entrepreneurs from different organizations. Some social entrepreneurs were both observed and interviewed. The data is afterwards analyzed through grounded theory procedures, and the findings are analyzed with the entrepreneurship literature so as to come up with social entrepreneurship theories, and eventually answer the research questions. Refer to Figure 1 for the research process.

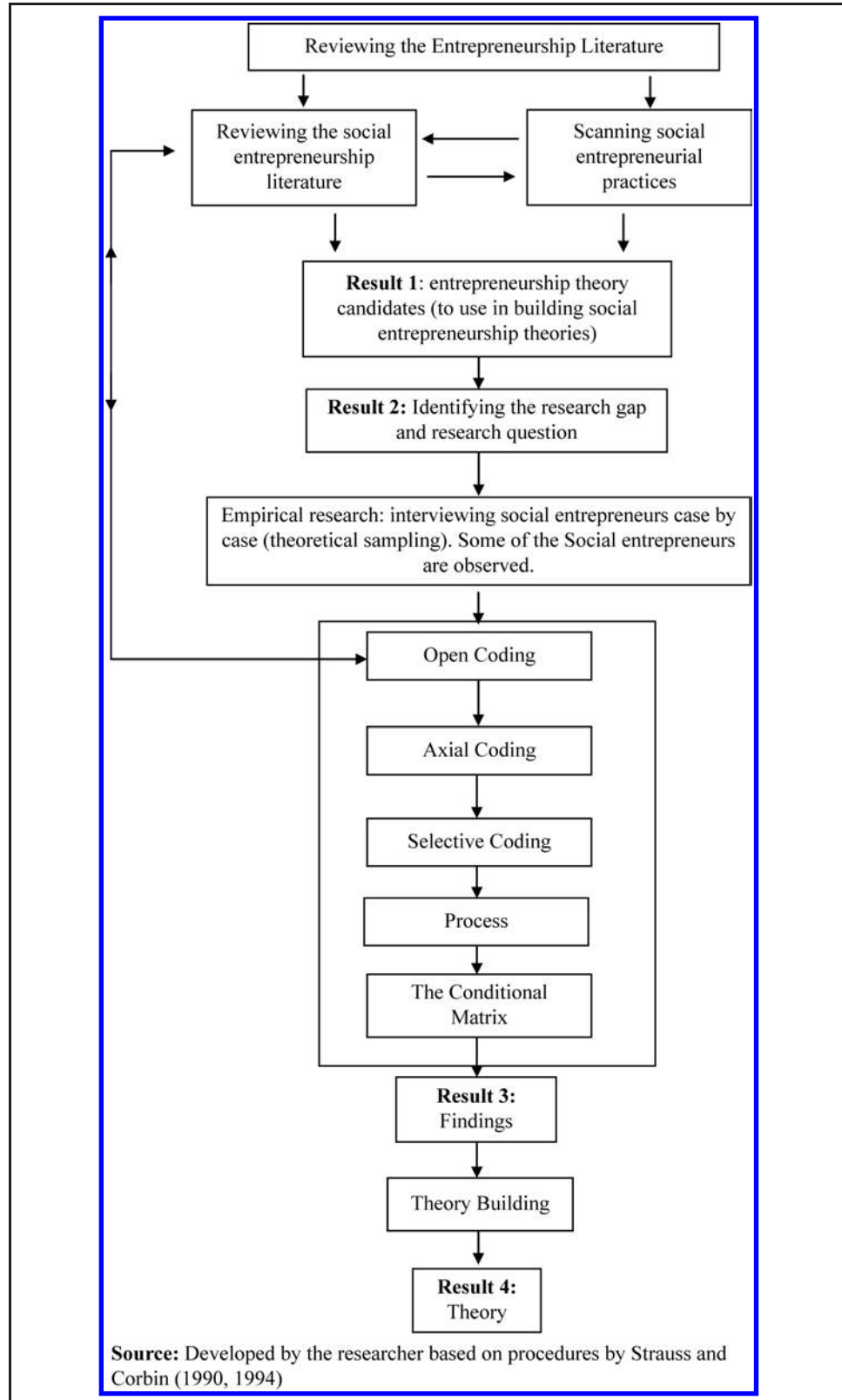
Strauss and Corbin (1990) identify writing memos as essential; they are not simply about writing ideas, but they are involved in the formulation and revision of theory during the research process. In addition, hypotheses about relationships among categories should be developed and verified as much as possible during the research process (this is named axial coding). Hypotheses about relationships among categories are developed and taken back into the field for revising them. Accordingly, hypotheses are constantly revised during the research process until they hold true across the study. Lastly, broader structural conditions must be analyzed (conditional matrix), where economic conditions, social movements, cultural values, and so on might affect the research process, in addition to those conditions mentioned for every category.

Coding procedures

As mentioned in Figure 1, this research goes through various steps in coding (Strauss and Corbin, 1990). The first step starts with the open coding, which is the process of breaking down, examining, comparing, conceptualizing, and categorizing data. This is followed by axial coding, which is a set of procedures whereby data are put back together in new ways after open coding, by making connections between categories. The third step is the selective coding, which is the process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development. Process then follows axial coding, which links the action or interactional consequences. The last step before producing the findings is the conditional matrix, which is an analytic aid (a diagram) useful for considering the wide range of conditions and consequences related to the phenomenon under study. The matrix enables the analyst to both distinguish and link levels of conditions and consequences. Theory is built from the analysis of the phenomena that are given conceptual labels. Only by comparing incidents and naming phenomena with the same term can a theorist accumulate the basic units of theory. Afterwards, categories must be developed and related. Categories are made up of concepts that are grouped to a higher abstract level. Categories are generated through the same analytical process of comparison, where they form the corner stones of the theory. Once the category is identified, the researcher would want to know some of the characteristics (i.e. conditions) of the category, and thus categories are defined and given explanatory power. Refer to the appendix for a part of the open coding, axial coding, selective coding, and process for the case presented in this paper.

According to Strauss and Corbin (1990, 1994), moving back and forth between literature, empirical research, open coding, and axial coding is essential to discover new categories, increase theoretical sensitivity, and also to enhance theoretical sampling. Accordingly, the research involved going back and forth between data and the literature till the data saturation is reached (Strauss and Corbin, 1990, 1994). Interviewing the 30 social entrepreneurs was not planned, and it depended on data saturation. As a result, the time plan for the research was not pre-determined. The whole research consumed three years. The first six months was for reviewing the literature on entrepreneurship and social entrepreneurship and writing some of the literature and identifying the theory candidates and the research gap. Afterwards, the empirical research started directly and consumed two years, which also included the preliminary coding of the research and its analysis, and writing the literature. The two years were divided into five phases; a phase for every country to carry out the interviews. When data saturation took place, the last six months were used for the final analysis of the empirical research and theory building.

Figure 1 The research process



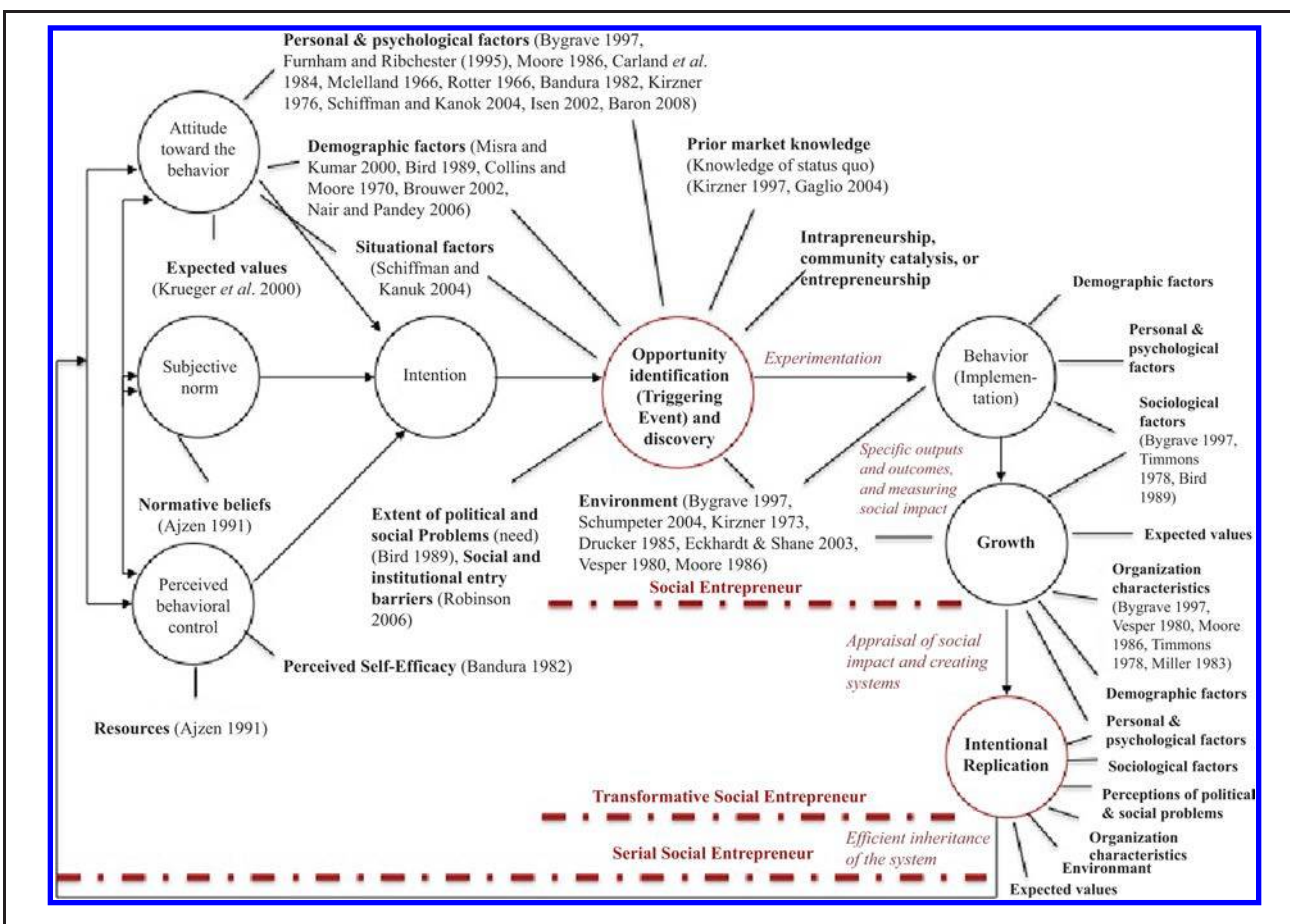
The theory of social entrepreneurship behavior: introducing new organization typologies

Figure 2 shows the resulting behavioral theory of social entrepreneurship. As per Ajzen (1991), there are three constructs affecting the formation of intentions: attitudes, subjective norms, and perceived behavioral control. Every construct in the behavioral theory of social entrepreneurship is affected by various factors (antecedents) that are:

1. Personal and psychological factors:

- Tolerance of ambiguity (Furnham and Ribchester, 1995).
- Managerial ability (Moore, 1986).
- Commitment (Bygrave, 1997).
- Vision (Bygrave, 1997).
- Leadership (Bygrave, 1997).
- Creativity (Moore, 1986).
- Risk taking (Carland *et al.*, 1984).
- Need for achievement (McClelland, 1961).
- Need for independence (Collins and Moore, 1970).
- Locus of control (Rotter, 1966).
- Perceived self-efficacy (Bandura, 1982).

Figure 2 The theory of social entrepreneurship behavior



- Alertness to opportunities (Kirzner, 1979).
 - Empathy and role of affective attitudes (Schiffman and Kanuk, 2004; Isen, 2002; Baron, 2008).
2. Sociological factors:
- Networks (Bygrave, 1997).
 - Teams (Timmons, 1978).
 - Role models (Bygrave, 1997).
 - Parents' support (Bird, 1989).
3. Demographic factors:
- Parents' occupation and education (Collins and Moore, 1970).
 - Education (Collins and Moore, 1970; Bird, 1989).
 - Work experience (Collins and Moore, 1970; Bird, 1989).
 - Religion and ethnic background (Misra and Kumar, 2000; Brouwer, 2002).
 - Family background (Misra and Kumar, 2000; Brouwer, 2002).
 - Entrepreneurial father/family (Nair and Pandey, 2006).
 - Sex (Misra and Kumar, 2000).
 - Place of birth and nationality (Misra and Kumar, 2000).
 - Income level (Misra and Kumar, 2000).
4. Environment:
- Sources of opportunities (Schumpeter, 1934; Kirzner, 1973; Drucker, 1985; Eckhardt and Shane, 2003).
 - Role models (Bygrave, 1997).
 - Competition (Vesper, 1980).
 - Resources (Bygrave, 1997).
 - Government policy (Bygrave, 1997).
 - Customers (Bygrave, 1997).
 - Suppliers (Bygrave, 1997).
 - Investors (Bygrave, 1997).
 - Bankers (Bygrave, 1997).
5. Expected values (Krueger *et al.*, 2000):
- Wealth.
 - Autonomy.
 - Stress.
 - Community benefits.
6. Situational variables (Schiffman and Kanuk, 2004):
- Lay off from work.
 - Dissatisfaction with work over time.
 - Others.
7. Organizational characteristics:
- Starting capital (Vesper, 1980).
 - Management practices (Vesper, 1980).

- Structure and culture (Moore, 1986).
- Team (Timmons, 1978).
- Response to the environment (Miller, 1983).
- Organization configuration and modes (Mintzberg, 1973).

These antecedents were clear in the grounded empirical research. The theory is derived from empirical research, and it applies to all cases explored in the empirical research.

Social entrepreneurs develop intentions to form social ventures due to certain attitudes, subjective norms, and perceived behavior control. While intentions are the best predictors for behavior (Krueger *et al.*, 2000), the theory of social entrepreneurship behavior claims that intentions are developed first followed by a triggering event, which leads to the opportunity discovery. The triggering event is constructed from the grounded research and added to Ajzen (1991) theory of planned behavior. The triggering event is not the same as situational factors. Situational factors are set of events that might affect the attitudes of the social entrepreneur toward performing a certain behavior, and mostly those factors are personal situational factors. Situational factors are, "events or circumstances that, at a particular point in time, influence the relationship between an attitude and behavior" (Schiffman and Kanuk, 2004, p. 254). Although attitudes should be consistent with behavior, situational influences might affect attitudes and thus behavior. However, the triggering event is a multi-dimensional event that is triggered by certain knowledge of the status quo (Gaglio, 2004); community catalysis (the community catalyst is a category constructed, where a person tries to coordinate people in the community, resources, and implement informal projects; not formal projects under a certain organization), entrepreneurship, or intrapreneurship (Antoncic and Hisrich, 2003); social and political problems (Bird, 1989); social and institutional entry barriers (Robinson, 2006); environmental factors (Bygrave, 1997); personal and psychological factors (McClelland, 1961; Rotter, 1966; Bandura, 1982; Baron, 2008); demographic factors (Collins and Moore, 1970; Misra and Kumar, 2000); and situational factors (Schiffman and Kanuk, 2004). The triggering event moderates the relationship between intentions and behaviors, and increases the predictability of intentions to form behaviors. It is worth saying that social entrepreneurs tend to experiment their ideas before carrying out the actual behavior (i.e. establishing the social venture). Experimentation increases the confidence of the social entrepreneur in his/her idea and contributes to the motivation towards implementing the behavior.

The most important criteria for "qualifying" as a social venture is establishing the organization to create a certain social impact and measure the success of the organization based on the achievement of this social impact. Social ventures do not focus on outputs, or in other words, service provision. Social entrepreneurs create sustainable change and they measure the success of their organizations based on the creation of this change. While business entrepreneurs measure the success of the organization through the provision of services/goods and financial returns, social ventures measure the success of the organization not by their ability to provide services to the community they are serving (i.e. focusing on outputs), but through their ability to create sustainable social impact (i.e. change in the society at large) (Young, 2006; Kozma and Wagner, 1997; Drucker, 2001; Robinson, 2006; Zappala and Lyons, 2009; Mair and Marti, 2006).

Social enterprises take different forms. They could be NGOs, private businesses, or cooperatives. Social entrepreneurs have clear outcomes that lead to social impact, which define their organization success. Accordingly, it is deduced that the outcomes and social impact of social ventures together differentiate social ventures from business ventures. Social entrepreneurs do not stop at the formation of social ventures, but work on the ventures' growth and exhausting more opportunities as their business counterparts. To reach the growth stage, social entrepreneurs have to state their impact clearly through outputs and outcomes, and to measure social impact as the defining success of the organization.

The social entrepreneur is called "transformative social entrepreneur" if this person shows another form of behavior that is called here "intentional replication". While business entrepreneurs seek to put economic barriers (Porter, 1980) to defend their innovations and

business ideas, transformative social entrepreneurs intentionally seek the replication of their ideas by other organizations to create systematic sustainable social change in the market even beyond their organizations. Transformative social entrepreneurs not only work on the growth of their own ventures, but they seek to educate other organizations and individuals to adopt their models, and thus reach out more people and impact more lives. Accordingly, they break the social and institutional barriers that hinder other organizations and individuals from reaching the knowledge necessary to create the impact that the social entrepreneur was able to achieve through his/her organization. To create this intentional replication, the transformative social entrepreneur creates systems and formal measurement and appraisal of social impact, which are necessary to communicate to other organizations and thus those organizations are able to create the same impact with the same procedures as the transformative social entrepreneur.

The transformative social entrepreneur might turn to be a “serial social entrepreneur”, which reinvents the wheel of intention formation. When transformative social entrepreneur replicate his ideas, find these ideas adopted by many organizations or individuals, and they start to feel their organization’s model is inherited or moving easily like an ice-ball, the Serial Social Entrepreneur tends to develop interest in other social venture ideas, which he has developed intentions for through their social entrepreneurship experience.

The theory of social entrepreneurship behavior can be explained through illustrating an example from the grounded research carried out.

A cooperative reaching the serial social entrepreneurship stage

Salah Arafa’s idea (Egypt, Ashoka Fellow) is about using natural local resources with active citizen participation to meet basic human needs in small rural villages in Egypt. Salah’s community-based model is built on the potentials of the poor as being able to sustain their own lives, and that development and modernization do not necessarily entail urbanization or a move to the cities. Salah believes that the community development process is largely an educational process, and that the prerequisite for Egypt’s sustainable development is citizens who are free, well educated, well informed, and technically skilled, and who can actively participate in their own development process. Salah introduced an innovative concept in the field of development based on community participatory methods. The community members are empowered to transform their own lives; using the current resources available in the village. Salah’s model started with one village in Sharkeyya, and extended to reach Sinai and Al Wady Al Gedid in Egypt. His model is financially, socially, and environmentally sustainable.

ntentions formation. Salah Arafa’s attitudes were formed due to various demographic, personal, and psychological factors. Coming from a rural area and living in the era of colonization in Egypt, he learned the value of responsibility and respect to one’s own community. Salah had a high need for achievement (McClelland, 1961), as he wanted to prove himself as a competent Egyptian learning and teaching science, so he studied for his PhD in Switzerland. He had an internal locus of control (Rotter, 1966), as he trusted his ability of managing his family obligations with his need to achieve academically. The demographic background of Salah increased his commitment by developing a strong personality that appreciates challenges.

A situational factor (Schiffman and Kanuk, 2004) affected Salah’s attitudes, and this was when his professors expressed their respect for him as an academic achiever coming from a developing country. When he returned back to Egypt, the expected value (Krueger *et al.*, 2000) of being a professor at a university was not only about achieving personal victory, but also about changing the stereotype about Egypt as a developing country. Salah’s attitudes were also affected by subjective norms, which necessitated him to take care of his family as being the elder brother. The perceived behavioral control included the perceived self-efficacy (Bandura, 1982), as Salah trusted his own capabilities of being a science academic, and he felt he had the resources by having the trust of science academics.

The previously mentioned factors formed the intentions of Salah to transfer his knowledge to people and change the stereotype of foreign countries about Egypt. However, he was not

sure how to do it. Seeking an academic career would help him transfer knowledge to others; however, this would not change the stereotype he experienced abroad.

The triggering event and experimentation. The triggering event preceded the formation of the social venture, and this event was affected by various factors. Having strong intentions to transfer knowledge, Salah started to orient himself about community development and to have prior market knowledge (Gaglio, 2004), which he gained through reading and attending lectures. Having demographic factors that made him attached to his community roots, he started to increase his prior knowledge as well through going to Basaysa in Sharkeyya (his home town) every week to know more about community problems and the reasons for the negative stereotypes. Personal and psychological factors as having a challenge-seeking behavior and a strong vision (Bygrave, 1997) to make use of knowledge in community development increased his interest in knowing more about community problems. He was also very committed (Bygrave, 1997), as he continuously went to Sharkeyya every week for seven years to research problems and try to build trust.

Situational factors (Schiffman and Kanuk, 2004) including the interest of youth in Salah's weekly meetings, and the trust of old people in him, made Salah more motivated and optimistic. He had expected values (Krueger *et al.*, 2000) from listening to the community, which included personal achievement as well as community benefits. He started to work as a community catalyst (El Ebrashi, 2010), which included listening to community problems and trying to solve them case-by-case. Being aware (prior market knowledge) of the social and political problems (Bird, 1989) in Egypt, he became alert (Kirzner, 1976) to the social and institutional barriers (Robinson, 2006) that existed in Sharkeyya. The community was very poor, but they had resources including natural resources (sun and water), indigenous knowledge, and youth (environment factors mentioned in Schumpeter, 1934; Kirzner, 1973, Drucker, 1985; Eckhardt and Shane, 2003). The social barrier facing them was mainly the access to local networks, while the institutional barrier was the inability to access funds for developing their community. These all formed the opportunity discovery, where Salah saw the fit between community needs and the resources available in the community (Kirzner, 1979). He decided to integrate knowledge to the process of development in Egypt, and experimented his idea (El Ebrashi, 2010) through creating networks among community members, bringing volunteers from his university to the community, and creating small projects through community funds. He found the community responsive to his idea, and he decided to establish the social enterprise.

Behavior (implementation). Salah decided to establish the social enterprise as a cooperative due to demographic factors (Misra and Kumar, 2000; Brouwer, 2002) including his rural background, which made him think of "wealth sharing" and the production of useful goods for the whole community. His previous readings on sustainable development, as well as the stereotyping he faced in Switzerland made him think of establishing the venture as a cooperative to make use of community funds and participation, and thus create an independent developed community. The personal and psychological factors included his strong need for achievement, and a vision of giving people the chance to decide and participate in the initiation of community projects. The cooperative was the best model to make the organization participative. The environmental factors included the existence of role models (Bygrave, 1997) who were community leaders with high motivation to contribute with money and effort in the cooperative. There were also huge amounts of opportunities, which included customer demand on various products and services, suppliers of raw materials, and the availability of youth who would contribute with their efforts. Sociological factors included the availability of networks, which Salah created through his experimentation phase.

The outputs of the cooperative were: increasing the number of community members in the cooperative, increasing the number of projects financed by the community, and increasing the number of productive and educational projects. As for the outcomes, he wanted to create a self-sustainable village, and to increase youth participation in the decision making of the village. Salah defined the success of his initiative through his ability of achieving the social impact he planned for, which is to change the stereotype of the poor about themselves and about their country. After measuring the impact, he decided to move to the growth stage, which was affected by various factors. Organization factors included having a

participative management model (i.e. community participation) and having the Board of Directors of the cooperative from the community (Vesper, 1980; Timmons, 1978). The organization used the adaptive model (Mintzberg, 1973), which responded to community needs, while at the same time it was entrepreneurial to initiate new projects (Mintzberg, 1973; Mintzberg *et al.*, 1998). The previously mentioned demographic, personal and psychological factors, and sociological factors affected this stage as well.

Growth. Using his science knowledge, he used solar energy to create further growth to the cooperative by providing the needed energy for irrigation, electricity for education activities, and others (environmental factors). He also made use of natural resources as the compost, which increased the fertilization of the land and thus further increased the cooperative production. After this stage, he measured the effect of solar energy on the production of crops and electricity, and calculated the number of people initiating their own projects without his own contribution or management. He created a system for the management of the cooperative, the solar energy unit, the compost unit, community volunteer management, and election system for the cooperative.

Intentional replication. Salah did not stop at the social entrepreneurship stage, but he was involved in the intentional replication to become a transformative social entrepreneur. This was also affected by various factors. In addition to the personal, psychological, sociological, and environmental factors mentioned previously, the organization's characteristics allowed for new ideas, projects, and new members. Salah always focused on the main expected value of his work, which was to create a community that knows its own priorities and can manage itself without the help of others. His perception of the social and political problems (Bird, 1989) in Egypt was centralized on the issue of making communities independent, and to make use of available resources after getting the necessary knowledge. These factors motivated Salah to make use of the systems he created and establish a knowledge infrastructure that can totally eliminate the community's dependency on him. He started to empower people through training them on how to use the solar energy unit, creating community and local networks, establishing sustainable production models, and making use of volunteers inside the community. He also started to withdraw from the board of the cooperative and share as a regular member to give the opportunity for the community to manage the cooperative and learn the value of democracy.

Inheritance of the system. After being a regular member in the cooperative, and after making sure that the community was empowered enough to manage their own problems, create their own funds, and initiate their own projects, he withdrew completely. He felt that there was an efficient inheritance of the system, and thus he made sure that he reached the social impact he intended at the beginning. This made him motivated to apply the same model in other areas in Egypt. Being able to start organizations in other areas to solve other problems is the thing that the researcher calls Serial Social Entrepreneurship.

A conceptual framework for social entrepreneurship

As the previous case showed, social entrepreneurs do not focus on the outputs of the venture, or service provision. For social entrepreneurs, the ultimate result of the social enterprise is to create sustainable change in the lives of people, and this change should be on a community level rather than on an individual level (i.e. social impact rather than outcomes). In addition, social entrepreneurs – as their private counterparts – focus on the financial sustainability and efficiency of their enterprises. For example, Salah Arafa did not want people to live a decent life per say, but to be able to attain the necessary knowledge to sustain this decent life independent of external help or aid. He did that through mobilizing financial and human resources present in the community to create social and environmental impact (i.e. an independent society).

While social entrepreneurs create social impact through their own organizations, Transformative Social Entrepreneurs seek change through other organizations. Transformative Social Entrepreneurs intentionally replicate their model through other organizations, as they believe that that best way to create societal impact is to change other

organizations and individuals to be able to replicate the social enterprise model, and thus create a sustainable movement. For example, Salah Arafa also trained community leaders on how to lead the cooperative, how to use the solar unit, and how to establish other similar cooperatives, and then he withdrew to make sure that the community is independent.

Some social entrepreneurs are involved in the formation of different social ventures. Serial Social Entrepreneurship happens when social entrepreneurs are able to replicate their model through others, and after they feel that the system they initiated is inherited by different organizations and individuals. As Salah Arafa did, he transformed a whole village, and then he went to another village with different problems to establish different social ventures.

Based on the theory of social entrepreneurial behavior, the researcher can introduce a working definition for social entrepreneurship, transformative social entrepreneurship, and serial social entrepreneurship.

Social entrepreneurship is the process of:

- discovering opportunities to eliminate social and institutional barriers and address market failures related to the provision of public goods and distributional equity;
- experimenting ideas;
- establishing innovative social organizations;
- having clear social outcomes and impact;
- performing activities to achieve the social outcomes and impact;
- working on the social organizations' growth; and
- using specific indicators to measure the success of the organization through achieving social impact.

Transformative social entrepreneurship is creating systematic social change through the appraisal and formal measurement of the impact of the social entrepreneurial organization, creating systems, and intentionally replicating the model of the organization through others to maximize and sustain social impact.

Serial social entrepreneurship is the creation of other social entrepreneurial organizations after at least one organization has reached the transformative social entrepreneurship stage.

Conclusion

This research is an attempt to contribute to the social entrepreneurship literature by providing new insights about social entrepreneurship behavior. The research went beyond stating the achievements of social entrepreneurs, and started to dig deeper to the motivations and cognitions of these social entrepreneurs and analyze the social entrepreneurship behavior. The behavioral theory of social entrepreneurship studies the contextual factors that lead to social venture creation, the underlying organization dynamics and structures, and how these typologies measure social impact, mobilize resources, and bring about sustainable social change.

Studying the underlying motivations and conditions upon which social enterprises evolve will help in extending the research on management of social outcomes and impacts. As the focus of the different typologies of social enterprises is to produce measurable social impact, researching these types of social organizations will advance research in social sciences (Short *et al.*, 2009; Yunus, 2006; Perrini and Vurro, 2006; Drucker, 1990). In addition, this research will help in studying the role of social entrepreneurs in creating new social institutions and structures (DiMaggio, 1988), promoting social movements (McAdam *et al.*, 2001), and mobilizing resources to create sustainable social impact (Andrews, 2001).

Although this research helped in understanding the phenomena of social entrepreneurship and its underlying motivations and contexts to create sustainable social change, we conclude with important questions that provide snapshots of crucial issues including: how do social

enterprises measure their financial performance? And, what are the unique strategies followed by social enterprises to achieve financial sustainability and attain social goals?

Notes

1. Earned income refers to income derived from selling products or services (Anderson and Dees, 2006, pp. 145-146).
2. Supporting organizations are those organizations that provide funding, capacity building, and/or publicity for social entrepreneurs based on a certain criteria. Supporting organizations in this research were: Ashoka, Schwab Foundation, Young Social Entrepreneurs' Forum, Arab World Social Innovators Program, and YouthActionNet.

References

- Ajzen, I. (1991), "The theory of planned behavior", *Organizational Behavior and Human Decision Processes*, Vol. 50, pp. 179-211.
- Alvord, S.H., David, L.B. and Letts, C.W. (2004), "Social entrepreneurship and societal transformation", *Journal of Applied Behavioral Science*, Vol. 40 No. 3, pp. 260-282.
- Anderson, B.B. and Dees, J.G. (2006), "Rhetoric, reality, and research: building a social foundation for the practice of social entrepreneurship", in Nicholls, A. (Ed.), *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford University Press, New York, NY.
- Andrews, K.T. (2001), "Social movements and policy implementation: the Mississippi civil rights movements and the war on poverty, 1965 to 1971", *American Sociological Review*, Vol. 66 No. 1, pp. 71-95.
- Antoncic, B. and Hisrich, R.D. (2003), "Clarifying the intrapreneurship concept", *Journal of Small Business and Enterprise Development*, Vol. 10 No. 1, pp. 7-24.
- Ashoka (2009), "Selection criteria", available at: www.ashoka.org/support/criteria (accessed 9 July 2009).
- Austin, J. (2006), "Three avenues for social entrepreneurship research", in Mair, J., Robinson, J. and Hockerts, K. (Eds), *Social Entrepreneurship*, Macmillan, New York, NY.
- Bandura, A. (1982), "Self-efficacy mechanism in human agency", *American Psychologist*, Vol. 37 No. 2, pp. 122-147.
- Baron, R.A. (2008), "The role of affect in the entrepreneurial process", *Academy of Management Review*, Vol. 33 No. 2, pp. 328-340.
- Boschee, J. and McClurg, J. (2003), "Toward a better understanding of social entrepreneurship: some important distinctions", available at: www.se-alliance.org/better_understanding.pdf (accessed 11 July 2009).
- Bird, B.J. (1989), *Entrepreneurial Behavior*, Library of Congress Cataloging, Washington, DC.
- Bornstein, D. (1998), *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, Oxford University Press, Oxford.
- Brouwer, M.T. (2002), "Weber, Schumpeter and Knight on entrepreneurship and economic development", *Journal of Evolutionary Economics*, Vol. 12, pp. 83-105.
- Buckmaster, N. (1999), "Associations between outcome measurement, accountability and learning for non-profit organizations", *The International Journal of Public Sector Management*, Vol. 12 No. 2, pp. 186-197.
- Burdge, R.J. and Vanclay, F. (1996), "Social impact assessment: a contribution to the state of the art series", *Impact Assessment*, Vol. 14, pp. 59-86.
- Bygrave, W.D. (1997), *The Portable MBA in Entrepreneurship*, John Wiley & Sons, New York, NY.
- Bygrave, W.D. (2007), "The entrepreneurship paradigm revisited", in Neergaard, H. and Ulhøi, J. (Eds), *Handbook of Qualitative Research Methods in Entrepreneurship*, Edward Elgar, London.
- Carland, J.W., Hoy, F., Boulton, W.R. and Carland, J.A. (1984), "Differentiating entrepreneurs from small business owners: a conceptualization", *Academy of Management*, Vol. 9 No. 2, pp. 354-359.

- Cleveland, J. and Anderson, R. (2001), "Background on social venture enterprises, produced by innovation network for communities", available at: www.nupolis.com/public/item/222113 (accessed 5 January 2008).
- Collins, O. and Moore, D.G. (1970), *The Organization Makers: A Behavioral Study of Independent Entrepreneurs*, Appleton Century Cross, New York, NY.
- Courpasson, D., Gault, D.A., Brown, A. and Lounsbury, M. (2008), "Organization studies on the look-out? Being read, being listened to", *Organization Studies*, Vol. 29 No. 11, pp. 1383-1390.
- Coyne, I.T. (1997), "Sampling in qualitative research: purposeful and theoretical sampling: merging or clear boundaries?", *Journal of Advanced Nursing*, Vol. 26, pp. 623-630.
- Davis, G.F., McAdam, D., Scott, W.R. and Zald, M.N. (2005), *Social Movements and Organization Theory*, Cambridge University Press, New York, NY.
- Dees, J.G. (1998), "The meaning of social entrepreneurship", available at: www.caseatduke.org/documents/dees_sedef.pdf (accessed 13 January 2008).
- DiMaggio, P. (1988), "Interest and agency in institutional theory", in Zucker, L.G. (Ed.), *Institutional Patterns and Organizations: Culture and Environment*, Ballinger, Cambridge, MA.
- Drucker, P. (1990), *Managing the Nonprofit Organization: Principles and Practices*, HarperCollins Publishers, New York, NY.
- Drucker, P. (2001), *The Essential Drucker*, HarperCollins Publishers, New York, NY.
- Drucker, P.F. (1985), *Innovation and Entrepreneurship*, William Heinemann, London.
- Eckhardt, J.T. and Shane, S.A. (2003), "Opportunities and entrepreneurship", *Journal of Management*, Vol. 29 No. 3, pp. 333-349.
- Eisenhardt, K.M. (1989), "Building theories from case study research", *Academy of Management Review*, Vol. 14, pp. 532-550.
- El Ebrashi, R. (2010), "Toward a behavioral theory of social entrepreneurship", PhD dissertation, German University in Cairo, Egypt.
- European Commission (2006), "Indicators for monitoring and evaluation: a practical guide", the new programming period, methodological working papers of the European Commission Directorate – General Regional Policy, Working Document No. 2, available at: http://ec.europa.eu/Fisheries/cfp/structural_measures/pdf/updated_EFF_workingpaper_on_indicators.en.pdf (accessed 7 April 2010).
- Fowler, A. (2000), "NGDOs as a moment in history: beyond aid to social entrepreneurship or civic innovation?", *Third World Quarterly*, Vol. 21 No. 4, pp. 637-654.
- Furnham, A. and Ribchester, T. (1995), "Tolerance of ambiguity: a review of the concept", *Current Psychology*, Vol. 14 No. 3, pp. 179-200.
- Gaglio, C.M. (2004), "The role of mental simulations and counterfactual thinking in the opportunity identification process", *Entrepreneurship Theory and Practice*, Vol. 28, pp. 533-552.
- Gartner, W.B. (1985), "A conceptual framework for describing the phenomenon of new venture creation", *Academy of Management Review*, Vol. 10 No. 4, pp. 696-706.
- Glaser, B.G. (1978), *Theoretical Sensitivity*, Sociology Press, San Francisco, CA.
- Glaser, B.G. and Strauss, A.L. (1967), *The Discovery of Grounded Theory: Strategies for Qualitative Research*, Aldine de Gruyter, New York, NY.
- Global Entrepreneurship Monitor (2006), "Social Entrepreneurship Monitor", available at: www.london.edu/assets/documents/facultyandresearch/GEM_UK_2006_Social_Entrepreneurship_Monitor.pdf (accessed 28 February 2009).
- Haugh, H. (2006), "Social enterprise: beyond economic outcomes and individual returns", in Mair, J., Robinson, J. and Hockerts, K. (Eds), *Social Entrepreneurship*, Macmillan, New York, NY.
- Holcombe, R.G. (1997), "A theory of the theory of public goods", *Review of Austrian Economics*, Vol. 10 No. 1, pp. 1-22.
- Isen, A.M. (2002), "Missing in action in the AIM: positive affect's facilitation of cognitive flexibility, innovation, and problem solving", *Psychological Inquiry*, Vol. 13, pp. 57-65.

- Kozma, R.B. and Wagner, D.A. (1997), "Core indicators for monitoring and evaluation studies in ICTs for education", available at: www.infodev.org/en/Document.286.pdf (accessed 10 April 2010).
- Kirzner, I. (1973), *Competition and Entrepreneurship*, University of Chicago Press, Chicago, IL.
- Kirzner, I.M. (1976), "Equilibrium versus market process", in Dolan, E.G. (Ed.), *The Foundations of Modern Austrian Economics*, Sheed and Ward, Kansas City, KS.
- Kirzner, I. (1979), *Perception, Opportunity, and Profit*, Chicago University Press, Chicago, IL.
- Krueger, N., Reilly, M.D. and Carsrud, A.L. (2000), "Competing models of entrepreneurial intentions", *Journal of Business Venturing*, Vol. 15, pp. 411-432.
- McAdam, D., Tarrow, S. and Tilly, C. (2001), *Dynamics of Contention*, Cambridge University Press, Cambridge.
- McClelland, D.C. (1961), *The Achieving Society*, McMillan & Co, London.
- Mair, J. (2006), "Exploring the intentions and opportunities behind social entrepreneurship", in Mair, J., Robinson, J. and Hockerts, K. (Eds), *Social Entrepreneurship*, Macmillan, New York, NY.
- Mair, J. and Marti, I. (2006), "Social entrepreneurship research: a source of explanation, prediction, and delight", *Journal of World Business*, Vol. 41, pp. 36-44.
- Mair, J. and Noboa, E. (2006), "Social entrepreneurship: how intentions to create a social venture are formed?", in Mair, J., Robinson, J. and Hockerts, K. (Eds), *Social Entrepreneurship*, Macmillan, New York, NY.
- Mankiw, N.G. (2008), *Principles of Microeconomics*, South Western Cengage Learning, New York, NY.
- Martin, R. and Osberg, S. (2007), "Social entrepreneurship: the case for definition", *Stanford Social Innovation Review*, available at: www.skollfoundation.org/media/skoll_docs/2007SP_feature_martinosberg.pdf (accessed 17 May 2008).
- Miller, D. (1983), "The correlates of entrepreneurship in three types of firms", *Management Science*, Vol. 29 No. 7, pp. 770-791.
- Mintzberg, H. (1973), "Strategy making in three modes", *California Management Review*, Vol. 16 No. 2, pp. 44-53.
- Mintzberg, H., Ahlstrand, B. and Lampel, J. (1998), *Strategy Safari: A Guided Tour through the Wilds of Strategic Management*, Free Press, New York, NY.
- Misra, S. and Kumar, E.S. (2000), "Resourcefulness: a proximal conceptualization of entrepreneurial behavior", *Journal of Entrepreneurship*, Vol. 9 No. 2, pp. 135-153.
- Moore, C. (1986), "Understanding entrepreneurial behavior: a definition and model", *Academy of Management Proceedings*, pp. 66-70.
- Nair, K.R.G. and Pandey, A. (2006), "Characteristics of entrepreneurs: an empirical analysis", *Journal of Entrepreneurship*, Vol. 15 No. 1, pp. 47-61.
- Neergaard, H. and Ulhøi, J.P. (2007), *Handbook of Qualitative Research Methods in Entrepreneurship*, Edward Elgar, London.
- Nicholls, A. (2006), *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford University Press, New York, NY.
- Patton, M. (1990), *Qualitative Evaluation and Research Methods*, Sage, Beverly Hills, CA.
- Perrini, F. and Vurro, C. (2006), "Social entrepreneurship: innovation and social change across theory and practice", in Mair, J., Robinson, J. and Hockerts, K. (Eds), *Social Entrepreneurship*, Macmillan, New York, NY.
- Porter, M.E. (1980), *Competitive Strategy*, The Free Press, New York, NY.
- Robinson, J. (2006), "Navigating social and institutional barriers to markets: how social entrepreneurs identify and evaluate opportunities", in Mair, J., Robinson, J. and Hockerts, K. (Eds), *Social Entrepreneurship*, Macmillan, New York, NY.
- Rotter, J.B. (1966), "Generalized expectancies of internal versus external control of reinforcements", *Psychological Monographs*, Vol. 80, p. 609.

- Schumpeter, J. (1934/2004), *The Theory of Economic Development*, Transaction Publishers, Piscataway, NJ.
- Schumpeter, J. (1943), *Capitalism, Socialism, and Democracy*, Unwin, London.
- Schiffman, L. and Kanuk, L. (2004), *Consumer Behavior*, Pearson, New York, NY.
- Short, J., Moss, T.W. and Lumpkin, G.T. (2009), "Research in social entrepreneurship: past contributions and future opportunities", *Strategic Entrepreneurship Journal*, Vol. 3 No. 1, pp. 161-194.
- Strauss, A. and Corbin, J.M. (1990), *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*, Sage Publications, Thousand Oaks, CA.
- Strauss, A. and Corbin, J.M. (1998), *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*, Sage Publications, Thousand Oaks, CA.
- Suddaby, R. (2006), "From the editors: what grounded theory is no", *Academy of Management Journal*, Vol. 49 No. 4, pp. 633-642.
- Timmons, J.A. (1978), "Characteristics and role demands of entrepreneurship", *American Journal of Small Business*, Vol. 3 No. 1, pp. 5-17.
- Vesper, K. (1980), "New venture planning", *Journal of Business Strategy*, Vol. 1 No. 2, pp. 73-75.
- Weick, K.E. (1979), *The Social Psychology of Organizing*, 2nd ed., Addison-Wisely, Reading, MA.
- Whetten, D.A. (1989), "What constitutes a theoretical contribution?", *Academy of Management Review*, Vol. 14 No. 4, pp. 490-495.
- Young, R. (2006), "For what it is worth: social value and the future of social entrepreneurship", in Nicholls, A. (Ed.), *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford University Press, New York, NY.
- Yunus, M. (2006), "Social business entrepreneurs are the solution", in Nicholls, A. (Ed.), *Social Entrepreneurship: New Models of Sustainable Social Change*, Oxford University Press, New York, NY.
- Zappala, G. and Lyons, M. (2009), "Recent approaches to measuring social impact in the third sector: an overview", The Center for Social Impact, CSI background paper no. 5, available at: www.csi.edu.au/uploads/31642/ufiles/V2%20CSI%20Background%20Paper%20No%205%20-%20Approaches%20to%20measuring%20social%20impact.pdf (accessed 15 April 2010).

Further reading

- BAE Systems (2007), "Key performance indicators (KPIs)", Annual Report, Directors' Report – Business Review, available at: <http://production.investis.com/annualreport07/siteware/pdf/kpi.pdf> (accessed 10 April 2010).
- Baron, R.A. (1998), "Cognitive mechanisms in entrepreneurship: why and when entrepreneurs think differently than other people", *Journal of Business Venturing*, Vol. 13, pp. 275-294.
- Collins, J. (2001), *Good to Great: Why Some Companies Make the Leap and Others Do Not*, HarperCollins, London.
- Emerson, J. (2004), "The blended value map: tracking the intersects and opportunities economic, social, and environmental value creation", available at: www.blendedvalue.org/publications/ (accessed 10 October 2008).
- Kirzner, I.M. (1997), "Entrepreneurial discovery and the competitive market process: an Austrian approach", *Journal of Economic Literature*, Vol. 35 No. 1, pp. 60-85.
- Koepper, J., Pavese, N., Gonzalez, I.A. and Birnstill, M. (2009), "Integration of CSR/sustainable development into performance assessments and evaluation processes at large companies", CSR Europe Help Desk Service, available at: www.csreurope.org/data/files/200921_csr_in_remuneration_systems_csr_europe_helpdesk.pdf (accessed 10 April 2010).
- Parmenter, D. (2007), *Developing, Implementing, and Using Winning KPIs*, John Wiley, Hoboken, NJ.
- United Nations (1987), "World commission on environment and development", *Our Common Future (Brundtland Report)*, Oxford Press, Oxford.

Appendix. Memo (example)

Salah loves challenges, and this attitude continued even after the death of his father. He not only obtained his BS but also moved on to get his master and PhD degree in a crucial discipline in science. He had always dreamt of traveling abroad to gain more knowledge, but his father died so he had to stay to take care of his brothers and sisters. He had this high sense of responsibility, but his love to succeed and willingness to learn made him alert to any opportunity that might come up and fulfill his dream of traveling abroad, without leaving his family commitments for a long time. By the time he was writing his thesis, his thesis advisor got him an opportunity to travel for only ten months to finish his thesis in Sweden. Accordingly, he was able to travel for a short time and thus combining his dream of traveling abroad and sense of responsibility towards his family. In Sweden, he learned a lot of things, and became known in his discipline, and when he returned back to Egypt, he continued his success by working as a Professor at the AUC. Salah is always driven by opportunities, due to his high intellectual ability and education.

It is proposed that this “challenge-seeking behavior” is formed through Salah’s education and family background. All the circumstances that Salah faced made up his personality. He used to live in a rural area that respected the value of the family and the land. He was also encouraged by his father to learn and seek knowledge wherever it is. Obtaining higher education and studying for postgraduate studies shaped Salah’s personality and made him more enlightened and open to more knowledge. Being the elder brother, combined with his family background, developed his sense of responsibility towards his family.

Table A1 Code No. 12.1: the challenge-seeking behavior and its properties and dimensions

<i>Causal condition →</i>	<i>Phenomenon (category)</i>
<i>Education and family background</i>	<i>Challenge-seeking behavior</i>
<i>Properties of education and family background</i>	<i>Specific dimensions of the challenge-seeking behavior</i>
University degree	Alertness to opportunities: high
Postgraduate degree	Sense of responsibility: high
Death of the family's breadwinner	Eagerness to succeed: continuous
Being the elder brother	Willingness to learn: strong
Coming from a rural community	Sense of helping others to succeed: high
Encouraged by the father to study	Intellectual ability: high
Attached to the village (roots)	Sense of pride in one's country: high
	Fear of failure: low
	Discouraged from others: never
	Self-confidence: high
<i>Challenge-seeking behavior context</i>	
Under conditions where the challenge-seeking behavior constitutes:	
A high alertness to opportunities, a high sense of responsibility, eagerness to succeed, a strong will to learn, readiness to help others to succeed, a high intellectual ability, a high sense of pride in one's country, low fear of failure, the ability to never be discouraged from others, a high self-confidence, then:	
<i>Strategies adopted by the challenge seekers</i>	
Attend lectures and read books and articles	
Listen to community needs	
Observe community actions and attitudes	
Gain international experience	
Pursue post graduate studies	
Develop networks	
<i>Intervening conditions</i>	
Negative stereotype about the poor	
Negative stereotype about developing countries	
Misperception of experts coming from abroad	
Spread of illiteracy, unemployment, and poverty	
War	
Lose of hope in development	
<i>Consequence</i>	
Creative social problems solving	

From the interview, we can notice that Salah has a high sense of pride in his own country, where he was shocked by people who used to say that Egypt (his country) is one of the developing countries. Although he is a Professor, he wore traditional clothes when visiting his village, and he insisted upon sitting on the floor as the carpenter. Combined with his high intellectual ability and willingness to learn, he started to educate himself on development. In addition, with his high alertness to opportunities, he spotted the need for development in his country, and looked at himself as a resource for the development of his country, because he is well educated. With his high willingness to help others to succeed and depend on themselves, he created the opportunity of community-based development.

His challenge-seeking behavior remained continuous even in his selection of the first village to work with. He selected one of the poorest villages to increase his challenge. Because of the sense of pride in his country and his attachment to his governorate, the first village selected was the one where he was born, so as to – as he said it – “return back to my roots”. His intellectual ability was even expressed in the scientific process of choosing the village, and for the selection of Friday as the day for visiting the village. He kept learning through reading about the status of poor villages in Egypt and their statistics. He had no networks, but he developed his own networks afterwards. Salah also always worked on keeping away any discouraging factors. He did not want to tell his friends at the AUC about his project, because he did not want to hear any discouraging comments. It is also clear that Salah wanted to return back the dignity to his fellow citizens, which represents his pride in the one’s land, “everyone has to share, and everyone has a dignity by sharing in decision and implementation.” He had high self-confidence and always thought of what he was doing as a great thing. Self-confidence was also evident in his statements, “you will not find a project with this sustainable momentum; it’s for life!” and “I have always been proud that one single educated person – me – was able to transform a whole village!”

Under conditions where the challenge-seeking behavior constitutes a high alertness to opportunities, a high sense of responsibility, eagerness to succeed, a strong will to learn, readiness to help others to succeed, a high intellectual ability, a high sense of pride in one’s country, low fear of failure, the ability to never be discouraged from others, and a high self-confidence, the person tend to attend more lectures and read book and articles to increase knowledge, listen to community needs, observe community actions and attitudes, gain international experience and exposure, pursue post-graduate studies, and develop networks. The strategies mentioned are intervened by certain conditions, which are negative stereotypes about the poor’s ability to develop themselves, negative stereotypes about developing countries from foreign countries, misperception of experts coming from abroad, spread of illiteracy, unemployment and poverty, as well as lose of hope in development. The consequence is creative social problems solving.

It is important to notice that the intervening conditions might be integrated into the causal conditions. The negative stereotypes, war, lose of hope, and the spread of poverty are proposed to have affected the personality of Salah.

About the author

Raghda El Ebrashi is a Lecturer of Strategic Management at the German University in Cairo (GUC), and the Founder and Chairperson of “Alashanek ya Balady” Association for Sustainable Development in Egypt. She earned her Bachelor degree in Business Administration, a Master degree in Professional Development from the American University in Cairo, and a PhD degree in Strategic Management from the GUC. Raghda is a Board Member at the International Youth Foundation (USA), Ashoka Fellow, and she received social entrepreneurship awards including the King Abdullah II for Youth Innovation and Achievement, Young Global Leader, YouthActionNet, 35 Under 35, Synergos Fellowship, and others. Research interests include social entrepreneurship, social enterprise structures, organization typologies, research philosophies, and corporate social responsibility. Raghda El Ebrashi can be contacted at: raghda.elebrashi@guc.edu.eg

To purchase reprints of this article please e-mail: reprints@emeraldinsight.com
Or visit our web site for further details: www.emeraldinsight.com/reprints

This article has been cited by:

1. Zahra Arasti, Hadi Zarei, Fatemeh Didehvar. 2014. Identifying the Evaluative Indicators of Regulatory Policies for the Development of Social Entrepreneurship. *Public Organization Review* . [[CrossRef](#)]