Resource Based View of Social Entrepreneurship: Putting the Pieces Together

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The primary motivation for social enterprises arises from the persistency of problems in society related to poverty and persons living in marginalized communities. Social entrepreneurs seek to address externalities by adopting the role of change agents who recognize and pursue opportunities to create and sustain unique solutions to social problems. Over the years, social entrepreneurship has emerged as a distinctive context and area of business practice and research. However, current research lacks a cohesive and integrated conceptual framework. The purpose of this paper is to review and extend the current literature by developing an integrated model of social entrepreneurship.

INTRODUCTION

The emerging field of social entrepreneurship is in dire need for new integrated theories to contribute to the discipline and help grow the field. Social Entrepreneurship has been a topic of academic interest for the past few decades; however, there has been little scholarly output in mainstream journals (Short, Moss, & Lumpkin 2009). Social entrepreneurship is commonly defined as “entrepreneurial activity with an embedded social purpose” (Austin et al. 2006). Social entrepreneurs play a role of change agents in society by adopting missions to create and sustain social value. They recognize and pursue new opportunities to serve the particular mission at hand. Social entrepreneurs engage in a process of continuous innovation, adaption and learning. With these components, social entrepreneurs are able to act without being limited by current resources. They are accountable to the constituencies served and for the outcomes created as a result of their actions (Dees, 1998).

Although social entrepreneurs usually start rather small their initiatives often have global relevance, issues such as unemployment, incarceration, disease, small business creation, access to clean water, renewable energy, waste management, etc. These issues and needs usually arise within a disenfranchised sector of society, and they are the drivers of social entrepreneurship. The desires or needs of the disadvantaged segment of society are defined in the literature as positive externalities. Positive externalities are situations when the potential for value capture is lower than the potential for value creation because the benefits of society outweigh the benefits that could possibly be accrued by the organization or entrepreneur (Santos, 2012). Social entrepreneurs come into the equation by offering solutions to the neglected problems associated with positive externalities while simultaneously informing and educating society about the importance of the problems and the potential for value creation in the future.

Consistent with strategic management literature, this paper explores the idea that growth is a function of the resources and organizational capabilities of the firm. When investigating the attributes of these resources, the theoretical framework extends itself to the resource-based view of the firm theory (Wernerfelt, 1984). According to the resource-based view, competitive advantage of a firm lies in the application of a bundle of valuable, tangible or intangible resources at the firm's disposal (Barney, 1991). The competitive advantage is derived from the valuable resources being neither perfectly imitable nor substitutable (Barney, 2001). If conditions hold, effective application of the bundled valuable resources translates competitive advantage into sustainability. Looking at social entrepreneurial organizations from a resource based view of a firm perspective; there is an acknowledgement that resources and capabilities of social entrepreneurial organizations are critical to social innovation as well as the scaling of entrepreneurial ventures (Bloom & Smith, 2010). In this theoretical framework, there will be a primary focus on the relationship between resources and growth.

The argument here is that there needs to be a more integrated understanding of social entrepreneurship combining four different types of capital—financial, human, social and political capital. Capital inputs can be used to create value through investment. Each form of capital can contribute to the scaling of social impact mitigating resource restraints and increasing opportunities for social innovation. With capital, social entrepreneurs are able to create value for the community and beyond. Value creation from an activity happens when the utility of society increases after accounting for the opportunity cost (Santos, 2012). In order to persuade stakeholders to support and engage in scaling strategies, more emphasis must be put on social responsibility and value creation rather than value capture (Bloom & Smith, 2010). Entrepreneurship researchers have been limited in their explanation of the full range of variance that occurs in entrepreneurial value creation (Cohen, Smith & Mitchell, 2008).

Social, financial, and environmental impact are important issues in the field of social entrepreneurship and the literature lacks a theoretical model to measure or assess the impact empirically. In recent years, creating social impact has become an important economic and social phenomenon within marginalized communities as well as on a global scale. The problem of how to scale impact resourcefully and successfully has become a key issue for both practitioners and researchers of social entrepreneurship (Dees et al. 2004, Bloom & Dees 2008). "Scaling up" refers to social innovation and growing the organizations' impact wider to reach more people in more places (Bloom & Smith, 2010). Managers of Social Entrepreneurial organizations and stakeholders, such as donors, investors and the community, all have a vested interest in developing a model to help social entrepreneurial organizations scale up their impact on society (Bloom & Chatterji, 2009).

The purpose of this work is to develop a theoretical model by reviewing the literature, evaluating existing theories used in entrepreneurial strategies and examining the concepts through a social entrepreneurial lens. By developing a theoretical model, it will add clarity and understanding to the common misconceptions within the field. The concepts presented here can be used to help social entrepreneurs integrate theory into practice.

LITERATURE REVIEW

Economic Perspective

Even with the growing academic interest, the field lacks a conceptual understanding of the economic role and behavior of social entrepreneurs (Dacin et al. 2010). To move forward, well-defined theories are needed to explain social entrepreneurships' significance in the economic system (Preffer, 1993). In addition, externalities need to be internalized by social entrepreneurs in order to achieve optimal economic outcomes. Santos (2012) suggests that social entrepreneurship is the distributed mechanism that ensures that externalities are continuously being identified in the economic system. Social Entrepreneurs play a significant economic role in cases where externalities exist. Social entrepreneurs are driven by and act on externalities, specifically negative externalities. Externalities arise when economic activity creates an impact that extends beyond the objective function of the agents developing the activity (Rangan et al. 2006). When positive externalities exist the outcome is often a surplus of resources such as education or employment. This under-provision of goods creates more value for society than value created for the recipient of the resources. The literature implies that the distinctive domain of social entrepreneurship consists of the social entrepreneur addressing neglected problems with positive externalities (Santos, 2012).

Social Entrepreneurship

Social entrepreneurs are defined as individuals who start up and lead new organizations or programs that are dedicated to mitigating or eliminating a social problem, deploying change strategies that differ from those that have been used to address the problem in the past (Bloom & Chatterji 2009). Social Entrepreneurship continues to be a field of interest that crosses many academic disciplines and challenges the traditional assumptions of business development (Dacin et al. 2010). Social entrepreneurship has gained importance and relevance on a global scale. Although social entrepreneurs usually start with small initiatives, targeting local issues, they tend to have a global impact creating social value (Santos 2012).

Dees (1998) stated, "Social entrepreneurs are like reformers and revolutionaries with a social cause." Recent literature states that there are two cultures at play in the field of social entrepreneurship: (1) a traditional culture of charity and (2) a contemporary culture of entrepreneurial problem solving. Both cultures have their origins in individuals' psychological responses to the needs of society and reinforced by social norms (Dees 2012).

The majority of the literature on social entrepreneurship focuses on defining the concept rather than developing a testable theory (i.e. Mair & Marti, 2006; Peredo & Chrisman, 2006). In addition, most of the studies were conceptual with very few empirical studies. When reviewing the literature there seems to be few studies exploring the characteristics, motivations and behavior of practice that promote social innovation and sustainability. The absence of research and incomplete knowledge illustrates a significant gap in the literature.

Resource-Based View (RBV) Perspective

Similar to commercial entrepreneurship, social entrepreneurship creates value by bundling together a unique group of resources to take advantage of an opportunity (Morris, Kuratko, & Schindehutte, 2001). In both scenarios, the entrepreneur's rare and valuable knowledge in relation to a venture lead to two challenges, resource acquisition and resource management respectively. With a resource-based view perspective, the discovery of how social entrepreneurial organizations reach the goal of scaling out social impact can be uncovered. Resources are used to either gain a profit, or in the social entrepreneurship case achieve sustainability. Social entrepreneurs can reach sustainability through proper resource management and mobilization strategies. The resource-based view seems to be an appropriate approach since the literature states that social and commercial entrepreneurs effectively manage resources to reach goals and objectives (Dees, 1998). Resources or organizational capabilities provide both the opportunities for alliance formation and the chance to gain public support, which is needed to raise capital and create value (Bloom & Smith, 2010).

This paper utilizes the resource-based view as a means to better understand social entrepreneurial organizations and how their strategies impact their performance. According to this perspective, a firm is a collection of resources (Wernerfelt, 1984). A study conducted by Barney (1991) describes resources as "all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by the firm that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness". Each firm possesses unique resources, which are superior, to those held by the competition (Peteraf, 1993). Although industry factors are a part of how profitability of firms is derived, resources and capabilities are very important regarding growth and the achievement of sustainability (Hansen & Wernerfelt, 1989).

Scaling Impact

The scaling of Social Entrepreneurial impact is a significant issue in the field of social entrepreneurship. In the realm of social entrepreneurship, scaling is defined as "increasing the social impact that an organization produces to better match the magnitude of the social need or problem it seeks to address" (Dees, 2008). However, researchers have focused little theoretical or empirical work on scaling with the exception of a recently proposed set of drivers of scaling—SCALERS MODEL (Bloom & Smith, 2010). This model provides insight into new theoretical development on the scaling of social entrepreneurial impact. "SCALERS" is an acronym for *Staffing, Communication, Alliance Building, Lobbying, Earnings Generation, Replication, and Stimulating Marketing Forces* (Bloom &Chatterji, 2009).

By integrating the SCALERS Model with the theory proposed by Santos (2012), the new proposal would demonstrate that the specific organizational capabilities of the SCALERS Model make up the four types of Capital—social, human, political, and financial. The four types of capital are the drivers of growth and development of the social entrepreneurial organization. Together they create and capture value together, which results in shared value (Porter & Kramer, 2011). Furthermore, the attributes of the resources and capabilities at hand eventually allows the firm to be sustainable, which is the ultimate goal of the social entrepreneur.

To extend the knowledge regarding social entrepreneurship of scaling social impact, an inclusion of economic theory needs to be taken into consideration. There will be an addition to the model to look at the triple bottom line as an indication of impact. In traditional business accounting, the "bottom line" refers to either the profit or loss. It takes its name because it's usually recorded at the very "bottom line" on financial statements. The concept of the triple bottom line just adds two more bottom lines—environmental and social concerns respectively. The literature shows that the triple bottom line presents a useful way to balance value creation and value capture within a social entrepreneurial organization (Cohen, Smith, & Mitchell, 2008). While it is recognized that there is a tradeoff between profit maximization (value capture) and creating social and environmental value (value creation), it is also acknowledged that there is a growing understanding that a synergistic relationship exist between the three components (Cohen & Winn, 2006). So in essence, for sustainability to happen all three mechanisms have to be present and working together.

All things considered, social entrepreneurial organizations could benefit from seeking a triple bottom line resulting in not only economic impact but also social and environmental as well. Integrating the triple bottom line with existing theories regarding the scaling of social impact, such as the SCALERS model, adds clarity to the field of social entrepreneurship. In addition, examining the interrelationships could offer a better explanation of value creation and value capture within a social entrepreneurial organization.

Raising Capital

The resources and organizational capabilities of social entrepreneurial organizations consist of four different types of capitals—social, human, political, and financial capital (Bloom & Smith, 2010). Different forms of capital are important for scaling because they represent the opportunities and resource constraints faced by social entrepreneurial organizations. Drawing from the influential work of Bourdieu (1986), stating that the structure of the distribution of the different types of capital is a reflection of the structure of the social world. The different forms of capital can reduce constraints and increase opportunity for growth, therefore contributing to the scaling of social impact (Bloom & Smith, 2010).

The acknowledgement of the four forms of capital being necessary to scale social impact is critical, however it's just as important to understand how the different forms of capital are created, developed and maintained by social entrepreneurial organizations. In a social entrepreneurial organization, the forms of capital lie within the firms' organizational capabilities. Capabilities are the capacity to bring an intended action into fruition. Capabilities close the gap between expected outcomes and actual outcomes (Dosi et al. , 2000). From the resource based view of a firm perspective, organizational capabilities can be understood as the reliable capacity to create and develop different forms of capital (Bloom & Smith, 2010).

To identify which organizational capabilities fall under which forms of capital, the SCALERS Model developed by Bloom & Chatterji (2009) is used. Human capital consists of filling jobs with qualified personnel. The organizational capability of staffing relates to the ability of the social entrepreneurial organization to recruit, train and develop the necessary human capital (Bloom & Chatterji). When organizations practice effective human resource management techniques they are better equipped to scale social impact.

Social capital is associated with the social entrepreneurial organizations communication capabilities (Borudieu, 1986). Social capital refers to potential resources made available through social networks (Sorensen & Torfing 2003). Communication creates beneficial behaviors among stakeholders, including volunteer/employees, donors, beneficiaries or consumers. The literature identifies social capital as having a key role in the growth and development of entrepreneurial ventures (Hoang & Antoncic 2003). Good communications skills on the organizations behalf can also allow for social innovation and growth.

Political capital is also an important role when it comes to increase scaling. Political capital refers to potential resources that are made available from the organizations participating in the political process. The social entrepreneur's capabilities to build alliances and participate in lobbying are key components in the development of political capital. Just as other forms of capital are used by social entrepreneurial organizations to scale social impact, organizations that develop sufficient political capital should see growth and be closer to competitive sustainable advantage.

Organizational capabilities such as the capacity to replicate and generate earnings would be strongly associated with financial capital. A high value of this capital would mean the organization is successful at creating markets for products and services (Bloom & Chaterji, 2010). After generating earnings from the offerings the social entrepreneurial organization would then have the capacity to replicate the venture. This ability of the organization relates to the development of financial capital, which in return provides a necessary component for scaling social impact (Bloom & Smith, 2010).

Social and human capital is raised initially in our model. After the social value is created by social and human capital, economic value is captured through the financial and political capital. This usually comes in the form of investors, donors, government or public officials. Governments play a particularly significant role in dealing with positive externalities; they either provide what is not provided by the social entrepreneurial organization or create incentives for economic actors to invest in the services needed (Santos, 2012). All of the above contribute to the scaling of social impact by the unique mix of resources and capabilities. In the social entrepreneurship realm, the organizational capabilities would be components of the four types of capital—political, human, financial and political.

Value

Organizations are in business to either create or capture value. Usually, commercial entrepreneurs and corporations often try to capture economic value. On the other hand, social entrepreneurial organizations are generally associated with creating social value. In order to have a well-grounded theory of social entrepreneurship, there needs to be an integration of social and economic value (Santos, 2012). According to the literature, it is often argued that social entrepreneurs with socially driven missions are against profit seeking and value capture. For instance, Certo and Miller (2008) argue "Social value has little to do with profits, but instead involves the fulfillment of basic and long standing needs such as providing food, water, shelter, education and medical services to those members of society who are in need."

The dichotomy that exists, poses several problems for theory development within the field of social entrepreneurship. For example, economic value is also social in a sense because when economic value is accumulated it also improves the well being of society through more efficient resource management (Santos, 2012). This dichotomy also causes methodological problems because economic value is based on monetary benefits that are quantifiable where as social value includes intangible benefits that are difficult to measure. Sense most of the elements within the social entrepreneurship domain are subjective and not measurable for social value, this makes the theory difficult to test empirically (Santos, 2012). By rejecting the existing dichotomy distinguishing social and economic value, it will allow the theory of social entrepreneurship to be positioned in the mainstream of economic and management literature (Emerson 2003).

Value Creation vs. Value Capture

The issue of value creation vs. value capture can be seen through the trend that social entrepreneurship (SE) seems to be organizing under both for-profit (value capture) and non-profit (value creation) organizational forms to engage in the same activity (Townsend & Hart, 2008). This lack of consistency stems from the field not having an accepted theoretical platform and also the dimensions of the institutional environment that might play a role in the motivation of the social entrepreneur. This further illustrates the need for an integrated theoretical model for social entrepreneurship for the practical side as well as a theoretical platform on which the field can continue to develop.

As a result of the inconsistency between value creation and value capture, the distinction between the two is becoming a key concept in the strategic management field (Lavie, 2007). Value creation from an activity happens when the aggregate utility of society's members' increases after accounting for all the resources used in that particular activity (Santos, 2012). On the other hand, value capture from an activity happens when the focal actor is able to appropriate a portion of the value created by the activity after accounting for the cost of resources that he/she mobilized (Mizik & Jacobson, 2003). Considering this theoretical framework, commercial entrepreneurs and for profit organizations would put more focus on value capture in their objectives. Whereas social entrepreneurs and not for profits would put more emphasis on creating value.

New theory should take into account both value creation and value capture simultaneously. It is evident that value creation is a necessary condition for sustainable value capture. Value capture without value creation will not suffice because it will end up becoming a burden for society. Social entrepreneurs have a main objective of value creation. However, for sustainability to occur the scope has to be expanded beyond value creation and also include value capture. Therefore, giving both value creation and value capture an equal amount of attention allows for the development of an improved theory of social entrepreneurship.

Social entrepreneurial organizations usually maximize on value creation and have just enough activities to capture value to sustain and reinvest. Maximizing both value creation and value capture in the same unit can be very complex. The issue with focusing on both of these dimensions arises because they are not perfectly correlated. Activities that create value for society don't necessarily capture value because of spillovers due to positive externalities (Rangan et al. 2006). For example, if an organization educates society about a particular disease which would create value, however capturing value would be much more difficult in this case. On the contrary, some organizational actions increase the potential for value capture, but decrease the probability for value creation. For instance, if a firm increases price, but sales go down, this decreases the overall surplus (Santos, 2012). Although value capture and value creation can be aligned, there will eventually be a point where a tradeoff will arise and the organization will have to choose one or the other (Santos, 2012). The literature suggests that economic actors should make tradeoffs regularly between value creation and value capture.

Social Entrepreneurs also have a bonding and bridging role in the process of scaling up social impact within the organization (Light & Dana, 2013). The entrepreneur has to engage and involve the community to create trust (value creation) and relationships with the people. The division between the two concepts of value has to be closed. This means that the traditional social orientation of social enterprises should switch paradigms and put more thought into capturing value, without losing focus on the initial social objective at hand. Porter & Kramer (2012) state that social entrepreneurs have been thinking too much about doing good, about helping people, about providing charity, about giving money that their vision and objectives have become myopic. Social Enterprises tend to forget about the rigor and discipline management and entrepreneurial thinking that drive economic growth. There should be a new way of thinking, a new set of tools, and new attitudes about how to address social issues (Driver, 2012). This will help the field move forward and bring clarity and understanding to the missing pieces and unfilled gaps in the literature.

Shared Value

Mentioned previously, there has to be a rejection of the current dichotomy between economic value capture and social value creation. Social Entrepreneurs have to be able to see pass just creating social value for society. This alone is not enough; social entrepreneurial organizations have to be able to turnover a profit to be sustainable. The idea behind shared value is to capture economic value and provide social benefits simultaneously (Driver, 2012; Porter &Kramer, 2011). Businesses create value when they can make a profit (capturing economic value) while at the same time meeting important social needs (positive externalities) such as improving environmental performance, reducing problems of health, improving nutrition, reducing disability improving safety, etc. The concept-shared value offers a unique theory of how to embrace the opportunities in meeting the various social needs and to capture economic value in the process (Porter &Kramer, 2012).

This paper examines social entrepreneurship with a synthetic approach considering both value creation and value capture. Recent literature suggests that the line between for profit (value capture) and nonprofit (value creation) is blurred which makes it hard to sustain as a significant boundary on social entrepreneurship (Peredo & McLean, 2006). For example, in an extreme case the social cause or social benefit created by the social enterprise could be the only way by which the organization can profit. The distinctions among public, private, and nonprofit sectors are becoming increasingly ambiguous from a social entrepreneurship perspective. This is another indication of the need for the development of more integrated and perhaps more hybrid models that take into account both value creation and value capture and move away from the dichotomous point of view within the field currently (Johnson, 2000).

METHODS

Theory and Propositions

The theoretical model below illustrates an elaborated formulation of the relationship between Social Issues and Scaling. The line drawn from value creation to the line connecting social issues and value capture suggests that the relationship between the last two constructs depends upon the extent of value creation. In this case, it is suggested that the social issue has little or no connection with the value capture when value creation is low, but a strong connection when value creation is high. Therefore, value creation moderates the connection between social issues and value capture.

The theoretical constructs (Social Issues/Needs) to the far left are the exogenous because the model takes the values as already given versus something that is explained. In contrast the endogenous variables are influenced either directly or indirectly by exogenous variables. Moreover, the model also depicts the connection between the latent variables (Capital) and the measured variables.

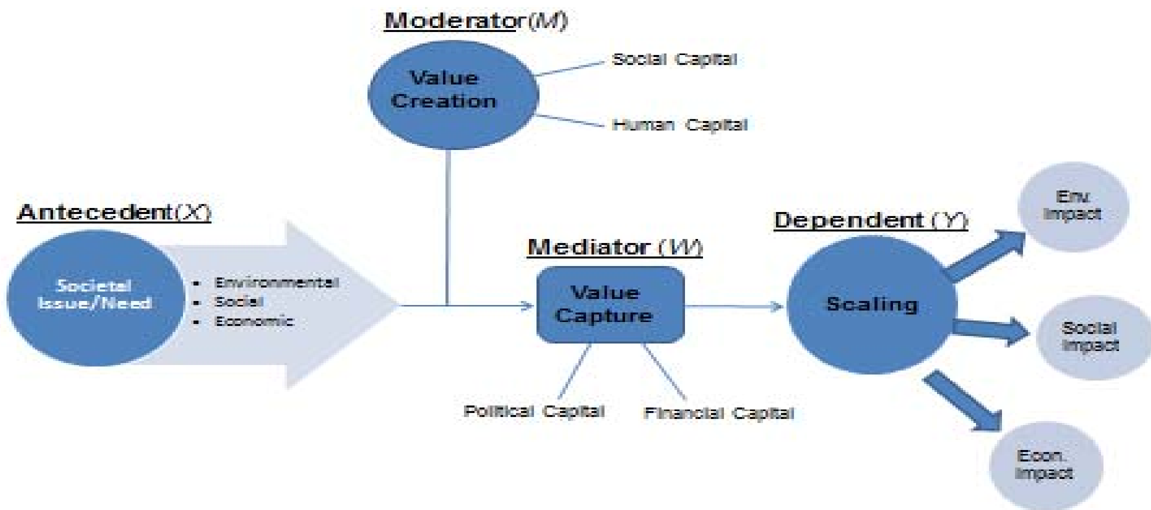
The model below demonstrates that creating value is the first step in scaling and developing the social entrepreneurship organizations. Creating value and understanding how it's created is the most objective way to choose which resources and assets provide an avenue for sustainable and profitable growth. With this understanding the social entrepreneur puts him/herself in a position to capture more value and achieve sustainable competitive advantage.

<u>Proposition 1</u>: *Social entrepreneurial Organizations with higher value creation will also have higher value capture*

<u>Proposition 2</u>: *Social entrepreneurs that respond to higher priority positive externalities will result in higher value capture*

<u>Proposition 3</u>: *Social entrepreneurs with higher value capture will have larger and more successful scaling.*

Figure 1



THEORETICAL AND PRACTICAL IMPLICATIONS

This research has clear and important implications for entrepreneurship scholars and practitioners alike. Social Entrepreneurship is fairly new area of scholarly inquiry. Although it is a fresh and promising research stream, there are still issues that were common in the early stages of strategic management and entrepreneurship research as well. Some of the issues include a lack of construct legitimacy and poorly defined theoretical content. If the social entrepreneurship field is to be successful, there needs to be integration with other areas of study, advancement in theory development and improved empirical testing of new theories. This incorporation of these scholarly advancements will improve the understanding of the determinants of social entrepreneurship. It will give a better explanation of how social entrepreneurs are able to develop and scale out beyond the initial marginalized communities on to a larger platform of global relevance like the following organization.

From the Goodwill Industries website:

"Goodwill was founded in 1902 in Boston by Rev. Edgar J. Helms, a Methodist minister and early social innovator. Helms collected used household goods and clothing in wealthier areas of the city, then trained and hired those who were poor to mend and repair the used goods. The goods were then resold or were given to the people who repaired them. The system worked, and the Goodwill philosophy of "a hand up, not a hand out" was born."

Organizational and strategic management researchers agree that Social Entrepreneurship is an interesting topic. This study able to expand on the extant literature by providing further details on the composition and causal relationships in this field. The implications of the strategic management literature illustrate what was clarified by the aforementioned Goodwill Industries example. The Goodwill industries have been sustainable by creating value and then capturing value to scale up their organization. This "hand up" philosophy used by Goodwill is the pathway to realize political and financial capital. This study establishes that there could be a causal relationship between the steps taken in creating social value and the ability to capture value in our model.

Social entrepreneurship research is going through a paradigm shift from a focus on public policy to a more central topic in business literature. It plays a crucial role in business and business education. More and more for profit established companies are seeking socially minded opportunities (Mort, Weerawardena, & Carnegie, 2003). This phenomenon raises interest in understanding the social entrepreneurship field as well. Social entrepreneurship is emerging and gaining attention rapidly. It is a fertile ground for researchers to investigate in what areas management and scholars excel and where the field could stand for improvement. The impact of work in this field could create a significant impact not just in the academic realm, but it could reach practitioners and beyond. The conceptualization of social entrepreneurship presented in this work is framed within the Resource Based View of a firm. This organizational capability model will help social entrepreneurs with scaling and sustained competitive advantage. To achieve sustainability, managers must integrate the entrepreneurial value capturing posture with the socially driven value creation approach and they must build and nurture their distinctive capabilities and resources.

It is expected that the model proposed in this paper will help clarify the distinctive value each social entrepreneur brings to society. This work should provide a better understanding, which leads to more informed and improved decision-making among those committed to adding on to positive social change. Our model can assist managers of social entrepreneurial organizations understand the drivers of scaling impact and how to develop their organizations. Although there have been various examples of successful social entrepreneurial organizations that have scaled social impact (i.e. Good Will), there has been a lack of conceptual transparency about why some social entrepreneurs are more successful than others. Our integrated model can help researchers and practitioners identify strengths and weaknesses as well as opportunities and threats. With these strategic insights, managers can further scale their social impact and have a feasible path for reaching sustained competitive advantage with this research it is hoped to fill the gap in the collective understanding of social entrepreneurship.

FUTURE RESEARCH

The most promising opportunity for future research is gaining a better understanding of the distinctive structure of the mission, processes, and resources within a social entrepreneurial context. In addition, further evaluation of existing theories used in entrepreneurial strategies is also needed. Future social entrepreneurship scholars could also examine social innovation diffusion for a better explanation of scaling social impact. Researchers can look at the characteristics of innovators themselves as well as the

factors that drive social innovation. Examining the interactions of these factors could identify additional methods for scaling social ventures.

Researchers could also gain insight by drawing on other disciplines such as organizational behavior, management or marketing. For example, when examining marketing, researchers could look at factors such as branding, market segmentation, penetration pricing, franchising, word of mouth promotion, sponsorships etc. All of the mentioned marketing tools have great relevance to scaling of social entrepreneurs. Another important issue is for future research is the development and use of appropriate samples. Data needs to be collected on a large scale despite the difficulty in getting access to entrepreneurial organizations. The large collection of data should be both longitudinal and cross sectional samples. This will allow researchers to examine the causality between the variables.

Additionally, we recommend more empirical work with models like the one developed in this paper. Structural equation modeling (SEM) software LISREL and SPSS could be used in performing confirmatory factor analysis and path analysis. CFA could be a first step to evaluate the suggested measurement model in a SEM model. Many of the rules of interpretation regarding assessment of model fit and model modification in structural equation modeling also apply to CFA. The goal of path analysis, and more generally of SEM, is to see how well the proposed model, which is a set of specified causal and non-causal relationships among variables, accounts for the observed relationships among these variables.

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