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Different types of social entrepreneurship: The role of geography and embeddedness on the measurement and scaling of social value

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With its continued emergence in both academic and practitioner communities, the diversity of organizations categorized as social entrepreneurship continues to expand. The increasing diversity represents a challenge to the field as it attempts to build a scientific base of knowledge. To address this issue, we build upon a typology of different forms of social entrepreneurship to theorize about how the role of ‘sites and spaces’ may affect the social entrepreneurial process. Specifically, we explain how variance in the geographic focus of different types of social entrepreneurship influences the types of social networks in which social entrepreneurship is embedded. Drawing upon this logic of embeddedness, we develop propositions about how the structural embeddedness of social entrepreneurship may affect the measurement and scaling of social value. The purpose of this article is to add to the relatively sparse but growing theoretical foundation of the field of social entrepreneurship.

Keywords: social entrepreneurship; embeddedness; scaling; social performance; social networks

1. Introduction

Social entrepreneurship is a rapidly emerging domain within both the academic and practitioner communities. As the domain continues to grow, the number and the diversity of organizations categorized as social entrepreneurial ventures also expands (Doherty and Thompson 2006). This increasing diversity challenges the development of the field of social entrepreneurship as it attempts to define its distinctive domain of academic research. While some have argued for a broadening of the domain of social entrepreneurship (Light 2006), others have encouraged greater precision and conceptual clarity to allow the domain to build a scientific base of knowledge (e.g. Nicholls 2006). In order to do the latter, it is important to develop a theory that explains and predicts the empirical phenomena distinctive to the domain of social entrepreneurship.

To begin to develop a theoretical foundation for the diversity of contexts and forms encompassed in social entrepreneurship (Nicholls 2006), scholars have recently developed a typology of different types of social entrepreneurship (Zahra et al. 2009). The purpose of the typology is to ‘set the stage for recognizing potential antecedents, processes and consequences of different types of social
entrepreneurship’ (Zahra et al. 2009). While acknowledging the value of the typology as an important step, we seek to build on this typology and to contribute to the field by examining how different forms of social entrepreneurship may be related to different approaches of measurement and scaling of social value, two critical issues which distinguish social entrepreneurship from its commercial counterpart.

One important difference across the types of social entrepreneurship is the variance in the geography where it occurs. Building on the work of Steyaert and Katz (2004), we highlight the role of the geographic dimension of the different types of social entrepreneurship and highlight the importance of geography in shaping social entrepreneurial behaviour. Specifically, we explain how the variance in the geographic area influences the types of social networks in which social entrepreneurship is embedded. The logic of embeddedness suggests that ongoing social ties shape actors’ expectations, motives and decision-making processes (Uzzi and Gillespie 1999). In any relationship, the degree of embeddedness may be described along a continuum ranging from largely generic, arm’s-length associations demonstrating limited embeddedness (Uzzi and Lancaster 2003) to deeply embedded relationships where internal structures are vital to decision making and action (Dacin, Ventresca, and Beal 1999). Our argument in short: the smaller the geographic area in which social entrepreneurship is practised, the more likely the development of embedded ties due to ‘time-geographic realities’ (Hägerstrand 1975) of reduced physical distance and increased interaction. As a result, different types of social entrepreneurship, based upon the geography in which they are situated, will be associated with differing degrees of embeddedness. Extending this logic, we develop propositions about how the different types of social entrepreneurship and different degrees of embeddedness affect the measurement and scaling of social value. Specifically, we argue the degree of embeddedness affects: (a) the measurement of social value; (b) the scaling of breadth or depth and (c) the scaling strategy.

This article makes at least two important contributions. First, we examine how the embeddedness of the social entrepreneur, an embeddedness we argue is affected by geographic focus and constraint, contributes to their selection of different types of social entrepreneurial pursuits. In this way, we respond to calls for an increased role of both the geographic dimension and social discourse in entrepreneurship research (Steyaert and Katz 2004). Second, we theorize about how the degree of structural embeddedness may affect the important processes of measuring and scaling of social value. In so doing, we extend the existing theory into the emerging domain of social entrepreneurship by focusing on two critical issues in the field in need of further development (Anderson and Dees 2006; Nicholls 2006). These contributions add to the relatively sparse but growing theoretical foundation of the field of social entrepreneurship by addressing some of the causal mechanisms by which different types of social entrepreneurship may engage in different decision making and behaviour.

This article proceeds as follows. First, we provide a brief overview of social entrepreneurship and the three forms of social entrepreneurship. Second, we discuss an embeddedness perspective and the relationship between geography and relative embeddedness for the three different forms of social entrepreneurship. Third, we theorize about how the degree of structural embeddedness may affect the measurement and scaling of social value. Finally, we discuss the implications and directions of future research of this approach.
2. The distinctive and diverse domain of social entrepreneurship

Given the relative infancy of the field, the definition of social entrepreneurship is still emerging. While several scholars have offered definitions (e.g. Brinkerhoff 2001; Dees 2001; Drayton 2002; Alvord, Brown, and Letts 2004; Austin, Stevenson, and Wei-Skillern 2006), the field of social entrepreneurship has yet to reach a consensus definition. For our purposes, we follow previous scholarship and define social entrepreneurship as ‘innovative and effective activities that focus strategically on resolving social market failures and creating opportunities to add social value systematically by using a range of organizational formats to maximize social impact and bring about change’ (Nicholls 2006, 23).

This definition of social entrepreneurship offers at least two advantages. First, this definition shares a commonality with many definitions in the field – a primary focus on the creation of social value (Nicholls 2006; Zahra et al. 2009). While social entrepreneurship has many similarities to commercial entrepreneurship, one of the primary differences is the type of value generated. Whereas commercial entrepreneurs are mostly interested in the creation of economic value (e.g. Shane and Venkataraman 2000), social entrepreneurs are driven by the creation of social value (Austin, Stevenson, and Wei-Skillern 2006). ‘For social entrepreneurs the social mission is explicit and central...Mission-related impact becomes the central criterion, not wealth creation’ (Dees 2001, 2). One of the distinctive elements of the domain of social entrepreneurship is a primary focus on social value creation. If a social entrepreneur is able to identify and develop a solution to a social problem, then the questions of measurement and scaling of social value often follow. Both measurement and scaling of social value are critical issues to advance the field of social entrepreneurship (Anderson and Dees 2006; Nicholls 2006).

Second, this definition also recognizes the diversity of forms of social entrepreneurship. The innovative pursuit of social value can occur across many different contexts, spaces and organizational forms. For example, social value creation can occur anywhere along a continuum of for-profit to non-profit organizations (Brooks 2008). Social entrepreneurship can occur in small local organizations and in major multi-national organizations, and social innovations can be confined to a small local community or dispersed throughout the world. In short, social entrepreneurship can take many forms, governed by the intent of the founders, the scope of the problem and the resources required or available to solve it. Zahra et al. (2009) typology of social entrepreneurship, to which we now turn our attention, is recognition of the diversity of social entrepreneurship approaches, the approaches we argue are affected by embeddedness.

2.1. Three types of social entrepreneurship

As part of their wide-ranging discussion of the nature and dimensions of social entrepreneurship, Zahra et al. (2009) suggest that just as entrepreneurship scholars have long noted that there are different types of entrepreneurship, there are also different types of social entrepreneurship. Responding to calls to ‘build our theory of social entrepreneurship on [the] strong tradition of entrepreneurship theory and research’ (Dees 2001, 2), Zahra et al. (2009) draw upon the rich legacy of the well-known economic theories of Hayek (1945), Kirzner (1997) and Schumpeter (1942) to categorize and define the types of social entrepreneurship commonly pursued and
their unique characteristics. Drawing inspiration from three cornerstones of entrepreneurial theory – Frederick Hayek, Israel Kirzner and Joseph Schumpeter – the authors create three archetypes, each of which occupies a prominent and distinctive portion of the social entrepreneurial landscape. While recognizing the limitations of the typology,\(^1\) it is a novel contribution as it provides both much needed theoretical foundation to the academic inquiry of social entrepreneurship and a starting point to assist scholars in ‘building better theories about antecedents, processes and consequences of different forms of social entrepreneurship’ (Zahra et al. 2009). A sample comparison across the different forms of social entrepreneurship is contained in Table 1 (for a full review, please see Zahra et al. 2009). A brief review of each form of social entrepreneurship follows.

The first type of social entrepreneurship, which they label the **Social Bricoleur**, draws on Hayek’s (1945) view of entrepreneurship as a largely localized undertaking. The Social Bricoleur type of social entrepreneurship, with a focus on local concerns, is partly driven out of first-hand exposure to problems (e.g. local citizens walking in crime-filled streets or witnessing gang violence are more likely to see a lack of opportunities for young people). In such situations, the recognition of a problem is largely driven by the local, tacit (domain specific) knowledge that is held. For this type of social entrepreneurship, there is often motivation to solve local problems and maintain a local focus, as this is both the source of the opportunity and a route to measuring success. While the Social Bricoleur form of social entrepreneurship exists in regions around the world, the solutions developed are generally rather small in scale and scope. In this way, local focus also suggests that they will be relatively resource-poor, as larger resource pools may only open up should they expand their local focus – thus resources both create and limit their mission. An example of this type of social entrepreneurship, according to Zahra et al. (2009) can be found in the form of Oswaldo Tello. Señor Tello, an employee in a micro-credit institution noticed that many local residents who might benefit from his organization’s programmes were not, either due to a lack of training and skills or a lack of congruence between the social programme’s goals and the goals of his local population. In response, he created a set of non-profit and for-profit organizations designed to train the local populous and pursue microcredit strategies in line with their local needs. Tello’s ability to see the problem from a different perspective, dictated by his geographic and cultural proximity to the problem, is characteristic of the Social Bricoleur type of social entrepreneurship, for whom their geographic region is likely to create an enhanced sense of the problems they seek to address.

The second type of social entrepreneurship, labelled **Social Constructionists**, identifies gaps in the social market (Kirzner 1997) and tries to fill them (Burt 1992). Emanating from a Kiznerian perspective, the Social Constructionist type of social entrepreneurship identifies social opportunities by being more alert than others to such opportunities. This differs from the Social Bricoleur type, primarily in the broader market focus. For the Social Constructionist, domain-specific knowledge serves less as a method of problem recognition and more as a filter for the many problems they may see. While they often focus on issues that are relevant to local concerns, their solution may be applicable to many different contexts. While no domain-specific knowledge may be necessary to identify a social problem, it may be necessary to identify that the same problem exists in many different contexts.
Table 1. A typology of social entrepreneurship.

<table>
<thead>
<tr>
<th>What they do?</th>
<th>Hayekian social bricoleur</th>
<th>Kirznerian social constructionist</th>
<th>Schumpeterian social engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Perceive and act upon opportunities to address a <em>local</em> social needs. They are motivated and have the expertise and resources to address</td>
<td>Build and operate alternative structures to provide goods and services addressing social needs that governments, agencies and businesses cannot</td>
<td>Creation of newer, more effective social systems designed to replace existing ones when they are ill-suited to address significant social needs</td>
</tr>
<tr>
<td>Scale, scope and timing</td>
<td>Small scale, local in scope – often episodic in nature</td>
<td>Small to large scale, local to international in scope, designed to be institutionalized to address an ongoing social need</td>
<td>Very large scale that is national to international in scope and which seeks to build lasting structures that will challenge the existing order</td>
</tr>
<tr>
<td>Why they are necessary?</td>
<td>Knowledge about social needs and the abilities to address them is widely scattered. Many social needs are non-discernable or easily misunderstood from afar, requiring local agents to detect and address them</td>
<td>Laws, regulation, political acceptability, inefficiencies and/or lack of will prevent existing governmental and business organizations from addressing many important social needs effectively</td>
<td>Some social needs are not amenable to amelioration within existing social structures. Entrenched incumbents can thwart actions to address social needs that undermine their own interests and source of power</td>
</tr>
<tr>
<td>Social significance</td>
<td>Collectively, their actions help maintain social harmony in the face of social problems that may lead to unrest</td>
<td>They mend the social fabric where it is torn, address acute social needs within existing broader social structures, and help maintain social harmony</td>
<td>They seek to rip apart existing social structures and replace them with new ones. They represent an important force for social change in the face of entrenched incumbents</td>
</tr>
<tr>
<td>Effect on social equilibrium</td>
<td>Atomistic actions by local social entrepreneurs move us closer to a theoretical ‘social equilibrium’</td>
<td>Addressing gaps in the provision of socially significant goods and services moves us closer to ‘social equilibrium’</td>
<td>Fractures existing social equilibrium and seeks to replace it with a more socially efficient one</td>
</tr>
</tbody>
</table>

(continued)
Table 1. Continued.

<table>
<thead>
<tr>
<th>Source of discretion</th>
<th>Hayekian social bricoleur</th>
<th>Kirznerian social constructionist</th>
<th>Schumpeterian social engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Being on the spot with the skills to address local problems not on others’ 'radars'. Local scope means they have limited resource requirements and are fairly autonomous. Small scale and local scope allows for quick response times.</td>
<td>They address needs left un-addressed and have limited/no competition. They may even be welcomed and be seen as a 'release valve' preventing negative publicity/social problems that may adversely affect existing governmental and business organizations.</td>
<td>Popular support to the extent that existing social structures and incumbents are incapable of addressing important social needs.</td>
</tr>
<tr>
<td>Limits to discretion</td>
<td>Not much aside from local laws and regulations. However, the limited resources and expertise they possess limits their ability to address other needs or expand geographically</td>
<td>Need to acquire financial and human resources necessary to fulfill mission and institutionalize as a going concern. Funder demands oversight. Professional volunteers and employees that are needed to operate organization</td>
<td>Seen as fundamentally illegitimate by established parties that see them as a threat, which brings scrutiny and attempts to undermine the ability of the social engineers to bring about change. The perceived illegitimacy will inhibit the ability to raise financial and human resources from traditional sources. As a consequence, they may become captive of the parties that supply it with needed resources.</td>
</tr>
<tr>
<td>Examples</td>
<td>Local training and education programmes for potential entrepreneurs</td>
<td>Multi-regional standardized food and drug assistance programmes</td>
<td>Global/international financial training and assistance programmes targeted at specific groups.</td>
</tr>
</tbody>
</table>

Note: Adapted from Zahra et al. (2009).
This focus on problems that apply to a variety of populations and/or contexts is characteristic of the Social Constructionist form of social entrepreneurship (Zahra et al. 2009). Therefore, the Social Constructionist’s true advantage is in recognizing an application that may be expandable to solve a problem occurring in different contexts. This form of social entrepreneurship is resource-driven – it demands resources to support the scalability of their mission. Jacqueline Novogratz is suggested by Zahra et al. (2009) as an example of the Social Constructionist archetype. Her organization, which focuses on addressing global poverty, revolves around the use of routinized market solutions to address concerns such as the availability of water and food, prescription drugs and antibiotics in a variety of geographic contexts – wherever the problem exists and the entrepreneurial, venture-capital-like approach she employs can be recreated successfully. Her goal is not to address the situation at just a local level, nor is it to employ a one-size-fits-all approach to a global crisis. Instead, Ms Novogratz attempts to employ approaches that have proven their viability in one geographic context or another where the problem exists. Thus, geography affects Ms Novogratz and other Social Engineers not by defining the problem itself, as it does in the case of locally focused Social Bricoleurs, but by framing contextual similarities and differences that impact the ability of their solutions to be applied in a variety of contexts.

The final archetype focuses on deconstructing and reconstructing the engines of society to achieve broad social aims. This form of social entrepreneurship, labelled as Social Engineers, engages in entrepreneurship as envisioned by Schumpeter (1942). Schumpeter’s concept of creative destruction is embodied in Social Engineers, who seek to implement social ventures to replace those solutions currently provided by the existing institutions. The authors suggest that this form of social entrepreneurship must primarily concern itself with a quest for legitimacy, as the broad scale and scope of their entrepreneurial ventures require mass support. For the Social Engineer type of social entrepreneurship, prior knowledge likely plays a smaller role in the identification of a problem. These social entrepreneurs focus on large-scale issues with mass appeal – issues that are well-known in a variety of settings and often understood by persons with limited knowledge of any particular aspects of the problem. Thus, it seems reasonable to believe that prior knowledge will play, at most, an ancillary role in determining that these sort of systemic problems exist – everyone is largely aware that they exist – it is the solutions that are less self-evident. While resources are important to Social Engineers, these resources may be already in existence, held by the institutions these individuals seek to replace. Thus, the most important resource for them is the legitimacy of the masses, and the associated political capital, which provides access to existing/required resources. Zahra et al. (2009) offer the well-known example of Muhammad Yunus, 2006 Nobel Laureate, as the prototypical Social Engineer. Mr Yunus, concerned about the poverty that overwhelmed his native Bangladesh, sought not to address the problem at a community level, nor to focus on scalable solutions that would work from community to community, but instead to focus on the systemic changes he felt were necessary to remove Bangladesh from the grip of poverty – issues such as prejudice against women in the lending system and in neighbourhood business communities, corruption within the lending system and the cronyism that led the poor of Bangladesh to unscrupulous money lenders. Working from the outside, Mr Yunus focused on establishing an organization that would not simply work within the
principles of establish practice or geography, but seek to fundamentally change the social system. In this instance, the role of geography serves as a framer of systemic issues, a method to look at the meta-picture and to develop a solution that may transform the entire system.

Thus, Zahra et al. (2009) have offered a typology of different types of social entrepreneurship where each successive type expands its scale, method and geographic focus. In the following sections, we build upon this typology to develop the relationship between geography and the structure of social networks. Further, we suggest how the level of embeddedness within these networks will have an important effect on the key strategic choices of measurement and scaling of social value. To do so, we now turn our attention to the concept of embeddedness.

3. Embeddedness

The primary argument of embeddedness is that actors’ purposeful actions are embedded in concrete and enduring relationships that affect their motives, behaviours and decision making (Granovetter 1985; Dacin, Ventresca, and Beal 1999; Gnyawali and Madhavan 2001). Embeddedness is, at its heart, an argument against the isolated dyadic relationships often portrayed by classical economic theory, where decisions are made in isolation; it is instead an argument that a more interconnected resource and social system governs organizational action (Baker 1990).

The concept of embeddedness is not new to the management literature, emerging from work of not only more-recently cited management thinkers (e.g. Granovetter 1985; Zukin and DiMaggio 1990; Portes and Sensenbrenner 1993), but from the earlier work of Polanyi (1944), and from the efforts of many management scholars to arrive at an alternative to traditional transaction-cost approaches to organizational decision making (Dacin, Ventresca, and Beal 1999). Today, embeddedness draws much of its inspiration from Granovetter (1985, 1992) who argued that a behavioural explanation that focuses on the individual or dyad alone ignores the issue that many other reciprocal relationships also impact the dyad and the choices made within it – that the decisions made by an organization were a response to a series of connected and often commensurate relationships that governed action.

Prior studies have provided an extensive review of the role of embeddedness in organizational decision making (Portes 1998), in defining economic relationships (Powell and Smith-Doerr 1994; Lie 1997) and in the creation and governance of agency relationships (Emirbeyer and Goodwin 1994). In addition, the logic of embeddedness has been used in the entrepreneurship literature in examining rural, ethnic and commercial entrepreneurship. For example, in a study of rural entrepreneurs, Jack and Anderson (2002) outlined the processes of through which entrepreneurs became embedded in the local community. Numerous scholars have examined the role embeddedness plays in immigrant community business foundings, noting both the supporting and retarding potential embeddedness holds for business development (Barrett, Jones, and McEvoy 2001; Froschauer 2001; Kalantaridis and Bika 2006). Simsek, Lubatkin, and Floyd (2003) studied the role of structural embeddedness in entrepreneurial behaviour, suggesting that structural embeddedness may play a role in promoting or limiting the application of radical new venture ideas.
Similarly, Uzzi (1997) has examined some of the financial aspects of the entrepreneurial process, exploring how embedded social perspectives may limit the access of businesses to acquire venture financing.

While research has examined the role of an embeddedness perspective in various forms of commercial entrepreneurship, relatively little attention has focused on how and why an embeddedness perspective may be useful in the domain of social entrepreneurship. While social and commercial entrepreneurship share many commonalities, one of the key differences is the type of value created (Austin, Stevenson, and Wei-Skillern 2006). Whereas commercial entrepreneurship is primarily focused on the creation of financial or economic value, social entrepreneurship is first and foremost interested in the creation of social value (Dees 2001).

Like commercial entrepreneurship, social entrepreneurship is concerned not only with the creation of value but also with its measurement and growth. However, unlike commercial entrepreneurship, there is relatively little consensus about how to measure and grow social value. As a result, we contend that the measurement and scaling of social value are often influenced by the type of social entrepreneurship and the degree of embeddedness because actors' interests, motives and behaviours follow predictably from social structural patterns (Granovetter 1985; Uzzi and Gillespie 1999).

While many different forms of embeddedness exist (Zukin and DiMaggio 1990; Hess 2004), we focus on structural embeddedness. A structural embeddedness approach borrows from both organizational theory and social network theory to suggest the quality and structure of social ties shape action 'by creating unique opportunities and access to those opportunities' (Uzzi 1996, 675). In this way, structural embeddedness links the macro structural conditions of exchange with the micro foundations of decision making and behaviour (Uzzi 1997).

One important focus in structural embeddedness is the type of relationships that connect actors. Researchers often categorize these relations into two broad groupings: arm's-length ties and embedded ties (cf. North 1990; Fukuyama 1995; Uzzi 1997; Peng 2003). Arm's-length ties occur sporadically and 'function without any prolonged human or social contact between the parties' (Hirschman 1982, 1473). Lacking social obligations, the governance and enforcement of arm's-length ties are rules-based. That is, rules serve to reduce the uncertainty of exchange with arm's-length ties by creating the structure of the human interaction (North 1990).

A second type of relations, referred to as embedded ties, occur only with a relatively limited set of exchange partners where these ties have been established over some length of time. Given the history of exchange, embedded ties become imbued with reciprocal social obligations which attenuate the need for rules-based governance (Uzzi 1997). In the case of embedded ties, a number of mechanisms including trust and group solidarity (Portes and Sensebrenner 1993) replace rules as the basis for reducing uncertainty in the transaction. However, such benefits do not come without potential constraints on the agency of the actor. As the degree of embeddedness increases, the range of available courses of actions becomes more restricted given the institutional pressures of the social structure (Granovetter 1985; Uzzi 1997). Some of the negative effects of higher degrees of embeddedness include levelling pressures, free riding on norms and restrictions on individual freedom and outside contacts (Portes and Sensenbrenner 1993).
Thus, the connection between actors is a hallmark of the embeddedness theory, as it forms the perspectives by which networks are formed, information is shared and decisions are made. One of the principal methods by which actors connect is through geographic proximity, which may vary from local communities to global expanses. To elaborate on this distinction, we now turn our attention to the relationship between geography and the degree of embeddedness of each form of social entrepreneurship.

4. Geography, structural embeddedness and social entrepreneurship

Scholars have advocated for an increased role of the geographic dimension of entrepreneurship (Steyaert and Katz 2004). For our purposes, geography is important because it acts as ‘a physical region involved as part of the setting of interaction, having definite boundaries which help to concentrate interaction in one way or another’ (Giddens 1984, 375). Therefore, the geographic area creates a boundary that conditions the web of interactions that may affect the social structure within which social entrepreneurship occurs. In this section, we explain how geography may influence the development of social networks and develop propositions about how the structural characteristics of these networks are related to different types of social entrepreneurship.

Although the interface between geography and social structure is complex, two basic mechanisms appear to be influential in this relationship (e.g. Sorensen 2003). First, geography may influence the development of social networks by affecting the chances of interaction between actors. ‘To form a relation, two individuals must typically meet in space and time’ (Sorenson 2003, 515). However, such meetings, and corresponding relationships, are not a completely random process (Von Hippel 1987) but rather are related to the geographic area within which actors spend their time. Classic models by Zipf (1949) and Stouffer (1940) predict an inverse relationship between physical distance and the likelihood of interaction. People interact most frequently with those who live in close geographic proximity (Sorenson 2003). Therefore, as the geographic area within which an actor spends time increases, the probability of random interaction with another decreases, based upon increased physical distance and reduced likelihood of chance encounters between actors.

The second way geography may affect the development of social networks is through the constraints of developing and maintaining relationships across distance. As actors develop social networks, their primary constraints are space and time. The work by geographers (most notably Hägerstrand 1975) suggests that the issues of spatiality and temporality are related and contribute to what are termed ‘time-geographic realities’. According to Hägerstrand (1975), these time-geographic realities include:

1. Our limited ability to complete multiple tasks simultaneously, be in multiple places in short succession of each other, and other biological and physical limitations which lead to a trade-off between space and time (capability constraints).
2. Our need to maintain some length of time in any activity or place we occupy, often engaged with other actors, in order for our experience in that space to be meaningful (coupling constraints).
Our need to observe boundaries created by certain actors or institutions that limit our access to the space and the individuals that inhabit it, requiring us to adopt spatial solutions that submit to authority structures (authority constraints).

When applied to the development of social networks, these ‘realities’ illustrate that the development and maintenance of relationships will be affected by geographic area, distance and constraints. In terms of geographic area, the geographic proximity between two actors is most likely to increase the durability of those relationships, as the relationship is easier to maintain from a spatial perspective. Conversely, the farther apart two individuals are – particularly when those individuals seek to maintain a personal relationship – the more effort is required to maintain and strengthen the relationship, as geographic barriers must be overcome in interaction (Sorensen 2003). In this way, the geographic area provides a boundary for the routinized character of life of the agent and thereby ‘conditions the webs of interaction formed by the trajectories of daily, weekly, monthly and overall life paths of individuals in their interactions with one another’ (Giddens 1984, 112). As a result, the role of geographic area and distance may affect the relative embeddedness of a tie by influencing the constraints of network development and maintenance. ‘Because arm’s-length ties require little investment in time or mutual obligation, they enable actors to economically maintain many ties to other actors who may be scattered throughout’ (Uzzi and Lancaster 2003, 385). As a result, the geographic dimension may result in different degrees of structural embeddedness.

Recall that the three different types of social entrepreneurship tend to occur in different ‘spaces’ of geography: the Social Bricoleur type focuses on creating social value at a local, even a community-wide level, the Social Constructionist type often focuses on creating social value in regional or national boundaries and the Social Engineer type often addresses social issues in a transnational or global context. In short, the geographic area in which the type of social entrepreneurship is situated increases in size from the Social Bricoleur to the Social Constructionist to the Social Engineer. Recognizing the constraints of time-geography, there is a finite limit to the number and quality of ties an actor can develop (Peng 2003). As a result, an increase in geographic scale and scope (i.e. from Social Bricoleur to Social Engineer) will often be accompanied by a decrease in the level of structural embeddedness, as finite relationship development and maintenance resources must be spread over an increasing geographic space, as shown in Figure 1.

Given the trajectories of agents ‘have to accommodate themselves under the pressures and the opportunities which follow from their common existence in space and time’ (Hägerstrand 1975), the amount of time required to develop and maintain relationships and the geographic distances which must be travelled when pursuing different types of social entrepreneurship will likely result in differing levels of structural embeddedness. As the Social Bricoleur type of social entrepreneurship is concentrated in a local geography, the development of embedded ties is likely to occur due to increased opportunities for interaction and reduced geographic distances between the actor and important stakeholders. In addition, the local geography is also likely to supply available skill sets, knowledge, management and governance of this form of social entrepreneurship (Peredo and Chrisman 2006; Haugh 2007). As a result, aspiring social entrepreneurs may focus on the
local community at the possible exclusion of all other constituents, for the local community is the most important and most valuable contributor to their venture’s success.

When the geographic area where social innovation is pursued increases from the local level of a community or a city to a regional level, as would often be the case for Social Constructionist type of social entrepreneurship, we should expect to see a higher degree of arm’s-length ties, due to the challenges of maintaining frequent interaction with other actors across a relatively larger geography. Finally, for the Social Engineer type of social entrepreneurship, whose focus is likely to span across countries if not across the globe, increased time and distance is likely to result in a preponderance of arm’s-length ties as the geographical distances between actors increase and the opportunities for interaction decrease – even when the ventures they create through this activity may be highly embedded within their own local communities. In sum, as the geographic areas increases across the different types of social entrepreneurship (from Social Bricoleur to Social Constructionist to Social Engineer), the development and maintenance of ties shift from embedded to arm’s-length. As the type of tie becomes increasingly arm’s-length, the degree of structural embeddedness decreases. This leads us to our first proposition:

**Proposition 1:** The geographic scale of social entrepreneurship will be inversely related to the degree of structural embeddedness.

## 5. Structural embeddedness and the measurement of social value

One of the key distinguishing features of social entrepreneurship, relative to commercial entrepreneurship, is the pursuit of social objectives (Dees 2001). Austin, Stevenson, and Wei-Skillern (2006, 264–5) suggest that social entrepreneurs pursue social value which involves the pursuit of societal betterment through the removal of barriers that hinder social inclusion, the assistance to those temporarily weakened or lacking a voice and the mitigation of undesirable side effects of
economic activity. The definition of social value raises the question of how to evaluate social entrepreneurship and, more specifically, the measurement of social value. Despite relatively limited research on the topic, the measurement of social value varies from highly qualitative, self-developed input measures to more sophisticated quantitative output and impact measures such as social return on investment (SROI) (Emerson 2003; Kramer 2005), hereafter labelled SROI. In this article, we argue that the degree of structural embeddedness will affect the manner in which social value is measured.

Structural embeddedness is concerned with the ‘concrete ties between and among actors and focuses on material exchanges of resources and information as the basis for exchange’ (Uzzi and Gillespie 1999, 388). In the case of social entrepreneurship, the exchange consists of the provision of various forms of capital for the creation of social value. For example, private donors may provide financial capital to create improved educational programmes in schools. In this case, the donor provides funding in exchange for the creation of social value of improved education. While such capital could be provided for any of the types of social entrepreneurship identified, the importance placed on measurement of social value will vary based on whether the provider of capital and social entrepreneur are connected by embedded or arm’s length ties.

In the case of embedded ties, as is likely for the Social Bricoleur type of social entrepreneurship, the tight coupling (or higher degree of structural embeddedness) of the two actors of the social entrepreneur and donor suggests a proliferation of obligations and expectations are built into the relationship (Portes and Sensenbrenner 1993), provided the donor is sufficiently embedded in the community. In this way, enforceable trust acts as the mechanism through which the alignment of exchange is achieved (Portes and Sensenbrenner 1993; Uzzi 1997). As a result of the embedded relationship, the donor is not likely to require the social entrepreneur to engage in the effort to calculate a detailed quantitative analysis of social value such as SROI. Instead, a frequent exchange of information about the creation of social value is likely to appease the donor. In addition, the geographic proximity of donor and agent is likely to foster a relationship where less direct oversight is deemed necessary, as the donor may see the effect their funds have on activity within their own community or region.

In contrast, the reliance on arm’s-length ties, as is likely for the Social Engineer type of social entrepreneurship, may result in the requirement of increased levels of sophistication in the measurement of social value. If the aforementioned donor provides financial capital to a social entrepreneur pursuing a global solution to educational issues, the frequency of interaction and exchange of information between the two actors is likely to be lower. In the absence of regular interaction and enforceable trust, the donor may require the social entrepreneur to engage in more substantial methods to document and quantify the creation of social value. That is to say, the donor is likely to rely on rules-based governance (Peng 2003) as the mechanism by which alignment between his intentions and the actions of the social entrepreneur are monitored. As such, the social entrepreneur will likely have to invest significant resources to provide evidence of the creation of social value. This leads to our second proposition:

Proposition 2: The degree of structural embeddedness of social entrepreneurship will be inversely related to the time and money spent measuring social value.
6. Structural embeddedness and scaling

Upon the discovery and exploitation of an effective social innovation, social entrepreneurs often consider how to grow or expand the social value of the organization, a practice commonly referred to as *scaling of social value*. In the context of social entrepreneurship, scaling is defined as ‘increasing the impact a social-purpose organization produces to better match the magnitude of the social need or problem it seeks to address’ (Dees 2008). While management and entrepreneurship scholars have focused substantial attention on the growth and scaling of commercial ventures, relatively less attention has been paid to the unique issues associated with scaling entrepreneurial solutions to public problems (Alvord, Brown, and Letts 2004). One important exception to this relative neglect is the research agenda advanced by Dees, Anderson, and Wei-Skillern (2003) and Taylor, Dees, and Emerson (2002) and Bloom and Smith (2010). Through their research, Dees, Anderson, and Wei-Skillern (2003) have identified two important decisions in the scaling of social value: where to scale and how to scale. In this section, we focus on how these two important scaling questions may be influenced by the degree of structural embeddedness of the social entrepreneur.

While acknowledging some of the potential costs and risks of scaling (for example, mission drift, resource strain and quality dilution), one important issue faced by the social entrepreneur who chooses to scale social value is the decision of where to scale. Scholars have distinguished between two different forms of scaling that vary in the location where scaling occurs – scaling up and scaling deep (Taylor, Dees, and Emerson 2002). *Scaling up* refers to the growth in social value by expanding a current programme to other geographic locations. In this way, a scaling up approach (or scaling breadth) generally focuses on replicating some common methods or approaches to new geographic areas (Taylor, Dees, and Emerson 2002). One example of scaling up includes the expansion of Grameen Bank from the village of Jobra to the district of Tangail and other districts in Bangladesh – an effort by which a common programme was extended to a new geographic location, scaling the social value of microcredit.

In comparison to scaling up, *scaling deep* means ‘focusing… energies and resources on achieving greater impact in your home community by doing one of the following: improving the quality of your services, achieving greater penetration of your target client population, finding new ways to serve your clients, extending your client services to new client groups developing innovative financial management approaches and serving as an example to others in your field’ (Taylor, Dees, and Emerson 2002, 243). An example of scaling deep includes Bill Strickland’s work in the inner city of Pittsburgh, Pennsylvania. After establishing an after-school arts programme for students, named Manchester Craftsmen’s Guild, Strickland scaled deep in the community by developing an employment training programme developed for adults called Bidwell Training Centre. In this way, Strickland increased the social value by targeting a new target population but did so in the same inner city neighbourhood.

While a social entrepreneur may confront the choice of scaling up or scaling deep, the choice may not be the social entrepreneur’s alone. Rather, consistent with the core tenets of embeddedness, the web of relations in which the social entrepreneur has become embedded may also influence the scaling decision. As suggested previously, the Social Bricoleur type of social entrepreneurship
will likely have a network consisting primarily of embedded ties to various stakeholders in a local community. While this relatively higher degree of structural embeddedness offers benefits through enforceable trust and bounded solidarity, it may also constrain the choices available to the entrepreneur (Portes and Sensenbrenner 1993).

In addition, a social entrepreneur’s decisions regarding the scaling of their social endeavour may reflect as much the communities in which they are embedded as they do a conscious effort to enter those communities. As we noted earlier in our discussion of Hägerstrand’s (1975) space-time path, a significant constraint is placed on the individual by members of the area or space they are seeking to enter – an authority constraint. As such, individuals seeking to embed themselves in a certain geographic community and later seeking to scale their venture within that community may be constrained to scaling methods that are seen as acceptable by those granting rights within the community. Their scaling strategies may not only reflect a strategic desire to embed within the community, but a political or social reality to do so in a way that is amenable to those with social power.

There is a tension between community solidarity and individual freedom of choice inherent in any network structure, according to Simmel (1950). Subsequent research validates this claim regarding the institutional pressures exerted by tightly coupled ties. In the examination of ethnic immigrants, Portes and Sensenbrenner (1993, 1341) found ‘the solidarity and enforcement capacity that promote success...also restrict the scope of individual expression and the extent of extracommunity contacts’. In essence, the constant interaction and exchange creates group solidarity and substantial in-group preferences. As a result, ‘local networks might bind the entrepreneur to a particular region in space’ (Portes and Sensenbrenner 1993, 456). In the case of scaling, the embedded ties of the social entrepreneur may encourage them to scale their venture deep – that is, to focus on scaling opportunities within the local community to which they are embedded, rather than scaling up, beyond their embedded community.

By comparison, the arm’s-length ties likely to be common for the Social Engineer type of social entrepreneurship seem less likely to exert institutional pressures to focus the creation of social value within the boundaries of the local community. While the relatively loose coupling and lower levels of embeddedness of the arm’s-length ties may provide more degrees of freedom for the social entrepreneur, and therefore allow them to exert more control over the decision to scale up or scale deep, the broader dispersion of the network contacts seems likely to prevail upon the Social Engineer to scale up their venture, in order to appeal to the more geographically distributed group of stakeholders they rely on. This leads to our third proposition:

Proposition 3: The degree of structural embeddedness of social entrepreneurship will be positively related to scaling depth.

A second important issue related to the scaling of social value is the decision of how to scale, commonly referred to as a scaling strategy. Based on an examination of methods commonly applied to the expansion of social innovations, Dees, Anderson, and Wei-Skillern (2004) identify three distinct approaches to scaling of social value in social entrepreneurship - dissemination, affiliation and branching. Following is a brief overview of the three approaches.
Among the three methods of scaling, the key distinction is the level of organizational involvement in the scaling of the concept. In the most laissez-faire of approaches, dissemination, the original organization (or social entrepreneur) shares information, but little else, with one or more loosely-associated organizations who seek to expand the concept. This approach relies on few resources, and relies on little centralized control over implementation. While this may occur through existing organizations, dissemination often results in the creation of new entities or partnerships with existing entities. While such an approach would rarely occur in commercial entrepreneurship due to the desire to capture entrepreneurial rents, such an approach is more common in social entrepreneurship where cooperative rather than competitive tendencies often emerge.

At the other end of the spectrum, branching approaches rely on a much more formalized expansion of the concept, relying on the existing organizational structure and legal ownership to create additional arms of the original organization to satisfy new markets. In a branching strategy, tight control and procedures are used to maintain quality and consistency over the delivery of the good or service, similar to company-owned stores (Dees, Anderson, and Wei-Skillern 2004). While often requiring substantially more resources than a dissemination strategy, the result is much greater control over the expansion efforts. Affiliation approaches offer a compromise between these two strategies, creating networks of like-focused initiatives, all of whom commit to the sharing of information and to some level of pooled resources. While this approach allows for a greater variety of organizational structures, it is also clear with regards to control and execution. Collectively, the scaling strategies can be considered along a continuum ranging from dissemination (requiring fewer resources and allowing for greater autonomy) to branching (necessitating greater resources and greater control).

For our purposes, the important issue is how a choice of scaling strategies may be influenced by a social entrepreneur’s structural embeddedness. As we have indicated previously, structural embeddedness addresses the ties between and among actors and the associated exchange of resources and information. Recognizing the differences in resources required and control mechanisms, different types of ties are likely to be related to different types of scaling strategies.

For the Social Bricoluer type of social entrepreneurship, who are likely to exhibit networks heavy with embedded ties, the most probable scaling strategy is dissemination. A dissemination strategy requires the least amount of resources of the scaling strategies. Given the nature of embedded ties in a close-knit community, the resources available to the social entrepreneur will likely be limited to those resources existing within it. While the likelihood of success of acquiring resources might be higher due to trust and bounded solidarity, the available pool from which the resources are drawn is relatively smaller. The limited use of extracommunity and arm’s length ties is likely to constrain the search for resources to the local community.

In the case of arm’s-length ties common to the Social Engineer type of social entrepreneurship, the social entrepreneur may be more inclined to pursue a branching strategy. Given the need for extensive resources, arm’s-length ties are likely to provide a wider range of available funding options for scaling. This is consistent with the recent work on social venture franchising which suggests that resource scarcity is one of the primary motivating factors for this form of expansion.
However, the loose coupling of the tie between the resource provider and the social entrepreneur may, paradoxically encourage tighter control over the scaling efforts to ensure that the social value promised in the exchange with the resource provider is actually delivered. The need for such control may be exacerbated when arm’s length ties are used for social ventures because higher agency costs may exist due to the potential goal asymmetry in the pursuit of multiple social and commercial objectives (Tracey and Jarvis 2007).

In this way, the branching strategy accommodates the need for tighter control because it remains a legal part of the original organization. This is consistent with Granovetter’s theory (1985, 503) on vertical integration: ‘Other things being equal...we should expect pressures toward vertical integration in a market where transacting firms lack a network of personal relations that connect them... On the other hand, where a stable network of relations mediates complex transactions and generates standards of behaviors...such pressures should be absent’. This leads to our fourth proposition:

**Proposition 4:** The degree of structural embeddedness of social entrepreneurship will be positively related to scaling strategies that focus on autonomy and inversely related to scaling strategies that focus on control.

7. Discussion and conclusion

Social entrepreneurship is an emerging area of academic inquiry. While the practice of social entrepreneurship has outpaced the academic pursuit, academic research is important to advance the field of social entrepreneurship (Bloom and Dees 2008). In this article, we have attempted to contribute to the growing theoretical foundation of the field of social entrepreneurship by building on the literature of different types of social entrepreneurship and by developing propositions related to two issues critical to the domain of social entrepreneurship. In so doing, we have responded to calls for increased attention of the geographic dimension and social discourse of entrepreneurship (Steyaert and Katz 2004) by explicating the role of different types of relationships and structural embeddedness on the measurement and scaling of social value.

We have suggested that geographic scale and scope, as evidenced by different types of social entrepreneurship, affects the degree of structural embeddedness a social entrepreneur is likely to require for their venture to be effective. Specifically, entrepreneurs maintaining a more localized focus – as a result of unique nature of the problem they have identified, the unique knowledge of the community to the problem, or the limited applicability of the problem to other contexts – will maintain a more direct relationship with that community and its key stakeholders. In contrast, social entrepreneurs seeking to address problems on a more universal scale will reach out to a more varied and less individually involved group of stakeholders, in order to create the umbrella of impact they desire to achieve. In such a context, their contact with each stakeholder is likely to be less intense, less lasting and perhaps less meaningful. This conclusion offers important insights for the budding social entrepreneur, who must be aware of the constraints of time and space on their ability to grow and maintain their venture.

Building on this foundation, we have also argued that the degree of structural embeddedness is related to the time and money spent measuring social value. Social
entrepreneurs who engage in solutions at a local level, and as a result command more involved, more direct relationships with stakeholders and community members are less likely to focus on objective measures of the venture’s value to society, based on shared knowledge of the outcomes by both the entrepreneur and stakeholders and shared desire to put resources most directly to outcomes and avoid measurement. On the other end of the spectrum, where social entrepreneurs seek to have a global impact on the problem, the decreased proximity of entrepreneur and funder to each other and the increasing agency issues that result are likely to call for an increased reliance on objective measures of impact to assure funders of the efficacy of the social solution. These conclusions suggest that social entrepreneurs seeking to undertake a solution assess whether objective measurement of their impact is possible or desirable before determining the scale at which they seek to solve the problem – social entrepreneurs seeking to limit the need for social return analysis may find themselves better served by maintaining a local focus.

Finally, we have argued that the geographic focus of the social entrepreneur will play a large role in dictating how they scale their social venture. Social entrepreneurs seeking more embedded community relationships (via the pursuit of more locally focused social initiatives) are likely to find that their ventures are most effective scaled deeply – into their current communities – rather broadly to other geographic locales. Similarly, more embedded social entrepreneurs are likely to focus on social scaling methods that offer more autonomy, as their endeavour requires more localized, more idiosyncratic interaction to be effective. These arguments suggest that social entrepreneurs seeking to grow their venture understand more effectively the nature of their geographic embeddedness, and tailor scaling approaches to more directly meet their needs.

Our research suggests at least four directions for future inquiry. First, our analysis focused on the role of structural embeddedness on relevant issues in social entrepreneurship. Yet, there are many different forms of embeddedness that have much to offer the theoretical development of the field. For example, Zukin and DiMaggio (1990) introduce three other forms of embeddedness in the context of economic action – cognitive embeddedness (structured patterns of mental processes), cultural embeddedness (shared collective understandings) and political embeddedness (a struggle for power among actors and institutions). An increased understanding of how the various forms of embeddedness shape the activities of different types of social entrepreneurship and how these forms of embeddedness are inter-related may be beneficial to a greater understanding of the motivations and strategic influences on social entrepreneurial behaviour. Given the distinctive focus on the creation of social value, the field of social entrepreneurship may also benefit from the consideration of how moral embeddedness (e.g. Horowitz 1996) affects important processes and outcomes in the domain. Such an approach may be very useful if the analysis is extended beyond the resource providers to also include beneficiaries of social value creation. This type of analysis may be relatively more useful in the field of social entrepreneurship given the value-capture problem (Dees 2001), whereby social entrepreneurs are unable to be compensated for their creation of value in financial terms because many beneficiaries cannot afford to pay.

A second direction for future research is to shift the focus from the network as cause to the network as consequence approach (Gabbay and Leenders 1999). While our research focuses on how the patterns of relationships affect various outcomes,
a promising area for future research could examine the factors that affect the development of the network especially individual-level factors. For example, the emergent personality theory of social networks (Kilduff and Tsai 2003) seeks to augment a structuralist heritage of social networks by highlighting the role of individual in the creation of the network. Research on constructs such as self-monitoring (Mehra, Kilduff, and Brass 1998) or tertius iungens (Obstfeld 2005) have begun ‘bringing the individual back in’ (Kilduff and Krackhardt 1994) to social network analysis. In the field of social entrepreneurship, an individual’s empathy may lead to relatively different structures of social networks. The addition of individual-level factors need not occur in isolation. For example, Watts, Wood, and Wardle (2006) developed a framework linking both individual and firm-level characteristics to embeddedness. As such, the inclusion of different levels of analysis within a unified model may contribute to the development of multi-level theories of social entrepreneurship.

Third, the concept of relationship or tie development within the context of social entrepreneurship raises interesting research issues. The development of embedded or strong ties often relies on substantial communication and interaction (Uzzi 1997; Jack 2000). However, the domain of social entrepreneurship may allow for the imbuing of ties with a common moral or ethical dimension. In this way, the process of tie development in the context of social entrepreneurship may be aided by allowing for more efficient development of embedded ties. In addition, the creation of social (rather than economic) value may attenuate concerns related to issues such as opportunism. Again, with reduced agency concerns, the creation and maintenance of embedded ties may occur with relatively limited relationship investment. As such, a social entrepreneur may be able to achieve much greater network range (Wasserman and Faust 1994) due to relatively lower costs of relationship development. In addition, the use of various forms of ties may differ in the context of social entrepreneurship. While research has found support for the relationship between networking and performance in commercial entrepreneurship (e.g. Brüderl and Preisendorfer 1998) particularly in knowledge intensive industries (Chell and Baines 2000), we know less about the role of networking and performance in the context of social entrepreneurship as well as the potential mediators and moderators of these relationships.

The relationship between social value creation and tie formation may also have implications for the transfer of private and tacit information. Scholars have suggested that the utility of different ties is contingent upon the nature of information. Arm’s-length ties are more useful for the search of knowledge and delivery of public information but embedded ties are more useful for transfer of knowledge and the delivery of private information (Hansen 1997; Uzzi 1999). Such a finding suggests that a balance of embedded and arm’s-length ties may be optimal (Uzzi 1999). However, the possibility of efficient development and reduced maintenance costs of ties coupled with the reduced likelihood of opportunism suggests that a social entrepreneur may be able to develop a broadly distributed, embedded network. Such a network structure may allow a social entrepreneur to effectively and efficiently identify both tacit and codified opportunities (Smith, Matthews, and Schenkel 2009). Qualitative methods may be particularly well-suited to examine the process of tie formation and opportunity identification in social entrepreneurship including critical incident analysis (e.g. Chell and Baines 2000).
Fourth, our research raises the issues about the transition across the different forms of social entrepreneurship. Building on a recent typology of different types of social entrepreneurship, our research explored how geography and structural embeddedness may affect measurement and scaling for these different types of social entrepreneurship. This analysis represents an important starting point. However, what happens when the model is put in motion and develops over time? For example, it is possible that a Social Bricoleur begins with the intent of solving a local problem, scaling deep within the local community when the time comes for the expansion of their initial concept. With time, the Social Bricoleur begins to identify common needs in other geographic markets and, as a result, they begin to expand the geography and adapt the social innovation to new geographies and social problems.

In some ways, Bill Strickland may be a present-day example of this type of transition as he grew his social innovation and scaled deep within Pittsburgh, Pennsylvania for more than 30 years. Today, he is scaling up to Grand Rapids, Michigan, Cincinnati, Ohio and San Francisco, California. These transitions raise a series of important research questions: How does the social entrepreneur become ‘disembedded’ (Dacin, Ventresca, and Beal 1999) from the local community? What are the ramifications of the social innovation in the local market when disembedding occurs? How is the development of ties affected over time (Elfring and Hulsink 2007)? How does social capital travel across geography? How do drivers of scaling of social impact (Bloom and Chatterji 2009; Bloom and Smith 2010) differ across time and space? These questions are illustrative of some of the many future lines for inquiry as transitions develop across space and time.

In conclusion, the purpose of our research was to add to the sparse but growing theoretical field of social entrepreneurship by highlighting the role geography and structural embeddedness may play in entrepreneurial decision making, the behaviour of entrepreneurs and the measurement and scaling of value in socially-motivated entrepreneurial endeavours. We believe that a more complete understanding of geography and structural embeddedness has much to offer to the domain of social entrepreneurship.

Notes

1. We echo Zahra et al. (2009) sentiment that this typology does not necessarily span the entirety of the field of social entrepreneurship. Rather, the typology is an early step in addressing the myriad of different types of social entrepreneurship and in aiding the theoretical development of the field.

2. The likelihood and frequency of interaction are also affected by similar backgrounds, affiliations and interests.

3. SROI is one attempt to measure social value creation. While commercial entrepreneurs have a number of commonly used financial metrics to evaluate their performance, social entrepreneurs do not have such commonly agreed upon social measures. As such, SROI builds on the term of return on investment (ROI) by describing and quantifying the social value created by an organization in financial terms and compares the social value created relative to the investment required to generate the social value (Lingane and Olsen 2004). SROI is a process of measuring, quantifying and monetizing social value creation. One of the earliest and most fully documented approaches to measuring SROI was developed by the Roberts enterprise development fund (REDF).

4. Many entrepreneurs who engage in social entrepreneurship at the community level also rely, in part or in whole, on regional and national sources of funding. These sources of funding, removed from the community and concerned with more systemic effects, may
require more in the way of objective measurement of social value given their reduced interaction with the social entrepreneur and diminished attention to impact within a specific community.

References


