

The Ethics of Entrepreneurial Shared Value

Abstract

In the business ethics literature, the growing interest in social entrepreneurship has remained limited to the assumption that pursuing a social mission will clash against the pursuit of associated economic achievements. This ignores recent developments in the social entrepreneurship literature which show that social missions and economic achievement can also have a mutually constitutive relation. We address this gap adopting the notion of shared value (SV) for an ethical inquiry of social entrepreneurship. Using a sensemaking framework, we assume that the emergence of SV propositions can be captured through the analysis of how social entrepreneurs make sense of events of change, selecting the journey of three exemplar cases for an inductive empirical inquiry. From our findings, we propose three themes for further examination. First, the ethical groundings of entrepreneurial SV are mostly shaped by idiosyncratic imperatives that inform both social mission and economic gain from the onset. Second, the ethical groundings of entrepreneurial SV will be likely operationalised as a filtering device, which allows for resilience as well as potentially detrimental blind spots. And third, the ethical groundings of entrepreneurial SV are expressed through ongoing transparency. Whilst there are agendas, these are not necessarily hidden but instead are likely put on show for the scrutiny of markets and communities. We hope this evidence can add more light to our still modest understanding of the ethical groundings of social entrepreneurship.

Keywords: Social entrepreneurship; shared value; social mission; economic achievement; sensemaking; ethics

Introduction

1
2
3 The ethical observation of entrepreneurship has placed great emphasis on social
4 entrepreneurship. Whilst it is recognised that entrepreneurs may face a number of
5 different ethical dilemmas (Hannafey, 2003), at the crossroad of ethics and
6 entrepreneurship, acting upon social missions persists as an overarching theme (Markman
7 et al., 2016) and social entrepreneurship remains as one of the primary areas of inquiry
8 (Harris et al., 2009).
9
10
11
12
13
14
15
16
17
18
19

20 The dichotomy between the pursuit of a social mission and arrangements of
21 entrepreneurial/economic achievement is a central depiction of social entrepreneurship
22 in the business ethics literature (Chell et al., 2016). Taking this dichotomy for granted,
23 the field has been mostly interested in the moral antecedents, challenges and
24 repercussions of mission drift, or the potential of the social mission to be weakened or
25 even replaced by economic imperatives (Bacq et al., 2016; Lamy, 2017). This tendency is
26 rooted to the view of social entrepreneurship as a practice that, whilst fuelled by
27 economic arrangements, is supposed to be driven by a detached social mission (see Austin
28 et al., 2006; Travis and Phillip, 2007; Battilana and Lee, 2014).
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

45 Social entrepreneurship is, however, a contested domain (Nicholls, 2010; Choi and
46 Majumdar, 2014; Chell et al., 2016), and the relation between social mission and economic
47 achievement is far from settled. The dichotomy assumption is ultimately, as Berglund and
48 Johannisson (2012) note, a framework of logical disjunction which is by definition
49 incapable of managing areas of intersection. This is troublesome as both agency and
50 institutionalist perspectives tend to recognise that social missions are hardly detached
51 points of reference (Cajibaja-Santana, 2010; Dorado and Ventresca, 2013). It is, indeed,
52
53
54
55
56
57
58
59
60
61
62
63
64
65

1 hard to argue against the asymmetry between the complexity of social problems and the
2 capacity of a single individual to fully understand them, which suggests that the potential
3 of social value is limited to the particular circumstances of the social entrepreneur (ibid).
4 Since the expectation of economic achievement stands out as one of those (formalised)
5 circumstances (Dees and Anderson, 2003), which we can expect to rank close, if not equal,
6 to the social mission (Peredo and McLean, 2006), all of a sudden we can begin to wonder
7 about the possibility of the dichotomy assumption to be no more than a conceptual bias,
8 or at least, as it is for us, just one analytical alternative to address social
9 entrepreneurship.
10
11
12
13
14
15
16
17
18
19
20
21
22

23 In this paper we avoid the dichotomy assumption borrowing from recent developments in
24 the social entrepreneurship literature. We are interested, in particular, in the growing
25 body of work that suggests that social mission and economic achievement can relate in a
26 mutually constitutive fashion (Nicholls, 2009; Smith et al., 2013; Zahra and Wright, 2015).
27 The construct of shared value (SV), which has gained popularity in the business ethics
28 literature (Corner and Pavlovich, 2016; Dembek et al., 2016), stands out as a guiding
29 notion for such discussions (Driver, 2012; Shaw and de Bruin, 2013). We adopt SV for our
30 investigation asking: *‘What are the ethical groundings that support the development of*
31 *SV propositions in social entrepreneurship?’* which we attempt to address through the
32 empirical examination of the three basic elements of a SV configuration (social
33 orientation, economic achievement and their nexus) during the early stage journey of
34 three British nascent social ventures.
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

52 Addressing our research question has a number of implications. Firstly, we contribute to
53 tackle Chell’s et al (2016) recent call to deepen our understanding of the ethics of social
54 entrepreneurship by problematising the “myth” (p. 623) of the economically selfless social
55
56
57
58
59
60
61
62

1 entrepreneur. We do this, indeed, by using a guiding construct (SV) that by definition does
2 not presume emphasis on either form of value. Secondly, we contribute to the social
3 entrepreneurship literature by adding empirical insights to our still modest understanding
4 of the mutually constitutive nature of social missions and economic achievement (Smith
5 et al., 2013; p. 426). And thirdly, we contribute to the development of SV as a construct.
6 As recognised by Porter and Kramer (2011) and noted by others (see Dembek et al., 2016),
7 the notion remains in its genesis and is, hence, somewhat malleable. It is not rare, for
8 instance, to see SV used as a conceptual aid to achieve a reconciliation between two forms
9 of given value, bringing the construct back to the dichotomy rationale (see, e.g., Pirson,
10 2012; Pavlovich and Corner, 2014; Corner and Pavlovich, 2016). Our use of SV builds,
11 differently, on Porter and Kramer's (2011) emphasis on 'creating' SV, taking a step back
12 to see how social mission and economic achievement share their dependence on a unified
13 process. This implies not two, but three, analytical categories: the traditionally
14 acknowledged categories of social and economic value, and the usually ignored category
15 of their actual nexus. Overall, we hope that our resultant evidence can provide added
16 light to the crossroad between these contemporary subjects.

17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40 The paper is structured as follows. We begin with an overview of social entrepreneurship
41 and its relation with ethics, and SV. We then describe the research setting and methods
42 for data collection and analysis. This leads to the analysis and discussion of three
43 empirically relevant themes, before finishing with concluding remarks.

44 45 46 47 48 49 50 51 52 **Social Entrepreneurship**

53
54
55
56
57 Within the definitional conundrum of social entrepreneurship, social mission and economic
58 rationale stand out as two settled fundamental elements (Dees, 1998; Mair and Martí,
59
60
61
62

1 2006). The way they relate to each other, however, has been a dominant catalyst for
2 debate (Martin and Osberg, 2007; Santos, 2012). A popular tendency has been to describe
3 their relation simply as a dichotomy, moving the attention towards the particular
4 challenges from pursuing a social (say, selfless) mission when economic mechanisms are
5 in place (see, e.g., Austin et al., 2006; Tracey and Phillips, 2007; Battilana and Lee, 2014).
6
7 Notions such as duality and hybridity (Moss et al., 2010; Battilana and Lee, 2014) have
8 increasingly populated social entrepreneurship debates in response, together with the
9 concern on the potentially detrimental effects that economic agendas can have on social
10 missions (Zahra et al., 2009; Lamy, 2017).
11
12
13
14
15
16
17
18
19
20
21
22

23 In this paper we do not adhere to such a tendency. With this we are not attempting to
24 engage in an endless definitional debate, as we do not view the contested nature of social
25 entrepreneurship as an obstacle for academic rigour (Nicholls, 2010; Choi and Majumdar,
26 2014). We recognise, indeed, the relevance of dichotomy-based studies when it comes to
27 the challenges faced by individuals, who in effect, attempt to sacrifice economic gain
28 (Drayton, 2006; Bornstein, 2007) or use economic achievement only as a means for their
29 social ends (Weerawardena and Sullivan Mort, 2006; Yunus, 2007). By focusing on a
30 different area of practice, we argue, our analysis complements these.
31
32
33
34
35
36
37
38
39
40
41
42
43
44

45 Recognising the contested nature of social entrepreneurship research, we see the need,
46 as suggested by Choi and Majumdar (2014), to signpost a clear focus, as in so doing we
47 facilitate others to assess their relationship with the research and judge its merits for
48 influencing their own work (ibid). With that in mind, we clarify that our interest in social
49 entrepreneurship acknowledges the fact that socially oriented organisations keep
50 emerging legally constituted as for-profit entities (Dees and Anderson, 2003), sometimes
51 even in favour of a degree of profit distribution (Teasdale, 2011). We, therefore, agree
52
53
54
55
56
57
58
59
60
61
62
63
64
65

with the perceived need to ‘extend’ the scope of social entrepreneurship (Perrini and Vurro, 2006) to include activities where the relevance of economic drivers can be equivalent to that of the social mission (Peredo and McLean, 2006; Driver, 2012).

In particular, we join the growing debate on the mutually constitutive aspect of social entrepreneurship (Nicholls, 2009; Driver, 2012; Shaw and de Bruin, 2013; Zahra and Wright, 2015; Corner and Pavlovich, 2016). This is relevant as current research on the productive intertwining of social missions and economic achievement remains modest (Smith et al., 2013). Moreover, the processes that produce such configurations of value tend to be bypassed, paying excessive attention to potential antecedents/requisites, such as cognitive/spiritual capabilities (Pavlovich and Corner, 2014; Corner and Pavlovich, 2016), and consequences, such as the emergence of a ‘blended’ value accounting (Nicholls, 2009) or the promise of improvements at the level of countries and societies at large (McMullen, 2011; Shaw and de Bruin, 2013). To add to this discussion, in this paper we adopt the view of (social) entrepreneurship as an ongoing journey (McMullen and Dimov, 2013).

In the business ethics literature, the dichotomy view of social entrepreneurship has been fruitful due to the extended supposition that most ethical features of social entrepreneurship emerge from the presence and action upon a social mission (Bacq et al., 2016). Ethical groundings, however, are not necessarily properties of pre-existent macro conditions (say, addressing a social need). It has been already shown, indeed, that ethical groundings can be also properties of everyday practices, which can very well include economic-driven activities (Dey and Steyaert, 2016). Consistently, the need to transcend the ‘myth’ of the homomorphism between social and ethical has been recognised (Chell et al., 2016), which we attempt to address by using the notion of shared value (SV) as a

guiding construct, which views social and economic imperatives as equally relevant aspects of a unified process of value creation (Porter and Kramer, 2011).

Shared Value Creation (SV)

On the longstanding debate on whether businesses should or should not embrace social missions (Margolis and Walsh, 2005; Smith et al., 2013), SV adopts a clear stance. Defined as “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates” (Porter and Kramer, 2011, p. 66), SV borrows from instrumental stakeholder theory the assumption that social problems can and should be addressed on self-interest grounds (Crane et al., 2014). The expectation of selfless goodwill, philanthropy or sense of responsibility is not, then, part of the construct. SV is about opportunities and competitive advantage, suggesting that it is only a matter of choice and design that social missions keep existing at the expense of economic achievement in current business affairs (Porter and Kramer, 2006; 2011).

As Crane et al (2014) highlight, however, the cases usually described to develop a narrative for SV (see, e.g., Porter and Kramer, 2011; Pfitzer et al., 2013) are always initiatives that are ultimately subsumed into a traditional corporate context. As an example, Crane et al. (2014, p.138) ask us to imagine “fair trade tobacco, recyclable guns, or responsibly sourced oil”. This suggests that SV cannot be only about the action upon opportunities that address a social need; it should also be about the “organizational integrity” that is required to bring SV from an initiative to a model that actually guides the business operations as a whole (p. 138). Unsurprisingly, the ethical groundings that a

SV stance requires or implicates have called particular attention in the business ethics literature (see Dembek et al., 2016). In this paper we join this conversation.

One way to move forward is to pay attention to the context of analysis. As Porter and Kramer (2011, p. 68) state, “a whole generation of social entrepreneurs is pioneering new product concepts that meet social needs using viable business models”. Thus, the potential naivety of SV when it comes to established corporations might not be an argument against the construct, but an incentive to find the right platform for its examination. Recognising that “[b]ecause they are not locked into narrow traditional business thinking, social entrepreneurs are often well ahead of established corporations” (ibid), Porter and Kramer’s (2011) somewhat forgotten guideline is to see social entrepreneurship as the main ‘vehicle’ for SV (Driver, 2012). Following the growing interest in SV in social entrepreneurship literature (Driver, 2012; Shaw and de Bruin, 2013), we take this into account, complementing the current focus that dominates business ethics studies on SV (see Dembek et al., 2016). It should be noted that other constructs present in social entrepreneurship discussions, such as the notion of blended value (Nicholls, 2009; Zhara et al., 2014), speak in fairly similar terms. There is, however, a difference on focus that is essential for this paper. The emphasis of blended value is on making visible the accountability connecting investment and return (Emerson, 2003). In contrast to this, the emphasis of SV is on the examination of activities through which value propositions emerge.

The current understanding of SV offers six main categories for its examination. The first three regard the core elements of the construct: social orientation, economic achievement, and their mutually constitutive nexus. The next three regard the avenues for SV to be expressed in established corporations: reconceiving products and services,

1 redefining value chains, and enabling local cluster development (Porter and Kramer,
2 2011). Since in this paper we are interested in early stage entrepreneurial phenomena,
3 we accept that “noise and hustle” (Dimov, 2010, p. 1124) dominates over any expectation
4 of clear value chains and positioning within a cluster. We assume that our setting of
5 practice is by default focused on the introduction of products or services. As such, our
6 emphasis is on the first three elements of SV.
7
8
9
10
11
12
13
14

15 The take of SV on social orientation/mission and economic achievement is fairly
16 traditional and straightforward. That is, SV assumes that social entrepreneurs will seek to
17 maximise on both social mission and economic achievement, recognising in each one of
18 them a distinct quality (Driver, 2012). The particularity of SV is mostly expressed through
19 a third element. Indeed, SV provides an analytical alternative to the dichotomy
20 assumption, putting forward the very nexus between social mission and economic
21 achievement as a third category of analysis. Whilst previous work on SV in social
22 entrepreneurship (e.g., Pirson, 2012; Pavlovich and Corner, 2014; Corner and Pavlovich,
23 2016) has understood SV as a platform to ‘balance’ or ‘resolve’ conflict between social
24 mission and economic achievement, this third category of analysis reminds us that SV is
25 not about sharing or balancing value already created (e.g., ‘sacrificing’ profit for a socially
26 responsible cause), but instead about creating new value that would not be possible
27 without interacting social and economic imperatives.
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

50 **Research Setting**

51
52
53
54

55 In order to explore SV in a social entrepreneurship setting, we examine the journey of
56 three British nascent social ventures, coded as Angel Guardian, Bright Veg, and Classy
57 Fruit. The UK was chosen as a geographical frame because it is recognised as one of the
58
59
60
61
62
63
64
65

1 most developed institutional settings for socially oriented entrepreneurial activity
2 (Nicholls, 2009, p. 757). Since the Third Way era, in particular, it is institutionally
3 accepted for British social enterprises to not be prevented from economic self-interest
4 (Teasdale, 2011). Indeed, according to Social Enterprise UK (2015), 73% of British social
5 enterprises generate between 76% and 100% of their income through trading (p. 24), 50%
6 of them become profitable (p. 27), and 83% prefer to avoid grants focusing instead on
7 growth from product/service innovation (59%) and diversification into new markets (44%)
8 (p. 30). Likewise, 80% of British social enterprises utilise their focus on social value
9 creation as a marketing aid for business (p. 30), and 68% expect their turnover to increase
10 in the next year, whilst only 9% expected it to decrease, which is a higher level of business
11 optimism than that shown among traditional British SMEs (p. 31). The UK, then, provided
12 a fertile platform to explore and examine entrepreneurial dynamics oriented to achieve
13 SV.
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

33 In order to obtain rich data from social entrepreneurship practice, it is recommended to
34 avoid success bias (Dorado and Ventresca, 2013, p. 80). Consistently, this research is
35 focused on nascency, or activities oriented to start a new business but not yet completed
36 during the last 12 months at the moment of observation (Reynolds, 2009). Focused on SV,
37 it was also crucial for this study to find cases oriented to the simultaneous creation of
38 social and economic/profit value. It follows that the presence of SV is a predefined
39 sampling condition. Matching both criteria, the cases examined in this paper are exemplar
40 nascent social ventures. A brief description of their overall aspirations is presented next.
41 (Please note that names of founders and ventures have been modified to protect
42 participant anonymity).
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

Angel Guardian

1
2
3 Angel Guardian was developed to offer services to improve the wellbeing of vulnerable
4 adults (75+) living alone. It built on the assumption that for this age group, isolation means
5 that everyday difficulties may rapidly turn into emergencies. According to Alex, the
6 founder of Angel Guardian (a former firefighter in his early 40s), issues such as a digital
7 oven clock that stops working after a power cut, blown fuses, a dead light bulb, a flooded
8 fridge and unwanted knocks at the door can all trigger great discomfort if they are not
9 addressed promptly. This has received little attention from local authorities and
10 insufficient attention by private businesses. Emergency-based support for such difficulties
11 is currently only found, according to Alex, within retirement villages. As a result, the
12 growing population of over-75s that live alone, without easy recourse to support from
13 family and friends, is vulnerable. Building on his past employment as a firefighter, Alex
14 envisaged Angel Guardian as a platform to provide the emergency-based support offered
15 within retirement villages to the broader elderly community. Ultimately, however, after
16 a year of gestation activities, the lack of customers triggered the cancellation of the
17 initiative.

Bright Veg

18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43 Bright Veg is a family project formed by a couple in their early 40s: Betty, a wheelchair
44 user with a background in arts and social sciences, and Barry, a gardener and active
45 member of local permaculture movements. Sharing a passion for an organic lifestyle, the
46 project developed as a small scale producer and provider of vegetables grown organically
47 through a mixture of old British agricultural traditions and permaculture techniques. The
48 goal is to become a significant local alternative to the produce retailed in supermarkets.

1 Simultaneously, it aims to offer disabled people the chance to experience agricultural
2 activities, particularly wheelchair users. Products (organic vegetables) are to be sold to
3 local cafes, shops and directly to the local community in the form of veg boxes and salad
4 bags, while the services (agricultural activities) would be offered under a care provider
5 scheme, for which disabled people would pay from their personal budgets. Eventually they
6 ended up with two formal long-term deals with a local organic shop and a local café,
7 facing the need to formalise the business in May 2014.
8
9
10
11
12
13
14
15
16
17

18 Classy Fruits 19 20 21 22

23 Classy Fruits aims to enhance social and work readiness skills for young adults with learning
24 disabilities (YALD) through their active inclusion in a business currently centred on food
25 preparation and service. Carla, the founder (a former youth worker in her early 50s),
26 initially thought of Classy Fruits as a more robust and economically convenient version of
27 an existing two-year-old social enterprise, called Fruit Drinks, that was legally prevented
28 from profit distribution. Fruit Drinks started as a way to provide Cathy, Carla's daughter,
29 with a job associated to the food service industry that she greatly desired but would be
30 unlikely to obtain in a restaurant, due to her learning disability. Inspired by smoothies
31 that she saw being prepared at a Christmas festival, Carla purchased a blender and Fruit
32 Drinks began to grow from there, preparing and serving smoothies at festivals and other
33 local events. The new organisation, temporarily called Travelling Kitchen, was going to
34 follow a similar model to that of Fruit Drinks, but this time based on camper vans
35 converted into kitchens. Besides the expanded array of activities for YALD, by adopting a
36 traditional legal form, the new venture would allow greater commercial flexibility and
37 the opportunity to secure ownership over the assets. Ultimately, however, Travelling
38 Kitchen was replaced by Classy Fruits, an overarching organisation able to manage present
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

activities as well as planned ones such as an academy to provide qualifications and an innovation hub for YALD and their families.

Methods

We adopt a view of entrepreneurship as an ongoing accomplishment (McMullen and Dimov, 2013; Hjorth et al., 2015) that becomes particularly informative during nascency (Wright and Marlow, 2011; Dimov, 2011). Two things follow from this. First, this is a longitudinal inductive research. Second, our attention on SV is centred on its development as a value proposition during nascency; not on an ex-post evaluation or measurement of value already created.

In order to address the ongoing process, we adopt a sensemaking framework. Sensemaking – which is understood as the transformation, by means of known frames or mental models, of equivocal circumstances into workable order (Maitlis, 2005; Weick, 1995; Weick et al., 2015) – is pertinent for this study in three ways. Firstly, sensemaking is equipped to address “ongoing accomplishment” (Weick, 1993, p. 635), in line with our presumption on entrepreneurial praxis. Secondly, since “[s]ensemaking activities are particularly critical in dynamic and turbulent contexts” (Maitlis, 2005, p. 21), the framework appears particularly appropriate to deal with early entrepreneurial stages, which are almost by definition dynamic and turbulent (Dimov, 2010). Thirdly, sensemaking is a recognised aid for the study of value configurations with social underpinnings (Hanke and Stark, 2009; Johannisson, 2012; Sharma and Good, 2013).

Given that sensemaking can be used in different (and sometimes confusing) ways (Thurlows and Helms Mills, 2015), we clarify that in this study we follow Weick’s et al

(2005) depiction of sensemaking as an organising process. We assume, it follows, that founders make sense and *enact* shared value propositions along a sequence of *selection* (search for known frames that can relate to what is going on to produce an idea of a response) and *retention* (expressing the response whilst forcing its plausibility through action) (see Weick, 2003; Weick et al., 2005). We assume, as well, that such dynamics are expressed during particular events of change that involve confusion (ibid). Consistently, we adopt events of change as units of analysis, in accordance with known suggestions when the focus is on ongoing phenomena (see Van da Ven and Engleman, 2004, p. 352).

We take notice of the potential distortion that past accounts can trigger in the study of both nascent stages of entrepreneurship (Cassar and Craig, 2009) and sensemaking (Winch and Maytorena, 2009). Consequently, we adopt a real-time approach. Investigating processes while they are being accomplished is, furthermore, widely advised for accessing the underlying dynamics that event-driven studies demand (Van de Ven and Engleman, 2004; Tsoukas and Chia, 2002). This is addressed in this research by examining not one, but a number of events for each case. That is, we assume that founders make sense of their nascent value propositions through a series of sensemaking cycles (Weick, 1995; Tsoukas and Chia, 2002).

Since sensemaking emphasises agency over standards (Weick, 1995, p. 172-173), we do not attempt to match events with a predefined list of gestation activities, such as those listed under the Panel Studies of Entrepreneurial Dynamics (PSED; see Reynolds and Curtin, 2008). Resonating with recent calls for nascent entrepreneurship research (Wright and Marlow, 2011), sensemaking redirects our attention towards open-ended and heterogeneous activities (Weick, 1995). It is perhaps useful to remind the reader that, against a popular tendency in social entrepreneurship studies (Battilana and Dorado,

2010), we are not focused on conflicts or tensions between social missions and economic gain to detect events of change. In this study, as long as an event of change was observed by founders as important enough for the development of their nascent social ventures, we included them as avenues to inform, regardless of their nature, the development of the shared value proposition.

Finally, since we are focusing on a number of events of change within different contexts, we adopt an embedded multiple case study strategy (Yin, 2009). It follows that we see events of change as embedded units of analysis across our three cases, facilitating theoretical generalisation of the findings (Yin, 2009; Eisenhardt, 1989; Eisenhardt and Graebner, 2007).

Data Collection and Analysis

Consistent with studies on nascency (Reynolds et al., 2004; Mueller, 2006), a minimum of a one-year period of data collection for each case has been considered appropriate to reflect relevant dynamics. Data was collected through several sources (Yin, 2009) between May 2013 and August 2014: documentation, audiotaped semi-structured interviews, and participant observation. The overall documentation included business plans, grant applications, legal documents, websites and social media information, among other sources.

Semi-structured interviews ranged between 30 and 60 minutes on average. In order to avoid narrative fallacy – the human inclination to simplify data and information (Flyvbjerg, 2011) – interviews were also conducted with agents other than founders that were identified as relevant actors during observations and recognised as such by founders.

Given the rather unstable nature of nascency (Dimov, 2011), these agents needed not to be the same throughout the process, as some of them could be crucial for one event whilst largely absent for others. A total of 47 interviews were conducted and transcribed. Additionally, the research adopted an observer-as-participant strategy to complement data from interviews. Such an approach comprises concrete benefits: it allows for close insights about how things are done without going native (Gold, 1958). This role was played through volunteering in sporadic activities and through silent participation in key meetings associated to strategy development and networking. Our sensemaking-informed template of questions, for both protocol of observation and interviews, is exhibited in table 1.

[Please insert table 1 here]

We then conducted thematic analysis following two main stages. First, we set out a chronology of events within each case. Given our focus (ethics of entrepreneurial SV), the saliency of findings for each event of change built upon ethical groundings associated to the three SV analytical categories: social mission, economic achievement, and the social-economic nexus. Through a tabular stacking technique (Miles and Huberman, 1994, p. 177), we analysed data across these events, clustering salient information into more general patterns. Second, these patterns were examined across the three cases, allowing for a further clustering into the three overarching themes that are discussed next.

Findings and Discussion

Founders recognised, over a one year period, a number of events of change that in one way or another shaped their value propositions. Alex (from Angel Guardian) identified seven events of change, Betty and Barry (from Bright Veg) nine, and Carla (from Classy

1 Fruits) six. Broadly, the sense regarding social mission and profitability, and their nexus,
2 which are summarised in table 2, remained mostly the same throughout the process. The
3 within and cross-case analyses upon such resilience resulted in three main clusters of
4 findings, which are discussed as follows under the themes of *same idiosyncratic*
5
6 *imperative, filtering device and transparency.*
7
8
9

10
11
12
13 [Please insert table 2 here]
14
15
16
17

18 Same Idiosyncratic Imperative 19

20
21
22
23 Building on SV, we focused our attention on three analytical categories, namely social
24 mission, economic achievement and their nexus. When examining the first two, it was
25 easy to see why the proliferation of dichotomy studies prevails. Indeed, focusing on these
26 two categories (social mission and economic achievement), we were able to find what
27 appear to be two distinct approaches, which are summarised in table 2. On the one hand,
28 depictions behind the pursuit of social missions that suggest a moral portrayal (Bacq et
29 al., 2016) were systematically identified, as illustrated in the following quotes.
30
31
32
33
34
35
36
37
38
39
40
41

42 ...It's using a driver I have of looking after people. I love looking after people,
43 whether it be as a fireman rescuing people or whether it be the job I did at that
44 retirement village (Alex, Angel Guardian)
45
46
47
48
49

50
51 [An acquaintance] is now producing his own vegetables for his consumption [which
52 means] he won't be buying any vegetables from us, but, for me, that is a fantastic
53 achievement! ... Because that person now is producing organic food for himself and
54
55
56
57
58
59
60
61
62
63
64
65 get a lot of benefits from that, physically and mentally (Barry, Bright Veg)

1 I should work with [young adults with learning disabilities], I should work with their
2 families, and I will show them how easy it is to... well, not how easy but, you know,
3 that it is possible! If you are looking to the future ... If nobody is going to employ
4 you then employ yourself. That's what, you know, we did with my daughter ... [thus]
5 we will have a little business innovation hub there for the families (Carla, Classy
6 Fruits)
7
8
9
10
11
12
13
14
15
16
17

18 On the other hand, when inquiring about the economic underpinnings of their endeavours,
19 founders also showed approaches that can be regarded as self-centred.
20
21
22
23
24

25 ...The most important thing to me is to build this organisation to get my wage up
26 to the right level to support this family (Alex, Angel Guardian)
27
28
29
30
31
32

33 [Selling organic produce directly] is vital otherwise you lose it. You are having to
34 sell to a wholesaler which does take a lot of your hassle out but ... You are the
35 producer of the produce and you are getting the smallest slice of the produce and
36 it seems wrong to me... So the more you can control it the better it is (Betty, Bright
37 Veg)
38
39
40
41
42
43
44
45
46

47 So, for example, if for some reason Classy Fruits closed, we have to make sure that
48 our equipment goes to another similar organisation ... You can't sell it. [Being legally
49 prevented from profit distribution] I just think is a little bit limiting [and] everybody
50 wants a piece of the sun, don't they? Everybody wants a little slot in the sun, and
51 if it is a wage at the end of the day... I mean, I don't want to be a millionaire... or
52 maybe I do... No! That's not my motivation [laughs] (Carla, Classy Fruits)
53
54
55
56
57
58
59
60
61
62
63
64
65

1 If we were limited to only these categories it would be hard to argue against expectations
2 of potential antagonism. This highlights the relevance of constructs such as SV for the
3 study of combined forms of value configurations. By using the nexus between social
4 mission and economic achievement as a category of analysis in its own right, we were able
5 to gain a deeper glimpse of the complexity of the mutually constitutive nature of social
6 entrepreneurship that contributes, as it has been called for (Chell et al., 2016), to extend
7 the ethics analysis beyond the adjective 'social'. We were, indeed, able to recognise that
8 both social and economic imperatives (which superficially can be seen as separate and
9 distinct) were rooted to frames that could not be properly described by piecemeal
10 representations, such as those that expect separate logics in conflict (e.g., Tracey and
11 Phillips, 2007; Battilana and Dorado, 2010). These frames were core idiosyncratic
12 imperatives. This is particularly noticeable in the case of Angel Guardian, where the
13 common denominator across entrepreneurial activities was largely Alex's desire to enact
14 a firefighter badge that he greatly misses.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38 When I got retired at the fire brigade a massive void was left. I could no longer
39 help anybody. You know, I had no badge to put on anymore. I couldn't get any
40 credibility just by turning up to somebody and say 'I can help you' (Alex, Angel
41 Guardian).

42
43
44
45
46
47
48
49
50 For Alex, his entrepreneurial activities had the potential for beneficial social
51 repercussions under the logic he was used to at the fire brigade. That is, the activity
52 involves a rewarding social benefit under an economic arrangement that can satisfy his
53 personal needs. "Don't tell me the police are going to go to work unless they are paid...",
54 Alex asserts referring to a service that he admires greatly, both his father and brother

having belonged to the police force, showing that being paid for a community service is simply a self-evident state of things to him.

Similar persistent idiosyncratic imperatives emerged in all examined events of change in the cases of Bright Veg and Classy Fruits. Betty and Barry experienced their organic farm building on a longstanding aim to live a self-sustaining life in the countryside, regardless of Betty's physical disability.

We fancied getting a little bit of land and doing more self-sufficient sort of things, having livestock, growing our own vegetables, and doing this sort of outdoor countryside management of activities [...] We ended up having this field ... and it kind of made me think 'well, if we can make it accessible for me [as a wheelchair user], it would be nice if other people that struggle to access the countryside can enjoy it as well' (Betty, Bright Veg)

But such an effort was at the same time inherently economic. Betty and Barry were prone, for instance, to relate countryside self-sufficiency with exchanges with others in their community that were instrumental for their economic expectations, such as the barter exchange that they formed with a local tree surgeon who delivered wood chip (a relevant resource for Bright Veg's organic processes) in exchange for a free disposal area.

His benefit is the convenience and a quicker turnaround for his job [...whilst] it allows us to concentrate on other things... It is immeasurable value (Barry, Bright Veg)

1 The presence of an idiosyncratic imperative at the core of the value proposition was also
2 evident at Classy Fruits. The social enterprise was, ultimately, a means for Carla to secure
3 a fulfilling future for her daughter, building on her learning disability.
4
5

6
7
8 So when I am dead I know that everybody is going to be safe. I don't want to die
9 until I know that [my daughter] is going to be safe. That's the drive (Carla)
10
11
12
13

14
15 Overall, in all cases, core idiosyncratic imperatives shaped value propositions and, as Alex
16 puts it, "the money making side... and the social side were just there as a natural thing",
17 in a way that, as Carla adds, "You can't have one without the other". This explains why
18 it was usually a difficult and rather artificial exercise for participants to explore potential
19 trade-offs between their apparently distinct social and economic aims.
20
21
22
23
24
25
26
27

28
29 We stress that from our findings idiosyncratic imperatives were not mere desires but also
30 vessels for associated ethical groundings (see table 2); a point that takes some distance
31 from Smith's et al (2016) theoretical model on moral intensity, which suggests that the
32 desire for control by social entrepreneurs occurs necessarily at the expense of the
33 expansion of social value. Indeed, whilst Alex's commitment to the guardian (firefighter)
34 role was fuelled by a personal need, it never stopped being a moral commitment to the
35 associated call of duty:
36
37
38
39
40
41
42
43
44
45
46
47
48
49

50 I'm writing all this up into what I call 'the mentality of a guardian', you know, the
51 training package and everything that people will sign up to as a formal contract,
52 eventually. It states that you'll always do the right thing; you act as if she was your
53 own mother, you know ... we have to find other people like me, willing to go that
54
55
56
57
58
59
60
61
62
63
64
65

extra bit for everybody to make... an old lady's life happier or more manageable
or just to make a difference, you know (Alex, Angel Guardian)

This is also evident in Bright Veg's case. Betty and Barry built their entrepreneurial response upon the conviction that organic farming is good for both people and the environment, and that, as such, it should be accessible for everyone. Consequently, organic farming was far more than just a desired lifestyle. Their value proposition had an evangelist aspect to it, as illustrated when they had to choose between two clients due to an unexpectedly high level of demand – from their first two formal deals they preferred a local non-organic café over an established local organic co-op ultimately because they felt this was the best avenue for them to expand their organic message:

You know, it could be quite easy for us to ring up all the organic cafes and say 'can we supply you?' ... but that's not what we are about, is it? (Betty)

...because you are sort of preaching to the converted, there is no point ... because the people in the [organic] co-op and the people who shop and buy produce from [them] by large are already aware of these issues and they choose to go to [the co-op's shop] rather than go to the supermarket. So, I think that in order to raise greater public awareness we have got to educate and inform people who otherwise wouldn't consider these issues, and the best way probably of convincing those people is through the food which they are actually eating. (Barry)

Similarly, Carla's belief on the potential of her daughter was extended to the larger group of young adults with learning disabilities that she aims to reach out to, becoming a moral duty.

1 I think that given the right environment and the right support everybody has got a
2 contribution to make... everybody [So] it will keep changing... We will always
3 change, I think, because people will always change, and people's needs will change.
4
5
6
7
8 (Carla, Classy Fruits)
9

10
11
12
13 Our evidence shows that, under a SV configuration, the unfolding of the entrepreneurial
14 journey does not seem to be a function of a social mission. On the contrary, it is mobilised
15 by an idiosyncratic imperative from which the social mission emerges. This suggests that
16 whilst isolated representations of social missions could be described as ethical, this can
17 only be an ex-post characterisation. This provides support to the findings of Waddock and
18 Steckler (2016), who have recently shown that the vision of social entrepreneurs, and its
19 associated ethicality, can be linked to personal antecedents. We provide, however, a
20 further empirical insight. Indeed, by revealing the relevance of idiosyncratic imperatives
21 for SV configurations, we are able to conclude that such antecedents can in fact be
22 personal agendas, which are usually assumed foreign to the realm of ethics (see Zahra et
23 al., 2009). That is, our study shows, that beyond broad antecedents such as 'aspirations
24 to make a positive difference in the world' (cf., Waddock and Steckler, 2016), social
25 entrepreneurs can base their social missions on self-centred imperatives. This, we argue,
26 stresses the need for further discussion, in line with the call made by Chell et al. (2016)
27 to extend our current (mostly social-centred) understanding of the ethics of social
28 entrepreneurship. We advance our empirically informed proposition 1 as a way to move
29 forward.
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

Proposition 1: Since social and economic aims seem to emerge as natural derivatives from a single idiosyncratic imperative, the ethical groundings of entrepreneurial SV are more likely associated to such a precursor rather than to the isolated expressions of a social mission.

Filtering Device

Seeing entrepreneurship as an ongoing process, the particular examination of the analytical SV category of social mission revealed that ethical groundings associated to idiosyncratic imperatives were strong enough to operate as filtering devices. Indeed, in spite of their active networking and community involvement, in all three cases, founders usually extracted from their interactions only those cues that sustained their idiosyncratically informed principles, usually ignoring/rejecting challenging ones. The rejection of an idea for a new product at Classy Fruits illustrates this point. Carla's interest in accessing other's opinions went as far as to organise an event to identify and recruit volunteer advisors from her local community.

In March we had an open evening and then we had a follow-up meeting, to which I invited few people who have expressed an interest in finding out more... possibly interested in becoming advisors. And at that meeting, it was suggested that Classy Fruits could start to have a product, and the product would be a smoothie in a bottle, which is something that I have never ever considered, that I wasn't even interested in... but because they said it I thought 'I'll explore it, I need to be open'
(Carla, Classy Fruits)

1 Yet, Carla largely ignored and ultimately rejected the main idea of the team of advisors
2 (bottled smoothies) because a bottling plant would hardly imply active involvement of
3 young adults with learning disabilities. As exhibited in table 2, it is a matter of principles
4 for Carla to promote the enhancement of work-readiness and self-esteem from direct
5 participation rather than peripheral association, and that was not changed by the input
6 from her advisors.
7
8
9
10
11
12
13
14
15

16 Another element that accompanies this tendency is a phenomenon rarely explored when
17 it comes to understanding the underpinnings of social missions in entrepreneurship. Our
18 evidence shows that conflict can emerge, but *within* the social value sphere. During
19 interviews, participants were rather humble about their social missions, exemplified by
20 Betty when noting that “You can only do your little bit”. However, when facing divergent
21 ‘little bits’ from other socially oriented initiatives, founder behaviours suggested a more
22 recalcitrant stance. This was noticeable, for instance, when Betty and Barry felt that their
23 organic message was threatened by a neighbouring social enterprise, which successfully
24 sells food at low prices using resources which supermarkets otherwise would throw away.
25 According to Betty, who engaged in email debates with the other social entrepreneur, an
26 activity that is based on supermarkets’ value chains is detrimental for local farming.
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

45 It’s not creating new networks between suppliers and growers ... And also, it’s not
46 encouraging sustainable growing technology and techniques, and knowledge. You
47 are still eating food that has not been grown in a sustainable way because it comes
48 from a supermarket that is squeezing farmers to the limit, and it’s not organic...
49
50
51
52
53
54 (Betty, Bright Veg)
55
56
57
58
59
60
61
62
63
64
65

Whilst this pattern suggests resilience, it comprises a downside – potential blind spots.

Alex's experience with Angel Guardian, which was cancelled by the end of this research, helps to illustrate this point. We focus here in particular on Alex's relationship with Andrew, an advisor whom Alex met during early networking activities. Andrew became Alex's more trusted advisor in part because his ways were aligned with Alex's need to recreate the role of a firefighter, which is clearly depicted in the following quote:

[Andrew] is more of an officer, like... in a fire brigade situation, he'd be more... stood outside looking at the building and going 'Yes, you go and do that, and you go and do that' whereas I would be one of the leaders in the building [...] He was kind of like a boss to me (Alex, Angel Guardian)

Despite such a sense of authority, however, when Andrew's ideas were not aligned with Alex's firefighter imperative, they were systematically ignored. Take for example Andrew's idea of complementing the protection-based service in addressing isolation, with the provision of a platform for local elderly population to meet and interact. According to Andrew, "We could have looked into it further. [But] Alex was not really enthusiastic about it". Recalling what is known in the sensemaking nomenclature as a 'self-fulfilling mechanism' (Weick, 1995), Alex's associated ethical groundings (see table 2) were so deeply ingrained that alternative opportunities simply succumbed to the corresponding inertia. In this case, the social mission did not drift due to competing economic aims. It was actually fiercely protected. The evidence shows that what occurred bears a resemblance to the idea of blind. The moral principle of the protection/guardian did not allow for other opportunities to be explored and exploited, which seems to remain strong even after the cancellation of Angel Guardian. This is shown in Alex's reflective account

on what could have gone wrong: the main culprit being a supposedly misleading positive response, without any consideration to lost alternative opportunities.

Because of such amount of positive response to the whole idea, I thought ‘well, that’s it, as soon as it is publicised, then it’s just going to snowball’ because everything is a good idea, everything is needed... which sounded like turning into a salary quite quickly. [But] that lead to the misjudgement or miscalculation if you like (Alex, Angel Guardian)

The idea of mission drift usually described in ethics studies of social entrepreneurship does not seem to apply in our cases. That is, the excess (or lack) of economic drivers did not seem to be a major factor to challenge the missions of our participants (cf., Bacq et al., 2016). More accurately for our cases, missions seem to be closely dependant to the ethical groundings that accompany the founders’ idiosyncratic imperatives, with both a generative and a destructive potential. As suggested in proposition 1, ethical groundings have the power to shape a SV proposition and here we add that they also create the conditions for it to prevail in time (resilience). However, we also found that moral principles become a frame for resiliency at the cost of reduced resourcefulness. In Alex’s case a drift certainly occurred, all the way to cancellation, which was mobilised by a particular need associated to a set of protection-based moral principles; a stance that was shown to be short-sighted and not of much help to avoid the cancellation of not only the social mission, but the shared value proposition as a whole.

Proposition 2: The ethical groundings of entrepreneurial SV operate as a filtering device.

(a) This can become a source for resilience, providing a stance upon which social missions are communicated and protected, even against other socially oriented views. However,

(b) the protection may have the potential to reduce resourcefulness whilst exposing social entrepreneurs to drifts that affect the shared value proposition as a whole.

Transparency

Institutionalists tend to refer to social issues as wicked problems because of their difficult to grasp complexity (Dorado and Ventresca, 2013). Individual responses, such as entrepreneurial ones, would be, then, ill-equipped to address social issues, as others in the ethics domain have also highlighted (Hannafey, 2003). From our analysis of the nexus between social mission and economic achievement, nevertheless, we found that social entrepreneurs concerned with SV do not act upon utopias. As the following quotes illustrate, these social entrepreneurs are aware of their subjectivity, offering their entrepreneurial responses without the superlative connotations associated to the adjective 'social':

Because there are no set rules about what a social enterprise is, there is no 'well, this is it... you are a social enterprise when you have this set of values' ... So, it's up to you, I think (Betty, Bright Veg)

The fact that somebody else comes along and all of a sudden calls it 'social entrepreneur' or 'social enterprise' or any of those things, that's great! That's society catching up with the people that already exist within it, that want to do these things anyway (Alex, Angel Guardian)

At the core of this pattern is that, in contrast to previous findings (see Bacq et al., 2016), social entrepreneurs concerned with SV do not necessarily feel overwhelmed by their

1 knowledge and resource gaps. Our cases, actually, were prone towards an emancipatory
2 attitude building on the 'bright side' of their limitations – the opportunities behind their
3 very particular stories of life. Prior knowledge is, then, crucial for these social
4 entrepreneurs, which suggests a connection between entrepreneurial SV and current
5 discussions on opportunities for sustainable new businesses (see Patzelt and Shepherd,
6 2010). This is further illustrated by our participants as follows:
7
8
9

10
11
12
13
14
15
16 I looked at what I was really best at [and] really wanted to do, and that was
17 continuing the job I was doing now and then which was being a guardian to
18 vulnerable people (Alex, Angel Guardian)
19
20
21
22

23
24
25
26 In part it was born out of my frustration at the state not having stuff for disabled
27 people to access the countryside, so that's what made me get to want a little bit
28 for myself [...] A lot of effort and love has gone into growing these vegetables and
29 it seems such a shame to throw them out or let them rot just because you have
30 got too much, and there is so much that you can sell at certain times within a veg-
31 box scheme (Betty, Bright Veg)
32
33
34
35
36
37
38
39
40
41

42
43 So first it was about solving our problem, my daughter wanting some work
44 experience and nobody giving it to her, that's what started it, and then as more
45 people joined us and more people saw us then I saw that we could make a
46 difference, so that's when the income generation and the business came into being
47
48
49
50
51
52 (Carla, Classy Fruits)
53
54
55

56
57 With regard to social entrepreneurship, the idea of idiosyncrasy is usually associated to
58 personal agendas that are likely to cut ethical corners (Zahra et al., 2009), most of the
59
60
61
62

time to the detriment of the interest of the collective (Ebrahim et al., 2014; Lamy, 2017).

1 Sympathising with Dey and Steyaert's (2016) perception of ethics as a matter of practice
2
3 towards individual emancipation rather than the adoption of an objective stance, our
4
5 findings contest this trend. From our evidence, we put forward the idea of transparency
6
7 as a core ethical feature of social entrepreneurs concerned with SV. Indeed, the
8
9 idiosyncratic imperatives made sense across events of change and cases as something to
10
11 exhibit. These imperatives and the associated ethical groundings would translate into
12
13 stories of deep knowledge and experience that added legitimacy to the entrepreneurial
14
15 adventure. As illustrated in the following quotes, showing off their personal stories
16
17 became crucial to founders for things such as finding potential staff (Alex), strengthening
18
19 local relations (Betty and Barry) and ultimately increasing the motivation to keep going
20
21 (Carla). This, we argue, is not only instrumental, but also ethical, as in most social
22
23 dynamics, personal agendas are put on the table for everyone to see and evaluate.
24
25
26
27
28
29
30
31
32

33 At no point did anybody go 'Wow! What an amazing money making adventure!' or
34
35 'Wow! You are going to be a millionaire on a year' or anything silly like that. It was
36
37 all like 'Wow, I can see the need for a service like that [...] I have no real doubts
38
39 at all that when I start going to [the local] fire station and other local fire stations
40
41 talking to people, I have no doubt at all that I will get support and that eventually
42
43 I will find a new employee out of all those people [i.e., firefighters about to retire]
44
45
46
47 (Alex, Angel Guardian)
48
49
50
51

52 And then [the tree-surgeon] spreads the good word around the local community
53
54 because he'll go back to his wife and go 'Oh, you know, they are doing a really
55
56 good thing there, they have been doing this and that, I have seen the polytunnel
57
58 today'; because Barry would show him around! (Betty, Bright Veg)
59
60
61
62
63
64
65

1 So, it's becoming more real ... people are beginning to understand the value of
2
3 what we do, and that helps me to understand what I have always wanted to do is
4
5 just becoming a reality really (Carla, Classy Fruits)
6
7
8
9

10 **Proposition 3:** The ethical groundings of SVC may be expressed through transparency, as
11
12 the associated personal agendas will be likely openly presented for the scrutiny of
13
14 communities and markets.
15
16
17
18
19

20 Research Limitations 21 22 23 24

25 We recognise a number of limitations that should be taken into consideration when
26
27 addressing our findings. First, whilst participant observation allowed for identifying the
28
29 emergence of events and to triangulate and better comprehend data from those already
30
31 spotted, we did not approach mundane activity thoroughly. Yet, everyday phenomena are
32
33 recognised as relevant sources for the understanding of entrepreneurial behaviour (Rehn
34
35 and Taalas, 2004). Furthermore, there is a varied range of alternative methods to catch
36
37 such phenomena 'as it happens' (Brundin, 2007). Consequently, we cannot claim that
38
39 more detailed empirical insights were not overlooked in this research. Second, due to the
40
41 nascent nature of the cases studied and the one-year data collection period adopted –
42
43 which allowed for access to data (Angel Guardian) that is unavailable when studies are
44
45 focused on cases that have survived nascency– the analysis cannot provide insights about
46
47 the degree of effectiveness of founders to create the proposed value. Whilst this is a
48
49 matter of research design, it is worth considering, as the need to comprehensively show
50
51 and measure social impact is acknowledged (Young, 2006; Nicholls, 2009; Mair and
52
53 Sharma, 2012). Third, the research is limited to formal venture emergence in the UK,
54
55
56
57
58
59
60
61
62
63
64
65

which limits the generalisability of the findings. Finally, the research is inductive in nature and centred on an agent-based framework (sensemaking). Thus, our propositions require further inductive (e.g., through complementary analyses informed by institutional theory) and quantitative investigation.

Conclusion

The purpose of this paper was to explore ethical groundings of social entrepreneurship with a particular focus on mutually constitutive configurations between social mission and economic achievement. Using as a guiding construct Porter and Kramer's (2011) notion of shared value (SV), we contribute in a number of ways to current debates. Firstly, the study takes seriously the analytical categories offered by SV (social mission, economic achievement, and the nexus connecting both). As such, our findings have the capacity to inform future developments of a construct that remains in its genesis (Porter and Kramer, 2011; Dembek et al., 2016). From our evidence, we stress, in particular, the relevance of including the nexus between social mission and economic achievement as a third category of analysis, which some of the few previous empirical studies on SV tend to overlook (cf., Pavlovich and Corner, 2014). Secondly, our use of SV addresses the recognised need in social entrepreneurship literature to include settings of practice where social and economic imperatives are not pitted against each other (Driver, 2012; Zahra and Wright, 2015), providing empirical insights into a debate that remains largely theoretical. And finally, our use of SV addresses the need to transcend the almost exclusive focus on social mission affairs in the current ethical inquiry of social entrepreneurship (Chell et al., 2016; Bacq et al., 2016).

1 Due to public discourse (Grenier, 2009; Teasdale, 2011) and practice (Social Enterprise
2 UK, 2015), we expected to find entrepreneurial shared value dynamics in the UK, selecting
3 and examining the journey of three British nascent social ventures – Angel Guardian,
4 Bright Veg and Classy Fruits – over a one-year period. From our inductive investigation
5 (embedded multiple case study), based on the analyses of the sensemaking processes of
6 the founders throughout a series of events of change (sensemaking cycles), we extracted
7 and discussed three empirically relevant themes.
8
9
10
11
12
13
14
15
16
17

18 The theme ‘same idiosyncratic imperative’ emerged particularly from the examination of
19 the nexus between social mission and economic achievement as a third SV category of
20 analysis. Even though at the surface social mission and economic achievement appeared
21 as distinct elements of value, the analysis of this third category revealed that they were
22 both rooted to the same personal agenda. This implies that social missions and/or
23 economic agendas do not always precede the value proposition. On the contrary, value
24 propositions can start with a deeply ingrained idiosyncratic imperative, with both social
25 missions and economic opportunities appearing as emergent properties. Moreover, from
26 our evidence it would appear that such idiosyncratic imperatives are vessels for particular
27 moral commitments. As such, we propose that ethical groundings need to be searched for
28 at the level of the idiosyncratic imperative and not at the level of its (social and economic)
29 derivatives. We believe that this opens up an important array of opportunities for future
30 research, which this study can hopefully inform.
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

51 From the analysis of the social mission, the theme ‘filtering device’ emerged showing that
52 upon the ethical groundings comprised by the idiosyncratic imperative, social
53 entrepreneurs seem to be naturally prone to protect their very particular stances on social
54 value creation. This secures a degree of resilience, even if this implies clashes with other
55
56
57
58
59
60
61
62
63
64
65

antagonising socially oriented initiatives. However, it also exposes social entrepreneurs to limited resourcefulness due to the associated bias (blind spots), which can lead to struggles and potentially unwanted exits, as illustrated by the case of Angel Guardian. This highlights a clear element of concern for practitioners dealing with SV, who should take this finding as a warning. Overall, the relevance of idiosyncratic imperatives suggests a plethora of heterogeneous groundings and paths. As such, we agree with the need to address the emancipatory essence of entrepreneurship (Dey and Steyaert, 2016) which, we argue, will allow for a much needed bottom-up depiction and understanding of the ethical groundings of social entrepreneurship and SV.

Under the 'transparency' theme, we unveil a heterogeneous world of subjective convictions that do not seem to bear a clear resemblance to the traditional expectation of objective social missions (cf., Zahra et al., 2009; Lamy, 2017). Indeed, what is good and ethical here is not a function of a detached social issue. It is a function of what these social entrepreneurs have suffered and enjoyed in a way that has deeply affected their lives, which morally depicts their entrepreneurial affairs, whether these are, for example, service personnel ethics (Alex), organic farming ethics (Betty and Barry), or the belief that everyone has to be considered as a valuable economic agent in society (Carla). Their convictions might not be objectively good and ethical, of course, but they are at least sufficiently good and ethical for these social entrepreneurs to act. We build this argument upon a pervasive behaviour that we detected and describe as *transparent*. Whilst these social entrepreneurs do work on personal agendas, these are openly presented in most social dynamics such as networking events and meetings. This is certainly instrumental, as social entrepreneurs see their idiosyncratic imperatives from a value creating perspective (i.e., sharing their own stories becomes a device for legitimation and

promotion). But it is not less ethical, since, others have the chance to learn about the agenda, evaluate the response, and decide accordingly.

Ethical approval: “All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards.”

Informed consent: Informed consent was obtained from all individual participants included in the study.

References

Austin, J., Stevenson, H., and Wei-Skillern (2006). Social and commercial entrepreneurship: Same, different, both? *Entrepreneurship Theory and Practice*, 30(1), 1-22.

Bacq, S., Hartog, C., and Hoogendoorn, B. (2016). Beyond the moral portrayal of social entrepreneurs: An empirical approach to who they are and what drives them. *Journal of Business Ethics*, 133, 703-718.

Battilana, J., and Dorado, S. (2010). Building sustainable hybrid organizations: The case of commercial microfinance organizations. *Academy of Management Journal*, 53(6), 1419-1440.

Battilana, J., and Lee, M. (2014). Advancing research on hybrid organizing - Insights from the study of social enterprises. *Academy of Management Annals*, 8(1), 397-441.

Berglund, K., and Johannisson, B. (2012), Dark and bright effects of a polarized entrepreneurship discourse ... and the prospects of transformation. In Berglund, K.,

Johannisson, B., and Schwartz, B. (Eds.), *Societal entrepreneurship: Positioning, penetrating, promoting* (pp. 163-186). UK: Edward Elgar Publishing.

Bornstein, D. (2007). *How to change the world: Social entrepreneurs and the power of new ideas*, Updated edition. New York: Oxford University Press.

Brundin, E. (2007). Catching it as it happens. In Nergaard H., and J.P. Ulhoj (Eds.), *Handbook for qualitative methods in entrepreneurship research* (pp. 279-307). Camberley: Edward Elgar.

Cajaiba-Santana, G. (2010). Socially constructed opportunities in social entrepreneurship: A structuration model. In Fayolle, A., and Matlay, H. (Eds.), *Handbook of research on social entrepreneurship* (pp. 88-106). UK: Edward Elgar Publishing.

Cassar, G., and Craig, J. (2009). An investigation of hindsight bias in nascent venture activity. *Journal of Business Venturing*, 24, 149-164.

Chell, E., Spence, L.J., Perrini, F., and Harris, J.D. (2016). Social entrepreneurship and business ethics: Does social equal ethical? *Journal of Business Ethics*, 133, 619-625.

Choi, N., and Majumdar, S. (2014). Social entrepreneurship as an essentially contested concept: Opening a new avenue for systematic future research. *Journal of Business Venturing*, 29(3), 363-376.

Corner, P.D., and Pavlovich, K. (2016). Shared value through inner knowledge creation. *Journal of Business Ethics*, 135, 543-555.

Crane, A., Palazzo, G., Spence, L.J., and Matten, D. (2014). Contesting the value of "Creating shared value". *California Management Review*, 56(2), 130-153.

Dees, G.J. (1998). Enterprising non-profits. *Harvard Business Review*, January-February, 55-67.

Dees, G.J., and Anderson, B.B. (2003). For-profit social ventures. *International Journal of Entrepreneurship Education*, 2, 1-26.

1 Dembek, K., Singh, P., and Bhakoo, V. (2016). Literature review of shared value: A
2 theoretical concept or a management buzzword? *Journal of Business Ethics*, 137, 231-267.
3
4 Dey, P., and Steyaert, C. (2016). Rethinking the space of ethics in social entrepreneurship:
5 Power, subjectivity, and practices if freedom. *Journal of Business Ethics*, 133: 627-641.
6
7
8 Dimov, D. (2010). Nascent entrepreneurs and venture emergence: Opportunity
9 confidence, human capital, and early planning. *Journal of Management Studies*, 47(6),
10 1123-1153.
11
12
13 Dimov, D. (2011). Grappling with the unbearable elusiveness of entrepreneurial
14 opportunities. *Entrepreneurship Theory and Practice*, 35(1), 57-81.
15
16
17 Dorado, S., and Ventresca, M.J. (2013). Crescive entrepreneurship in complex social
18 problems: Institutional conditions for entrepreneurial engagement. *Journal of Business*
19 *Venturing*, 28, 69-82.
20
21
22 Drayton, B. (2006). The citizen sector transformed. In Nicholls, A. (Ed.), *Social*
23 *entrepreneurship: New models of sustainable social change* (pp. 45-55). Oxford: Oxford
24 University Press.
25
26
27 Driver, M. (2012). An interview with Michael Porter: Social entrepreneurship and the
28 transformation of capitalism. *Academy of Management Learning and Education*, 11(3),
29 421-431.
30
31
32 Ebrahim, A., Battilana, J., and Mair, J. (2014). The governance of social enterprises:
33 Mission drift and accountability challenges in hybrid organizations. *Research in*
34 *Organizational Behavior*, 34, 81-100.
35
36
37 Eisenhardt, K.M. (1989). Building theories from case study research. *Academy of*
38 *Management Review*, 14(4), 532-550.
39
40
41 Eisenhardt, K.M, and Graebner, M.E. (2007). Theory building from cases: Opportunities
42 and challenges. *Academy of Management Journal*, 50(1), 25-32.
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

Emerson, J. (2003). The blended value proposition: Integrating social and financial returns. *California Management Review*, 45(4), 35-51.

Flyvbjerg, B. (2011). Case study. In Denzin, N.K, and Lincoln, Y.S (Eds.), *The SAGE Handbook of Qualitative Research*, 4th edition, (pp. 301-316). Thousand Oaks, CA: Sage.

Gold, R.L. (1985). Roles in sociological field observations. *Social Forces*, 36, 217-223.

Grenier, P. (2009). Social entrepreneurship in the UK: From rhetoric to reality? In Ziegler, R. (Ed.), *An introduction to social entrepreneurship: Voices, preconditions, contexts* (pp. 174-206). UK: Edward Elgar Publishing.

Hannafey, F.T. (2003). Entrepreneurship and ethics: A literature review. *Journal of Business Ethics*, 46, 99-110.

Hanke, T., and Stark, W. (2009). Strategy development: Conceptual framework on corporate social responsibility. *Journal of Business Ethics*, 85, 507-516.

Harris, J.D., Sapienza, H.J., and Bowie, N.E. (2009). Ethics and entrepreneurship, *Journal of Business Venturing*, 24, 407-418.

Hjorth, D., Holt, R., and Steyaert, C. (2015). Entrepreneurship and process studies, *International Small Business Journal*, 33(6), 599-611.

Johannisson, B. (2012). Tracking the everyday practices of societal entrepreneurship. In Berglund, K., Johannisson, B., and Schwartz, B. (Eds), *Societal entrepreneurship: Positioning, penetrating, promoting* (pp. 60-88). UK: Edward Elgar Publishing.

Lamy, E. (2017). How to make social entrepreneurship sustainable? A diagnosis and a few elements of a response. *Journal of Business Ethics*, online.

Mair, J., and Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36-44.

Mair, J., and Sharma, S. (2012). Performance measurement and social entrepreneurship. In Volkmann, C.K., Tokarski, K.O., and Ernst, K. (Eds.), *Social entrepreneurship and social*

business: An introduction and discussion with case studies (pp. 175-189). Germany: Springer Gabler.

Maitlis, S. (2005). The social processes of organizational sensemaking. *Academy of Management Review*, 48(1), 21-49.

Markman, G.D., Russo, M., Lumpkin, G.T., Jennings, P.D., and Mair, J. (2016). Entrepreneurship as a platform for pursuing multiple goals: A special issue on sustainability, ethics, and entrepreneurship. *Journal of Management Studies*, 53(5), 673-694.

Martin, R.L., and Osberg, S. (2007). Social entrepreneurship: The case for definition. *Stanford Social Innovation Review*, Spring, 29-39.

McMullen, J.S. (2011). Delineating the domain of development entrepreneurship: A market-based approach to facilitating inclusive economic growth. *Entrepreneurship Theory and Practice*, 35(1), 185-215.

McMullen, J.S., and Dimov, D. (2013). Time and the entrepreneurial journey: The problems and promise of studying entrepreneurship as a process. *Journal of Management Studies*, 50(8), 1481-1512.

Miles, M.B., and Huberman, A.M. (1994). *Qualitative data analysis*, 2nd edition. USA: Sage.

Moss, T.W., Short, J.C., Payne, G.T., and Lumpkin, G.T. (2010). Dual identities in social ventures: An exploratory study. *Entrepreneurship Theory and Practice*, 35(4), 805-830.

Mueller, P. (2006). Entrepreneurship in the region: Breeding ground for nascent entrepreneurs? *Small Business Economics*, 27(1), 41-58.

Nicholls, A. (2009). 'We do good things, don't we?': 'Blended value accounting' in social entrepreneurship. *Accounting, Organizations and Society*, 34, 755-769.

Nicholls, A. (2010). The legitimacy of social entrepreneurship: Reflexive isomorphism in a pre-paradigmatic field. *Entrepreneurship Theory and Practice*, 34(4), 611-633.

1 Patzelt, H., and Shepherd, D. (2010). Recognizing opportunities for sustainable
2 development. *Entrepreneurship Theory and Practice*, 35(4), 631-652.

3 Pavlovich, K., and Corner, P.D. (2014). Conscious enterprise emergence: Shared value
4 creation through expanded conscious awareness. *Journal of Business Ethics*, 121, 341-351.
5

6 Peredo, A.M., and McLean, M. (2006). Social entrepreneurship: A critical review of the
7 concept. *Journal of World Business*, 41, 56-65.
8

9 Pfitzer, M., Bockstette, V., and Stamp, M. (2013). Innovating for shared value. *Harvard
10 Business Review*, September, 101-107.
11

12 Pirson, M. (2012). Social entrepreneurs as the paragons of shared value creation? A critical
13 perspective. *Social Enterprise Journal*, 8(1), 31-48.
14

15 Porter, M.E., and Kramer, M.R. (2006). Strategy and society: The link between competitive
16 advantage and corporate social responsibility. *Harvard Business Review*, December, 77-
17 92.
18

19 Porter, M.E., and Kramer, M.R. (2011). Creating shared value: How to reinvent capitalism
20 and unleash a wave of innovation and growth. *Harvard Business Review*, January-February,
21 62-77.
22

23 Rehn, A., and Taalas, S. (2004). Znakomstva I Svyazi' (acquaintances and connections) -
24 Blat, the Soviet Union, and mundane entrepreneurship. *Entrepreneurship and Regional
25 Development*, 16(3), 235-250.
26

27 Reynolds, P.D. (2009). Screening item effects in estimating the prevalence of nascent
28 entrepreneurs. *Small Business Economics*, 33, 151-163.
29

30 Reynolds, P. D., Carter, N.M., Gartner, W.B., and Greene, P.G. (2004). The prevalence of
31 nascent entrepreneurs in the United States: Evidence from the Panel Study of
32 Entrepreneurial Dynamics. *Small Business Economics*, 23(4), 263-284.
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

1 Reynolds, P. D., and Curtin, R. T. (2008). Business creation in the United States: Panel
2 Study of Entrepreneurial Dynamics II Initial assessment. *Foundations and Trends in*
3 *Entrepreneurship*, 4(3), 155-307.

4
5 Santos, F.M. (2012). A positive theory of social entrepreneurship. *Journal of Business*
6 *Ethics*, 111(3), 335-351.

7
8
9
10 Sharma, G., and Good, D. (2013). The work of middle managers: Sensemaking and
11 sensegiving for creating positive social change. *Journal of Applied Behavioral Science*,
12
13 49(1), 95-122.

14
15
16
17
18 Shaw, E., and de Bruin, A. (2013). Introduction: Reconsidering capitalism - The promise
19 of social innovation & social entrepreneurship? *International Small Business Journal*,
20
21 31(7), 737-746.

22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

Smith, W.K., Gonin, M., and Besharov, M.L. (2013). Managing social-business tensions: A
review and research agenda. *Business Ethics Quarterly*, July, 407-442.

Smith, B.R., Kistruck, G.M., and Cannatelli, B. (2016). The impact of moral intensity and
desire for control on scaling decisions in social entrepreneurship. *Journal of Business*
Ethics, 133, 677-689.

Social Enterprise UK (2015). *State of social enterprise survey 2015*,
www.socialenterprise.org.uk

Teasdale, S. (2011). What's in a name? Making sense of social enterprise discourses. *Public*
Policy and Administration, 27(2), 99-119.

Thurlow, A., and Helms Mills, J. (2015). Telling tales out of school: Sensemaking and
narratives of legitimacy in an organizational change process. *Scandinavian Journal of*
Management, 31, 246-254.

Tracey, P., and Phillips, N. (2007). The distinctive challenge of educating social
entrepreneurs: A postscript and rejoinder to special issue on entrepreneurship education.
Academy of Management Learning and Education, 6(2), 264-271.

1 Tsoukas, H., and Chia, R. (2002). On organizational becoming: Rethinking organizational
2 change. *Organization Science*, 13(5), 567-582.

3 Van de Ven, A.H. and Engleman, R.M. (2004). Event- and outcome-driven explanations of
4 entrepreneurship. *Journal of Business Venturing*, 19(3), 343-358.

5 Waddock, S., and Stecklet, E. (2016). Visionaries and wayfinders: Deliberate and emergent
6 pathways to vision in social entrepreneurship. *Journal of Business Ethics*, 133, 719-734.

7 Weerawardena, J. and Sullivan Mort, G. (2006). Investigating social entrepreneurship: A
8 multidimensional model. *Journal of World Business*, 41(1), 21- 35.

9 Weick, K.E. (1993). The collapse of sensemaking in organizations: The Mann Gulch
10 disaster. *Administrative Science Quarterly*, 38, 628-652.

11 Weick, K.E. (1995). *Sensemaking in Organizations*. USA: SAGE Publications.

12 Weick, K.E. (2003). Enacting an environment: The infrastructure of organizing. In
13 Westwood, R., and Clegg, S. (Eds.), *Point/Counterpoint: Central Debates in Organisation
14 Theory* (pp. 184-194). London: Blackwell.

15 Weick, K.E., Sutcliffe, K.M., and Obstfeld, D. (2005). Organizing and the process of
16 sensemaking. *Organization Science*, 16(4), 409-421.

17 Winch, G.M., and Maytorena, E. (2009). Making good sense: Assessing the quality of risky
18 decision-making, *Organization Studies*, 30(2-3), 181-203.

19 Wright, M., and Marlow, S. (2011). Entrepreneurial activity in the venture creation and
20 development process, *International Small Business Journal*, 30(2), 107-114.

21 Yin, R.K. (2009). *Case study research*, 4th edition. USA: Sage.

22 Young, R. (2006). For what is worth: Social value and the future of social
23 entrepreneurship. In Nicholls, A. (Ed.), *Social entrepreneurship: New models of
24 sustainable social change* (pp. 56-73). Oxford: Oxford University Press.

25 Yunus, M. (2007). *Creating a world without poverty: Social business and the future of
26 capitalism*. USA: PublicAffairs.

Zahra, S.A., Gedajlovic, E., Neubaum, D.O., and Shulman, J.M. (2009), A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, 24(5), 519-532.

Zahra, S.A., and Wright, M. (2015). Understanding the social role of entrepreneurship. *Journal of Management Studies*, 53(4), 610-629.

Table 1 Template for the examination of sensemaking cycles*

| Sensemaking process | Illustrative questions |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Selection | <p>How did the event of change emerge?</p> <p>Does the interrupted action affect the mutually constitutive value proposition and the notions of social mission and economic achievement?</p> <p>What frames participate the evaluation of the change by the founder?</p> <p>What roles did others play for such frames to operate? How?</p> <p>From the repertoire of frames, which ones were eventually selected as key components of the response? Why? How?</p> |
| Retention | <p>How did the event of change find closure?</p> <p>Does acting upon the response affect the mutually constitutive value proposition and the notions of social mission and economic achievement?</p> <p>What ethical principles fuelled the key components of the response?</p> <p>How are these principles translated into a mutually constitutive nexus between the social mission and economic achievement?</p> <p>How do others react to the response?</p> <p>How does the founder react to the feedback?</p> |

* This template informed both the protocol of observation and semi-structured interviews

Table 2 Shared value categories

| Founder (Case) | Social mission | Nexus (SV) | Economic achievement |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Alex (Angel Guardian) | Enhancing the wellbeing of the local elderly population. | Offering a new emergency and protection based service. <i>Idiosyncratic imperative:</i> To bring back a firefighter-like legitimation. <i>Associated moral principle:</i> Protection is key to help vulnerable people. (Willingness “to go that extra bit for everybody to make... an old lady’s life happier). | Creating a sustainable source of income. |
| Betty and Barry (Bright Veg) | Extending organic culture, which implies a stronger local community and the inclusion of those who are physically disabled in countryside activities. | Introducing a business case for a sustainable and inclusive organic lifestyle. <i>Idiosyncratic imperative:</i> To enact an organic self-sustaining lifestyle even when physical limitations —such as a tetraplegia— are in place. <i>Associated moral principle:</i> ‘Evangelist’ approach to organic lifestyle. (Eagerness to “educate and inform people”). | Creating avenues for income opportunities along with the development of a local market for organic produce. |
| Carla (Classy Fruits) | Enhancing the sense of self-worth of YALD* as active economic actors. | Creating a platform for YALD* to contribute to society. <i>Idiosyncratic imperative:</i> To ensure the future wellbeing of her daughter. <i>Associated moral principle:</i> YALD* require active rather than peripheral inclusion. (“...everybody has got a contribution to make”) | Ensuring financial security to Carla’s daughter. |

* Young adults with learning disabilities.

