Entrepreneurial Teams in Social New Venture Creation: A Research Agenda

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Social entrepreneurship is now established as a major topic in entrepreneurship research with a strong community of researchers as well as dedicated journals and conferences, and is highly promoted in practice (e.g., Ashoka). One of its core defining elements is social value creation (Choi, and Majumdar 2014) which often results from a collective (in the generic sense), rather than an individual, endeavor. This is particularly emphasized in the literature by the European school of thought on social enterprises (Defourny, and Nyssens 2010; Hoogendoorn, Pennings, and Thurik 2010) which identifies two conditions for a social enterprise to emerge: 1) necessity; and 2) a collective identity and shared destiny (Defourny, and Develtere 2009). The latter implies by definition collective dynamics, which may crystallize in entrepreneurial teams (ETs) as several studies on cooperative formation (Diaz-Foncea, and Marcuello 2013) and community entrepreneurship (Haugh 2007; Johannisson 1990) describe. In fact, social entrepreneurial projects appear to be in majority undertaken by teams (Schieb-Bienfait, Charles-Pauvers, and Urbain 2009; Thompson, and Doherty 2006).

However, social entrepreneurial teams (SETs) remain quite absent from the scholarly literature. We found only four papers that deal with ETs in a social entrepreneurship setting (see table 1 for the search process and results), and only in a marginal way. This lack of research also contrasts with the importance of SETs that are one of the driving forces behind social entrepreneurship and social new ventures success. In this paper, we argue that because social entrepreneurship is characterised by an inherent tension between social and economic dimensions or logics (Battilana, and Lee 2014; Doherty, Haugh, and Lyon 2014), which may translate into paradoxes within the whole entrepreneurial process as well as within the team (Smith, Gonin, and Besharov 2013), SETs constitute singular ETs. Research is thus needed to evaluate to what extent findings on ETs apply in a social entrepreneurship setting and identify the specific issues of SETs that should be addressed. Moreover, we believe that this distinctiveness could be a source of learning for conventional ETs as SETs offer a remarkable setting for examining organizational tensions and how to effectively tap the power of paradox (Smith, and Lewis 2011). Our contribution is thus guided by two questions: what are the critical issues for SETs and what would be fruitful ways to address these key issues? We start by setting the context by briefly presenting social entrepreneurship and entrepreneurial teams research as well as existing research at their intersection and develop a definition of SETs. We then introduce the critical issues that need attention from the researchers. In a third and last part, we list the suggested research questions and discuss the most fruitful ways to tackle them and hence effectively advance the topic[1].

The specificity of social entrepreneurship with regard to new venture teams

Based on our demonstration that the literature on ETs is predominantly performance-related (Klotz, Hmieleski, Bradley, and Busenitz 2014), is shifting from the classical IPO (input-process-output) framework towards IMOI-type (input-mediator-output-input)

[1] For the needs of the extended abstract format, we focus on the second part of our paper, outlining the main important issues we have identified.

frameworks (Ilgen, Hollenbeck, Johnson, and Jundt 2005), and has a stronger consideration for the genesis of these teams, and integrating the social and economic built-in duality of social entrepreneurship, we offer five main issues on SETs.

Formation

Understanding ET formation is important because of the long-lasting imprinting effects on the organization (Beckman 2006; Beckman, Burton, and O'Reilly 2007; Leung, Foo, and Chaturvedi 2013). Distinguishing between the “lead entrepreneur” approach, where an initial entrepreneur has an idea and then decides to form a team, and the “group approach” where a group of people decide to venture together (whilst having or not identified an opportunity beforehand) (Kamm, and Nurick 1993), we argue that the main pattern for SETs would be the latter. Many social entrepreneurial projects are undertaken by a shared recognition of a social need (Defourny, and Develtere 2009). In addition, the absence of high monetary rewards for the risk of entrepreneuring socially can be argued to make it more difficult to attract additional members to the SET (Austin, Stevenson, and Wei-Skillern 2006). Hence, a group approach would be more likely. This poses questions in terms of performance (due to higher risk of group think, lower tendency to expand their network, and less incentive to identify resource gaps and thus follow a strategic approach).

Marshalling resources and the extended entrepreneurial team

It is generally assumed that social entrepreneurs act even more in a context of resource scarcity than conventional entrepreneurs (DiDomenico, Haugh, and Tracey 2010), a situation they are likely to counter by relying on a broader resource mix (Austin, Stevenson, and Wei-Skillern 2006; Gardin 2006). Among the specific funding sources social entrepreneurs have access to, social venture capitalists and venture philanthropists are relatively new (Pepin 2005). Miller, and Wesley (2010) show that social venture capitalists tend to acknowledge the dual organizational identity of social enterprises and use both economic and social

measurements but still rely more on traditional entrepreneurial criteria to make their decision. It is likely that, in the same way venture capitalists make biased decisions by favouring ETs that are similar to them (Franke, Gruber, Harhoff, and Henkel 2006), venture philanthropists are tempted to fund SET that resemble them. As a consequence, we argue that SETs might feel pressured to give signals (Busenitz, Fiet, and Moesel 2005) of their compliance to economic indicators, among others by adapting the team composition. SETs may also want to signal their composition to other stakeholders that may provide them with other resources such as legitimacy, volunteering, or donations. The signals expected by these stakeholders may diverge and hence generate tensions in the team formation process. One way to look at the implication of these external stakeholders in the entrepreneurial process, both by providing resources and by indirectly influencing decision, is to consider the extended ET (Dubini, and Aldrich 1991; Kirschenhofer, and Lechner 2012).

Gender

Even though women are less likely than men to embrace social entrepreneurship, the gender gap is lower than in conventional entrepreneurship (Levie, and Hart 2011). Reasons for that could be that women are less discriminated in Third sector organizations (Teasdale, McKay, Phillimore, and Teasdale 2011) and/or that women are more likely than men to embrace social motivations in entrepreneuring (Hechavarria, Ingram, Justo, and Terjesen 2012), in particular to improve the socio-economic environment of the community in which they live (Levie, and Hart 2011). With regard to ET composition, Godwin et al. (2006) argue that as a result of gender-based stereotypes, women entrepreneurs face unique obstacles in securing access to resources for their ventures, and that one way for them to overcome these obstacles is to partner with a man. Wouldn’t these stereotypes play in favour of the women in social entrepreneurship, leading men to benefit from partnering with women? Moreover, one of the issues social ventures face is mission drift, that is a diversion of resources – both

financial and non-financial – away from the social mission (Jones 2007). The role of women in mixed-gender SETs might therefore be one of keeping social mission first, i.e. avoiding mission drift.

Identity

The creation of a common team identity has been shown to encourage cooperative behaviour, to lower free-riding and shirking by individual team members, as well as to contribute to manage diversity in the team (Eckel, and Grossman 2005). The creation of such a common identity may face additional hurdles for SETs compared to conventional ETs due to the social/economic tensions. Indeed, social entrepreneurs have been argued to endorse a dual identity (Busenitz, Sharfman, Townsend, and Harkins 2015). How can this dual identity, which stems from value diversity rather than demographic diversity, be created at the team level? Do all team members need to have a hybrid identity themselves or can the latter emerge from a team composed by social-oriented entrepreneurs on the one hand and economic/business-oriented entrepreneurs on the other? Furthermore, considering ET composition which is an antecedent of this emergent state (Ilgen, Hollenbeck, Johnson, and Jundt 2005), would a team composed of both social and economic identities embedded in different persons be able to create a true hybrid identity? Finally, considering the relationships the SET has to manage with a large diversity of stakeholders and the tensions that might emerge from the eventual misfit with these stakeholders' logics (Lok 2010), how can the SET identity be sustained over time? This question takes a particular flavour in the case of volunteers who are not part of the core ET but supporting closely the social entrepreneurial initiative, as well as in the case of externally recruited staff later in the venture life cycle (Battilana, and Dorado 2010).

Decision-making and leadership

Governance is likely to play an important role in managing the hybridity of objectives of social entrepreneurship and in resisting to mission drift (Battilana, and Lee 2014). Traditionally, governance of social enterprises has emphasized democratic decision-making and participatory management (Spear 2004), as well as involvement of different stakeholders (Defourny, and Nyssens 2010; Huybrechts, Mertens, and Rijpens 2014). On the one hand, such a shared leadership mode is argued to be a factor of responsible leadership (Pearce, Wassenaar, and Manz 2014) and to improve team performance under certain conditions (Pearce, Manz, and Sims Jr 2009). Also, participative leadership increases innovation and performance in functionally heterogeneous conventional ETs, whereas directive leadership is more effective in homogeneous teams (Somech 2006). The latter observation could be questioned in terms of legitimacy of leadership in SETs as the democratic values are deeply rooted in the social enterprise tradition (Ridley-Duff 2007). On the other hand, integrating such a diversity of stakeholders to decision-making may divert the SET from its original social mission. It might also raise the question of who really governs the social entrepreneurial project (Cornforth 2004). Finally, tensions and/or power unbalance could emerge within the SET when some team members act as representatives of stakeholders. Overall, SETs, because of the deeply anchored value of democracy in social enterprises, constitute a good setting to explore shared leadership.

Table 1: Results of the search of scholarly papers on SET (in terms of hits)

Database	"Social entrepreneurship" AND "New venture team"	"Social entrepreneurship" AND "Entrepreneurial team"	"Social entrepreneurship" AND "Founding team"	"Social entrepreneurship" AND "Top management team"	"Social entrepreneurship" AND "Founders team"	"Social entrepreneurship" AND "Start-up team"	Duplicates	Total	*Relevant*
Business Source Complete	3	20	13	29	1	5	14	52	*1*
Emerald Insight[1]	0	4	1	2	0	1	1	7	*1*
Taylor & Francis[2]	0	11	10	5	0	4	8	22	*2*
Duplicates	-	2	1	2	-	1	28		
TOTAL	**3**	**33**	**23**	**34**	**1**	**9**		**76**	***4***

1: Database included in the search for literature because it includes the Social Enterprise Journal.
2: Database included in the search for literature because it includes the Journal of Social Entrepreneurship.

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