SOCIAL ENTREPRENEURSHIP & POSITIVE SOCIAL CHANGE

Ute Stephan
Aston Business School, Birmingham, u.stephan@aston.ac.uk

Based on joint work with
• Malcolm Patterson, University of Sheffield
• Ciara Kelly, Loughborough University
• Johanna Mair, Hertie School of Governance & Stanford University

Published in the Journal of Management

Practitioner guide
http://nbs.net/knowledge/stakeholder/social-change/executive-report/

Funded by
• Network for Sustainability nbs.net and European Commission (SEFORIS grant 613500)
The promise of social entrepreneurship:

To bring about positive social change, e.g., greater social inclusion, environmental well-being, improved health and education.

Yet, **little systematic understanding** about ‘how’ to get from social goals to changing society.
Example: Microfinance

Muhammad Yunus & Grameen Bank

One of the pioneers of micro-credit, Nobel Peace Prize Winner

‘Reverse-Banking’:

Very small loans to the poor, particularly women, against no collateral.

Group lending *combined with behaviour change* instructions.

Grameen is *owned by its borrowers* (96.5%).
Example: Together Enterprises

Together social businesses: buy, refurbish, and sell empty properties whilst creating jobs for people who have been in prison.

“The Together model offers an alternative to hopelessness. We give people another chance; providing training and support through mentors dedicated to seeing employees succeed. We create jobs and opportunities for people to learn new skills and demonstrate their ability; helping them lay foundations in their own lives to make better choices in the future.”

- **REBUILDING LIVES**
  - We buy, refurbish and sell empty homes creating job opportunities for people facing barriers to employment.

- **WORKING IN COLLABORATION**
  - With property owners, contractors and social enterprise partners we create jobs in the construction industry.

- **MAKING A DIFFERENCE**
  - Employing and training people who have been in prison; we rebuild lives, reduce crime and bring empty properties back into use.
Existing Research (both academic & practitioner)

• Typically focussed on organizational activities (looking ‘inward’), rarely looks ‘outward’ to understand the effects of organizational activities on societal well-being beyond organizational boundaries.

• Scattered across several areas of management research (Social Entrepreneurship, Base of the Pyramid, Corporate Social Responsibility).

 ➤ ‘Positive social change’ (PSC) only vaguely defined and mechanisms underpinning it are underspecified.

 ➤ Research in other disciplines focusses on mechanisms of PSC.
Aims

• Clarify the nature of Positive Social Change (PSC)
• Present systematic review taking stock of how organization may drive PSC focussing on transformational mechanisms
• Introduce a novel conceptual framework (the ‘why’ and ‘how’ of PSC)

• Ultimately: Recast how organizations relate society purposeful and contributing to societal well-being instead of narrowly focussed on economic returns (Bies et al., 2007; Golden-Biddle & Dutton 2012; Hollensbe et al. 2014; Mitchell et al., 2015)
Overview

1. The nature of **Positive Social Change (PSC)**
2. Systematic Review
3. Positive Social Change Framework and Strategies (the ‘why’ and ‘how’ of PSC)
4. Conclusions and contributions
Positive Social Change (PSC) 1/4

Organization (e.g. social enterprise) → Positive Social Change → Social Impact
beneficial outcomes of PSC process
*Example:* reduction in poverty and greater social inclusion
PSC is the **process of transforming** patterns of thought, behavior, social relationships, institutions, and social structure in order **to generate beneficial outcomes** for individuals, communities, organizations, society, and/or the environment, **beyond the benefits for the instigators of such transformations**.

**Social Impact**

beneficial outcomes of PSC process

*Example*: reduction in poverty and greater social inclusion

Informed by sociological definitions of social change (Sztompka, 1993) and work in Positive Organizational Scholarship (Cameron, Dutton, & Quinn, 2003; Golden-Biddle & Dutton, 2012)
Our definition emphasizes PSC as

- *a process* that is
- *proactively* initiated
- *multi-level* in nature
- typically includes *‘bottom-up’* dynamics
PSC domains (un)covered in the review

Environmental behaviour
Social and economic inclusion
Health Behaviour
Civic engagement

PSC Domains
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Literatures

Two broad literatures that form the backbone of our review

• **Management research**
  • incorporates social change considerations as elements of the activities of market-based organizations (esp. social entrepreneurship, Base of the Pyramid/BOP, Corporate Social Responsibility research)
  • focus on organizational activities, underspecifies mechanisms

• **Research in related disciplines**
  • public health, political science, sociology, psychology, development studies, etc.
  • has more squarely focussed on change processes and mechanisms
  • less attention to organizational practices

→ integrate literatures and fragmented evidence
Located 10,509 literature sources
(8054 academic and 2455 business)

Identified 144 pieces of evidence
(118 sources)

Developed PSC framework
primarily through inductive methods
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Positive Social Change Framework

Deep-Level PSC Strategies

Deep-level Route Change Mechanisms
- Intrinsic motivation
- Developing capabilities
- Empowering opportunity structures, social capital

Enabling, Supporting Organizational Practices

Surface-Level PSC Strategies

Surface-level Route Change Mechanisms
- Extrinsic motivation
- Agnostic of capabilities
- Restructuring decision-environment

Loose Coupling with Organizational Practices

Social Impact
- **Quality**: Pervasive, durable and embedded
- **Timing and Reach**: Slowly evolving, reach increases over time

Social Impact
- **Quality**: Temporary at ‘point of contact’ and contingent
- **Timing and Reach**: Fast, potentially wide reach
Positive Social Change Framework: Deep-level PSC Strategies

Characteristics of Deep-Level Strategies

- Closely engaged with beneficiaries: stimulating their intrinsic motivation, training their capabilities, and creating empowering opportunity structures
- Enabled by numerous organizational practices
- Resulting in lasting social impact that unfolds slowly over time
- Often targeting complex needs

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Positive Social Change Framework: Surface-level PSC Strategies

Characteristics of Surface-Strategies

- Beneficiaries treated as ‘responders’, reacting to extrinsic motivators and altered decision-making contexts
- No clear coupling with organizational practices
- Resulting social impact can be fast and have wide reach, but less durable and contingent on specific design
- Typically targeting less complex behaviors
- Examples: ‘Nudging’

Surface-Level PSC Strategies

<table>
<thead>
<tr>
<th>Surface-level Route Change Mechanisms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrinsic motivation</td>
</tr>
<tr>
<td>Agnostic of capabilities</td>
</tr>
<tr>
<td>Restructuring decision-environment</td>
</tr>
</tbody>
</table>

Loose Coupling with Organizational Practices

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Example: Surface-level Strategy

Encouraging Consumers to Eat Healthier

Traffic-light colour labelling on front of product

Nutritional info on back of product

<table>
<thead>
<tr>
<th>Nutrition Typical values</th>
<th>per 100g</th>
<th>per 1/2 pack</th>
<th>% adult GDA per 1/2 pack (60g)</th>
<th>Adult GDA children (11-18 yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy kJ</td>
<td>431</td>
<td>317</td>
<td>25.3%</td>
<td>2000</td>
</tr>
<tr>
<td>Protein</td>
<td>nil</td>
<td>nil</td>
<td>0.0%</td>
<td>45g</td>
</tr>
<tr>
<td>Carbohydrate</td>
<td>64.6g</td>
<td>43.1g</td>
<td>9.9%</td>
<td>230g</td>
</tr>
<tr>
<td>of which sugars</td>
<td>9.9g</td>
<td>6.6g</td>
<td>17.8%</td>
<td>90g</td>
</tr>
<tr>
<td>Fat</td>
<td>42.2g</td>
<td>27.2g</td>
<td>15.3%</td>
<td>70g</td>
</tr>
<tr>
<td>of which saturates</td>
<td>17.2g</td>
<td>11.4g</td>
<td>22.1%</td>
<td>20g</td>
</tr>
<tr>
<td>Fibre</td>
<td>5.6g</td>
<td>3.7g</td>
<td>12.5%</td>
<td>24g</td>
</tr>
<tr>
<td>Satiety</td>
<td>2.2g</td>
<td>1.4g</td>
<td>20.9%</td>
<td>6g</td>
</tr>
<tr>
<td>of which sodium</td>
<td>0.1g</td>
<td>0.06g</td>
<td>15.0%</td>
<td>2.4g</td>
</tr>
</tbody>
</table>

GDA = Adult Guideline Daily Amounts are based on an average female. GDAs are guidelines and personal requirements vary depending on age, gender, weight and activity levels.

Sainsbury’s
Positive Social Change Framework

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Positive Social Change Framework: Change Levers

Motivation  Capability  Opportunity
Positive Social Change Framework: Change Levers

- Motivation
- Capability
- Opportunity
Example: Midlands Together (Deep-level Strategy)
MCO as organizing framework for review findings on Change Mechanisms and Organizational Practices
MCO as organizing framework for review findings on Change Mechanisms and Organizational Practices
<table>
<thead>
<tr>
<th>Levers</th>
<th>Specific project actions</th>
<th>Mechanisms</th>
<th>Change in PSC targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation</strong>&lt;br&gt;aligned with Self-determination theory&lt;br&gt;(e.g. Ryan &amp; Deci, 2000)</td>
<td>Project engages in&lt;br&gt;• Communicating and educating&lt;br&gt;• Incentivizing targets (providing intangible, intrinsically motivating and tangible, extrinsically motivating incentives)&lt;br&gt;• Exerting pressure on targets (normative or coercive)</td>
<td>Targets are compelled to engage in more positive behaviors due to&lt;br&gt;<em>Deep-level Route</em>: increased <em>intrinsic motivation</em> (<em>knowledge, meaning, feedback, goals</em>)&lt;br&gt;<em>Surface-level Route</em>: increased <em>extrinsic motivation</em> (<em>recognition &amp; image, financial rewards, pressure</em>)</td>
<td></td>
</tr>
<tr>
<td><strong>Capability</strong>&lt;br&gt;aligned with socio-cognitive theory&lt;br&gt;(Bandura, 2002 also Sen, 1999)</td>
<td>Project provides and facilitates&lt;br&gt;• Training&lt;br&gt;• Social learning (modelling),&lt;br&gt;• Encouragement&lt;br&gt;• Personal mastery experiences</td>
<td>Targets are enabled to engage in more positive behaviors as they&lt;br&gt;• develop skills and&lt;br&gt;• confidence (self/collective <em>efficacy</em>) <em>(Deep-level Route)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Opportunity</strong>&lt;br&gt;structure, aligned with Socio-structural theories&lt;br&gt;(McAdam, 2010; Spreitzer, 2008)</td>
<td>Project&lt;br&gt;• Establishes empowering opportunity structures (providing influence possibilities, promoting transparency, enabling access to resources) and builds social capital&lt;br&gt;• Rearranges the environment</td>
<td>Deep-level Route <em>(empowering)</em>: Targets have <em>influence possibilities</em>, and <em>access to information, resources</em>, and <em>bonding and bridging social capital</em>&lt;br&gt;Surface-level Route <em>(heuristic)</em>: Targets encounter <em>decision-contexts</em> that facilitate behavior change (constraints or prompts)</td>
<td></td>
</tr>
</tbody>
</table>
Positive Social Change Framework

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Organizational Practices

- Project internal tools and procedures that organizations deploy to organize, manage and execute PSC projects
- Organizational practices are closely coupled with **deep-level** mechanisms
<table>
<thead>
<tr>
<th>Levers</th>
<th>Organizational Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation</strong></td>
<td>Building and sustaining project members’ intrinsic motivation, sense of collective purpose and alleviating uncertainty, through</td>
</tr>
<tr>
<td></td>
<td>• Building a shared vision</td>
</tr>
<tr>
<td></td>
<td>• Generating quick wins</td>
</tr>
<tr>
<td></td>
<td>• Evaluating and providing feedback</td>
</tr>
<tr>
<td><strong>Capability</strong></td>
<td>Enabling a project to embed in local context, relate to and mobilize new stakeholders, and learn:</td>
</tr>
<tr>
<td></td>
<td>• Building on <em>local knowledge</em> and <em>local capacity</em> (strengths)</td>
</tr>
<tr>
<td></td>
<td>• Involving relevant stakeholders and mobilizing alliances and networks through <em>connective leadership</em></td>
</tr>
<tr>
<td></td>
<td>• Developing project skill base (social impact &amp; collaboration skills)</td>
</tr>
<tr>
<td><strong>Opportunity structure</strong></td>
<td>Organizational practices facilitating empowerment</td>
</tr>
<tr>
<td></td>
<td>• Creating inclusive project governance</td>
</tr>
<tr>
<td></td>
<td>• Leveraging project relationships</td>
</tr>
<tr>
<td></td>
<td>• Building a sustainable project resource base</td>
</tr>
<tr>
<td></td>
<td>• Innovating to create new opportunities</td>
</tr>
</tbody>
</table>
Overview

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Conclusions and Contributions

Organization (e.g. social enterprise) → Positive Social Change → Social Impact
Contributions

• Advance our understanding how social enterprises may stimulate PSC -- beyond heroic accounts of individual ‘change agents’

• Broader lessons beyond social enterprises
  • Draw attention to market-based organizations as drivers of PSC and to encourage future research by integrating existing knowledge and practice
  • Understand the relationship between market-based organizations and society in a new way by embracing a broader view of organizations as purposeful and contributing to societal well-being (e.g., Bies et al., 2007; Golden-Biddle & Dutton 2012; Hollensbe et al. 2014)
As starting point for management research on PSC, we:

- clarify the nature of PSC (developing a common understanding)
- offer a novel framework based on synthesis of fragmented evidence, which introduces two distinct PSC strategies and advances our understanding of the ‘why’ and ‘how’ of PSC processes triggered by market-based organizations.
Our framework (PSC Strategies) advances new insights:

1. ‘Depth of change’ and surface-level strategies – entirely overlooked in scarce literature to date

2. Conceptual clarity on ‘change mechanisms’ (levers, outward-directed mechanisms, inward-focused practices)

3. Organizational practices enabling deep-level PSC: new understanding of organizing for PSC: organizations are open to stakeholder influences, embedded in communities, relational, strengths-based and purposeful infused with meaning –
   - Gap in macro-management research that is dominated by theories conceiving of organizations as closed, guarded, top-down controlled places of rational transactions, focused on shareholders and disconnected from communities (Ferraro, Pfeffer & Sutton, 2005; Davis & Kim, 2015)
Future Research

(1) Organizing for PSC (governance, strategy, leadership, organizational design, multiplicity of goals & metrics)

(2) Holistic perspective on PSC and its potential dark side (meaningfulness, uncertainty, burnout, lack of ‘end-point’, effective resource allocation)

(3) Deeper understanding of PSC processes (relationship of deep- and surface-level strategies, between mechanisms and practices, the long-term impacts of the two strategies)
For Practitioners

- **The Inventory** of Change Strategies, Mechanisms and Organizational Practices can help social enterprises
  - To design ‘more impactful social impact’ strategies
  - to diagnose where to intervene when efforts are stuck

- **Impact measurement**: Change levers (motivation, capability and opportunity) as *process* indicators for the development of social impact
INVITATION

What: Insights from & for social entrepreneurs: global patterns, local realities.

When: Friday, 9 Dec 2016, 9:00-19:00.

Where: Aston Business School, Birmingham, B4 7ET.

How: Go to www.seforis.eu to register (no fee)
THANK YOU.
QUESTIONS & COMMENTS?

UTE STEPHAN
ASTON UNIVERSITY
BIRMINGHAM, UK, EU
U.STEPHAN@ASTON.AC.UK

WWW.ASTON.AC.UK/ASTON-BUSINESS-SCHOOL/STAFF/ACADEMIC/EFE/DR-UTE-STEPHAN/

WWW.SEFORIS.EU