Joan Marques
Satinder Dhiman   *Editors*

Social Entrepreneurship and Corporate Social Responsibility

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Joan Marques • Satinder Dhiman
Editors

Social Entrepreneurship and Corporate Social Responsibility

Springer

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This volume is dedicated to
Those who seek to Maintain and Enhance
Their Awareness on Doing the Right Thing
in Order to Safeguard and Nurture our
Home, Planet Earth,
And Protect the Well-being of All of our
fellow Earthlings,
Human and Non-human.

Preface

This collective volume presents a cluster of carefully selected topics, contributed by scholars and practitioners, who share a passion for increased wellness and attention to our beloved home. The intention of this work is to provide readers input, examples, and ideas about a trend that can, fortunately, no longer be ignored: the trend to gear entrepreneurial endeavors into a direction that first and foremost aims to bring a positive turn in society, and do so with as much positive results and as little negative ones as possible.

In the first chapter, cases of social entrepreneurs are presented, as a means to introduce the reader to this phenomenon and how it plays out in practice through multiple settings and in a variety of circumstances. Chapter 2 zooms out to the macro-level, inviting us to consider a template for creating a context for the preservation of humankind on this planet, Earth. This process begins with recapturing a consciousness of caring for the well-being of each other—a diverse, multicultural, global population of human differences. Chapter 3 provides an understanding of who the Social Entrepreneur is in terms of one's motivations and the leadership competencies that characterize one and in so doing identifies how these individuals differ from entrepreneurship and nonprofit entities.

The fourth chapter draws on the motivated information processing theory to explain why and when prosocial motivation may lead to social entrepreneurial intention, while Chapter 5 considers the moral compass point of reference and examines practical and theoretical methods to assess the authenticity, ethics, and responsibility of entrepreneurs in America. In Chapter 6, the aspect of humility is raised and discussed in light of social entrepreneurship, with the aim to provide an aid for social entrepreneurship researchers interested in humility.

Chapter 7 makes the case for Social Intrapreneurs as the key to sustainable profit and social impact. The social intrapreneur is thereby presented as the unique agent responsible for creating value for his company and for the society. Chapter 8 examines social entrepreneurship as it relates to persons with disabilities, demonstrating that persons with disabilities pursue entrepreneurship opportunities for many of the same reasons their neurotypical counterparts pursue self-employment. Chapter 9 provides insights into the motives of German social entrepreneurs, starting with a summary of the general research on motivations of social entrepreneurs and ending with mini case studies on two German companies to illustrate the diversity in motivation and organization of German social entrepreneurial activities.

In Chapter 10, Social Entrepreneurship is discussed with reference to some of the emerging economies' experiences in Africa. It is based on secondary data and some limited interviews with knowledgeable individuals from Kenya, Uganda, Tanzania, Zimbabwe, and Botswana. Then, in Chapter 11, a comparison is made between social entrepreneurship in the United States versus Nigeria, including a SWOT analysis of social entrepreneurship within both countries. Chapter 12 reviews social entrepreneurship by considering the definition, theories, features, and lessons based on a case study of Botswana, which reveals a positive relationship between government policy support and the prevalence of social entrepreneurship.

From Chapter 13 onward, a clear shift is made to Corporate Social Responsibility (CSR). In Chapter 13, CSR is described as an essential manifestation of mindful leadership and of moral sensitivity, with special emphasis on the importance of ethics in business performance, linked to CSR. Chapter 14 continues this exploration, describing CSR as a powerful interface that the business world provides to higher education for vital resources if planned and managed well with appropriate mutual goals. In Chapter 15, several queries and paradoxes in the realm of CSR are discussed, with the ultimate aim to suggest a model adapted to CSR managers. Then, in Chapter 16, the B Corp certification is presented. B Corps are perhaps the fullest contemporary expression of the argument that businesses have a purpose beyond maximizing shareholder profit.

Chapter 17 explores the ethical perspectives of behaviors of corporations and higher education, while Chapter 18 considers the importance of meeting and ideally exceeding stakeholder expectations with respect to CSR. That chapter concludes with consideration of how an organization can engage stakeholders and gain their commitment to its CSR initiatives, and how these initiatives can align with their expectations for the organization. Chapter 19 discusses CSR in the context of Spiritual Performance. Appropriate theoretical framings are referred to with the intent of creating a deeper understanding and application of CSR in a religious perspective.

Chapter 20 proposes a model of how business organizations can create and nourish environment inclusivity, drawing from the emerging fields of ecopreneurship and bricolage, while Chapter 21 combines a management perspective and spatial focus to study the ways in which companies and public sector organizations engage in vocational training and apprenticeship programs. The combined theoretical and empirical perspective demonstrates how this form of CSR depends on the structural characteristics of companies and organizations.

Chapter 22 investigates the meaning of spirituality and the distinguishing characteristics of women's spirituality. The chapter then delves into the conundrums of realizing meaning and purpose at one's work environment, the value of love as the core principle of an organization and its practical implications for social change. In Chapter 23, some case studies of selected blue chip companies in Kenya are reviewed. The companies are major players in the economies of Eastern Africa and were selected because they are some of the most active companies in Kenya in CSR.

Chapter 24 discusses how innovative social entrepreneurs are changing the world by serving the destitute, feeding the hungry, and reducing the food waste footprint,

and Chapter 25 presents Swami Vivekananda as an epitome of strength and crusader of human values, who poured his mind and soul into identifying the obstacles encountered by the common man and tirelessly worked toward the upliftment of women's education and their empowerment in society.

In Chapter 26, a shift is made toward a marketing-based analysis of CSR. This chapter delves into how current massive technologically mediated consumer activism is shaping how brands identify and execute their brand purpose at societal and ethical levels to be attuned to increasingly cogent societal expectations of consumers.

In Chapter 27, CSR practices in the extractive sector in Tanzania are explored. The recently introduced law on local content and CSR compels companies to present an annual CSR plan to government for approval before it can be implemented. Chapter 28 calls for a healthy organizational approach that accommodates individuals, who are simultaneously team players and individual thinkers. Chapter 29 focuses along the same lines on organizational leaders, pointing out the need for a shift in worldview and consciousness, a shift that deals with root causes while simultaneously dealing with downstream effects.

On behalf of all our co-authors, we wish you an enlightening reading experience.

Burbank, CA, USA   Joan Marques
                                                                               Satinder Dhiman

Contents

About the Editors

Joan Marques has reinvented herself from a successful media and social entrepreneur in Suriname, South America, to an innovative "edupreneur" (educational entrepreneur) in California, USA. Her entrepreneurial career spans over four decades and includes the creation and successful management of companies in public relations and advertising, import and export, real estate, media productions, and a nonprofit, focused on women's advancement. In the United States, she has been a co-founder of the *Business Renaissance Institute* and the *Academy of Spirituality and Professional Excellence* (ASPEX).

Based on her impressive career and ongoing influence, Dr. Marques was awarded the highest state decoration of her home country, Suriname: *Commander (Commandeur) in the Honorary Order of the Yellow Star*, in 2015. In the same year, she was also awarded the *Dr. Nelle Becker-Slaton Pathfinder Award* from the Association of Pan-African Doctoral Scholars in Los Angeles for her exemplary and groundbreaking professional performance. In 2016, she won the Woodbury Faculty *Scholarly-Creative Award* as well as the Woodbury Faculty *Ambassador Award*, both awarded by Woodbury University's Faculty Association.

Joan holds a Ph.D. in Social Sciences (focus: *Buddhist Psychology in Management*) from Tilburg University's Oldendorff Graduate School and an Ed.D. in Organizational Leadership (focus: *Workplace Spirituality*) from Pepperdine University's Graduate School of Education and Psychology. She also holds an M.B.A. from Woodbury University and a B.Sc. in Business Economics from MOC, Suriname. Additionally, she has completed her postdoctoral work at Tulane University's Freeman School of Business.

Dr. Marques is a frequent speaker and presenter at academic and professional venues. In 2016, she gave a TEDx-Talk at College of the Canyons in California, titled "An Ancient Path Towards a Better Future," in which she analyzed the Noble Eightfold Path, one of the foundational Buddhist practices, within the realm of

contemporary business performance. She also presented at the Kravis Leadership Institute at Claremont McKenna College, as a female leader during the annual *Women and Leadership Alliance* (WLA) conference, resulting in the collective work, *Women's Leadership Journeys: Stories, Research and Novel Perspectives* (Routledge, 2019), in which she contributed the chapter "Courage: Mapping the Leadership Journey." She annually conducts presentations at the Academy of Management and at business venues in Los Angeles as well as for professional audiences in Miami and Suriname, South America.

Joan's research interests pertain to awakened leadership, Buddhist psychology in management, and workplace spirituality. Her works have been widely published and cited in both academic and popular venues. She has written more than 150 scholarly articles, which were published in prestigious scholarly journals such as *The Journal of Business Ethics, Business and Society, International Journal of Organizational Analysis, Leadership & Organization Development Journal, Journal of Communication Management, Journal of Management Development*, and *Human Resource Development Quarterly*. Dr. Marques has (co)authored and (co)edited more than 20 books, among which, Lead with Heart in Mind (Springer, 2019), The Routledge Companion to Management and Workplace Spirituality, Engaged Leadership: Transforming through Future-Oriented Design (with Satinder Dhiman—Springer, 2018), Ethical Leadership, Progress with a Moral Compass (Routledge, 2017), Leadership, Finding Balance Between Acceptance and Ambition (Routledge, 2016), Leadership Today: Practices for Personal and Professional Performance (with Satinder Dhiman—Springer, 2016), Business and Buddhism (Routledge, 2015), and Leadership and Mindful Behavior: Action, Wakefulness, and Business (Palgrave MacMillan, 2014).

Joan currently serves as Dean at Woodbury University's School of Business, in Burbank, California, where she works on infusing and nurturing the concept of "*Business with a Conscience*" into internal and external stakeholders. She is also a Full Professor of Management and teaches business courses related to leadership, ethics, creativity, social entrepreneurship, and organizational behavior in graduate and undergraduate programs.

Dr. Marques is a member of the executive committee of the *Management, Spirituality and Religion* interest group of the Academy of Management, where she serves as the officer for Membership and Community Building. As such, she conducted workshops on qualitative research methods to global cohorts of doctoral students in 2018 and 2019.

Satinder Dhiman Recognized as a lead thinker for his pioneer contributions to the field of transformational leadership, workplace spirituality, workplace well-being, sustainability, and fulfillment in personal and professional arena, Professor Dhiman is a sought-after keynote speaker at regional, national, and international conferences. In 2013, Dr. Dhiman was invited to be the opening speaker at the prestigious TEDx Conference at College of the Canyons in Santa Clarita, California. He has led several major international conferences as co-organizer and track chair.

With an instructional and research focus on leadership and organizational behavior—and with specific concentration on sustainability, workplace spirituality, and well-being—Professor Dhiman holds a Ph.D. in Social Sciences from Tilburg University, the Netherlands, an Ed.D. in Organizational Leadership from Pepperdine University, Los Angeles, an M.B.A. from West Coast University, Los Angeles, and a master's degree in Commerce from Panjab University, Chandigarh, India, having earned the Gold Medal. *He has also completed advanced Executive Leadership Programs at Harvard, Stanford, and Wharton.*

Recipient of several national and international academic and professional honors, Dr. Dhiman won the Woodbury University Ambassador of the Year Award in 2015 and 2017 and the MBA Professor of the Year Award in 2015; Scholarly and Creative Writing Award, 2019; Most Valuable MBA Professor Award, 2018; Most Inspirational and Most Charismatic MBA Teacher Award 2012, 2013/2014/2018; the Steve Allen Excellence in Education Award in 2006; and the prestigious ACBSP International Teacher of the Year Award in 2004.

Most recently, Professor Dhiman chaired a symposium at the Academy of Management that won the 2019 Best Symposium Proposal Award.

Professor Dhiman has done over 50 conference presentations and more than 50 invited keynotes, plenary sessions, distinguished key guest lectures, and creative workshops—*nationally and internationally*; published over 60 peer-reviewed journal articles and book chapters; authored, co-authored, co-edited, and translated over 25 management, leadership, spirituality, and accounting related books and research monographs, including most recently authoring *Bhagavad Gītā and Leadership: A Catalyst for Organizational Transformation* (Palgrave Macmillan, 2019), *Managing by the Bhagavad Gītā: Timeless Lessons for Today's Managers* (Springer, 2018; with A. D. Amar), *Holistic Leadership* (Palgrave, 2017), *Gandhi and Leadership* (Palgrave, 2015), *Seven Habits of Highly Fulfilled People* (2012), and co-editing and co-authoring, with Joan Marques, *Spirituality and Sustainability* (Springer, 2016), *Leadership Today* (Springer, 2016), and *Engaged Leadership* (Springer, 2018). He has also translated several Indian spiritual classics into English, including the *Sahaja Gītā*.

He is the *Editor-in-Chief* of two multi-author *Major Reference Works: Springer Handbook of Engaged Sustainability* (Springer International, 2018, Switzerland) and *Palgrave Handbook of Workplace Spirituality and Fulfillment* (Palgrave

Macmillan, 2018, USA), *Editor-in-Chief* of *Palgrave Studies in Workplace Spirituality and Fulfillment*, and lead editor of Springer Series in Management, Change, Strategy and Positive Leadership. Some of his forthcoming titles include Leading without Power: A Model of Highly Fulfilled Leaders (Palgrave Macmillan, 2020), Conscious Consumption: Healthy, Humane and Sustainable Living (Routledge, 2020, UK), Wise Leadership for Turbulent Times (Routledge, 2020, UK; with Mark Kriger), Editor-in-Chief, Palgrave Handbook of Workplace Wellbeing—A Major Reference Work (2020), and Routledge Companion to Mindfulness at Work (2020).

Currently, Professor Dhiman serves as the Associate Dean, Chair, and Director of the MBA Program and as the Professor of Management at Woodbury University, Burbank, California. He has served as the Chair for a special MBA Program for the Mercedes-Benz executives, China. Dr. Dhiman also serves as Accreditation Consultant, Evaluator, and Site Visit Team Leader for the Accreditation Council for Business Schools and Programs (ACBSP) for various universities in America, Canada, Europe, and Asia.

Professor Dhiman is the Founder-Director of Forever Fulfilled, a Los Angeles-based well-being consultancy that focuses on workplace wellness, workplace spirituality, and self-leadership. He has served as the President of International Chamber for Service Industry (ICSI: 2016–2018) and now serves as a *Patron*, International Chamber for Service Industry (ICSI).

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Part I

Social Responsibility

A Case for Social Entrepreneurship in Our Times

1

Joan Marques

Key Topics

- Social entrepreneurism
- Community well-being
- Social mission
- Innovation
- Growth

Introduction

In the past few decades, interest in social entrepreneurship has augmented in almost every part of the world. Social entrepreneurship is, in simple terms, associated with entrepreneurial endeavors that aim to improve problematic circumstances in society. Sud, Van Sandt, and Baugous (2009) explain social entrepreneurship as entailing "the innovative use of resources to explore and exploit opportunities that meet a social need in a sustainable manner" (p. 203). Social entrepreneurship has therefore been described as a more morally focused variant of entrepreneurial activity, with an explicit social change agenda (Branzei, 2012; Haugh & Talwar, 2016). Terms frequently associated with social entrepreneurship are proactivity, preparedness to take risk, boldness to challenge norms, and a mindset to introduce novel ideas and solutions to enhance a social mission and its sustainable focus (Morris, Webb, & Franklin, 2011; Pearce, Fritz, & Davis, 2010; Voss, Voss, & Moorman, 2005; Weerawardena, McDonald, & Mort, 2010). Andersson and Self (2015) encourage nonprofit organizational leaders to consider becoming social entrepreneurs, as the

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entrepreneurial mindset can be highly beneficial in running nonprofit entities more efficiently and effectively. Over time, several institutions have been created to support this trend, some of the best known being, Ashoka, Aspen Institute, the Skoll Foundation and the Schwab Foundation (Lepoutre, Justo, Terjesen, & Bosma, 2013). In addition, there has been an increase in events, awards, writings, and teachings related to social entrepreneurship as well.

Yet, progress in truly understanding the constructs and creating a solid framework for this phenomenon is still in infancy, due to an overemphasis on case reporting and success stories, and an underrepresentation of the theoretical underpinnings of this phenomenon. Lepoutre et al. (2013) explain that one of the reasons for the underdevelopment of a theoretical roadmap for social entrepreneurship may lie in the fact that it is complicated to measure social entrepreneurship in a large-scale context, as this would require a massive and cohesive method of collecting data. Another problem is the fact that there is still no uniform way of defining social entrepreneurship (Zahra, Gedajlovic, Neubaum, & Shulman, 2009). While some perceive the social entrepreneur to be an individual who focuses solely on socially responsible activities, there are others who also consider business folks who engage in philanthropic projects, and those who blend in nonprofit aspects in their performance to be social entrepreneurs. Lepoutre et al. (2013) suggest the presence of three aspects to determine social entrepreneurship: "[1] the predominance of a social mission, [2] the importance of innovation, and [3] the role of earned income" (p. 694). The first aspect calls into question the term "social" and what that exactly encompasses. Would this entail that social entrepreneurs should deliver products and services to society that fulfill a basic need not addressed by other institutions? Most likely. Would it, additionally imply that, in addressing the need, such entrepreneurs prioritize the creation of social value over economic value? Also most likely. The second aspect assumes that the social focus is served through an innovative process, which means that lack of innovation in the creation or delivery of one's services or goods would exclude being considered a social entrepreneur. The third aspect, the role of earned income, is the trickiest of the three, because we seem to be furthest away from consensus as to whether social entrepreneurs should earn income from their endeavors or not, and if so, to what extent (Lepoutre et al., 2013).

Very much in concurrence with the first two of the above-mentioned aspects, Tapsell and Woods (2008) identify the following common factors of social entrepreneurs: "1) an underlying drive to create social value; and, 2) activity characterized by change and the creation of something new rather than the replication of existing enterprises or processes" (p. 25).

In this chapter, seven cases of social entrepreneurship will be reviewed, with adherence to the aspects mentioned above.

Social Entrepreneurs: Featured Cases

The social entrepreneurs reviewed in the next section of this chapter represent multiple nations and continents of the globe, and therefore represent an interesting diversity in ethnicity, gender, age, culture, and ability. Yet, they all seem to harbor the overarching aspects mentioned in the previous section: they are socially focused, innovative, and prioritize social well-being over economic prosperity.

Kenton Lee: Creating Shoes that Grow

As he was on a missionary trip in Kenya in 2007, Kenton Lee saw something that would keep him awake for a long time afterward. He saw a little girl walking with shoes that were several sizes too small for her, to the point that the front had to be cut off for her to be able to wear them. Unfortunately, she came from a humble background, like so many, and her parents simply could not afford to buy her new shoes. Seeing the girl with the very small shoes opened Lee's eyes, and he started observing how many children in the village were walking around either on their bare feet or with extremely worn-out footwear. One who is aware of the dangers of walking with bare feet in the dirt all the time knows how dangerous this is, especially for children.

Upon returning to his hometown in Idaho, Kenton Lee started thinking about developing a shoe that would be wearable for many years: an inexpensive shoe that would grow along with its owner. He tried to connect with several major shoe companies, such as Nike and Adidas, but unfortunately, none of them was interested in the social entrepreneurial endeavor of addressing a footwear need for poor children in far-away countries. None of them were interested (*The Shoe that Grows…*, n.d.). Undaunted by his initial setbacks, Lee gathered a small team of dedicated, kindred spirits, who plowed away with him on prototypes. They found a shoe design studio from Oregon, Proof of Concept, to work with them, focusing on three basics: the shoe to be developed had to grow as much as possible, last as long as possible, and cost as little as possible (Wilson, 2015). Five years went by before "the shoe that grows" was created, but it was an instant hit to fulfill a dire need in multiple parts of the world: it was a pair of sandals that can expand in as easy a way as a belt, making it five shoe-sizes in one! (Wilson, 2015). The "shoe that grows" can expand in three areas: the front, the sides, and the back (Chhabra, 2015). The shoe comes in two sizes, small, for youngsters from kindergarten to fourth grade, and large, for fifth through ninth grade (Wilson, 2015).

Kenton Lee's "shoe that grows" is clearly a social entrepreneurial project, and meets the three aspects for social entrepreneurship as listed earlier. Kenton Lee's purpose was to guarantee greater and longer safety for kids in poorer parts of the world. This project was (and still is) driven by a social mission, it is innovative, as it is the first shoe of its kind serving the purpose it does, and Lee was more focused on social well-being than economic prosperity when he created this project. While the shoe that grows is a product that is sold at the fairly inexpensive price of $15 per

pair, and sold well far beyond the purpose for which it was created, Kenton and his production team have since founded a nonprofit, Because International, and started raising funds to make and donate a large number of these shoes to kids in need. Kenton has donated, and is still donating, large numbers of these shoes to children in developing nations. He is actually using the proceeds from several of his speaking projects—he is a sought-after public speaker today—to finance the production and sales of shoes to those who cannot afford to buy them (Marques, 2019). Lee and his team of Because International have also become involved with Social Enterprise Alliance (SEA). Living up to their mission to make things better by making better things, Lee's team leverages innovation to make things better for those living in impoverished communities in three ways: (1) they create products that help kids, (2) they bring production jobs to areas where the products are used the most, and (3) they work with entrepreneurs around the world to assist in pursuing their own innovative ideas (Clark, 2017). Because International partners with churches, social organizations, Rotary clubs, and others to get these shoes to kids who really need them. They are already producing the shoes at a factory in Ethiopia, and plan to manufacture them also in Haiti and Kenya (Clark, 2017).

Andy Moon: Developing Solar Energy in Developing Countries

Still a young man at the time of writing this chapter, Andy Moon has made it his passion to develop solar energy projects in developing countries. The advantages of Moon's projects manifest themselves in both environmental care and international development. A Stanford University graduate, Moon started his career in New York at McKinsey & Company's Sustainability and Nonprofit practices. In the summers he would visit Cambodia and the Philippines, an act that helped shape his interest in serving developing nations. His awareness in the needs of developing countries expanded when he volunteered at the innovative nonprofit "Possible," which has a partnership with the government of Nepal to find ways to deliver high-quality, low-cost healthcare to areas in rural Nepal.

Andy had started specializing in the solar energy industry upon becoming a project developer at SunEdison in 2009, so when he learned in 2011 from the medical doctors at Possible that electricity was a major problem for their hospital, and limited their options to help ill people, Moon decided to focus more deeply into resolving this issue. In 2013 Andy and his coworker Jason Gray founded SunFarmer, a nonprofit social enterprise that incubates and launches locally run solar businesses in developing countries. They could start the company, thanks to a $2 million grant they received from SunEdison (Pipia, 2016). They were soon joined by a Nepalese solar engineer, Avishek Malla, and the team launched SunFarmer Nepal, a Nepali solar energy company dedicated to installing and maintaining world-class solar installations (*Sunfarmer: Our Story…*, n.d.).

At first, Moon and his team made an error similar to many startups: they wanted to be everything to everybody and became great servants to none due to diffused focus. After taking a hard look at their performance, however, they decided to focus

on a niche project and decided to target the community in the mid-hills region of Nepal where high-value vegetable crops are grown without access to electricity for irrigation in the fields, and with little chance on conventional electricity access, due to the extremely high costs of building an electric grid in such a remote area (Moon, 2017).

SunFarmer's activities have paid off since the rocky start. Moon and his team have installed solar at more than 200 hospitals, schools, businesses and farms in 10 districts of Nepal. They hope to provide power to 4000 hospitals, schools, and water projects around the world within the next few years. Even though Moon has since stepped away from the CEO position at SunFarmer, he remains involved as a board member and advisor. Moon remains interested and therefore involved in starting new ventures, particularly those that aim to establish social impact. To that end he engages in fundraising, hiring and managing teams, and guiding expansion strategies (Marques, 2019).

So, could a case be made for Andy Moon as a social entrepreneur? In the case of his involvement with Sunfarmer, for sure. The entity was created on the basis of a social premise, which was to deliver solar energy to remote but needy areas in Nepal. It was especially healthcare that he focused on. This would suffice as a social mission. The second aspect, innovation, has definitely also been part of Moon's modus operandi: he brought a form of electricity that had not yet been utilized in the area, in order to alleviate major social needs. Finally, the aspect of earned income: while this is not completely clear, we could surmise that the initial eagerness of Sunfarmer to want to serve as wide a range of needs reveals a preference for achieving social performance progress rather than prioritizing economic prosperity. Just their focus on bringing social growth in remote mountain villages in Nepal demonstrates a preference for well-being over financial affluence. When perceived from this angle, Andy Moon and his operations with SunFarmer do qualify as socially entrepreneurial.

Jeremiah Kimbugwe: Enhancing Sanitary Options

Jeremiah Kimbugwe is a social worker with a degree in social development in Uganda. He works with the nonprofit organization, Sovhen Uganda. This registered national nongovernmental organization operates in the slums of Kampala City and other remote areas in Uganda. Upon graduating from university, Jeremiah soon became aware of the intense struggle that has its grip on his country. He realized that there was a critical lack of adequate healthcare, education, and economic opportunity. Yet, Jeremiah was also aware of the potential in his community to do something about the existing needs.

Similar to Andy Moon, Jeremiah's awareness about social problems got awakened through volunteerism. At age 17, he volunteered for World Vision Uganda, and served as a child sponsorship assistant. The effect of his volunteering activity became apparent when he encouraged a group of his friends to start a nonprofit organization with international membership. He represented the organization in a

youth-to-youth fund competition organized by the International Labor Organization (ILO), and thanks to his captivating story, Jeremiah was selected as the best among 400 participating nonprofits (Kimbugwe, 2017).

Today, Jeremiah is involved in multiple social projects, of which the sanitary napkin project has caught the attention and praise from spectators globally, as it has so much constructive meaning. Ensuring a supply of affordable sanitary napkins for young women is not only an environmentally responsible action, but it also helps young women in continuing their education and work without missing days. It reduces drop-out rates and enhances employment opportunities for young women. Jeremiah and his team are acutely aware of the importance of keeping girls in school as a strategy for future economic growth of the country. In addition to providing a much-needed product and addressing a social problem, Jeremiah's sanitary napkin project also provides young women with jobs, and trains them to become entrepreneurs in their own right. His business training programs have already delivered new entrepreneurs who started their own projects (Kimbugwe, 2017).

Some of the other projects in which Jeremiah invests his energy are a community-based health center aimed at combatting the spread of malaria in his community, and project SEED, "Saving for Education, Entrepreneurship and Down Payment," in which schoolchildren receive small boxes with numbers and run small projects at home with the help of their parents in order to save for their basic educational needs (Marques, 2019).

Making a case for Jeremiah Kimbugwe as a social entrepreneur seems to be rather straightforward. His mission is strongly focused on addressing a social need, and he seems to be doing this in all his projects. He is also innovative, as he creates solutions in ways that were not offered before in his community. As for the role of earned income, this is not a primary driver in his actions. He first and foremost seems to be interested in the well-being of his society, with economic advancement as a by-product rather than a primary goal.

Luis Cruz: Developing the Eyeboard System

When Luis Cruz was still a high school student in his home country Honduras, he did something that few youngsters of his age accomplish or even consider: he felt so compassionate about a paraplegic classmate, that he used his skills in electronics and programming to build a device that would help him in spite of his limited mobility. It took Luis a year to develop the Eyeboard system, a low-tech eyeball-tracking device that allows users with motor disabilities to enter text into a computer using eye gestures instead of a physical interface (*Luis Cruz invented…*, 2017).

Even though the Eyeboard system had been around already, Luis' project was brilliant in that he managed to make an affordable version of a device that usually costs several thousands of dollars. This means, that he brought enhanced opportunities to people with limited motor skills, who did not have the means to get access to the sophisticated version of the device (Marques, 2019).

As a native from the second poorest country in Central America, Luis Cruz considers it his duty to use his developing and programming skills in service of humanity. With about 65% of the Honduran population living in poverty and a high unemployment rate, there are many health and wellness issues unsolved in this nation (Mooney, 2016). Luis' Eyeboard has helped a number of disabled people to communicate with others, thereby becoming less isolated and more connected.

In order to get funds to further improve the Eyeboard, Luis has released the software as open source, which means that anyone can now access the product's source code and building guide for free. Additionally, Luis sells building kits on his website in hopes that interested developers will access the open source code and help improve the Eyeboard (Mooney, 2016).

Prior to the Eyeboard, Luis had already been active in the invention landscape. He started at age 14, and invented several devices such as the first video game system in Honduras, called the Embedded Entertainment System, and SmartBike, an interactive exercise video game. Each of these inventions has been useful in the advancement of society. Fortunately, Luis' efforts have been recognized, as he has been included in Youth Service America's list of the 25 Most Powerful and Influential Young People in the World, and holds a number of awards in various international science fairs (Mooney, 2016).

It is even more fortunate, that Luis' mindset seems to be contagious among his generation, as many of its members deviate from selfish gratification in order to find out how they can utilize their skills toward greater advancement of society. In Luis' case, there was no government support for his skills, but there was ample encouragement from parents, teachers, and fellow students, which compelled him to test his entrepreneurial skills and find out where he could make a positive change.

So, could a case be made for Luis Cruz as a social entrepreneur? His Eyeboard definitely demonstrated his social mission, as he wanted to address a problem that was pressing several members in society. In doing so, Luis created an innovative device, that was not unique, but many thousands of dollars cheaper than the one in use, thus far more accessible to those with meager financial resources. Finally, Luis was obviously not driven by economic advancement in creating the Eyeboard, considering the low price it is going for (about $300). Additionally, the fact that he released the software as open source reveals his philosophy of perfecting a device to help others first and foremost, with economic benefit a much less important factor.

William Kamkwamba: Constructing Electricity Resources

The name William Kamkwamba rings a bell to those interested in social entrepreneurial endeavors. He wrote, "The Boy Who Harnessed the Wind," a book based on his efforts to pull his family and village out of the grips of poverty without electricity. Kamkwamba is now known as an innovator, engineer, and author. He was born in Kasungu, Malawi, in 1987. He had experienced poverty his entire young life, and when the village was struck by a wave of famine, he had to drop out of school (Wulff, 2011). The grit that later turned out to be the determining factor in William's

life, drove him to the library to find out what alternative ways there were to keep on educating himself. His readings ignited a passion within him for electronics, and based on the illustrations in some of the books he read, he got the idea to do something major for his village: building a makeshift windmill. The year was 2006, and William first tried a mini-version, using a cheap dynamo, blue gum trees, bicycle parts, and other materials from a scrapyard. This is how he produced an operational windmill that could power several electrical appliances in his family's home (Marques, 2019). Just as much as everyone in the village, including his own mother, had wondered about his sanity when he was collecting all the scrap, just as awestruck were they when William managed to produce electricity!

William managed to wire his entire house, and could even assist the neighbors in charging their cell phones. This was particularly awesome when we consider that in William's hometown about 2% of the population had its own electricity (Wulff, 2011). Once the achievement hit the local news, the word started spreading, and William got invited to a global Ted event in Tanzania in 2007, which really propelled him to fame! William received the opportunity to return to school, and get a college education. He did well in college, and professors praised this young man that had proven his skills long before even finishing high school. In 2014, William Kamkwamba graduated from Dartmouth College in Hanover, New Hampshire.

In the meantime, William's social entrepreneurial efforts did not stop with the self-built windmill. He built a solar-powered water pump to supply drinking water in his village and two other windmills. In 2013 Kamkwamba was named one of 30 People Under 30 Changing the World by Time Magazine. William's earlier mentioned book, "The Boy Who Harnessed the Wind," which he wrote in 2009, had also become a bestseller: it got selected by public library systems to cover entire communities, and was donated to many youngsters through gift funds. The Boy Who Harnessed the Wind remained on the New York Times bestseller list for a full five weeks!

Today, William runs a nonprofit organization, which he founded, named "Moving Windmills." The organization engages in a variety of local projects to help the youth discover opportunities for skill building. Moving Windmills sponsors the local soccer team as a constructive way of keeping youngsters from drug use and from loitering. William continues to work in his village, and remains on the lookout for opportunities to improve the quality of life of locals. One of his projects entails a deep-water well with a solar-powered pump, which he built, and which his entire village can access. This project has brought major relief to the women in the village, as they no longer have to make a 2-h walk to a public well. William also opened a maize-grinding mill, which will guarantee a steady income for his family. He is also active in the educational area: he rebuilt the local primary school, and has started an evening adult literacy program to also bring education to older members of the community (Wulff, 2011).

Making a case for William Kamkwamba as a social entrepreneur should not be difficult: bringing electricity and water to a remote village, where such things are considered the privilege of the affluent, is a big deal. William wanted to help his family first, but soon helped the entire village, and brought his hometown on the

global map by becoming such a great ambassador. His projects were all innovative, as he used materials from scrapyards to build the windmill that catapulted him to fame. Income has not been a major driving motive in his efforts: for William it was more important to bring development for his village, and he succeeded.

Brittany Wenger: Building an Artificial Brain

Today's world brings some fairly young talents to our attention, such as Brittany Wenger, who built an artificial brain to detect breast cancer in 2012 at the tender age of 17 years.

Wenger was born in Columbus, Ohio, in 1994. She witnessed in her family how major diseases such as breast cancer and leukemia can bring suffering and despair, and she wanted to find out if there was any way to detect these terrible diseases earlier, so that the chances for treatment and recovery would be greater. This, then, is how "Cloud4Cancer" was created: one of the most promising methods of doing a biopsy to date. Brittany basically taught the computer to diagnose breast cancer (Horsfield, 2018).

The root of Brittany's perseverance in bringing this project to fruition lies by her parents, who always encouraged her to be focused and committed, and not settle for mediocrity. In school, Brittany had a particular interest in science and technology, so when she learned about Artificial Intelligence, her passion was awakened (Marques, 2019). She started researching online and in textbooks, and began to teach her computer to do things. The first action was an AI program that could play soccer. Yet, when her cousin was diagnosed with breast cancer, Brittany thought to herself, that she might try to teach her computer be of assistance in medical diagnostic processes, just as she taught it to play soccer earlier. The process of programming the computer lasted many months, but finally, in 2012, she was able to release the "Global Neural Network Cloud Service for Breast Cancer"—generally known as "Cloud4Cancer" (Horsfield, 2018).

Brittany's ascent to fame began when she submitted her invention to the Google Science Fair and won the first prize. Wenger's "artificial brain" technology assesses tissue samples for breast cancer. Cloud4Cancer can detect with 99.11% accuracy if a sample of breast tissue is malignant or benign. To do this, it uses neural networks, a code that imitates the way the human brain makes decisions (Lyons, 2017). It is Brittany's hope and intention to help eradicate cancer completely. Yet, the learning process to the point where she could call her efforts an "invention" was a lengthy one, filled with trial and error. Cloud4Cancer still has to be approved by the Food and Drug Administration (FDA), but it has already been tested in several institutions in the U.S. and Italy.

Inspired by her accomplishment, Brittany has since continued her explorations. She has started to work on identifying predictors of flu immune response. After graduating from Duke University, where she studies Biology, she plans to attend medical school at Mount Sinai in Manhattan. She hopes to continue her big data research as a pediatric oncologist (Lyons, 2017).

So, could a case be made for Brittany Wenger as a social entrepreneur? Evaluating the three major aspects, mentioned in the preliminary section of this chapter, it becomes obvious that Wenger had a clear social mission with her project: she wanted to end the suffering from cancer being detected too late. Her project is definitely innovative, which can be explained through multiple points in time: participating and winning in a Google Science Fair, but also the fact that the program still has to be approved by the FDA. Finally, while the future may bring immense prosperity for Brittany, if her program takes off, her initial goal was not economic prosperity, but rather social wellness.

Arpit Dhupar: Solving the Pollution Problem

Arpit Dhupar is a mechanical engineer who believes, as he states on his LinkedIn page, that every innovation has to be backed up with a strong business plan in order to reach masses. He adds that technology can be a major instrument in overcoming some of the direst challenges society currently faces. He is also a firm believer that the world's biggest problems can be solved by relatively simple technologies (Marques, 2019).

Arpit is passionate about research and development and works on multiple projects that will contribute to society's well-being, and can improve the quality of life for many. His interest is mainly geared toward renewable energy, pollution reduction devices, and farm mechanization.

Dhupar earned his degree as a mechanical engineer in 2014 and has been diligently working since to improve the lives of people. One of his college projects was the creation of an agriculture machine that could reduce urea consumption in rice fields by 40% and increase yield by 25. Based on his ongoing efforts Arpit has won various awards from the American Society of Mechanical Engineers, the Department of Science and Technology, Lockheed Martin, FICCI, and others.

Arpit Dhupar has proven to be a great example of an individual who converts bad experiences to virtues. He was raised in the busy city of Delhi, and was diagnosed at a young age with a condition that prevented him from playing sports. His condition turned out to be due to the poor air quality and enormous pollution that affects so many parts of India, a major global hub, which harbors 14 of the world's 15 most polluted cities, according to the World Health Organization (WHO). Indian people are subject to some of the worst air pollution in the world, with smog levels often soaring during the scorching summers, when heavy, smoke-emanating diesel generators are used to offset power shortages (*In polluted India…*, 2018).

As Arpit grew up and had the opportunity to study, he chose to become an engineer, fixated on solving the problem of pollution. His plan was to eliminate pollution from combustion of fossil fuels. By doing this, he wanted to enable access to clean air by using his technology to convert pollution to ink and paints.

Along with Kushagra Srivastava, Arpit founded Chakr Innovation, and they developed the world's first continuous self-cleaning trap for particulate matter emissions from the combustion of fossil fuels. This is a major step in development, since

more than 7 million premature deaths are linked to air pollution every year, with over 1.1 million deaths in India alone (Arpit Dhupar, 2018). The innovative technology that Chakr Foundation created can reduce fossil fuel emissions by more than 80%. But the story doesn't end there! The captured pollution is collected in a tank and converted into inks, so that the disposal of the pollutants happens in the most environmentally benign way. The ink can then be used for printing on T-Shirts, banners, mugs, and other promotional purposes. By creating this constructive cycle and eliminating a destructive one, Chakr has enabled individuals and organizations to create a sustainable world.

The device that Arpit and his growing team of more than 18 engineers have created needs to be attached to generators in order to capture up to 90% of soot particles from cooled diesel exhaust. The converted material can be sold to ink manufacturers. So far, Chakr Innovation has installed more than 50 devices in government firms and offices, saving 1500 billion liters of air from pollution. So far, Dhupar and his team have raised over $1.5 million in the form of equity funding and grants (Mannan, 2017). Yet, expansion in funding and implementation of this project is needed, particularly in light of the fact that the Indian government intends to erect about 109 smart cities in India, which will trigger increased urbanization, and thus, augmented pollution! Greenpeace India published a report titled "Airpocalypse" in which they state that diesel generators are the biggest culprit in the case of air pollution.

Making a case for Arpit Dhupar as a social entrepreneur should not be a complicated matter. He created an agriculture machine that could reduce urea consumption in rice fields and increase yield, and then went on to develop the world's first continuous self-cleaning trap for particulate matter emissions from the combustion of fossil fuels: truly a laudable feat. His motives, while driven by his talent and professional aspirations, were driven by a perceived need in his community, and directly stimulated by health problems he experienced firsthand as a child. While Arpit's creations will hopefully bring him economic windfalls in the future, the initial reason for engaging in these projects was mainly to bring improvement in his community.

Chapter Takeaways

- Social entrepreneurship could be described as a more morally focused variant of entrepreneurial activity, with an explicit social change agenda. Terms frequently associated with social entrepreneurship are proactivity, preparedness to take risk, boldness to challenge norms, and a mindset to introduce novel ideas and solutions to enhance a social mission and its sustainable focus.
- There are three important aspects to determine social entrepreneurship: (1) the predominance of a social mission, (2) the importance of innovation, and (3) the role of earned income
- Kenton Lee's "shoe that grows" meets the three aspects for social entrepreneurship, as his purpose was to guarantee greater and longer safety for kids in poorer

parts of the world; this project is innovative, and Lee was more focused on social well-being than economic prosperity.

- Andy Moon's Sunfarmer was created to deliver solar energy to remote but needy areas in Nepal. It was innovative, as it brought a form of electricity that had not yet been utilized in the area, and the initial eagerness of Sunfarmer to serve as wide a range of needs reveals a preference for achieving social performance progress rather than prioritizing economic prosperity.
- Jeremiah Kimbugwe's sanitary napkin project is based on a mission that is strongly focused on addressing a social need. It is innovative, and income is not a primary driver in these actions. He first and foremost seems to be interested in the well-being of his society, with economic advancement a by-product rather than a primary goal.
- Luis Cruz' Eyeboard System definitely demonstrated his social mission, as he wanted to address a problem that was pressing several members in society. This device was not unique, but innovative nonetheless, as it is many thousands of dollars cheaper than the one in use. Luis was obviously not driven by economic advancement in creating the Eyeboard, considering the low price it is going for (about $300).
- William Kamkwamba brought electricity and water to a remote village, where such things are considered the privilege of the affluent. He brought his hometown on the global map by becoming such a great ambassador. His projects were all innovative, as he used materials from scrapyards to build the windmill that catapulted him to fame. Income has not been a major driving motive in his efforts: for William it was more important to bring development for his village, and he succeeded.
- Brittany Wenger's Artificial Brain project had a clear social mission with her project: she wanted to end the suffering from cancer being detected too late. Her project is innovative, and her initial goal was not economic prosperity, but rather social wellness.
- Arpit Dhupar's creation of the world's first continuous self-cleaning trap for particulate matter emissions from the combustion of fossil fuels has a clear social mission. His motives were driven by a perceived need in his community, and directly stimulated by health problems he experienced firsthand as a child. The initial reason for engaging in these projects was mainly to bring improvement in his community.

Reflection Questions

1. The chapter discusses three aspects to determine social entrepreneurship, and evaluates each of the cases on these three aspects. Do you think these should be the only parameters to assess social entrepreneurship? If so, why? If not, which other criteria could you think of?
2. Which of the seven cases do you consider most "socially entrepreneurial," and what is your motivation for selecting this particular case?

3. Based on your selection in question 2 above, please engage in some online research and provide an update on the current whereabouts of the social entrepreneur of your choice.

4. In the chapter, several institutions were mentioned that are supporting social entrepreneurship, such as Ashoka, Aspen Institute, the Skoll Foundation, and the Schwab Foundation. Visit the website of one of these institutions (or another one of your choosing), and summarize in about 400 words what this organization is focusing on today.

5. Several researchers on the topic of social entrepreneurship have expressed concern about the fact that there is still no theoretical foundation for this phenomenon, and that there are different ways in which the concept of social entrepreneurism is evaluated. Do you agree that we should move toward a more defined set of criteria to assess social entrepreneurs, or are you more a proponent of a loose context. Explain your reasoning.

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Social Entrepreneurship: The Quest for a Planetary Consciousness of Human Compatibility

2

William A. Guillory

Key Topics

- Is the consciousness of humans on planet Earth self-destructive or sustaining?
- The role of the average person in creating a "consciousness of compatibility" through personal transformation.
- Distinguishing change and transformation: change is transitory and reversible with respect to consciousness; transformation is permanent and irreversible.
- A "context of caring" is essential for human compatibility.
- The Seven Principles of Social Equality is an essential template for human sustainability.

Introduction

I begin this discourse by stating that "I am not driven by money for how I choose to live my life." This statement applies to both my personal and professional activities. On the other hand, there is a strong genetic predilection for entrepreneurship in my family over many generations. My father had his own business, his father had his own business, and so on as far back as I have investigated our family's heritage, on my father's side, to Orleans, France. So, the question is, how do I reconcile my strong desire as an entrepreneur with an inner drive to serve others, in preference to myself? Realistically, any successful business requires a very simple formula: *You need to make more money than you spend.* This is called profit. No business, whether for-profit or nonprofit, can operate successfully or sustain itself over time without achieving this situation on an annual basis.

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In my case, the answer to the question I raised above has several components to it—some concrete and some mysterious, almost mystical. The first began with my mother's admonition, which she related to my sister, my brother, and me: "You have something to *do* in life." I eventually understood that she also meant, "in behalf of others." This admonition was often confusing to me because we didn't really "have" anything to give to others. I eventually learned that contributing to others had an infinite number of forms—both tangible and intangible.

The second component, serving others, is a result of one's life experiences. It is discovered by posing a question to one's self: "What do I enjoy doing most that brings me the greatest joy, happiness, and satisfaction? Something that I enjoy so much that I would and presently do without any thought of compensation." This activity is "an expression" of one's *passion*. Common passions include, "helping others," "building something," "communicating something," "preserving the environment," "serving others," "curing others," "improving the world," "nurturing children," "facilitating personal and organizational transformation," and "just living life with understanding, empathy, and compassion for others." Notice, none of these descriptions involves an activity. How one *expresses* a passion is dependent upon a number of personal factors: interests, education, natural and learned skills, personal growth, wisdom, understanding others, personal values, and even intuitive knowing. Through in-depth exploration (sometimes facilitated), one begins to discover their passion in life. The *expression* of a passion involving a business enterprise in behalf of the environment, culture, or the well-being of others is my definition of a social entrepreneur. The business may *technically* be described as for-profit or nonprofit. In general, a simple examination of your life activities from which you experience the greatest joy, satisfaction, and a sense of contribution will guide you to your passion—whether the corresponding activity is profitable or not. It is a mystery. These are critical questions as well as a test of commitment for an entrepreneur who is described as "social."

We can begin to see that being a social entrepreneur is a multiskilled enterprise, which requires a spiritual commitment to an activity in behalf of something or others. An individual or individuals must be inseparably connected to the product or service he, she, or they provide for a customer or client—whether for-profit or nonprofit as a business venture. My experience is that this state of being will provide the answers to critically challenging questions and crises that will *inevitably* arise. This is where mystery comes into play. "If I do what I truly love, will I attract the resources I need to remain solvent?" "If I build it, will they come?" The fear of "what if" can be crippling.

Werner Erhard, a transformational guru during the late twentieth century, told his audiences, whether as an entrepreneur or not: "Discover what is wanted and needed in the world—and produce it!" The contents of this chapter will be a conversation of how I used this directive to fashion my life activities of service through two businesses for more than 30 years—one for-profit and one nonprofit: Innovations International, Inc. (*Innovations*) and the Center for Creativity and Inquiry (*The Center*), respectively.

The Dominant Prevailing Human Consciousness

"The outer is a reflection of the inner"

Consciousness

The word *consciousness* is so encompassing that it is literally impossible to define it. It is a realm where words do not exist. However, it is possible to acquire a sense of what it means, since it comprises everything that does exist (Guillory, 2015). In its greatest sense, *it is the potential for expression*. It has no form, properties, or descriptions. However, it does give rise to a limitless number of expressions having forms, properties, descriptions, and states of being. The major form that will be discussed in this discourse is humankind.

However, humans came about, we all have individual consciousness—one's mind-set. In this sense, it is everything we believe and know—which is continually changing as long as we are alive. Most of what we know that directs and controls how we behave is unknown to us as conscious awareness. It is estimated by psychologists, psychiatrists, and even neuroscientists that the majority of humans are only 5–20% aware of why they behave the way they do (Kandel, 2015). If we dominantly focus on the results we produce in our lives, rather than the rhetoric we propose by way of explanation, we could begin to get a "peek" at our true unknown motivations. In a simplistic sense, the mind of an individual is a representation of that individual's personal consciousness.

If we were to average the combined total knowledge and wisdom of a family, we would have an idea of the consciousness of that family. It is the total averaged combined knowledge and wisdom of each family member from their beliefs, experiences, and inner exploration that comprises their reality. Obviously, the greater the exploration and experiences, the greater the individual and collective sphere of consciousness. In a like manner, the prevailing consciousness of humankind is the sum of the total global population.

The Nature of the Mind

At various points in our individual evolution as a person, the programming nature of our minds begins to dictate *what* we should experience, *how* we should experience it, and *when* we should explore beyond our established present limitations. The major criterion governing these choices is founded in self-preservation or survival. The major inherent programming, probably historically derived, is to evaluate every experience of living in terms of confirming what we believe to be *safe* and a *threat* to our physical survival. Therefore, if we experience within the programming we have established, then our survival is ensured. If we explore outside of the boundaries we have already programmed, there is a perceived possibility of a threat to our well-being. Hence, the attending emotion, driven from survival, is fear.

This situation presents an interesting dilemma for an individual because new exploration and learning, called creativity and innovation, is a necessity for surviving in an ever-changing external world. The compromise within this context, for most humans is: *How can I change my mind-set or programming the least over the longest time frame to preserve my physical survival.* This experience is the beginning of the learning that change and inner adaptation are not a threat but the key to human preservation. The challenge then becomes how should we be willing to change and at what rate to preserve our literal survival. The point is that at some stage of development, the mind, which is the software of the brain, takes over and begins to dictate, individually and collectively, the level of risk we are willing to experience. It typically requires overwhelming proof that a threat does not exist; even pass the point of reasonable risk-taking.

Is Seeing Believing?

I believe (or hope) most humans would agree that the observable results we presently produce are a direct reflection of our programmed reality—individually and collectively. From an individual perspective, if we abuse our bodies in some way, it will not function in the most natural, productive way. If it is abused continually, it may experience some chronic ailment—even to the point of not returning to normalcy. Drug abuse and alcoholism are common examples.

These are simple examples of "cause and effect." The question attending this condition is, what is the 'true' cause of an abuse? Even though the obvious immediate cause is what or how the abuse is provoked. The more in-depth question is, "what provoked" the abuse? Most treatments today would suggest that the true provocation is programmed in an individual's psyche—which is another term for one's personal consciousness. Therefore, we might conclude that the state of that person's life is probably a direct reflection of his or her personal consciousness. Or the outer observable state is a reflection of one's inner consciousness.

The question which naturally follows is, can we apply the same reasoning to the collective consciousness of humans in a geographical locale? Such as a community, a city, a state, a country, a continent, and even a planet of humans. Does each of these locations collectively contribute to the planetary consciousness of Earth? If so, what are the "belief structures" they have in common and how strongly are they reinforced by *observed* behaviors and results?

The Dominant Nature of Human Consciousness

A cursory examination of the *major* events and conditions on planet Earth: like continuous wars, the rich getting richer at the expense of others, significant religious polarization, as well as philosophical polarization that threatens to tear countries apart—one might conclude that the dominant human consciousness of the planet is **domination, control, and power; driven by greed**. This statement is confirmed by a

series of four books written by the author titled, *The Pleiadian Series* (Guillory, 2012a, 2014, 2016, 2019). *Although* the series is fiction, much of the information and data discussed are factual. The continuing military, political, and economic conflicts occurring locally, nationally, and globally fit this consciousness perfectly. Military confrontation seems to be an endless array of what most humans, at least in the U.S., have come to accept, probably with a false sense of security that the unthinkable won't happen—both within the U.S. and possibly globally.

Political discord is as old as humans have existed, not only nations vs. nations but also within every segment of the society. And the most dangerous of all is the present progression of the huge growing divide between the "haves" and "have-nots," both nationally as well as globally. In order to support the continuation of our economic philosophy of unregulated capitalism, we appear to be willing to experience the erosion of the middle class in the U.S and the simultaneous overwhelming investment in more sophisticated ways conducting technological surveillance and armaments. In a survival-driven world, the latter appears to be a necessary game without end, in spite of the fact that economic breakdown would also appear to be inevitable.

I am certain most inhabitants of Earth would like to believe that there is an equal balance of humanistic policies and practices to ensure human preservation. It would appear that the major indicators of such actions do not balance or outweigh, in any significant way, the rigorous continuation of the dominant human paradigm I have posed above. In spite of this situation, it should be obvious that the only salvation for humankind will be a "leaderless revolution" in human consciousness. This revolution involves a situation where the average person takes responsibility for his or her personal transformation through small incremental acts of inclusion within his or her sphere of influence (Guillory, 2012b). The premise of this approach is the quote below:

Authentic human interaction is the most powerful

phenomenon for creating transformative,

compatible relationships.

~ William A. Guillory, Executive Director

Center for Creativity & Inquiry

And collectively, we take responsibility for the transformation of the present survival-driven consciousness to human compatibility. I define this transformation as the transition (driven by survival) to a human being (driven by compatibility). The most important first step is to take responsibility for our role in creating the presently existing consciousness and actively commit to achieving a state of mutual accommodation.

A recent example (Henley, 2019) of this transformation is described by an article in *the Guardian* newspaper, titled: *"It's a Miracle." Helsinki's Radical Solution to Homelessness.* Juha Kaakinen, CEO of the Y-Foundation, provides low-cost flats to homeless people across Finland. As a result, Finland is the only EU country where homelessness is falling. "We decided to make housing unconditional," stated Kaakinen. "To say look, you don't need to solve your problems before you get a home. Instead, a home should be the secure foundation that makes it easier to solve your problems."

It should be understood that a transformation in the consciousness of the foundation's thinking probably *preceded* the actions taken; a fundamental humanistic shift in mind-set.

Distinguishing Change and Transformation

"Transformation is the inner adaptation to external change.

Mastery of the inner allows one to create the

external change one experiences."

The final point I made in the previous section was that a transformation in thinking of the foundation with respect to homelessness probably preceded the action taken to address the issue from a radically different perspective. This is an example of the major difference and relationship between *transformation* and *change.* These phenomena are illustrated by the State of Mind Diagram shown below.

State of Mind Diagram
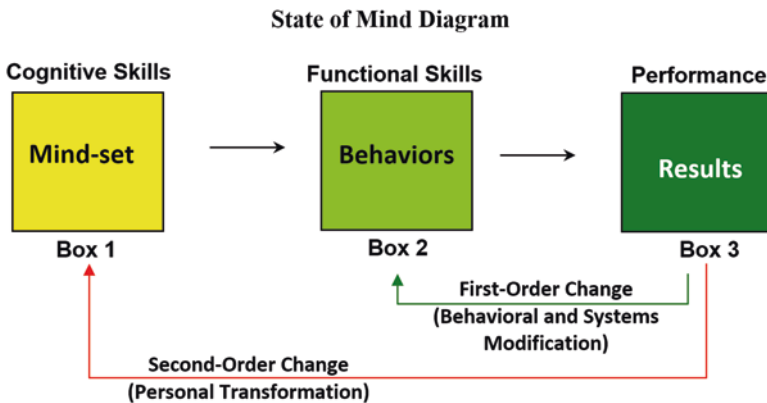
In essence, this model shows that first-order change involves different ways of organizing, processing, and behaving. The basic *assumption* is that changing the way things are done will *permanently* bring about change in an undesirable condition, like homelessness, world hunger, or even exclusion as an institutionalized phenomenon embedded in the American culture. In truth, everything changes

permanently as an *evolutionary* process over time. The fact is most processes implemented out of Box 2, with little regard for Box 1, have not led to permanently significant results—including simply hiring more persons of color. Even today (circa 2020), when many organizations are surveyed, they declare that achieving diversity is not simply about hiring more diverse employees, but also about "fundamental change" in how such resources are utilized to impact greater business success.

Transformation involves an immediate "irreversible change" in mind-set, which is *reinforced* by many of the processes that have been implemented in Box 2 over time. Around 2010, a serious effort began to explore the *source* of the lack of significant progress in achieving diversity and inclusion measurements with the widespread popularity of "unconscious bias" training (Box 1 above). The intent of such training, in most cases, was to bring about personal and organizational transformation. Although most organizations still avoid the use of the term cultural transformation in preference to cultural change. The point is that true resolution of the organizational and societal issues we deal with today requires, first and foremost, transformation in consciousness (mind-set) which ultimately controls the results we observe in Box 3. More often than not, what we observe in our single-minded focus on Box 2 which is captured by the French expression,

"The more things change, the more they stay the same."

The essence of social entrepreneurship is to facilitate, or at least provoke, the process of second-order change in human consciousness from a survival way of programmed thinking to human compatibility. On the surface, the work of *Innovations* and *the Center* has been to run successful for-profit and nonprofit corporations, respectively, focused on exceptional performance; which we have achieved. In truth, our "real" underlying driving passion is and always has been transformation in human consciousness to create a more humanistic planet of human beings. Our strategy has been to access highly influential individuals in the government, corporate, and organizational worlds through our programs focused on personal and organizational transformation. Transformation in these worlds is the same as transformation in society.

Creating a Context of Caring and Compatibility

"Caring for each other is the key element which

distinguishes humans from human beings."

A Context of Caring

As a species, humans are capable of the most humanistic acts of sacrifice in behalf of the well-being of others. On the other hand, we have proven that we are also capable of the most heinous actions of self-destruction as well as the destruction of the physical, mental, and attempted spiritual dimensions of others. The question I

wrestle with, as a social entrepreneur, is, is it possible to *dominantly* live within a context of caring for others? More specifically, is it possible to dominantly live consistent with expressions of empathy, compassion, humility, and love for others? Not so much because these characteristics appear to make one a better person and well thought of by others, but because they appear to be natural expressions of a humanistic consciousness. While the destructive nature appears to be unnatural and harmful to others, the latter also elicits feelings and emotions which appear to impair the natural functioning of one's mind, body, and spirit.

From a mental perspective, unnatural functioning is the inability to distinguish experiences which are a true threat to one's physical survival and those which are not; such as, most political, religious, and personal differences. And most importantly, at the heart of it all, my perception is that social entrepreneurship is the *nature* of a person who dominantly lives from a context of "we" in preference to "me." Therefore, caring for others is synonymous with caring for one's self. The two are inseparable and captured by the following quote.

> *"Caring is at the heart of human existence."*

> ~ Daniel Engster

> Philosopher

My observation of the overall results of the way we dominantly operate as species is *survival* accompanied by an emotional state of *fear*. This statement does not, in any way, invalidate the "army of social entrepreneurs" who tirelessly attempt to create a better world—whether through a business enterprise or as an individual, like "Doctors Without Borders," a humanitarian healthcare organization that treats people where there is the greatest need, globally—often at the threat of their own lives. Such acts of love and care simultaneously create a transformation in their relationship with those they treat. I believe it is important to recognize whether we are focused on changing an existing undesirable condition, such as environmental awareness, global healthcare, or global warming, for which transforming human consciousness is an essential part of a permanent solution. If not, then our efforts will be an endless array of short-term solutions to continually *changing* and *recurring* problems or conditions. Our dominant human consciousness is ultimately the source of what we manifest, either in the short or long term.

I am fortunate to have at least ten close friends who I would describe as social entrepreneurs, either in a business capacity or as a function of the way they live their lives. One, who comes to mind, is a lawyer who lives in Heber, Utah. His name is Duane Moss. He has formed a particularly close relationship with a Hopi reservation near Duchene, Utah. He was hired by them in a legal capacity to protect their water rights some years ago. This situation has been an ongoing battle with the surrounding ranches. Duane's representation goes way beyond legalities and involves a spiritual connection to them as well as many indigenous cultures around the world.

We have mused about the possible *source* of his connection and commitment to such cultures—other lifetimes.

Another example of a social entrepreneur, within an organizational setting, rather than owning a corporation, is Dr. Raymond Thomason. Ray is a physician at the University of Utah Medical Center. He is one of the originators of modern liver transplants. Ray uses his position and training to fundamentally facilitate the transformation of patients and medical students, in addition to medical care and training, respectively. In my opinion, he can be described as a "healer" in addition to a "curer" in addressing the maladies of the human body through his holistic approach to patient care. The point is that social entrepreneurs as I have defined them on page 2 of this chapter are individuals who are committed to human compatibility because it is reflected in the nature of how they perform their work with people; addressing body, mind, and spirit.

A Context of Compatibility

Regardless of the activity a social entrepreneur engages in—homelessness, hunger, healthcare, education, the environment, etc.—they all have in common a driving force that naturally results in humanistic actions and behaviors. I believe this driving force is spiritual in nature and originates from an expanded state of consciousness. It is not unusual for many individuals on this planet to access this state of consciousness where fear does not exist, expression is natural, and equality with others is a natural state of being. The driving force for expression is contribution to the health, happiness, and success of others. Relationship and respect for the environment that supports one's existence is as important as the relationship with other humans and animals. I refer to this state as a context of compatibility, which gives rise to the Seven Principles of Social Equality.

The Seven Principles of Social Equality: The Emerging Paradigm of Human Compatibility

1. All humans are *worthy* by virtue of their existence—no human should be exalted as superior to others.
2. All humans have an *inherent* right to be fed, clothed, and sheltered—with the support of others where necessary.
3. All humans have an *inherent* right to be educated to learn both physical survival and global adaptation.
4. All humans have an *inherent* right to freely explore and express their spiritual values through creativity, innovation, and/or any other form of human understanding, compassion, and love.
5. All humans have an *inherent* right to explore consciousness for the continual acquisition of wisdom.

6. All humans have an ***inherent*** right to religious expressions that provide spiritual growth in concert with the well-being of all humanity.
7. All humans have an ***inherent*** personal and collective responsibility to preserve a planetary social, physical, and spiritual environment for their continued existence.

These seven principles represent a context for compatible existence on planet Earth. Adopting and implementing them will naturally create a transformation of humans, living in fear, to human beings, living in harmony; with the emphasis on *being*.

Sustainability and Human Consciousness

"Is the resistance of human consciousness to

transformation the core factor leading

to the collapse of humankind?"

Two Musical Themes

The subject of sustainability is so encompassing that I cannot possibly discuss it in any justifiable way within the framework of a single chapter. Therefore, I would like to briefly explore this subject with respect to human consciousness: *more explicitly, with respect to the sustainability of humans on planet Earth.* Because I believe our long-term occupancy on Earth is in more jeopardy than we care to seriously consider; at least in some form which ensures our present quality of life. Thus, there are two musical themes playing. One theme is the one we participate in on a daily basis—some with awareness and others who could care less. The latter are unconscious and unaware participants in our symphony. That theme, as I have referred to throughout this chapter, is a survival-driven melody with hard-wired strands of "never enough," "need more," "bigger and better," "increasing growth," "feed the beast," and most of all, "make more money,"—all underpinned by the famous movie line by Michael Douglas from *Wall Street*, "greed is good."

The other theme that can be heard played by a decided minority of the global population is that we need to change our core values to adapt to a finite planet with finite resources. Many of which we cannot regenerate that are critical to the global ecosystem. The Amazon rainforest is now capturing one-third less of the carbon in our atmosphere than it did just ten years ago; that amounts to one billion tons of carbon dioxide now freely circulating in the air. This increased carbon load on the climate will grow annually, accelerating changes in the climate and weather patterns. The area of forest lost by 2014 is over 760,000 km^2, and by 2025 some studies have estimated that 40% of the rainforest will be destroyed. Areas of commerce and peril affected by this activity include ranching and agriculture, commercial fishing, bio-piracy, poaching, damming, logging, and mining.

Most of all, we need to adopt proactive strategies for sustaining our own existence. Both of these points are discussed in *Collapse*, by Jared Diamond, published in 2015 (Diamond, 2005). The point I am making is that changing behavioral patterns during comfort and convenience are not sustainable actions. More often than not, humans require a significant, or catastrophic, threat to their physical survival in order to experience the transformation in consciousness necessary to sensibly create and commit to the actions necessary for their own long-term survival.

An additional impediment to human transformation is the false dependency we have on science and technology as the panacea to solve practically any problem we might have in lieu of personal exploration and transformation. So, the dilemma we face prior to any systems or behavioral strategy and intervention is how bad or severe must our life-threatening situation(s) become before we take corrective action that involves fundamental change necessary to sustain our existence.

Transformation

I have used the term *transformation* throughout this chapter. Sometimes metaphors provide a better sense of what is involved, rather than an explicit statement.

> *"Transformation is like walking through a door which*
>
> *disappears once you walk through it."*

This comparison describes the irreversibility of transformation, as opposed to *change*, which is reversible.

> *"Transformation is like the conversion*
>
> *of a caterpillar to a butterfly."*

The metaphor reflects the "irreversible change" to another more mature form. In the case of humans, it refers to the inner conversion of a person to a state with greater understanding, empathy, and compassion for others. Biologically, the conversion of a caterpillar to a butterfly is called *metamorphosis*. It is defined as the process of transformation from an immature form to an adult form in two or more distance steps. I also use these metaphors to describe the conversion of a human to a human being. Because an individual's *way of being* has undergone a metamorphosis to a more mature, adult form. A human being is an individual who lives life within a context of compatibility with his or her external environment.

Everything that comprises the universe is in continual change, including Earth and earthlings. The key to sustainability for earthlings is to develop the ability and willingness to not only change their environment (systems) but also transform their programmed beliefs about themselves, others, and external reality. For example, as

a result of continually evolving banking information technology, paper transactions and banking services will be eliminated and minimized, respectively. These changes will *force* customers to learn IT banking systems, regardless of their opinions and beliefs about customer service.

Because of the predicted dramatic increase of extreme weather events and destruction they create, we may consider transforming our beliefs about global warming; hopefully before our transformation is meaningless. The point is that the crucial adaptation to external change is internal transformation, followed by the constructive implementation of systems, processes, and behavioral changes which create a compatible macro system.

Finally, in terms of engaging transformation—personal growth, as a way of life—there are literally numerous ways and methodologies. Resources are not the problem. Resistance to engage is the greatest challenge for most individuals with a distribution of reasons. I suggest that what all those reasons have in common is a fear of discovering one's inner, and probably authentic, self and finding that insecure, vulnerable, and imperfect person to be no match for the externally created "master of deception" in all the personas that can be imagined. Then we get a glimpse of the meaning of the Shakespearean quote by Jacques from the play *As You Like It.*

"All the world's a stage,

And all the men and women are merely players;

They have their exits and their entrances,

And one man in his time plays many parts,

His acts being seven ages."

Steering a Course to Compatibility and Human Preservation

"We are all responsible for creating a

consciousness of compatibility."

Compatibility

The events of major impact with respect to the quality of continued existence of humans on planet Earth, as documented by the Global Risks Report, 2019 (World Economic Forum, 2019), fall into five major categories: economic, environmental, geopolitical, societal, and technological. They include:

1. Weapons of mass destruction
2. Climate change migration and adaptation
3. Extreme weather events
4. Global water crisis

5. Cyber-attacks
6. Critical information infrastructure breakdown
7. Man-made environmental disasters

These risks are either man-made or man-influenced. The primary reason is fairly simple. *We don't know how to create compatible solutions to conflicts involving differences.* The ability to resolve conflicts resulting from differences—human, cultural, and systems—is the essence of diversity. Therefore, diversity, as I have defined it, is the key element in creating a dominantly compatible planet of humans.

> *"Diversity from a personal perspective is*
>
> *the ability to master the resolution*
>
> *and synergy of differences."*

Compatibility is an environment of mutually supportive relationships wherein differences are viewed as the "creative-tension" necessary for new, breakthrough possibilities in synergism, synchronicity, and human technology. Compatibility from a personal perspective is the ability to:

• *collaborate* with others in a mutually respectful, trusting, and supportive way
• *reconcile* differences in an amicable, mutually rewarding way
• *be receptive* to interacting in an open, transparent, and transformative way
• *be resilient* to proactively respond to conflict, adversity, and change
• *cohesively* relate to others in a connected, aligned, and united way as One.

However, the major requirements for creating compatible resolution of conflicts include human transformation, cultural transformation, and experiential transformation. Each process of transformation is based upon the illusion of the superior/inferior dyad. Human transformation is the *cognitive realization* of the illusion that physically distinguishing differences do not create superior and inferior human species. This experience results in the realization of *human equality*. The resulting state of being is *humility*: not better than, not less than, simply equal. Such a realization is humbling to the human ego, since the driving force in a survival-based reality is to define one's self through a superior distinction with respect to others. These obviously include race/ethnicity, sex/gender, immigrant status, homophobia, and also include wealth, intellect, achievements, societal standing, and obviously any aspect of human functioning where differences are involved.

Cultural transformation is the *intellectual realization* of the illusion of ethnocentrism. The human tendency to believe one's culture and way of life is superior to all others. Followed up with elaborate explanations and proofs of why theirs is superior to all others. The realization is that one's culture and way of life *is not* superior or inferior, simply different, again, is very humbling to one's ego. The

elements of comparison for justifying one's strongly held beliefs include: language, religion, customs, political and economic systems, cultural norms, and traditions.

Systems transformation is the *experiential realization* that a society's ways of organizing, functioning, and innovating, in their unique way, do not qualify as superior or inferior—unless the illusion is acknowledged and perpetrated with another societal group; a kind "unconscious conspiracy." The historical way such relationships have evolved is by conquering and colonizing through military force, destruction, and death to a resistant society.

In conclusion, force does not prove mental, cultural, or spiritual superiority. Superior force in a dominantly survival-driven world has proven to be best at exerting control over others. However, because of the events I have cited above, we are in the midst of a different era. An era where the events which are cited are global in impact, but, most of all, any of them could easily escalate to the use of weapons of mass destruction. In the END, there are no superior or inferior dimensions of anything or anyone. Just plain nonexistence of a failed experiment like Lemuria and Atlantis!

Preservation or Sustainability

The preservation and sustainability I have chosen to discuss is humankind in some compatible form beyond a context of survival. It appears to me that the major driving force for achieving this state is the choice of the populous in the way we live our lives. There is no great leader who has the power to transform us, although he or she may *influence* such change. In masse, people have the power to change and transform the world. It is simply our willingness to use our day–to-day interactions with others as well as our willingness to simply irreversibly change our opinions and judgments of others through *small acts of transformation*. Such actions are based upon the assumption that authentic human interaction is the most powerful phenomenon for invalidating beliefs that have no basis in experiential reality.

Chapter Takeaways

- Personal transformation is the crucial adaptation to external change—followed by constructive change.
- We have no guarantee of future existence that we appear to take for granted!
- In spite of the fact that we consider ourselves to be "exceptional beings" (within our own world of comparison), we have not learned how to live together compatibly while also preserving the environment that supports our existence.
- We *react* to global crises with change, not proactive transformation.
- In general, we worship technology as our God, in spite of the fact that we are infants in terms of the wisdom necessary to responsibly manage it.

Reflection Questions

1. The key element in creating diversity, as a global phenomenon, is the mastery of differences in some compatible way.
2. We unfortunately live under the illusion that "might makes right."
3. If we, individually and collectively, began authentically relating to others with human understanding and compassion, we could collectively "transform the world," not simply change it—great leaders could be helpful, but not necessary.

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The Social Entrepreneur

<div style="text-align:right">**3**</div>

Wanda Krause

Key Topics

- Social entrepreneurship
- Triple bottom line
- Change-makers
- Leadership
- Social purpose enterprise

Introduction

There is increasing interest in the "Social Entrepreneur." This interest stems from the desire to understand an emerging term that is used to describe social purpose agents in a variety of contexts. Given the growing and more complex global challenges, a purposing of the term itself has emerged to motivate perhaps a form of entrepreneurial spirit that encompasses agents mindful of putting people first and engaging in entrepreneurial activity that is socially and environmentally responsible. Indeed, social purpose agents are perceived to have an increasing role to play in contemporary society. There is the view that without attention to the needs of communities and societies and without concern for goals in place to ensure development, such as the UN's sustainable development goals (SDGs), capitalism will fail the common good—as with the current state of a general neglect of ethics, exploitation of people, especially the poor and marginalized, and exploitation of the planet with insufficient action to mitigate irreversible environmental degradation.

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Despite the area becoming one of increasing academic inquiry, questions arise over the terminology, with both "social entrepreneur" and "social entrepreneurship," criticized as being poorly defined concepts and their relationship with commercial entrepreneurship being scrutinized (Mair & Marti, 2006). Social entrepreneurship is an emergent concept, promoted by policy; however, there is little understanding around what social entrepreneurs do, what they should do and where they come from (Steinerowski, Jack, & Farmer, 2009). Various activities are considered to be social entrepreneurship. Needless to say, for a variety of reasons there is much debate and criticism of the concept of and proper terminology associated with social entrepreneurship and who social entrepreneurs are, as a category. This chapter seeks to address questions around clarity and illustrates how other spheres can help clarify the term.

Short, Moss, and Lumpkin's (2009) seminal review of the past contributions to social entrepreneurship highlighted that management comprises the main discipline contributing to social entrepreneurship research (p.177). Short et al. (2009) argue that social entrepreneurship research has room for improvement and postulate how other fields, such as business, politics, psychology, sociology, anthropology, could further inform social entrepreneurship discourse. Yet, it is argued that "[i]f … too many 'nonentrepreneurial' efforts are included in the definition, then social entrepreneurship will fall into disrepute, and the kernel of true social entrepreneurship will be lost" (Osberg & Martin, 2007, p.30). This chapter reviews the key perspectives on the Social Entrepreneur and, in particular, introduces to the management and business contributions the civil society framework as informed from within the discipline of politics or political science. The addition of the civil society framework offers an understanding of social entrepreneur agents of change that I believe not only adds nuance but also is more encompassing and accurate. This chapter provides an understanding of who the Social Entrepreneur is by describing first the social enterprise and social entrepreneurship, differentiates the Social Entrepreneur from actors in related and overlapping fields, and discusses the motivations of the social entrepreneur, as part and parcel of understanding these agents for future considerations around how the Social Entrepreneur, as a category, may develop.

What Is a Social Purpose Enterprise?

It is important to discuss what is often referenced as the enterprise through which the Social Entrepreneur works. A social purpose enterprise or organization seeks to solve a social issue. Social purpose enterprises are essentially thought of as mid-size to large organizations, and which use market-based strategies to achieve a particular social purpose and provides the space within which people work more consciously. Social purpose enterprises are seen to originate primarily from for-profit organizations having a social purpose or are nonprofit organizations that use business models to pursue their goal and for-profits whose primary purposes are social purpose. They are distinct from not-for-profit social entrepreneurs (Kroeger & Weber, 2014). Social enterprise activities focus on creating social *and* financial wealth (Zahra,

Rawhouser, Bhawe, Neubaum, & Hayton, 2008). Such enterprises, thus, aim to accomplish outcomes that are social, cultural, and/or environmental as well as financial.

Commonly, people refer to the mission of social enterprises as the triple bottom line: "people, profit and planet," in line with covering the social, economic, and environmental (or ecological) arenas. The phrase, "people, planet, and profit," used to describe the triple bottom line along with the goal of sustainability, was coined by John Elkington in 1994 (Elkington, 1999). The phrase was later used as the title of the Anglo-Dutch oil company Shell's first sustainability report in 1997 (Elkington, 1999). A social purpose enterprise dedicated to the triple bottom line has key characteristics. It seeks to provide benefit to many constituencies and not to exploit or endanger any group of them. The "up-streaming" of a portion of profit from the marketing of finished goods back to the original producer of raw materials, for example, a farmer in fair trade agricultural practice, is a common feature. In concrete terms, a TBL business would not use child labor and monitor all contracted companies for child labor exploitation, would pay fair salaries to its workers, would maintain a safe work environment and tolerable working hours, and would not otherwise exploit a community or its labor force. A TBL business also typically seeks to "give back" by contributing to the strength and growth of its community with such things as health care and education (Elkington, 1999; The Economist, 2009).

Social purpose enterprises vary in their financing, ownership structures, organizational forms, and business models (Zahra & Wright, 2016). While they focus on addressing social needs (e.g., providing inexpensive good medical care for the poor), these ventures vary significantly in their relative emphasis on financial and social goals (McMullen and Warnick, 2016). Social ventures often work side by side with not-for-profit, government agencies, community organizations, and NGOs in delivering their products and services. Successful (commercial) entrepreneurs often use their resources to establish these ventures to address social issues or needs of particular interest to them (e.g., better schooling for young children) (Zahra & Wright, 2016). Social entrepreneurship is often referenced in relation to larger enterprises and has characteristics that certainly overlap with this larger category, but in reality social entrepreneurship is characterized by several further identifiers.

Social Entrepreneurship

The mainstream literature on social entrepreneurship says little about small-scale entities since the literature normatively frames the scaling of enterprises as a goal. This idea stems from the world of business that presupposes the desire to constantly scale upward for greater profit and not necessarily greater social or sociopolitical impact. A more profound understanding of the Social Entrepreneur must recognize the actual reality faced by many social entrepreneurs. This reality largely includes small-scale ventures, rather than mid-sized enterprises, created to address a particular social problem in a particular social and even geographical context. A case in point is where my more on-the-ground and intimate experience of two decades of

research, consulting, and coaching globally, meaning beyond North America, where the term has originated, has related to nonprofits, or civil society organizations, and mostly women developing businesses in the for-profit economic realm, with a social purpose agenda. The mainstream conceptualization is missing the mark on providing a grounded and realistic understanding of social entrepreneurs.

Social entrepreneurship is enterprise activity with community goals, generating profit for reinvestment in the social venture (Harding, 2006; Steinerowski et al., 2009) for the purpose and goals of the venture that are not first and foremost monitory. Social entrepreneurship is about applying practical, innovative, and sustainable approaches to benefit society, in general, usually with an emphasis on those who are marginalized and poor. It is a term that captures a unique approach to economic and sociopolitical problems, an approach that cuts across sectors and disciplines (Germak & Singh, 2010). It is grounded in certain values and processes that are common to each social entrepreneur, independent of whether their area of focus has been education, health, welfare reform, human rights, workers' rights, environment, economic development, agriculture, etc., or whether the organizations they set up are originally nonprofit or for-profit entities (Germak & Singh, 2010). It is this approach that sets the Social Entrepreneur apart not only from most corporations on one end of the spectrum but also from activists and organizations who dedicate their lives to social improvement on the other end. Social entrepreneurship has been labeled "caring capitalism" because of the achievement of relevant social goals within a market framework (Herman & Rendina, 2001; Hibbert, Hogg, & Quinn, 2005), also similar to but not the same as the notion of Corporate Social Responsibility in its concern for transparency and "being ethical" (Carroll, 1991).

There are also assertions that social enterprises and social innovation are one and the same. However, as Wilcox (2012) points out, there are fundamental differences between social innovation and social entrepreneurship. The former relates to how the initiative got started. Whereas, most foundations and many nonprofits came into existence through a significant donor or donation, social enterprises can begin with a small loan, such as the $46 that funded the Bangladeshi Muhammad Yunus and his invention of microfinance, as will be elaborated later. This relates directly to the difference in accountability. As Wilcox argues, the people who shepherd the outcomes for those donors must be attentive and accommodating (Wilcox, 2012), but as Yunus points out in several speeches, "Every time I see a problem I create a business to solve it" (Dorrier, M. Singularity Hub, 2015).

While some social entrepreneurs fundraise to some degree, their ability to succeed relates to their ability to self–sustain, whereas nonprofits tend to focus on the evaluation of their programs to demonstrate to funders their impact. A further difference becomes the issue of sustainability. As Wilcox (2012) further notes, funding those added "measurement investments" makes solutions more expensive and less sustainable, whereas successful social entrepreneurs create business models where measurement is integral to solving a challenge (Wilcox, 2012). In practice, many social actors incorporate strategies associated with these pure forms or, in fact, create hybrids in that they overlap. The Social Entrepreneur may generate a new and sustained equilibrium as a result of a hybrid form of entrepreneurship or activism. The

social activist influences others to generate a new and sustained equilibrium; and the social service provider takes direct action to improve the outcomes of the current equilibrium (Osberg & Martin, 2007, p.38). It is important to distinguish between these types of social ventures in their pure forms, but in reality there are probably more hybrid models than pure forms. Osberg and Martin (2007) explain how overlap happens, citing that Yunus, for example, may have used social activism to accelerate and amplify the impact of Grameen Bank, a classic example of social entrepreneurship, but that by using a sequential hybrid—social entrepreneurship followed by social activism, Yunus turned microcredit into a global force for change (p.38).

Motivations of the Social Entrepreneur

If social entrepreneurship is to become a "structured field" of inquiry, then efforts should be made not only to clarify the definition accordingly but also to come to a better understanding of the motivations of the Social Entrepreneur to get involved in social change (Mair & Marti, 2006, p.37). Entrepreneurs have introduced new technologies that have spawned countless industries, creating jobs and improving the social and economic conditions of nations (Baumol, 2010). Entrepreneurship has also improved the quality of life (Baumol, Litan, & Schramm, 2007; McMullen & Warnick, 2016). Building on the foundation laid by Schumpeter, William Baumol and others have sought to define "production and distribution" theory to be socially responsive, illustrating in that process the seminal role of entrepreneurship (Baumol et al., 2007, p.1). It is the engine that moves and sustains capitalism, and is universally accepted as a means of creating momentum for growth in developed, emerging, and less-developed economies. However, capitalism, the umbrella under which entrepreneurship has emerged, has been recognized to create dysfunction and is viewed as one key source to many global challenges faced today (Baumol et al., 2007). Thus, equally, entrepreneurs may add to problems that impair progress in their societies, and often do not take responsibility for mitigating issues that might arise from their activity (Zahra & Wright, 2016). Researchers from various perspectives, public policymakers, and some successful entrepreneurs (e.g., Bill Gates and Warren Buffet) have warned that entrepreneurship's potentially dysfunctional effects on society are not being seriously considered. From this perspective, we need to rethink and redefine the social value added of entrepreneurial activities to society (Zahra & Wright, 2016).

Thus, we need to rethink and redefine the social value added of entrepreneurial activities to society (Zahra & Wright, 2016). Boluk and Mottiar differentiate between social entrepreneurship and entrepreneurship:

> [A]lthough the processes of social entrepreneurship may be similar to those of conventional or commercial entrepreneurs, the purpose and motivation are different. This focus on social motives has become a central premise in all studies of social entrepreneurs and moreover, a defining characteristic. Entrepreneurs and social entrepreneurs are often distinguished from each other on the basis of whether or not they are profit motivated (Boluk & Mottiar, 2014, 6).

Given the priority that the Social Entrepreneur gives to being social purpose conscious, the idea is that the Social Entrepreneur will fill the gap around values that ensure the triple bottom line. After all, the social entrepreneur is motivated to address social problems using techniques from business (Austin, Stevenson, & Wei-Skillern, 2006), in particular entrepreneurial principles, to create, lead, and manage a venture to make social change.

Social entrepreneurs are often portrayed as agents who engage in entrepreneurial activity that contributes to social capacity building, with economic development as an adjunct rather than a primary focus. Therefore, the Social Entrepreneur is said to be more concerned with addressing the social needs of communities over the commercial needs (Newbert, 2003; Roberts & Woods, 2005; Thompson, 2002). Zahra and Wright (2016) argue that independent entrepreneurs are more apt to articulate social needs and decide how to address them and to use their own skills and resources to address these needs. As such, these entrepreneurs are the "sense makers" who define how to pursue wealth ethically (Zahra & Wright, 2016). They are characterized as "change agents" (Schumpeter, 1975) and "change-makers" (Ashoka Foundation, 2004). This promotes a focus on the community and society, potentially curbing greed that afflicts some entrepreneurs (Ashoka Foundation, 2004). Similarly, corporate entrepreneurs also have bountiful opportunities to shape and guide their firms' different initiatives and contribute to the public good while making profits and sustaining growth. They can shape their companies' thinking about the social role associated with their entrepreneurial activities (Zahra & Wright, 2016).

Yet, there is very little in the literature in way of investigating the motives of social entrepreneurs and, in addition, exploring if there are indeed any additional motivations aside from interests around putting people first (Boluk & Mottiar, 2014, p.2). The social entrepreneur generally emerges from two different arenas of participation. The first is the economic sphere, in particular, the business world, as the literature aptly details. The other is the civil society sphere, where the agent is most concerned with societal change, addressing social and political issues and, hence, sociopolitical impact. The latter has garnered little attention, largely due to the discipline of management dominating research into the Social Entrepreneur, and politics or political science largely dismissing any entrepreneurial or economic activity from the study of civil society participation and politics. Typical research that dominates the social entrepreneurship literature usually focuses on individuals, which is particularly problematic because such research neglects the collective (Spear, 2006).

The platform of the Social Entrepreneur emerges from these two spheres, resulting in a not-so-neatly defined singular "type" of Social Entrepreneur. Given the value of collective psyche that precedes and informs the emergence of some social entrepreneurs, it is important to emphasize that the Social Entrepreneur is also a person who emerges from and identifies their vision and mission with that of a particular collective. This collective mission and vision is pursued with the self-generation of funds rather than the reliance of funding that the individual belonging to a nonprofit would. This collective mission and vision is pursued, however, with focus usually on a particular niche using a particular set of strategies, techniques,

and tools. This type of a Social Entrepreneur has recognized that oftentimes pure civil society activism that relies on funding sources that can be pulled at any moment and/or is drying up anyway at some point is unsustainable.

In recent years, the international development field is seeing less funding and the field itself for this reason, among others, is cutting programming, cutting staff, changing the way aid is distributed, and appears to be shrinking as a field for practitioners. In my own work, where I once experienced funders more freely offering sometimes substantial amounts of funding and support for civil society initiatives, it is more common to receive requests to be linked to sources of funding. There are, of course, many reasons for the turning off of the taps, which include shifts in the political climate. All combined, these have direct impact on international organizations funding civil society initiatives and social innovation organizations relying on funding for their activism and operation. The result includes those who turn to entrepreneurship to continue their passions to address sociopolitical change and development goals.

The Social Entrepreneur is also someone who comes from (or into) the business world, in particular with entrepreneurial aspiration, which includes making a living while being one's own boss, and has a desire to live more purposefully or conscious of mitigating inequalities. While specific individuals who have been working in large-scale corporations for decades are routinely referenced, I have worked with individuals who generally start extremely small, to appreciate groups marginalized in the literature on the Social Entrepreneur. These entrepreneurs are women or those who fall under the Millennials and Gen-Z groups. In the latter case, these younger individuals are sometimes frustrated with how misaligned the traditional educational system is with the real world and have little faith in going through an entire degree program or postgraduate program to come out with debt and without job prospects that allow them to do work that is truly meaningful to them. Of significance, when we consider how work will be impacted by Artificial Intelligence, with the observation that our world is becoming more global and imbalanced, and the recognition of stress becoming a greater issue for employees, is the fact that the nature of work is changing, in response. In my work, work–life balance is a critical goal among many people I work with, and, increasingly, the younger generations are identifying that they do not want to lead the same lifestyle of stress they have watched their parents grapple with. Mottiar and Boluk confirm the observation of such motivation to choose social entrepreneurship:

> [T]he nature of lifestyle objectives presents challenges as they can straddle internal and external objectives. For example, those who have a keen interest in the environment may wish to live their lives in a more sustainable way, in an effort to be more consistent and resolve tensions that may exist between their personal and professional lives. As such, an interest in personal consistency represents an internal lifestyle objective, but often they also want to encourage others to act in a similar way. Thus the distinction between lifestyle and social and internal and external objectives become blurred. The nature of motivations is that they are subjective and personal therefore, the balance between profits, lifestyle and social objectives are likely to differ between each individual and this is something that one may not be consciously aware of as they make strategic and operational decisions on a daily basis. Sometime one motivation may influence their strategy and at other times decisions may be based on balancing all objectives.

More rigorous research is needed to better understand the motivations, especially of the younger generations in context of greater competition in the marketplace after graduation and the inability of the mainstream educational system to meet their needs in a world in flux and requiring greater adaptability. It is of note that these generations are looking at social entrepreneurship as one avenue to making money and making a change in context of adaptation to a larger social and systems problem related to education and environment.

I also work mostly with women. My research indicates that the larger proportion of those participating in civil society where I've conducted my work are, in fact, women, confirmed by both men and women in the field (Krause, 2012). Their types of enterprises have been marginalized in the literature for two reasons; one, because their social purpose has not been focused on large-scale change and, two, because their work can be thought of as focused on women's more immediate or "practical" concerns rather than being "strategic." Maxine Molyneux defines practical gender interests as "those that are apparent from the objective conditions women work in and the roles they fill in the gender division of labor" (Brand, 1998, p.5). These are often responses to immediate needs, such as finding ways to access clean water, affordable medical services, or daycare facilities. The strategic would include working toward goals, such as changing laws. As such, the "type" of social entrepreneur espoused as normative in the literature is not immune to the preference given to entrepreneurial labor that falls under the "strategic." Yet, women I interviewed who are making a change and funding that change innovatively ways included those who run a daycare in a home because they were motivated to enable women to get out and work (Krause, 2012). Such projects include small-scale microloans where women pool their money and take turns to invest first and foremost to give women the opportunity to get ahead where female entrepreneurs are marginalized (Krause, 2012).

The Social Entrepreneur and Leadership

Prominent individuals associated with social entrepreneurship include the Bangladeshi Muhammad Yunus, who was the founder of the Grameen Bank, which pioneered the concept of microcredit for supporting innovators in multiple developing countries in Asia, Africa, and Latin America, for which he received a Nobel Peace Prize in 2006. Ian Gill was Social Entrepreneur of the Year, an Australian-Canadian writer, filmmaker, principal of Cause and Effect, and advisor to the CEO of Discourse Media. As mentioned, the number of those identified as social entrepreneurs is reported to have significantly increased in recent years (Steinerowski et al., 2009).

Social entrepreneurs might be perceived as a "type" of entrepreneur (Dees, 1998), and in many ways they are comparable to commercial entrepreneurs. However, they have different motivations and spheres of operation (Zahra & Wright, 2016), with their motivations being contextualized largely by a deep desire to create change within unequal power configurations toward greater equilibrium, which does not

preclude how they model that change themselves, and which connects these actors and change agents to the sphere of leadership. I suggest, as others have recognized, that the emergence of social entrepreneurs in recent years is closely related to contextual and geographical factors and that social entrepreneurs are simultaneously the actors in and creators of the social entrepreneurship movement (Giddens, 1991; Steinerowski et al., 2009).

The sphere of leadership helps define the Social Entrepreneur. Given that social entrepreneurs are individuals with innovative solutions to society's most pressing social, political, and environmental problems, by definition they lead into oftentimes unchartered areas. They look for new opportunities and produce positive impact by using leadership and management methods. They are experienced through their work in the business world, young and ambitious and persistent individuals, tackling major social issues, often in subtle ways, and offering innovative ideas that although contextualized address global challenges. Rather than leaving societal needs to the government or business sectors, the Social Entrepreneur identifies what needs changing and seeks to solve the problem by strategic or practical means, which in effect means changing interdependent systems and facilitating new directions for how we work to address problems sustainably.

The literature that seeks to define and limit the Social Entrepreneur to large-scale enterprises and strategic concerns serves to exclude the political impact of a movement that often begins with one or a few individuals who innovate to solve a problem. It marginalizes the vast array of social entrepreneurs and the creative and innovative social purpose work that they do that is often practical in nature. A social entrepreneur typically starts off small. The Social Entrepreneur that is marginalized innovated a new and emerging arena and field, illustrating how opportunities are recognized in context of oppressive variables. The women I studied in Egypt who opened daycares or created microfinance loans that they participated in themselves (Krause, 2012) is a case in point. It is of importance to capture the Social Entrepreneur to give significance to the sphere where political change is also initiated to solve some of the world's most pressing problems beginning in smaller context and so often missed in the research.

Scholars have recognized that the entrepreneur exhibits leadership competencies (Alvord, Brown, & Letts, 2004; Ireland & Hitt, 1999; McGrath & MacMillan, 2000; Meyer & Heppard, 2000; Tolve, 2009); yet, leadership has not been in the foreground in characterizing the kinds of competencies needed for successful social entrepreneurs. What is notable about social entrepreneurship is the deep inner desire of the Social Entrepreneur to shift power dynamics. In this sense, the agent is aware of the political and how their actions can chip away at, redefine, circumvent, and/or lead the transformation of power relationships for greater equity, equality, justice, fairness, and harmony. Osberg and Martin define social entrepreneurship as having the following three components:

> (1) identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means or political clout to achieve any transformative benefit on its own; (2) identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration,

creativity, direct action, courage, and fortitude, thereby challenging the stable state's hegemony; and (3) forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and through imitation and the creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and even society at large (Osberg & Martin, 2007, p.35).

As such, building on these contributions and characterizations of social entrepreneurship that recognize the innovative and leadership capabilities and the ambitions to shift power dynamics toward equilibrium, more accurately, I define the Social Entrepreneur as *an individual who recognizes a social, political, or environmental problem and uses entrepreneurial principles to create, facilitate, manage, and lead a venture to address that problem and/or forge a state of harmony and better future for the group impacted by the challenge*. Whereas a business entrepreneur often measures performance in terms of profit, the return on investment for the Social Entrepreneur is through facilitating and leading change that transforms power relations for a new equilibrium. Thus, the side effect of social entrepreneurship in a particular context is furthering social, political, and environmental transformation of systems in which that situation is embedded. The ambitions of the Social Entrepreneur are context driven and yet address challenges that are also global. Of significance is that the Social Entrepreneur understands the value of the tools and principles of money creation to the sustainability and continuance of the transformation.

These individuals have emerged primarily out of the business and civil society spheres, as well many different fields, disciplines and forms of organization associated with change, capacity development, and profit. Philanthropists, social activists, change-makers, environmentalists, and other rights-based and socially responsive practitioners can fall under the category of the Social Entrepreneur. The Social Entrepreneur has been associated with the social innovation sector and the lines are often blurred with entrepreneurs or not-for-profit organizations. For a clearer definition of what social entrepreneurship entails, it is not synonymous with charity-oriented activities or activities driven by profit that come before social, political, or environmental objectives, although the focus and prioritization can shift over time in a hybrid fashion. For example, while it is true that a social entrepreneur may have received seed funding of sorts, their enterprise does not rely on funding for its sustainability. The field is continually shifting and adapting to new challenges and realities as the world's economy and political landscape shifts. To pin down a particular kind of social entrepreneur, especially as valued primarily within the management literature, limits recognition of many "types" of agents of social entrepreneurship and the trends these social entrepreneurs are innovating into the future.

Conclusions

For two decades, who comprises the Social Entrepreneur has been debated, and I anticipate this debate will continue. Researchers will need to bring in those marginalized, such as women focused on practical activities, or youth, through more

comprehensive research on their activities and illustration of their impact in context. The Social Entrepreneur may establish a business in spite of, or because of, an inhospitable, marginalizing, or authoritarian environment, or where the government or the private sector does not want to invest as it would be too costly for or politically not conducive to government objectives or where it would not be profitable for business. Hence, the social entrepreneur does not necessarily and in fact more often does not scale to large enterprises as often cited in the literature on social entrepreneurship. As the concept is subject to shifting political landscapes and changing systems, its definition will need constant revisiting. However, what characterizes the Social Entrepreneur is the deep desire to lead change, often to some equilibrium where power dynamics have created inequality and inability for the marginalized to access what they need, and in such endeavor uses entrepreneurial principles as the vehicle to create those changes. This ability requires leadership competencies and as such the Social Entrepreneur is the new leader that espouses the kinds of values we need moving forward into a future of greater imbalance.

Chapter Takeaways

- Social entrepreneurship is an emergent concept, promoted by policy; however, there is little understanding around what social entrepreneurs do, what they should do, and where they come from. There is much debate and criticism of the concept of and proper terminology associated with social entrepreneurship and who social entrepreneurs are, as a category.
- A social purpose enterprise or organization seeks to solve a social issue. Social purpose enterprises are seen to originate primarily from for-profit organizations having a social purpose or are nonprofit organizations that use business models to pursue their goal and for-profits whose primary purpose is social purpose. Commonly, people refer to the mission of social enterprises as the triple bottom line: "people, profit and planet," in line with covering the social, economic, and environmental (or ecological) arenas.
- Social entrepreneurship is enterprise activity with community goals, generating profit for reinvestment in the social venture for the purpose and goals of the venture that are not first and foremost monitory. Social entrepreneurship is about applying practical, innovative, and sustainable approaches to benefit society, in general, usually with an emphasis on those who are marginalized and poor.
- Social entrepreneurs are often portrayed as agents who engage in entrepreneurial activity that contributes to social capacity building, with economic development as an adjunct rather than a primary focus. Therefore, the Social Entrepreneur is said to be more concerned with addressing the social needs of communities over the commercial needs.
- The sphere of leadership helps define the Social Entrepreneur. Given that social entrepreneurs are individuals with innovative solutions to society's most pressing social, political, and environmental problems, by definition they lead into oftentimes unchartered areas. They look for new opportunities and produce positive impact by using leadership and management methods.

Reflection Questions

1. How is the Social Entrepreneur different from the entrepreneur?
2. In which ways does the aspect of "leadership" help clarify the term?
3. How does understanding the motivations of the different "types" of social entrepreneurs help your understanding around the complexity of the term?
4. What does a critical analysis on the development of the term "Social Entrepreneur" reveal about the assumptions inherent in the term as relates to the typical actors or agents?
5. What factors might contribute to how the term "Social Entrepreneur" develops in future?

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Aspiring to Be a Social Entrepreneur: Does Prosocial Motivation Matter?

4

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and Barbara Danquah

Key Topics

- Social entrepreneurship
- Social entrepreneurial intention
- Prosocial motivation
- Prior experience
- Social entrepreneurial self-efficacy

The Social Entrepreneur: Motivations and Intentions

Making cities clean, educating children, and reducing infant mortality and homelessness on our streets are few of the challenges societies face, which need to be addressed. Many people thinking about how societal problems could be addressed also think about the cost involved, in terms of time, energy, resources, and money. As such, many aspiring entrepreneurs prefer to tackle societal problems that have personal wealth generation potentials (Chandra, 2017; Welter, Baker, Audretsch, & Gartner, 2017). The generated wealth then serves as a reward for the cost they have incurred. Indeed, the predominant focus of entrepreneurship research has been on the wealth creation perspective (Chandra, 2017; Welter et al., 2017). Despite the

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possibility of making money from social problems, many entrepreneurs approach societal problems from the perspective of adding value to society rather than for personal financial gains. This form of entrepreneurship has been conceptualized as social entrepreneurship. Social entrepreneurship relates to any entrepreneurial activity that is undertaken with the goal to solve specific societal problems rather than for personal wealth creation (Dees, 1998). To this end, the concept has been applied to nonprofit organizations (Lasprogata & Cotten, 2003), philanthropy (Ostrander, 2007), for-profit companies operated by nonprofit organizations (Wallace, 1999), and the founding and management of social enterprises (Hockerts, 2017; Short, Moss, & Lumpkin, 2009).

Social problems exist for both the wealth creation and social value perspectives of entrepreneurship. That is, an individual can go into entrepreneurship to create either personal or social wealth. Dees (1998) distinguishes between these two types of entrepreneurship. According to Dees (1998), wealth creation is just the means to an end for social entrepreneurs, while with business entrepreneurs, wealth creation is the only way of measuring venture success. The question then is, what will motivate an individual to venture into social entrepreneurship if personal financial gain is just a means to an end? While it is easy to understand why aspiring entrepreneurs would like to go into entrepreneurship for wealth creation, research has recently started looking at social entrepreneurial intention (Hockerts, 2017; Ip, Liang, Wu, Law, & Liu, 2018; Mair & Noboa, 2006). Using the theory of planned behavior (TPB; Ajzen, 1991), Mair and Noboa (2006) proposed four antecedents of social entrepreneurial intention, which include empathy, moral obligation, self-efficacy, and perceived social support. Hockerts (2017) has extended this model by including prior experience with social problems as an additional antecedent.

Although this is a step in the right direction, it is obvious that more research is needed to examine factors influencing social entrepreneurial intention especially among aspiring entrepreneurs. Past entrepreneurial research has suggested many factors that influence people's entrepreneurial intention generally (Liñán & Fayolle, 2015). For example, research has examined how personality factors such as the big five personality traits (Zhao, Seibert, & Lumpkin, 2010), locus of control (Asante & Affum-Osei, 2019), cognitive-styles (Kickul, Gundry, Barbosa, & Simms, 2010), and risk perceptions (Nabi & Liñán, 2013) influence entrepreneurial intention. Additionally, situational factors such as level of education and experience, parents' occupation, and role models have been examined in connection with their influence on entrepreneurial intention (Liñán & Fayolle, 2015). Gender issues have also been examined with males having a positive attitude toward entrepreneurship and higher entrepreneurial intention (Shinnar, Hsu, Powell, & Zhou, 2018).

By far, Ajzen's theory of planned behavior (TPB; (Ajzen, 1991) has received the most application (Liñán & Fayolle, 2015) in entrepreneurial intention studies. This theory distinguishes three antecedents of intention, namely, personal attitude toward the behavior, perceived social norms, and perceived behavioral control. Personal attitude toward the behavior and perceived social norms reflect an individual's personal desirability of performing a behavior and what significant others think about engaging in that behavior respectively. The third, perceived behavioral control, reflects perceptions that the specific behavior can be executed.

Beyond these factors, recent development in the motivated information processing (MIP) theory (Grant & Berry, 2011; Kunda, 1990) suggests that individuals who possess prosocial motivation may have intention to own social enterprises. We thus propose that when guided by prosocial motivation, that is, the desire to help others (Grant, 2008), aspiring entrepreneurs will have high social entrepreneurial intention. This is because the MIP theory argues that in processing information, people are motivated to be selective in encoding and retaining information that is consistent with their nature (Grant & Berry, 2011; Kunda, 1990). Prosocial people already have the desire to help others, so when it comes to encoding entrepreneurial information, they will be more alert and attentive to those that fall in line with their prosocial nature. Consequently, the MIP theory should offer a theoretically novel explanation on how prosocial motivation influences social entrepreneurial intention.

Examining the causal link between prosocial motivation and social entrepreneurial intention is worthwhile for several reasons. First, while the major focus on entrepreneurship research has been on personal wealth creation, research on social entrepreneurship is still developing (Chandra, 2017; Welter et al., 2017). Hence, more needs to be done for the field to reach its peak. Second, although critical and crucial for policy makers and all stakeholders, research on the determinants of social entrepreneurship is scarce (Hockerts, 2017; Ip et al., 2018). Knowing what influences people's desire to engage in social entrepreneurship despite the option of pursuing entrepreneurship for personal wealth cannot be overemphasized. Finally, while previous research has examined prosocial motivation in connection with employees' performance, productivity, and enhanced persistence (Grant, 2008), this chapter is one of the few to examine how it influences social entrepreneurial intention. In this chapter, we develop a conceptual model (Fig. 4.1) based on the MIP theory to elucidate why and when aspiring entrepreneurs' prosocial motivation will lead to high social entrepreneurial intention.
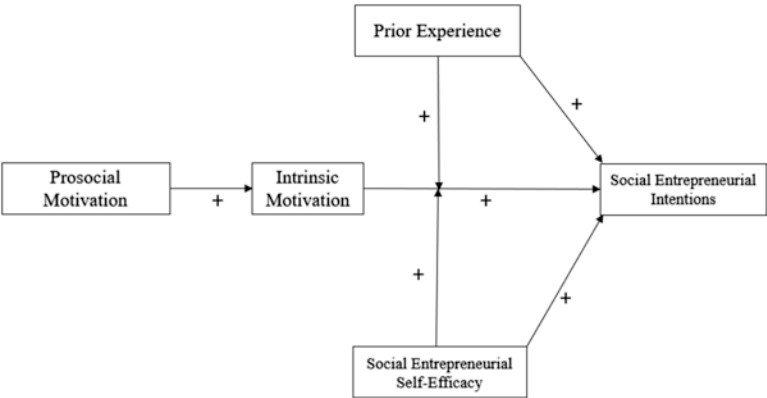

Fig. 4.1 A motivational model of social entrepreneurial intention formation

To do this, we have three principal goals to achieve. First, we describe MIP theory by reviewing key studies that support its main tenets and explain why the MIP theory is useful for understanding why aspiring entrepreneurs with prosocial motivation will have high social entrepreneurial intention rather than personal wealth creation intention. Thus, while aspiring entrepreneurs are free to pursue whichever form of entrepreneurship they so wish, we use the MIP theory to understand how and why aspiring entrepreneurs with prosocial motivation will prefer to be social entrepreneurs. Second, we develop propositions that explain when prosocial motivation leads to social entrepreneurial intention. To achieve this, we introduce intrinsic motivation—the desire to engage in an activity based on interest in and enjoyment of the specific activity being performed—as a mediator. That is, intrinsic motivation acts as the conveyor of the effect of prosocial motivation on social entrepreneurial intention. Finally, based on recent research on social entrepreneurial self-efficacy and prior experience, we extend research on MIP theory and prosocial motivation. Specifically, recent research suggests that people's prior experience with social organizations or social problems and their belief in their abilities to undertake social entrepreneurial tasks have influence on their desire to be social entrepreneurs. We propose that social entrepreneurial self-efficacy and prior experience with social organizations may differentially affect the degree to which intrinsic motivation influences social entrepreneurial intention.

Social Entrepreneurial Aspirations: A Motivated Information Processing Perspective

Motivation is central to understanding many aspects of humanity. Motivation explains the reasoning behind people's actions as well as the way they process information. Motivated information processing (MIP) theory (Kunda, 1990; Nickerson, 1998) suggests that people are selective in the information they process. The theory reasons that people process information in a way that is consistent with their desires, personality, or an existing theory they believe in. The basic tenet of the MIP theory is that motivations shape cognitive processing of information to the extent that individuals selectively notice, encode, and retain information that is consistent with their desires (Grant, 2008). This theory can offer a novel explanation of how aspiring entrepreneurs process entrepreneurial information.

In recent years, many scholars have applied the MIP theory and a lot of empirical findings support the views that information processing can be selectively biased to satisfy people's desires (Kahan, Landrum, Carpenter, Helft, & Hall Jamieson, 2017; Super, Li, Ishqaidef, & Guthrie, 2016). For example, across three studies, Grant and Berry (2011) found that participants who are able to notice and encode information that is consistent with their prosocial nature exhibited high creativity. In essence, because prosocial motivation deals with the desire to help others, such employees are better able to encode and generate novel ideas that are useful to other people consistent with their nature leading to high creativity.

The theory has also been applied to group decision making and information processing. In particular, the motivated information processing in group (MIP-G) model (De Dreu, Nijstad, & van Knippenberg, 2008) has been useful in explaining how groups engage in selective information search and processing. For instance, Scholten, van Knippenberg, Nijstad, and De Dreu (2007) found that groups with high epistemic motivation (i.e., the desire to develop and maintain accurate and deep understanding of problems) engaged in more information-driven interaction and achieved better decisions. Thus, because epistemic motivation influences groups to acquire rich, thorough, and accurate understanding of group tasks, groups with high epistemic motivation engage in more elaborate, argument-based evaluation of information leading to better group decision making.

In the same way, we argue that an individual's aspiration to become an entrepreneur may be biased by their nature, desires, or held beliefs. As we have discussed above, becoming an entrepreneur is an individual decision. Aspiring entrepreneurs are free to decide which form of entrepreneurship to pursue, whether for wealth or for creating social value. According to the MIP theory, people intentionally decide how to encode, process, and retain information regarding life's decisions such as career choices (Kunda, 1990; Nickerson, 1998). In this sense, those who prioritize personal wealth over creating social value will only encode and process entrepreneurial information that can lead to personal wealth generation. On the contrary, those who prioritize the need to help others will encode, process, and retain only the aspect of entrepreneurial information related to helping people (Grant, 2008). This selectivity in information processing is due to the bias in people's preferences, desires, and nature.

The way information is processed may determine the behavior to be performed. For example, when Daniel was in his final year at the university, he took part in a school project that took him and his classmates to a village for a visit. During the visit, Daniel came across many young children of school going age who were engaged in hard labor. His interactions with them indicated that for some of the children financial constraints and lack of educational materials prevented them from going to school and for others because the school buildings were in a poor condition, their parents did not allow them to go to school. Moreover, many of the children's parents were peasant farmers and were struggling to make ends meet. Daniel became extremely concerned with the children's plight and therefore decided to help in whatever way he could. He then spoke to few of his friends when they returned, and they contributed money to set-up a bookshop with the proceeds going to repair the school buildings and to help put some of the children in school. Daniel and his colleagues' objectives were also to solicit for funds and educational materials in the city for the children in the village. The donated funds and the proceeds from the bookshop will then be used to buy school uniforms, pay school fees, buy text and exercise books for the kids as well as repair the dilapidated school buildings. In essence, Daniel processed the social problem he encountered from a social wealth creation perspective.

With this initiative, Daniel and his friends are trying to address a social problem, which has the potential to become an even bigger problem should the children grow

up uneducated. It wasn't their intention to enrich themselves but rather to help solve a social problem. Daniel and his friends could have decided otherwise by dealing with the educational problem from a wealth-generation perspective. Instead of sending proceeds and soliciting for funds and materials for people they are not related to, they could have established a school, charged school fees, and made profit. However, they decided to do it out of their concern for others. The intention for Daniel and his friends to engage in this form of social entrepreneurship is a clear case of the influence of prosocial motivation. This also shows how selectivity in information processing can influence thought processes and subsequent behavior.

Prosocial Motivation and Social Entrepreneurial Intention

Social entrepreneurial intention is defined as a person's desire to own or start a social venture (Mair & Noboa, 2006). Intentions are very important in the occurrence of every planned human behavior. Indeed, past research suggests that intention accounts for a substantial amount of the variation in actual behavior (Ajzen, Czasch, & Flood, 2009). Most behaviors are conscious, and they happen after they have been thoughtfully planned, and intentions have been proposed as the best predictor of any planned behavior (Krueger, Reilly, & Carsrud, 2000). Therefore, knowing the antecedents of intentions can help us understand the planned or intended behaviors. In addition, entrepreneurship is a planned behavior, and, therefore, understanding the antecedents of aspiring entrepreneurs' intention increases our understanding of their intended entrepreneurial behavior (Krueger et al., 2000). While research on entrepreneurial intention abounds, only few focus specifically on social entrepreneurial intention (Hockerts, 2017; Ip et al., 2018; Mair & Noboa, 2006). Even though there may be some similarities between the traditional "business" entrepreneurship and social entrepreneurship intention, the two are not the same. Different motivations may be responsible for the formation of different entrepreneurial intentions.

According to Mair and Noboa (2006) "social entrepreneurs are moved by different motivations to discover and exploit a distinct category of opportunities" (p. 121). We argue that one such motivation is prosocial motivation. Prosocial motivation is the desire people have to help others and to consider others' perspectives (Grant, 2008). One key difference between traditional business and social entrepreneurship is that both forms of entrepreneurship produce different outcomes. To illustrate, consider the project Daniel and his colleagues want to do. When motivated by the desire to generate personal wealth, Daniel and his colleagues' effort would be based on the potential income they would generate, which will give them satisfaction when that outcome is achieved. However, when motivated by the desire to help solve social problems, Daniel and his colleagues' effort would be based on the desire to educate children, which will give them fulfillment when that outcome is achieved. In summary, because prosocial motivation already encourages people to help others, it facilitates the idea of having a business that can help solve problems for the public good when entrepreneurial intention is formed. As such,

aspiring entrepreneurs who are prosocially motivated will be more likely to have a higher social entrepreneurial intention.

This argument is consistent with the MIP theory (Kunda, 1990), which states that individuals are biased in the way they process information. Thus, because prosocial motivation increases people's desire to expend effort in benefiting others, aspiring entrepreneurs who are prosocially motivated will process entrepreneurial information in a way that is consistent with their desire to help others. This is because the form of entrepreneurship through which they can fulfill their desire is social entrepreneurship. Moreover, previous research argues that prosocial motivation facilitates persistence by enhancing dedication to a cause or a principle (Thompson & Bunderson, 2003). It also increases people's commitment to other people who benefit from their effort (Grant, 2007). In addition, those who are prosocially motivated are willing to make use of negative feedback (Grant, 2008), which is very critical when one aspires to pursue a career in social entrepreneurship, since negative feedbacks are inevitable in human interactions. This makes aspiring entrepreneurs who are prosocially motivated better positioned to see social entrepreneurship as desirable.

Proposition 1: Prosocially motivated aspiring entrepreneurs will have a higher
    social entrepreneurial intention.

Prosocial Motivation, Intrinsic Motivation, and Social Entrepreneurial Intention

Motivation is very important in entrepreneurial research because it describes the reasons that drive entrepreneurial intention and startup of new ventures (Asante & Affum-Osei, 2019; Affum-Osei et al, 2020). Motivation is a psychological mechanism that directs, energizes, and arouses people to action toward a desired goal (Latham & Pinder, 2005). Motivation has historically been categorized into two: extrinsic and intrinsic motivations (Herzberg, 1966; McGregor, 1960). Extrinsic motivation refers to the condition when external variables rather than the work itself (e.g., rewards and recognition) arouses people to action toward a desired goal (Amabile, 1993). Intrinsic motivation on the other hand refers to the condition when the work itself (e.g., interest in and enjoyment of the work itself) directs people to action toward a desired goal. In this chapter, we focus on intrinsic motivation for two reasons. First, intrinsic motivation is argued to be the single most important phenomenon that reflects the positive potential of human nature (Ryan & Deci, 2000) as well as the inherent tendency to explore and learn (Deci, 1975). In other words, intrinsic motivation shows what humans can achieve when they have love for what they are doing. Second, although extrinsic motivation is an intentional behavior (Ryan & Deci, 2000), it varies in terms of its autonomy as the behavior is controlled by external rewards (Deci, 1975). In other words, when there are no more external rewards the behavior ceases. Again, prior meta-analytic research shows

that such extrinsic rewards can undermine intrinsic motivation (Deci, Koestner, & Ryan, 1999).

Despite the historical dichotomy of motivation into intrinsic and extrinsic, recent research has demonstrated that there are other forms of motivation that fall outside the above categorizations (Grant, 2008). One such form of motivation is prosocial motivation, which is the desire to expend effort to benefit other people (Batson, 1987). While it may be related to intrinsic motivation, prosocial motivation is conceptually and theoretically distinct (Grant, 2008). When aspiring entrepreneurs are prosocially motivated, they see work as a means to an end (Grant, 2007). Thus, when prosocially motivated, aspiring entrepreneurs will see social entrepreneurship as a means to achieving the goal of helping others. However, when intrinsically motivated, aspiring entrepreneurs see work as an end in itself. Put differently, when intrinsically motivated, aspiring entrepreneurs will see their involvement in social entrepreneurship as enjoyable and self-fulfilling (Bono & Judge, 2003). Despite this difference, we argue that prosocial motivation may influence intrinsic motivation.

According to the MIP theory (Kunda, 1990), individuals attend to and process information that are consistent with their self-beliefs. Thus, those with prosocial motivation should be more interested in information relating to benefiting others. To expend effort to benefit others, individuals must be willing and desiring to do so. Prosocial motivation then becomes a psychological process directing people's desires and fulfillment thereby increasing their intrinsic motivation (Grant & Berry, 2011). We reason that because prosocial motivation directs people's desires to undertake activities that are geared toward helping others, it has the potential to influence their interest and enjoyment in the activities themselves. The MIP theory (Kunda, 1990), suggests that prosocially motivated aspiring entrepreneurs will search, encode, and retrieve information consistent with how to help others (De Dreu et al., 2008). We argue that this can happen only after they have developed interest in the activities involved in helping others. Using our illustration above, Daniel's desires to help others should also make him interested in the activities that will enable him to help others. Thus, having a prosocial motivation should lead to intrinsic motivation.

Becoming a social entrepreneur needs a lot of considerations, as the activity may not be solely for personal financial gains (Hockerts, 2017). Indeed, some prior research has likened social entrepreneurship to volunteering (Forster & Grichnik, 2013). This shows that it is very important for those who aspire to become social entrepreneurs to have an interest in the activities of the social entrepreneurship itself, and this makes intrinsic motivation very important. As argued earlier, intrinsic motivation is when the work itself is interesting and enjoyable for the person. Inherently interesting and enjoyable work should therefore direct, energize, and arouse aspiring entrepreneurs to have a stronger desire of becoming social entrepreneurs (Grant, 2007). In effect, aspiring entrepreneurs who see the work of social entrepreneurship as inherently interesting and enjoyable will have a greater desire to become social entrepreneurs themselves. Hence, we argue that intrinsic motivation serves as the explanatory mechanism for the relationship between prosocial motivation and social entrepreneurial intention.

Proposition 2: Intrinsic motivation mediates the relationship between prosocial motivation and aspiring entrepreneurs' social entrepreneurial intention.

The Role of Prior Experience with Social Problems

Prior experience with social problems is defined as the extent to which aspiring entrepreneurs have experienced social problems themselves or their practical experience of working with social enterprises (Hockerts, 2017). Aspiring entrepreneurs' life experiences may also contribute to heightening their interest in becoming social entrepreneurs. This is because, at any point in time all aspiring entrepreneurs do not possess the same information at the same time (Kirzner, 1997). Moreover, people tend to detect and remember information that is related to information they already know (von Hippel, 1994). Therefore, when there is any opportunity to become social entrepreneurs, only those aspiring entrepreneurs who possess prior knowledge that is related to social entrepreneurship can discover those opportunities (Shane, 2000). Two types of prior knowledge have been proposed (Ardichvili, Cardozo, & Ray, 2003; Sigrist, 1999). The first relates to knowledge or experiences acquired by aspiring entrepreneurs as a result of engaging in activities they are fascinated about or have special interest in. The second type relates to knowledge or experiences acquired by virtue of working in certain jobs and may not necessarily be jobs aspiring entrepreneurs may be fascinated about. Driven by either of the two forms, aspiring entrepreneurs are able to learn and acquire new knowledge, which may influence their desire to become social entrepreneurs.

Research on prior experience has identified prior work experience (Kautonen, Luoto, & Tornikoski, 2010) and prior family business exposure (Carr & Sequeira, 2007) as important predictors of entrepreneurial intention. We contend that aspiring entrepreneurs who have had prior experience with social problems in the past will be more willing to help solve those problems thereby heightening their social entrepreneurial intention. Apart from positively predicting social entrepreneurial intention, it may also amplify the effect of intrinsic motivation on social entrepreneurial intention. That is, when individuals have had prior experience with social problems, the effect of their intrinsic motivation on social entrepreneurial intention will be stronger. In support of this argument, prior research has found that education campaigns predict higher interest in solving social issues such as motives to recycle (Vining & Ebreo, 1989). Again, it has been found that private entrepreneurs who have suffered some form of a distressing social issue (e.g., rural poverty) were more likely to be motivated to engage in charitable activities such as poverty reduction programs (Yiu, Wan, Ng, Chen, & Jun Su, 2014). Similarly, we argue that if Daniel has suffered any educational problems or worked with any social educational enterprise in the past, his desire to become a social entrepreneur will be high.

Proposition 3: Prior experience with social problems will be positively related to social entrepreneurial intention.

Proposition 4: Prior experience with social problems moderates the positive relationship between intrinsic motivation and aspiring entrepreneurs' social entrepreneurial intention such that the relationship is stronger when prior experience with social problems is high.

The Role of Social Entrepreneurial Self-Efficacy

Entrepreneurial self-efficacy refers to the degree to which an individual believes in their ability to undertake entrepreneurial activities (Asante & Affum-Osei, 2019; Krueger & Dickson, 1994). An individual may be efficacious in one entrepreneurial activity but not in the other. Due to its domain-specific nature, Hockerts (2017) has proposed the concept of social entrepreneurial self-efficacy, which is the belief a person has towards contributing to solving social issues. Apart from knowing what it entails in addressing social issues, the belief that one can actually address social issues is very important. Many social issues are frightening and for that matter require aspiring entrepreneurs to believe in their own social entrepreneurial ability (Hockerts, 2017). Indeed, in their model of social entrepreneurial intention, Mair and Noboa (2006) proposed self-efficacy to be a predictor of social entrepreneurial intention.

Different domains of self-efficacy have been found to be very important in predicting many aspects of the entrepreneurial process. For instance, Asante and Affum-Osei (2019) found that entrepreneurial searching self-efficacy, which is the individuals' belief in their ability to search for entrepreneurial opportunities, strengthens the effect of entrepreneurial intention on their opportunity recognition. Again, McGee and Peterson (2017) found that entrepreneurial self-efficacy was very important for firm performance. Moreover, social entrepreneurial self-efficacy was found to have a very significant impact on social entrepreneurial intention (Hockerts, 2017). The above discussions suggest that believing in oneself is very important in the entrepreneurial process. We posit that having a high social entrepreneurial self-efficacy will be positively related to social entrepreneurial intention. Additionally, we expect that when aspiring entrepreneurs have high social entrepreneurial self-efficacy, the influence of their intrinsic motivation on their social entrepreneurial intention will be strengthened. Hence, we argue that if Daniel believes in his ability to solve the educational problems he identified, his desire to become a social entrepreneur will be high.

Proposition 5: Social entrepreneurial self-efficacy will be positively related to social entrepreneurial intention.

Proposition 6: Social entrepreneurial self-efficacy moderates the positive relationship between intrinsic motivation and aspiring entrepreneurs' social entrepreneurial intention such that the relationship is stronger when social entrepreneurial self-efficacy is high.

Discussion

Although previous research on social entrepreneurship has progressed steadily, there is still the need for more research in understanding social entrepreneurial intention. In this chapter, we extend previous research that has sought to understand the factors influencing social entrepreneurial intention (Hockerts, 2017; Ip et al., 2018; Mair & Noboa, 2006). According to our conceptual model, having a high prosocial motivation can lead aspiring entrepreneurs to be intrinsically motivated to aspire to become social entrepreneurs. Additionally, our model explains that aspiring entrepreneurs' desire to become social entrepreneurs is heightened when they have prior experience with social problems and high social entrepreneurial self-efficacy. By delving into these relationships, our chapter makes at least three noteworthy contributions to previous literature.

First, previous research on entrepreneurship has mainly centered on personal wealth creation of the entrepreneur (Chandra, 2017; Welter et al., 2017). However, research suggests that social entrepreneurs engage in entrepreneurial activities without desiring to make wealth (Hockerts, 2017). Our chapter contributes to the social entrepreneurship field by exploring the motivational mechanism that influences aspiring entrepreneurs' decision to become social entrepreneurs. In doing so, we highlight the significance of prosocial motivation in influencing social entrepreneurial intention. Drawing on the MIP theory (Kunda, 1990; Nickerson, 1998), we show that aspiring entrepreneurs who are prosocially motivated attend to information that relates to helping others and are therefore likely to have high social entrepreneurial intention.

Second, prosocial motivation has been examined in connection with employees' performance, productivity, and enhanced persistence (Grant, 2008). While it has been proved useful in explaining a plethora of positive organizational behaviors, its utility in entrepreneurship context has not been examined. This chapter extends the influence of prosocial motivation to the social entrepreneurial literature. In this chapter, we use MIP theory to develop a model that explains why aspiring entrepreneurs' prosocial motivation will lead to high social entrepreneurial intention. We also extend the MIP theory from its application in organizational to the entrepreneurial literature.

Finally, by exploring the influence of prior experience and social entrepreneurial self-efficacy, we explain critical contingencies that may define the social entrepreneurial process. Specifically, we show that while prior experience with social problems influences aspiring entrepreneurs' social entrepreneurial intention, it may also interact with intrinsic motivation to affect social entrepreneurial intention. In addition, we show that believing in oneself is crucial if they want to become social entrepreneurs, especially considering the daunting challenges involved in social entrepreneurship (Asante & Affum-Osei, 2019; Krueger & Dickson, 1994).

Future Research Directions

Apart from contributing to social entrepreneurship research, our theorizing also suggests a number of avenues for future social entrepreneurship research. Specifically, while we have explored factors influencing social entrepreneurial intention, prior research suggests that opportunity recognition is also very important in the entrepreneurial process (Asante & Affum-Osei, 2019). For instance, Shane (2000) argues that aspiring entrepreneurs need opportunities before they can realize their entrepreneurial dreams. However, studies examining factors that influence social entrepreneurial opportunity recognition are scarce.

Again, this chapter limited its outcome variable to only social entrepreneurial intention. However, previous research suggests that intention should lead to actual behavior (Ajzen, 1991). Thus, there is a gap to be filled by future studies in examining how social entrepreneurial intention leads to actual social entrepreneurial behaviors such as identifying social entrepreneurial opportunities. Finally, while we have argued that social entrepreneurial self-efficacy (Hockerts, 2017) is a critical predictor of social entrepreneurial intention, further research is needed to examine the different domains of social entrepreneurial self-efficacy.

In conclusion, this chapter offers a new way of thinking about intention formation for social entrepreneurship. There are costs and daunting challenges involved in social entrepreneurship. Why would people aspire to become social entrepreneurs then? This chapter explores the role of prosocial motivation in influencing social entrepreneurial intention. This chapter also explores the roles of prior experience and social entrepreneurial self-efficacy in the social entrepreneurial process.

Chapter Takeaways

- Prosocial motivation is identified as an antecedent of social entrepreneurial intention.
- In addition to influencing social entrepreneurial intention, prior experience with social problems may also strengthen the effect of intrinsic motivation on social entrepreneurial intention.
- Apart from influencing social entrepreneurial intention, social entrepreneurial self-efficacy may also strengthen the effect of intrinsic motivation on social entrepreneurial intention.
- Intrinsic motivation is identified as an explanatory variable for the relationship between prosocial motivation and social entrepreneurial intention.

Reflection Questions

1. What will make an aspiring entrepreneur consider social entrepreneurship rather than personal wealth generation entrepreneurship?
2. Why is intrinsic motivation important in people's quest to become social entrepreneurs?

3. Should people believe in their social entrepreneurial abilities at all when considering becoming social entrepreneurs?
4. Why is it that aspiring entrepreneurs who have prior experience with social problems are more likely to consider social entrepreneurship?
5. Apart from influencing social entrepreneurial intention, what other roles can prior experience with social problems and social entrepreneurial self-efficacy play?

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Moral Entrepreneurship: Being Authentic and Using One's Moral Compass to Navigate the Journey of Doing Good Deeds

5

Debra J. Dean

Key Topics

- Moral entrepreneurship
- Authenticity
- Moral compass
- Social responsibility
- Ethics

Rise of Entrepreneurs in America

According to the Bureau of Labor Statistics, there were 9.6 million Americans self-employed in 2016 and they forecast 10.3 million by 2026. The startup activity was at its lowest point in 2013 and is now close to the peak prior to the Great Recession. According to Fairlie, Desai, and Herrmann (2017) of the Kaufman Foundation, new entrepreneurs in 2017 were more likely male than female (only 27%); however, this number increased from 2016 where females represented 23% of new entrepreneurs. The ethnicity of new entrepreneurs in 2017 was represented by 45% minority groups—an increase in diversity from 2007 where only 33.6% were nonwhites. In 2017, statistics show that immigrants are twice as likely to start a business as native-born Americans. According to Fairlie et al., "immigrants now comprise nearly 30% of all new entrepreneurs." And, new entrepreneurs increased with age with those in the 20–34 age bracket comprising 24% of new entrepreneurs and the age bracket of 55–64 accounting for 38% of new entrepreneurs.

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With so many people willing to venture out on their own, one might question why this phenomenon is occurring. Perhaps, the economy is healthy enough. Maybe, employees are fed up and ready to take control. Possibly, it is a quest to solve world problems. Likely, there is concern over having enough money for retirement. Or, perhaps, it is a period in time where many have their basic needs met, and they are moving up Maslow's Hierarchy to satisfy self-fulfillment and spiritual needs. Whatever the reason, the facts remain that more people are venturing off on their own to start a business and now is an opportune time to consider how such start-ups can mitigate ethical risk, avoiding tarnished reputations, and conscientiously do good works.

Entrepreneurial Purpose

Some new businesses start as a result of misfortune. Unfortunately, many do not realize the harm being done until it impacts them directly. When bad things happen, victims or the families of victims question what to do next. The following examples have a personal health issue that left them wondering how to solve a problem. As a result, an entrepreneurial journey was born.

In New Jersey, Poofy Organics was founded in 2006 as a result of a breast cancer diagnosis of Nella Gagliardi. In response, the family examined their daily beauty products and realized their regimen was loaded with toxic chemicals. The small business now promises to avoid using genetically modified and toxic ingredients such as Oxybenzone, parabens, synthetic fragrance, triclosan, and Triethanolamine.

In Florida, a small business boasts, "We worry about the ingredients so you don't have to." Beach Organics founder and CEO Susan Moore was having trouble during menopausal years and realized her routine cleaning products, as well as her regimen of bath and body products, were the culprit. She enlisted help from a personal trainer and began to detoxify her body and remove unnecessary chemicals from her everyday routine. In 2006, her company was born.

In 2001, Wallace Farms was started in Iowa. When Nick Wallace was diagnosed with cancer at age 19, his family did not understand how a healthy young man could get cancer, and as they investigated, the reasons they realized the "foundation of our food production had changed drastically in the last 20–30 years." The farm provides grass-fed beef instead of grain-fed beef along with other naturally raised meats and wild fish.

Small-Scale Individual Entrepreneurs

Small-scale individual entrepreneurs usually have one owner and up to a maximum of five employees. Azmat and Samaratunge (2009) wrote of small-scale individual entrepreneurs and the harm that is done with deceptive and irresponsible business prices such as the overpricing, sale of substandard products, or hoarding of goods. Small-scale individual entrepreneurs often do not have a physical building; they

have low visibility. They also isolate and disconnect from community. The coaching industry is booming and is an example of small-scale individual entrepreneurs.

Once searching or talking about coaching, one may find that they are inundated with individuals wanting to solve their problem(s). While they all promise the moon, consumers question if their investment is wise. And, some worry that their business dealings with a small-scale individual entrepreneur may leave them without the answers they are searching for. The coaching industry is currently unregulated, meaning that there is not a certification, license, or educational requirement to coach. Therefore, the quality of coaching, as well as the pricing structure, is all over the map. Currently, the Gold Standard of coaching licensure is through the International Coaching Federation (ICF). Coaches certified through ICF have committed to practice with high ethical standards.

Many successful politicians, actors, athletes, and business professionals have used coaching. It is a worthwhile investment if the right coach is found. Just as with any other investment, research is required to find the best option(s) and weed out those with deceptive or irresponsible business practices. There is currently a wide variety of coaching including, but not limited to, business coaching, career coaching, executive coaching, health coach, life coaching, performance coaching, relationship coaching, skills coaching, and spiritual coaching.

Due to the increase in the coaching industry, many small businesses market themselves as a coach for the coach. These are the individuals or groups that plan to help someone start their own business. They may help others find their niche and ideal client, as well as how to brand and do marketing. In 2016, a class action lawsuit was filed accusing Gary and Coral Grant with running a Ponzi scheme that amounted to somewhere in the $8 million to $20 million range. Their business was called, "The Secret to Life Coaching" and promised to help people "live their best lives." The legal complaint read, "Coral and Mac Grant are a threat to the public" (Kocian, 2016).

Small and Medium Enterprises

Small and medium enterprises have fewer than 250 employees. They rely heavily on their personal reputation with the community; therefore, they often recognize the role the community plays in their business and strive to maintain high levels of honesty, integrity, and serving their local community. Small- and medium-sized companies actually outnumber and employ more people than large companies.

Because International was commissioned by Kenton Lee after he developed "a shoe that grows" to help children that desperately needs shoes to protect their feet. Lee traveled from his hometown in Utah to Kenya in 2007 where he discovered his passion. It took him more than 6 years to develop the shoe that could grow five sizes with a child. His original intention was to run this small business on the side; however, it has taken off and he now has a team of 16 Americans in addition to 19 full-time employees in Ethiopia, Uganda, and Kenya. Today, Because International has the mission to leverage innovation to make things better.

Developing and Measuring the Authenticity of Entrepreneur

Moral Entrepreneur

Kaptein (2017) proposes the concept of the moral entrepreneur as a new component of ethical leadership. This concept embraces the person that recognizes a need in society and does something about it. To recognize a need in the community and take initiative to solve it or make it better does not require the person to be a Christian; however, the Great Commandment of Christianity is to love God first and love others; therefore, it sets the stage for moral entrepreneurship.

Many of these moral entrepreneur pioneers are finding a way to use their God-given gifts, education, experience, skills, strengths, and talents to honor and glorify God. And, many are doing this at their own expense (for free) without any idea of how to monetize their effort. They simply do this to follow God's plan and purpose for their life.

An example of a moral entrepreneur is Dr. Sidney Webb, who spent years in Georgia and South Carolina using his small business to operate off-campus religion classes for public school students. His classes provided high school credit for the students. He has since expanded his business to coach hundreds worldwide. In 2013, his home was engulfed in flames during the Black Forest, Colorado wildfire, which destroyed 500 homes and he now uses his life experiences to help his customers "Build What Counts" with a "Sharpened Focus."

Dr. Deloris Thomas is another example of a moral entrepreneur. She left her corporate life years ago to embark on a journey that has included the development of an entrepreneurial program with The Joseph Center. Her business school has expanded to include more than 22 global partnerships spanning across five continents. And, classes are offered in English, Spanish, and Portuguese.

Measuring Authenticity

As shown above, with the many examples, entrepreneurial ventures often stem from the business owner knowing who they are authentically and using their life skills and experience to solve a problem they are passionate about. There is a growing body of scholarly literature and practitioners focused on authentic human flourishing. The basic idea is to discover one's true self and ensure that one lives in harmony with their true self. In doing so, many evaluate beliefs, norms, values, virtues, and other inner-life dimensions to truly understand who they are and what their purpose is. The authentic person is then true to their self in all walks of life rather in the office, at home, in the community, at church, etc. Rogers (1963) believed that authenticity would measure how one is fulfilling their potential. Table 5.1 presents a list of quantitative authentic instruments that are used to measure authenticity. While this list is not exhaustive, it can provide a starting place for others wanting to do research on this topic.

Table 5.1 Instruments used to measure authenticity

Instrument	Subscales	Source
Authentic leadership inventory	• Self-awareness • Relational transparency • Balanced processing • Internalized moral perspective	Neider and Schriesheim (2011)
Authentic leadership questionnaire	• Self-awareness • Relational transparency • Balanced processing • Internalized moral perspective	Walumbwa, Avolio, Gardner, Wernsing, and Peterson (2008)
Individual authenticity measure at work	• Authentic living • Self-alienation • Accepting external influences	van den Bosch and Taris (2014)
The authenticity scale	• Authentic living • Self-alienation • Accepting external influences	Wood, Linley, Maltby, Baliousis, and Joseph (2008)

Socially Responsible Entrepreneurship

Many entrepreneurs are acting with socially responsible behavior without realizing it. For example, local restaurants that sponsor youth sporting activities or provide food for families in times of grief, and businesses that provide time off for their employees to volunteer in the community are acting in socially responsible ways. Below are several examples of small businesses that act socially responsible.

In 2010, Gustavo Reyes opened his first restaurant in Oldham County, Kentucky. He is well known in the community for his generosity and caring heart. Gustavo's Mexican Grill provides meals for families in distress, supports youth athletics, offers eight annual scholarships for local high school students, and recently hosted a fundraiser for Detective Deidre Mengedoht, a fallen police officer who lost her life in the line of duty and left behind a 10-year-old son.

In 2011, Craig Cheatham opened his first Marcos Pizza in Colorado Springs with a mission to support good works. Since then, he has helped more than 1000 good causes. Cheatham raises money by selling pizza in order to help other nonprofits. In addition to supporting charities financially, this pizza franchise uses its thousands of pizza boxes per month as an outreach to the community by placing ministry stickers on their boxes to help spread the word.

In 2018, Brandi Kneip opened her business at age 18. Kneip was concerned with the environment and wanted to do something to educate others about pollution and do her part to conserve our beautiful earth. Jar The Zero Waste Shop in Stuart, Florida, offers a wide variety of bulk organic goods to patrons that bring in their

own container. They have beans, chocolate, coffees, flours, fruits, herbs, honey, legumes, nuts, pastas, seeds, soaps, spices, sugars, syrup, and much more.

Campbell (2007) wrote that corporate socially responsible behavior has two parts. First, businesses refrain from any activity that would harm stakeholders, including (but not limited to) customers, employees, investors, local community, and suppliers. Second, if such harm occurs and is brought to the attention of the business in any fashion, the business promises to rectify the situation.

Corporate Social Responsibility

Businesses have the option to affect society in positive and negative ways. Some make the decision consciously, while others may not think much about their impact on people or planet as they are more concerned with profit. Corporate social responsibility is a topic associated with large companies; however, this section addresses similar issues for small entrepreneurs in the America. As a basic overview, the concept of corporate social responsibility in large organizations could involve codes of conduct, financial reporting, procedures, strategies, and structures (Spence, 2007).

Nike is no stranger to social faux pas. In the 1970s, they were under fire for child labor and sweatshops. Their 2018 Kaepernick advertising campaign promoted kneeling during the National Anthem. This controversial act was examined through the moral framework of normative ethics, including consequentialism, deontology, and virtue ethics (Kane & Tiell, 2017). Normative ethics "addresses the dichotomy of perceptions regarding whether particular actions… are right or wrong" (Kane & Tiell, 2017). When asked why he refused to stand during the National Anthem, Kaepernick explained, "I am not going to stand up to show pride in a flag for a country that oppresses black people and people of color" (Wyche, 2016). While Kaepernick's testimony is honorable in and of itself, we should value all life regardless of skin color, the debate enters when Kaepernick's method to the protest involves a refusal to stand for the National Anthem. According to Manners Mentor, Maralee McKee (2018), "the National Anthem, the United States of America Flag, and the Pledge of Allegiance all have certain protocols (unchanging rules of use) that we as citizens, military, and athletes need to know and follow and pass along to our children."

Due to the size of Nike, they were able to gamble the risk of using Kaepernick in their advertising. Small businesses; however, do not usually have as much room for error. When a small business makes a stand for something they believe in, they will generally risk it all. For example, Jack Phillips, a baker in Denver Colorado, refused to make a wedding cake for a same-sex wedding (Edelman, 2018). He explained that he does not "discriminate" against anybody, and he will "serve anybody" that visits his bakery. He simply does not want to bake cakes "for every message." And, he explained that while same-sex weddings go against his religious beliefs, he would not bake a cake that insulted the LGBTQ community either.

Responsible Entrepreneurship

Responsible entrepreneurship refers to the responsibility one has for their impact on others; thus, using responsible practices to help people and/or the planet through extraneous activities in addition to normal business practices (Fuller & Tian, 2006). Chapple and Moon (2007) wrote that responsible entrepreneurship includes those that do well for themselves and make a significant contribution to society.

Some question if Christian business owners should make money and Peter Freissle unashamedly explains that Christian businesses should be in business to make money, just as any other business would be. However, it is what they do with the money that is different. Freissle serves over 200 employees at Polydeck Screen Corporation, and he founded His Way at Work to "help other businesses learn how to successfully follow through with Christian values in the workplace."

In 1983, the owner of Ouimet-Cordon Bleau Tomasso traveled to Calcutta for a spiritual transformation via an encounter with Mother Theresa (Zalatimo, 2014). Dr. Robert Ouimet questioned Mother Theresa asking, "What should I do with my wealth?" At the time, Ouimet was a highly successful businessman, but neglected his family and had turned to alcohol. He was willing to give Mother Theresa all of his money, but in return, she explained that the money was not his to give away. It was God's money and he had a responsibility to use it to shepherd his flock. Mother Theresa explained, "It has never been yours! It has been entrusted to you by God. Since you have a wife and family, take care of them first, then your employees, and then the wider community."

Defining and Measuring the Entrepreneur Moral Compass

While a plethora of theoretical and practical literature exists for ethical and/or moral concepts pertaining to larger corporations, the focus on entrepreneurial ethics and/or morality is scarce. Large organizations generally have the resources for formal codes of conduct, policies and procedures, mission statement, vision statements, and values statements. These formal documents provide a baseline for how the company will operate and what they will allow happening within their walls and with their resources. Studies show that companies with a written code of conduct or another form of ethical language generally operate with higher moral standards (Ki, Choi, & Lee, 2012). It is important to note, however, that written documents may encourage ethical behavior, but will not guarantee perfect moral character. Companies and individuals such as Arthur Anderson, Bear Stearns, Bernie Madoff, Enron, Lehman Brothers, Martha Stewart, Wells Fargo, and WorldCom remain among a tarnished list of scandalous activity which scared their reputation based on corrupt business practices. Based on this information, the question for entrepreneurs may be, how can I safeguard my company to promote the most ethical behavior possible?

Years ago, a member of the Silent Generation refused to go into her local store. This woman had a strong conviction that her moral compass was violated, and in

return, she refused to spend any of her time or hard earned money in that store. Her behavior at the time was viewed as normal because members of society placed importance on reputation and had a commonality among Christian believers. Many believed that values, virtues, moral character, and noble character traits were important. She stands as a role model for others today to stop and take time to notice business practices to ensure they align with one's personal values.

It is believed Alexander Hamilton said, "Those who stand for nothing fall for anything." Without authentically knowing what one believes in, they are left to judge situations for themselves at the moment, and often, they are persuaded easily by the crowd. Personal values provide a definition, boundaries, and grounding. They provide the framework of what one will allow happening and what they will not allow happening.

The Moral Compass Point of Reference

Having a moral compass provides a point of reference. This compass offers guidance and direction. And, when off track, the compass can help one return to their desired path. It is with a moral compass that one is intentional, purposeful, and living on mission. If one does not know what their values are, they cannot navigate their own journey; they are simply following the crowd or traveling in whatever direction the wind may blow. For many, the Bible offers a guidebook of values that define their moral character. Scriptures such as the Ten Commandments, the Beatitudes, and Proverbs provide an abundant source of wisdom for one to live by. And, such scripture provides clarity for one to discern right from wrong.

Additionally, as an American Citizen, the Constitution of the United States, the Bill of Rights, and all amendments provide guidance of what is acceptable in society. Thankfully, there is congruence between Christian scriptures and the documents drafted and signed by the forefathers of the United States of America. Former Virginia Governor Bob McDonnell (2018) explained that separation of church and state was never intended to remove the church from the government; it was intended to keep the government out of the church.

Christianity around the globe appears to be growing. According to Granberg-Michaelson (2019), "Nearly 50 million more Christians were added in Africa, making it the continent with the most adherents to Christianity in the world, 631 million." Unfortunately, Granberg-Michaelson reports a religious decline in America. According to Pew Research (Wormald, 2017), the rate of American's that identify as Christian is declining; while the rate of American's that identify as not affiliated with any organized religion is increasing. Specifically, 78.4% of American's described themselves as Christians in 2007 and only 70.6% in 2014.

The Harvard University Pluralism Project examines the religious landscape of America. They have noted that "Los Angeles is the most diverse and complex Buddhist city in the world" and "there are over fifty mosques in Atlanta" (Eck, n.d.). With the increase in immigration in America, the religious landscape has shifted from predominately Christian to one of the most religiously diverse nations on the

planet. Eck maps the Hindu temples in Houston, Nashville, and Illinois. She also shows the Buddhist temples in Salt Lake City, Denver, and Oklahoma City. And, the Islamic centers in New York City, Seattle, and Toledo. The fact of the matter is, the more religiously diverse the nation becomes, the more important it is to clearly define one's point of reference for their own moral compass. Is it the Bible, the Torah, the Bhagavad Gita, or the Quran that gives one the knowledge to discern right from wrong?

While some have a bad taste in their mouth when it comes to Christianity, it is important to remember that all people are sinners (Romans 3:23), including Christians. The relationship with Jesus Christ, however, has stood the test of time. The Bible is the best-selling book of all time. It has more than 680 language translations. Many that dislike religion do so because they had a bad experience with sinners, not with Jesus Christ.

Moral Compass and Legal Contradiction

There are several challenging issues in America these days including legalized abortion that contradicts the Sixth Commandment in the Bible, gun violence that involves the Second Amendment and the Sixth Commandment, and the Equality Act that recently passed the United States House of Representatives and supports the LGBTQ community and contradicts many basic beliefs from the Bible such as God creates a human being as either male or female and there is not an option or choice in the matter, as well as marriage is between one man and one woman. These topics are described more below in comparison to the Christian moral compass for the purpose of examining some of the issues individuals and businesses face. The objective of this section is to provide an overview of the topics for the entrepreneur to consider their personal moral compass and establish their viewpoint, hopefully before they are faced with a situation where they need to make a decision.

Gun Violence

In the following example, the issue of gun violence is presented to demonstrate how a moral compass rooted in scripture and an American citizen with beliefs of the Bill of Rights can discern right from wrong. This is a challenging issue and one not to take lightly. According to Everytown, a group that advocates for the reduction of gun violence, as of May 18, 2019, there were 451 incidents of gunfire at schools since 2013 which resulted in 179 deaths, including 33 suicide deaths. Using one's moral compass based on the Christian virtue of "Thy Shall Not Kill," this issue obviously becomes a hot topic because every life is important. Where the issue gets sticky is when attacks come on the Second Amendment, that American's have the right to bear arms.

A common debate throughout the United State of America revolves around gun violence. Especially, when a school shooting occurs, many want to blame the gun

instead of the shooter. There are many arguments made pertaining to this topic. Such arguments include (but are not limited to) (a) guns do not kill people—people kill people, (b) criminals do not follow gun laws, so the Second Amendment should not change, (c) more deaths are caused by abortion (42 million+ in 2018), suicide (47,173 in 2017), and car accidents (40,000+ in 2018), so more time and effort should focus on those reasons of death.

There is no question that gun violence needs to stop; however, the debate arises in how to respond. In response to gun violence in schools, many companies have stopped supporting the National Rifle Association (NRA) and stopped carrying firearms. The following companies severed ties with the NRA in 2018 (this is not an exhaustive list): Allied and North American Van Lines, Best Western, Chubb, Delta Airlines, Dicks Sporting Goods, Enterprise Holdings, First National Bank of Omaha, Kroger, L.L. Bean, MetLife, Teledoc, Transamerica Life Insurance Company, United Airlines, Walmart, Wyndham, and Yeti. This overwhelming response to "blame the gun" instead of looking at the root cause of the issue leaves many perplexed about the connection between the moral compass rooted in Christianity, the Second Amendment, and the crime itself. For the purpose of this section, do you believe entrepreneurs should make decisions that contradict a moral compass based on Christianity and the Second Amendment? Do you believe these decisions would help or hurt your business? And, if you chose to join the list of companies that severed ties with the NRA, do you believe your personal moral compass supports your decision?

Abortion

As laws change, one might find confusion between their moral compass and the law. In other words, what may be legal may not be ethically or morally right. But, without a foundational moral compass, how will one know what is right or wrong? Having a moral compass provides the baseline or foundation for all decisions, behaviors, thoughts, and actions to spring from. Without such a compass, one may think and act on terms of relativism instead of absolutism. When one believes in relativism, they believe that there is no objective measurement for truth or falsehood. Therefore, they may choose to behave in one way based on the notion that the behavior is relative. In other words, they judge the situation and decide if it is right or wrong based on what the outcome might be.

Row vs Wade (1973) opened the door to aborting babies in America. In May 2019, the Vermont House of Representatives provided approval for H.57, a bill supporting "the freedom of reproductive choice" and allowing termination of pregnancy "for any or no reason, up until full-term birth." In other words, a baby can be killed as it exits his or her mother's vagina. Vermont also does not restrict the mother of the child to have any specific age or marital status; therefore, she can terminate the pregnancy without her parent's consent or the consent of her husband (or the baby's father).

Based on a Christian moral compass, this law contradicts the commandment, "Thy Shall Not Kill." Some argue that abortion is needed for a variety of reasons including, but not limited to, (a) an unwanted pregnancy, (b) a health concern for the mother and/or child, or (c) rape or incest. However, others argue that the child is the victim and should not suffer because (a) he or she is unwanted—adoption is an option, (b) health risks are part of pregnancy and it is not our job to play God or make judgment calls about what health issues constitute termination of life, and (c) recognizing that rape or incest is spiritually, psychologically, and physically damaging, the child is not at fault—again, adoption is an option.

In response to the more liberal laws sponsored throughout the country (such as H.57), the Fetal Heartbeat Bill was proposed to make abortions illegal once the heartbeat of the fetus is detected. Currently, each state is proceeding with their own votes on the matter.

As noted above, more than 42 million babies were aborted in 2018. Abby Johnson, a former Director of Planned Parenthood, wrote a book titled Unplanned in 2011. The movie released in 2019 with an "R" rating; many are calling hypocrisy as an underage teen can legally get an abortion in some states without parental consent, but they cannot see the movie. According to Bond (2019), every mainstream television outlet, except Fox News Channel, declined to air the advertisement. This means that networks such as the Cooking Channel, Discovery, Food Network, Hallmark, HGTV, Lifetime, Travel Channel, and the USA Network were offered the advertisement and refused to air it. The First Amendment offers protection for Freedom of Speech, why then were television networks allowed to refuse the paid advertisement?

From a moral compass perspective, one can see how the abortion issue becomes very messy when the government allows for murder of a child; however, the Bible clearly refutes such behavior. Or is it messy? Have the lines become blurry because relativism crept into society opening the door for individuals to make their own rules? The case for absolutism clarifies the issue quickly. Abortion is murder; therefore, it should not occur although it is legal. From the entrepreneurial perspective, this issue may boil down to rhetoric. Will you dig into the facts and avoid persuasion from others? Will your business promote pro-life or pro-choice advertisements, if approached? Are all humans accepted, embraced, and/or tolerated at your establishment despite their choices, country of origin, lifestyle, religious preference, and skin color?

The Equality Act

The Equality Act would extend federal protections under Title VII of the 1964 Civil Rights Act to include sexual orientation and gender identity. According to Andrew Walker (2019) of the Ethics and Religious Liberty Commission of the Southern Baptist Convention, "The Equality act represents the most invasive threat to religious liberty ever proposed in America." If passed, this bill will provide federal protection in every area of public life including Christian education. And, according

to Stonestreet and Carlson (2019), if passed, this bill will target the Religious Freedom Restoration Act, meaning discrimination based on gender identity or sexual orientation would trump religious rights. The concern with this act is that if passed, Christians would not stand a chance with any sort of legal protection in America. Consider what this could do for small business owners with a moral compass based on Christianity. In a previous example where a baker refused service for a homosexual wedding, he was protected under the Religious Freedom Restoration Act. If the Equality Act is passed, such protection may no longer exist. As an entrepreneur, how will this impact your business and the decisions you make?

Same-Sex Relationships

While homosexual relationships are seen throughout history, there is conflict regarding the basis of morality. In many states and countries, same-sex marriages are legal, while others protect the sanctity of marriage promoting a marital union between one man and one woman. While it is not a new phenomenon, it is one that is taking on new legal status at rapid pace. It is important to state up front that Christians do not hate gays. This rhetoric is used and is breeding false narratives, according to Reid (2019). However, many using a Christian moral compass will not promote homosexuality, which does not infer hatred of any kind.

In the past, same-sex relationships were considered taboo and unacceptable. Many hid their secret to avoid blasphemy or bullying. Now, more and more are coming out and many companies are promoting such activity. A growing list of companies pride themselves on being a gay-friendly workplace including, but not limited to, Accenture, AT&T, Baker McKenzie, Coca-Cola, Gap, Google, HP, IBM, IKEA, Microsoft, PayPal, Salesforce, Simmons and Simmons, Target, Transamerica Life Insurance Company, and Uber.

Does your moral compass agree with or disagree with the concept of same-sex couples? Is it appropriate to support a cause that goes against one's moral character? Is it appropriate to refuse to work with someone that does not have similar beliefs? All these questions are being answered in a variety of ways throughout the world today.

Legally, the Religious Freedom Restoration Act allows businesses to refuse service to same-sex couples; however, they cannot discriminate. Small businesses such as Arlene's Flowers in Washington and Memories Pizza in Indiana would not provide service for a homosexual marriage ceremony. Memories Pizza closed their doors permanently in 2018. Meanwhile, a judge ruled on February 18, 2018, that Arlene's Flowers violated the state of Washington's antidiscrimination law and the case has moved to the Supreme Court.

Transgender Modification

Until recently, this act of changing one's physical identity was unheard of. Bruce Jenner was the first celebrity to promote this as an option for anyone wishing to change their gender. President Obama opened up the bathroom door for the Transgender Bathroom Bill. Now, schools are including gender dysphoria in their sex education curriculum, often times without parental consent. And, the American military does not ban transgender individuals from service that were admitted with the 2016 policy; however, laws changed in 2018 and individuals with gender dysphoria are no longer able to join the military without a waiver.

In lieu of supporting health insurance companies that provide benefits for gender dysphoria, companies such as Medi Share are seeing a boost in members that want to make a stand and spend their dollars with biblically based companies. As an entrepreneur, what benefits will you provide to your employees? Will you be intentional with where your money is spent?

In order to change the human body, prescription medication is used to alter hormones. Are these medications causing more harm than good? A recent school shooting in Colorado involved a young lady transitioning to become a young man. Is it possible her actions may have stemmed from the medication just as Prozac was to blame for the Standard Gravure shooting in 1989? Could the desire to change one's gender stem from an underlying issue? Perhaps, water, food, and other products (bottles, cans, clothes, cosmetics, detergents, lotions, medicines, and toys) including hormone disruptors could be to blame. Endocrine disrupters can interfere with human hormones, and they include bisphenol A (BPA), dioxins, pesticides, pharmaceuticals, phthalates, plasticizers, and polychlorinated biphenyls (PCBs). As a moral entrepreneur, is there a responsibility to the public to avoid such toxins?

Sadly, there are numerous examples of companies choosing profit over people and planet. For many consumers, they do not realize they are being poisoned until health problems arise. Unfortunately, there are likely more issues brewing that we are yet aware of. This history of unethical behavior leads consumers to wonder who they can trust.

Measuring Ethics

A study by Erisman and Daniels (2013) recommended using the Fruit of the Spirit in performance reviews to measure precursors to ethical behavior. The basic idea is that scandals such as Enron and WorldCom did not happen overnight. If there is a way to measure ethical behavior before corruption bubbles to the top of the hierarchy, it could possibly bring light to unethical practices earlier rather than later. In 2018, the Fruit of the Spirit scale was developed by Bocarnea et al. Table 5.2 provides a list of instruments, although not an exhaustive list, to help entrepreneurs measure ethics for their workplace.

Table 5.2 Instruments used to measure ethics

Instrument	Subscales	Source
Ethical leadership at work questionnaire	• Fairness • Integrity • Ethical guidance • People orientation • Power sharing • Role clarification • Concern for sustainability	Kalshoven, Den Hartog, and De Hoogh (2011)
Ethics position questionnaire	• Idealism • Realism	Forsyth (1980)
Fruit of the Spirit	• Relationship to God (love, joy, peace) • Relationship to others (patience, kindness, goodness) • Relationship to self (faithfulness, gentleness, self-control)	Bocarnea, Henson, Huizing, Mahan, and Winston (2018)

Additional Measurements and Theories for Entrepreneurs

Entrepreneurs are busy building the business. It is a full-time job that most business owners find consumes every waking moment. With that said, few have time to research theoretical principles that could improve their business. This section is designed to offer an introduction to theories related to the moral entrepreneur as social agents embedded in the context of community. Additionally, a list of instruments that are used to measure a variety of topics within the entrepreneurship umbrella are found in Table 5.3; this list is not exhaustive.

Measuring Entrepreneurship

Critical Theory

Critical theory has roots in Marxism (Bronner, 2011). The main theorists studied with the Frankfurt School in Germany in the 1920s and 1930s. In 1933, the school was closed by the Nazis and the scholars reestablished the institute in New York. Adorno, Benjamin, Fromm, Habermas, Horkheimer, and Marcuse desired to integrate Marxist-oriented philosophy throughout the academic curriculum. It is believed this is seen in retrospect as educational material changed over time from promoting tight family values to encouraging revolutions for individual freedom.

Critical theory gets to the root of who can be trusted because it examines facts through rhetoric and charismatic persuasion. This theory has morphed into the politically correct dogma many American's struggle with today. Consider the "fake news" outrage in America where many are left feeling confused and not knowing where to turn for truth. In a nutshell, the critical theory began with emphasis for humans to question authority, focus on liberation, and ultimately stand up (and even protest) when things do not go their way.

Table 5.3 Measuring entrepreneurship

Instrument	Subscales	Source
Alertness to entrepreneurial opportunity	• Need for achievement • Commitment • Risk-taking propensity	Tang, Tang, and Lohrke (2008)
Entrepreneurial leadership questionnaire	• General entrepreneurial leadership behavior • Explorer behavior • Miner behavior • Accelerator behavior • Integrator behavior	Thornberry (2006)
Entrepreneurial orientation	• Innovativeness • Proactiveness • Risk taking	Miller (1983)
Entrepreneurial quality index	• Ambition index • Innovation index • Collaboration index • Proactiveness index	Santos-cumplido and Liñán (2007)
Moral entrepreneurial scale	• Resistance • Creating public awareness • Anticipating • Mobilizing power	Yurtsever (2003)

Critical theory is the logical analysis or critique of the social experiences and systems of people to determine the visible and invisible forces or structures which constrain, encourage, enhance, or inhibit personal freedom. With critical theory, one can discern right from wrong by looking at the facts and digging into the details. However, one can also use critical theory along with eloquent dialog to frame and promote their cause for equality through diversity and inclusion, while excluding or even repressing a majority of groups intentionally.

Social Development Theory

Vygotsky (1896–1934), a Russian psychologist thought, "we become ourselves through others" and his social development theory explains how community plays a role in the meaning-making element of humankind (Vygotsky, 2012). This theory promotes the idea that humans absorb technical knowledge, values, and wisdom of previous generations through a social context rather than direct instruction.

Social Learning Theory

Bandura's work of understanding why people behave the way they do started in 1963. His social learning theory radically changed the thought process from an inward motivation to behave a particular way based on personal doctrines and inner forces such as drives, impulses, and needs to a communal process (Bandura, 1971).

The social learning theory proposes that learning takes place in community with observations and direct instruction that is reinforced with positive and/or negative feedback. The outcome of the observation is that participants imitate what they have seen.

Social Cognitive Theory

Developed from social learning theory, the social cognitive theory states that when humans observe social interactions with others, those actions are replicated. Additionally, those actions are punished or rewarded to encourage or discourage repeating the behavior. Bandura (1989) wrote that social cognitive theory examines the motivation and "control over one's own thought process."

Conclusion

This chapter focused on The Rise of Entrepreneurs in America, Developing and Measuring Authenticity of Entrepreneurs, Socially Responsible Entrepreneurship, Defining and Measuring the Entrepreneur Moral Compass, and Additional Measurements and Theories for Entrepreneurs. The objective was to consider the point of reference for the moral compass and examine practical and theoretical methods to assess the authenticity, ethics, and responsibility of entrepreneurs in America. It is with much hope and prayer that these five items were reviewed in order to assist entrepreneurs with a point of reference for their own personal moral compass and consider how their business venture will impact the world.

Chapter Takeaways

- In today's world, more people are venturing off on their own to start a business, so now is an opportune time to consider how such start-ups can mitigate ethical risk, avoiding tarnished reputations, and conscientiously do good works.
- Some new businesses start as a result of misfortune. When bad things happen, victims or the families of victims question what to do next. As a result, an entrepreneurial journey may get born.
- Many moral entrepreneur pioneers are finding a way to use their God-given gifts, education, experience, skills, strengths, and talents to honor and glorify God. And, many are doing this at their own expense (for free) without any idea of how to monetize their effort.
- Authentic behavior entails the discovery of one's true self and the assurance that one lives in harmony with their true self.
- Corporate social responsibility is often associated with large companies; however, many small entrepreneurs engage in corporate social responsibility as well.
- Responsible entrepreneurship refers to the responsibility one has for their impact on others, thus using responsible practices to help people and/or the planet through extraneous activities in addition to normal business practices.

- Having a moral compass offers guidance and direction. And, when off track, the compass can help one return to their desired path. With a moral compass, one is intentional, purposeful, and living on mission.
- Critical theory is the logical analysis or critique of the social experiences and systems of people to determine the visible and invisible forces or structures which constrain, encourage, enhance, or inhibit personal freedom.
- Social development theory promotes the idea that humans absorb technical knowledge, values, and wisdom of previous generations through a social context rather than direct instruction.
- Social learning theory proposes that learning takes place in community with observations and direct instruction that is reinforced with positive and/or negative feedback.
- Social cognitive theory states that when humans observe social interactions with others, those actions are replicated.

Reflective Questions

1. The chapter provides several examples of businesses that started as a result of misfortune. Can you select one of these examples and provide an update on the organization's current whereabouts?
2. The chapter discusses coaching as an entrepreneurial venture and shares an example of a coaching company that got in trouble. What is your opinion about coaching companies?
3. Several examples of moral entrepreneurs are provided. Do you consider this a positive trend in the global business landscape? (Please discuss, based on your own research, a moral entrepreneur that has not been mentioned in this chapter.)
4. The chapter presents multiple ways in which authenticity is measured. How do you, personally measure your authenticity?
5. There are still numerous examples of companies choosing profit over people and planet. Do you feel that business should be mainly responsible for making profit, or should expand its horizon to well-being of the community? (Please explain your reasoning.)

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Humility and Social Entrepreneurship

6

Elliott Kruse

Key Topics

- Humility
- Relationship between humility and social entrepreneurship
- Conditions under which humility can impede social entrepreneurship
- Conditions under which humility can boost social entrepreneurship
- Studying humility in the context of social entrepreneurship

Introduction

Social entrepreneurship is often driven by compassion (Miller, Grimes, McMullen, & Vogus, 2012). Social entrepreneurs are at least imagined to care about the needs of others. In turn, focusing on the needs of others is core to the experience of humility (Tangney, 2000). Given this similarity, one might ask whether social entrepreneurs are more likely to be humble than traditional entrepreneurs. And perhaps more importantly: Is that good? If true, is humility an asset or an obstacle for social entrepreneurs?

If humility is a form of self-abasement or timidity (Roberts & Cleveland, 2017), then it may be an obstacle that social entrepreneurs need to overcome. If humility is a form of psychological strength derived from altruism (Peterson & Seligman, 2004), then it may be a leadership resource (Vera & Rodriguez-Lopez, 2004) and an advantage of social over traditional entrepreneurs. The answer to this question is unclear and an opportunity for researchers.

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Of note, social entrepreneurship is a complex phenomenon that is influenced by contextual factors on at least three levels (Saebi, Foss, & Linder, 2019). For the purposes of this chapter, I will focus exclusively on the psychological dimensions of social entrepreneurship of the effects of humility on the social entrepreneur and related stakeholders.

Folk Beliefs About Humility

Defining humility, as with social entrepreneurship, has at times proven challenging (e.g., Nielsen & Marrone, 2018). One approach is to define humility as the average person sees it, in terms of the folk beliefs that surround humility. In general, US Americans have a positive view of humility and see it as a desirable quality (Exline & Geyer, 2004; Nadelhoffer, Wright, Echols, Perini, & Venezia, 2017). At the same time, many are uncertain how useful it is for leaders. This perspective is partly echoed in a Chinese sample, in which humility is seen as a beneficial quality marked by integrity, self-awareness, and other moral traits (Xu, Xu, Anderson, & Caldwell, 2019). However, the Chinese are far more comfortable with humility being both useful and virtuous for leaders.

These folks beliefs are common even from an early age: by 7–8 years old, children prefer intellectually humble characters to intellectually arrogant ones (Hagá & Olson, 2017). That is, from a young age, people perceive humility and its facets as virtues, although our understanding of it may develop across adolescence (Nadelhoffer et al., 2017).

Defining Humility

Beyond the folk beliefs of humility, researchers have their own definitions that vary and yet converge on a cluster of psychological qualities that demarcate humility. Most theoretical conceptions of humility build on six core qualities (Nielsen & Marrone, 2018; Tangney, 2000). These include: (1) an accurate assessment of the self; (2) acknowledgment of one's own limitations and imperfections; (3) openness to new ideas and contradictory information; (4) keeping one's place in the world in perspective; (5) a lack of focus on the self; and (6) an appreciation of the value of all things (Tangney, 2000). Other descriptions elaborate on this list by also including, among other traits, a secure and accepting self-concept and an egalitarian worldview (Chancellor & Lyubomirsky, 2013).

However, this approach can leave something to be desired, as it is not so much a definition as a list of symptoms. One unified definition of humility is that it is "a particular psychological positioning of oneself—namely, one that is both epistemically and ethically aligned" (Wright et al., 2017), by which is meant that the individual has an accurate understanding of their relatively small and fallible place in the world and that the concerns of others are legitimate and worthy of attention. The first part of this definition is mirrored in a definition commonly used in the

organizational literature (Nielsen & Marrone, 2018) that humility is "a self-view that something greater than the self exists" (Ou et al., 2014, p. 37).

Notably, though, it is possible that the list-of-symptoms approach may be appropriate for humility, which has been called, perhaps a little ironically, a "master virtue," meaning a "higher-order virtue that when practiced regularly, facilitates several other virtues" (Lavelock et al., 2017). In other words, one of the key roles of humility may be the promotion of other virtues. As such, if humility is defined by its function, as a virtue regulator, then an ample array of other prosocial qualities would be necessary to its identity and definition.

Subdivisions of Humility

Beyond the general construct of humility, researchers divide it into several components. For example, Weidman et al. found a two-factor structure between "appreciative" and "self-abasing" humility with distinct correlates and character (Weidman, Cheng, & Tracy, 2018). In contrast, Wright et al. also found two factors, but between "low self-focus" and "high other-focus" (Wright, Nadelhoffer, Ross, & Sinnott-Armstrong, 2018). Other researchers have found more complicated structures, such as the four subfactors of the HEXACO Honesty-Humility trait (Ashton & Lee, 2005) or the four of the Comprehensive Intellectual Humility scale (Krumrei-Mancuso & Rouse, 2015).

Beyond these factor structures, humility is often divided by a relevant context. For example, intellectual humility has recently exploded in research (McElroy-Heltzel, Davis, DeBlaere, Worthington, & Hook, 2019). It is humility as it applies to intellectual life: the degree to which people acknowledge the fallibility of their reasoning and beliefs, and are open to others' perspectives (Leary et al., 2017). People who are comparatively more intellectually humble are more open, curious, tolerant of ambiguity, and less dogmatic (Davis, Rice, et al., 2016a; Krumrei-Mancuso, Haggard, LaBouff, & Rowatt, 2019; Leary et al., 2017). In one study, they did not claim knowledge that they did not have (Krumrei-Mancuso et al., 2019). In another, they were less judgmental of others who changed their minds as well as more sensitive to the strength of persuasive arguments (Leary et al., 2017). Notably, IH is independent of general mental ability (Krumrei-Mancuso et al., 2019).

Another popular division is cultural humility, which "incorporates a lifelong commitment to self-evaluation and critique, to redressing the power imbalances in the physician–patient dynamic, and to developing mutually beneficial and nonpaternalistic partnerships with communities on behalf of individuals and defined populations" (Tervalon & Murray-García, 1998, p. 123). Cultural humility echoes the critical self-awareness of intellectual humility, but in the context of historical social inequality, especially within healthcare. For example, in one study, counseling clients who perceived their counsellor as culturally humble also reported fewer racial microaggressions from them (Hook et al., 2016). Often, simulations are used to help

healthcare workers understand the experiences of people from different social groups (Foronda et al., 2018).

Finally, although humility is normally conceived of as a trait, a quality that is relatively stable, research on state humility suggests that it can fluctuate across time (e.g., Kesebir, 2014; Kruse, Chancellor, & Lyubomirsky, 2017; Weidman & Tracy, 2017; Zachry, Phan, Blackie, & Jayawickreme, 2018). The plasticity of humility has allowed for experimentation on what can boost (or reduce) humility and, in turn, what are the effects of humility. For example, in one study, feeling grateful increased state humility (Kruse, Chancellor, Ruberton, & Lyubomirsky, 2014). In another, state humility increased behavioral self-control (Tong et al., 2016). Conceiving of humility as a short-term experience makes experimental approaches possible.

A comprehensive review of all the domains in which humility has been explored would exceed the scope of this chapter, but at least four contexts have dominated the literature: (1) leadership and organizations (e.g., Chiu, Owens, & Tesluk, 2016; Owens & Hekman, 2015; Sousa & van Dierendonck, 2017), (2) ideology and conflict (e.g., Hopkin, Hoyle, & Toner, 2014; Leary et al., 2017), (3) relationships (e.g., Reid et al., 2018; Wang, Edwards, & Hill, 2017a), and (4) religion (e.g., Grubbs & Exline, 2014; Jankowski & Sandage, 2014).

What Humility Is Not

Folk conceptions of humility vary widely, and researchers may use their own when developing theory. Therefore, it is equally important to define what humility is not. In particular, humility is not modesty, a lack of self-esteem, a mere absence of narcissism, or humblebragging.

Modesty

First, modesty is a social behavior marked by shyness and a lack of boastfulness (Gregg, Hart, Sedikides, & Kumashiro, 2008). It is very closely related to humility (Davis, McElroy, et al., 2016b; Hilbig, Heydasch, & Zettler, 2014), but modesty includes a sensitivity to social demands that does not necessarily exist in humility (Peterson & Seligman, 2004). In line with this description, in one vignette study, humility predicted a willingness to speak up against a bad consensus, even in the face of social backlash, whereas modesty marginally predicted the opposite (Kruse et al., 2017). Relatedly, priming modesty in others causes them to describe themselves in less positive terms, in contrast to the balance of positive and negative theorized for humility (Shi, Sedikides, Cai, Liu, & Yang, 2017). Modesty and humility are closely linked constructs, but diverge in theoretically meaningful situations.

Self-Esteem

Similarly, in general, humility has been found to have a weak, if any, relationship with self-esteem across different methods and measures (e.g., Kesebir, 2014; Kruse et al., 2017; Rowatt et al., 2006; Tong et al., 2016). For example, in one set of experiments, inducing humility did not reduce state self-esteem (Tong et al., 2016).

However, the lack of relationship may depend on how humility is defined, as in Weidman et al.'s two-factor framework, self-abasing humility correlated very negatively with self-esteem (Weidman et al., 2018).

Narcissism

Third, narcissism is normally described as a grandiose and inflated sense of self, coupled with a sense of entitlement and superiority (Paulhus & Williams, 2002; Raskin & Hall, 1979). Unsurprisingly, it correlates negatively with humility. However, much like modesty, humility and narcissism diverge in theoretically notable areas. Perhaps most surprisingly, humility and narcissism may co-exist and even interact positively to produce beneficial leadership outcomes (Owens, Wallace, & Waldman, 2015). The constructs must be at least partially independent in order to interact in this way.

Humblebragging

Finally, recent research has begun to shed light on "humblebragging," a self-presentation strategy in which people frame a complaint or boast in the form of humility (Sezer, Gino, & Norton, 2018). Despite its ubiquity on social media, humblebragging is neither convincing nor effective as a social strategy (Grant, Hodge, & Sinha, 2018; Sezer et al., 2018). Humblebragging represents the performance of humility but toward nonhumble aims.

Taken together, these four constructs carve out the negative space of humility, what it is not, to give us a better view of its silhouette, what it is.

Social Entrepreneurship and Humility

Social entrepreneurship (SE) is difficult to define because it is an "essentially contested concept" (Choi & Majumdar, 2014) and may depend on regional differences (Bacq & Janssen, 2011; Kerlin, 2010). However, this chapter is not a review of the SE concept; I trust the reader currently has in hand a better tool for that. For the purposes of this chapter, then I follow Miller et al. that SE is "the process of launching a hybrid organizational form that creates social value through market-based methods" (Miller, Grimes, McMullen, & Vogus, 2012, p. 617).

The Interaction of Humility and Social Entrepreneurship

Given this definition, the first question one might ask is whether social entrepreneurs themselves are more or less likely to be humble. No evidence to my knowledge has directly answered this question, but people with SE intentions have higher self-transcendence and lower self-enhancement values (Sastre-Castillo, Peris-Ortiz, & Valle, 2015), which may reflect greater humility. If a relationship exists between these two constructs, then three pathways are possible by which this might be the case: (1) that humility predicts SE (e.g., people who are humble are more likely to

become SEs), (2) that SE predicts humility (e.g., that social entrepreneurial behavior is humbling), or (3) that a third factor predicts both separately.

With respect to a potential third factor, in SEs, agreeableness predicts startup intentions among other things (Nga & Shamuganathan, 2010). It is possible that a general prosocial orientation, represented by agreeableness, may indirectly connect social entrepreneurial to humility.

With respect to whether people who are humble are more likely to become social entrepreneurs, evidence suggests that people who are humble tend to also be more altruistic and compassionate (e.g., Exline & Hill, 2012; Kruse et al., 2017). To the degree that compassion is one of the motivators of social entrepreneurship (e.g., Miller et al., 2012), people who are humble may be relatively more likely to pursue it.

Finally, can social entrepreneurial behavior cause humility? Independent of how any challenging pursuit may be a humbling experience, SE may elicit humility. Humility is marked by a focus on others, and some evidence suggests that other-focused emotions and experiences can induce humility. For example, in one study, the experience of gratitude, an other-focused emotion, increased feelings of humility (Kruse et al., 2014). To the degree that social entrepreneurship is driven by prosocial motivations, a focus on others, doing it may activate an other-focused orientation that is in turn humbling.

Indeed, using the same framework as the gratitude study, it is possible that all three of these pathways may co-occur: that SE may elicit humility by increasing one's focus on others, and humility itself may facilitate other-focused sentiments that drive SE. As with gratitude, then humility and SE behavior may mutually reinforce each other into an upward spiral. In this scenario, there is no one single relationship between humility and SE, but rather a complex and bidirectional dynamic across time.

Finally, before moving on, let us consider a dark fourth scenario: Can social entrepreneurial behavior reduce humility? In at least one study, social entrepreneurial behavior was related to an increased sense of entitlement (McMullen & Bergman, 2017) and entitlement has a strong negative relationship with humility (Kruse et al., 2017). Relatedly, prosocial behavior, in general, may create a sense of moral licensing, in which people feel that they may act selfishly in one context because they have previously been selfless in others (Blanken, van de Ven, & Zeelenberg, 2015). Given either relationship, social entrepreneurial behavior may drive some people to arrogance rather than humility.

Further research should explore these relationships; the strength of any given relationship may depend on the situation or the individuals' character. For the purposes of this chapter, I will presuppose that the facilitative relationship between humility and SE is stronger than the deleterious one, given the multiple theoretical channels of effect.

The Central Question

If social entrepreneurs are more likely to be humble than average, then does this help or harm them? It is easy to imagine how humility could be an obstacle for traditional entrepreneurship, true or not. Part of the Western folk theory of humility is that it may not be beneficial to leaders (Exline & Geyer, 2004). Across history, several philosophical accounts described humility as self-abasement or unworthiness (Roberts & Cleveland, 2017). One could speculate that if social entrepreneurs need a strongly positive sense of self to weather the many challenges of starting an organization, then perhaps humility may cause them to doubt themselves when they need to hold firm instead.

Relatedly, social entrepreneurs are often described as navigating between two conflicting goals, the social mission and economic viability (e.g., W. K. Smith, Gonin, & Besharov, 2013). Scholars warn of what happens when SEs focus on just one versus the other, whether mission drift (Jones, 2007) or financial collapse. If the humble are focused on their values, above even themselves, then it is easy to imagine how they may quickly lose sight of the financial needs of the organization, failing at balancing the "performing tension" inherent to the work (W. K. Smith et al., 2013).

Given the above proposition that social entrepreneurs are more likely to be humble, if humility also impedes social entrepreneurial performance, then a tragic irony exists: A common component or consequence of social entrepreneurship may itself obstruct success for social entrepreneurs. In other words, by sake of its virtuousness, the practice of social entrepreneurship would be *intrinsically self-sabotaging*. In the next section, I will review evidence whether humility facilitates or obstructs SE effectiveness.

Does Humility Help or Harm Social Entrepreneurs?

Humility Impedes Social Entrepreneurial Performance

As mentioned above, some historical arguments described humility as being one of unworthiness or timidity (Roberts & Cleveland, 2017). Per these theories, one could imagine that people who are humble would not advocate for themselves, for their ideas, and in general may avoid conflict. To the degree that all entrepreneurs, regardless of type, need to promote their vision and pursue opportunity, humility may weaken the agency of entrepreneurs.

However, as described, these historical arguments have not been supported by recent evidence. With the exception of Weidman et al. (2018), humility is not usually related to a sense of unworthiness and, to the contrary, may be related to a secure sense of self (Kruse et al., 2017). That being said, humility does relate closely with modesty, which itself can involve timidity. Notably, many social entrepreneurs feel less self-efficacy in their entrepreneurial skillset, relative to traditional entrepreneurs (Bacq, Hartog, & Hoogendoorn, 2016). To the degree that modesty and

humility overlap, social entrepreneurs may suffer from a maladaptive lack of agency, especially compared to traditional entrepreneurs.

Second, folk theories of humility suggest that the humble are not extraverted or outgoing people and some recent evidence does support a link between humility and introversion (e.g., Kruse et al., 2017). To the degree that entrepreneurs need to *look like* an entrepreneur, to fit a prototype—bold, extraverted, charismatic—in order to convince others to support them (e.g., Yao, Farmer, & Kung-McIntyre, 2016), humility may create problems for social entrepreneurs.

However, the relationship between humility and introversion is not strong; humble extraverts do exist (e.g., Kruse et al., 2017). Furthermore, the actual prototype social entrepreneurs prioritize hard work and vision over extraversion (Yao et al., 2016). Lastly, social entrepreneurs may be compared to a different prototype than traditional entrepreneurs. Whether humility is a problem for social entrepreneurs depends heavily on what is meant by humility and how it is expressed. Although humility is not modesty or introversion, it does co-occur with those traits and they at times may be obstacles for entrepreneurs.

Humility Benefits Social Entrepreneurial Performance: Proximal Relationships

In the next two section, I will review evidence that humility is a strength for social entrepreneurs. First, I will explore this possibility using the core definition and widely agreed features of humility (e.g., prosociality). Second, I will consider some relatively less obvious ways that humility may be beneficial.

Prosocial Motivation

One of the most consistent markers of humility is a focus on others. Humility is related to empathy (Kruse et al., 2017), generosity (Exline & Hill, 2012), appreciation of other people (Weidman et al., 2018), and a general orientation toward their well-being (Wright et al., 2018). In turn, SE can be motivated and sustained by compassion (Miller et al., 2012). Although humility may not directly increase focus on others, it seems to predict a greater sensitivity to it (Kruse et al., 2014). That is, humility may not be the fuel that drives social entrepreneurship, but it may represent a comparatively larger gas tank. Furthermore, agreeableness, a trait related to other focus, predicts multiple elements of successful social entrepreneurship, including social vision, sustainability, social networks, innovation, and financial returns (Nga & Shamuganathan, 2010); humility may be one mediator of these relationships.

Collaboration

Social entrepreneurship is often romanticized as the work of heroic individuals, but the reality is that collective effort is essential to social innovation; social innovation is itself a social process that is reliant on networking and social learning (McElroy, 2002). Relatedly, one of the key aspects of intellectual humility is an openness to others perspectives and a willingness to be taught (Krumrei-Mancuso et al., 2019;

Leary et al., 2017). To the degree that social entrepreneurs must remain open to others ideas in order to innovate (McElroy, 2002), intellectual humility may be an asset. Going further, innovation may at times involve tense conflict within teams, moderated by trust (e.g., De Clercq, Thongpapanl, & Dimov, 2009). As humility predicts less dogmatism and a willingness to listen to people one disagrees with (e.g., Leary et al., 2017), as well as greater perceived trustworthiness (Huynh, Johnson, & Wehe, 2019), it may improve the quality and outcome of intrateam conflict.

Moral Entitlement

As previously discussed, social entrepreneurial behavior can be a source of a sense of entitlement, and this in turn may threaten the long-term viability of the organization (McMullen & Bergman, 2017). Humility and entitlement are strongly negatively correlated (Kruse et al., 2017). As such, if that relationship is at least partly causal, with the two inhibiting the other, then humility may serve as an antidote to any entitlement or moral licensing caused by the social mission. Reduced moral entitlement could, in turn, increase the lifespan of the organization.

Delegation

Looking specifically at leadership skills, good delegation requires that the leader know the respective strengths of their team, as well their own limitations (e.g., where someone else would be more effective), as well as the communication skills to explain the task and its importance. One of the defining features of humility is the balanced awareness of one's strengths and limitations (Chancellor & Lyubomirsky, 2013; Tangney, 2000). Furthermore, in the medical context, humility predicts comparatively stronger communication skills in doctors communicating to patients (Ruberton et al., 2016). Therefore, one might hypothesize that humble leaders are relatively better delegators.

Taken together, humility may boost social entrepreneurial performance along many different pathways: stronger prosocial motivation, more openness to ideas and contrary opinions, fluid collaboration, better delegation, and reduced entitlement and moral licensing. In other words, humility may act as a lubricant to the "social innovation system" (Phillips, Lee, Ghobadian, O'Regan, & James, 2015) that sustains social entrepreneurship.

Humility Benefits Social Entrepreneurial Performance: Distal Relationships

Next, I will discuss some of the distal relationships implied by theory. These are the hypotheses that may generate fruitful research lines but are not obvious from the definition of humility.

Cognition and Creativity

As described, openness and curiosity are key aspects of intellectual humility (Krumrei-Mancuso & Rouse, 2015; Leary et al., 2017). For one, humility correlates with creative problem-solving, even though the humble do not think they are more creative than others (Kruse et al., 2017), in contrast to narcissists who think they are creative but are not (Goncalo, Flynn, & Kim, 2010). Going further, leaders humility predicts team creativity through multiple mediating pathways (Hu, Erdogan, Jiang, Bauer, & Liu, 2018; J. Wang, Zhang, & Jia, 2017b; X. Wang, Li, & Yin, 2019). As previously discussed, humility may support collective innovation, but it may also directly facilitate creativity. To the degree that social entrepreneurs need to be creative, whether to innovate (e.g., Phillips et al., 2015) or to engage in social bricolage (Di Domenico, Haugh, & Tracey, 2010), humility may be a strength. Interestingly, SEs demonstrate more creativity than traditional entrepreneurs (R. Smith, Watts, & Bell, 2014); humility may serve as one of the mediators this effect.

Empowerment

Although humility is often believed to involve not putting oneself above others, tentative research also suggests that the humble are egalitarian in general (Kruse et al., 2017). Several studies in the organizational literature have found that humble leaders seek to empower their followers (Chen, Liu, Zhang, & Qian, 2018; Jeung & Yoon, 2016; Ou et al., 2014). In other words, humility may involve more than simply avoiding superiority but also a desire to elevate others. From this perspective, then the humble may be more likely to pursue not just social but specifically *emancipatory* entrepreneurship (e.g., Goss, Jones, Betta, & Latham, 2011; Haugh & Talwar, 2016). Humility may predict not just taking up a social mission, but also the kind of mission.

Legitimacy

Organizational legitimacy is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). To the degree that humility is a "master virtue" that regulates other values (Lavelock et al., 2017), it may keep social entrepreneurs focused on their social mission, avoiding mission drift that may threaten the perceived legitimacy of the organization (Jones, 2007). Furthermore, in at least one study, leaders who were rated as humble were also trusted more (Huynh et al., 2019). Greater trustworthiness plus overall empathetic orientation and willingness to listen may help social entrepreneurs navigate the complex web of stakeholder concerns. This effect may in turn support perceived legitimacy even in complicated situations.

How Can Humility Be Measured and Manipulated?

In the final section of this chapter, I provide a toolkit of measures and interventions for the social entrepreneurship researcher who wants to incorporate humility into their research. Where once there was a paucity of options (Tangney, 2000), there is now a wealth (Nielsen & Marrone, 2018). However, with respect to measures, the work is easy: McElroy-Heltzel et al. (2019) reviewed 22 different measures of humility across different type and method. As they describe it, there is now an "embarrassment of riches" in the field, but that the measures vary in the empirical support for their validity and utility. Regardless, with the multiplicity of options available, the inquisitive researcher is sure to find a tool to fit their needs.

In terms of interventions, there are two major options. The first is to induce an antecedent of humility. For example, as previously described, writing a letter of gratitude can elicit humility (Kruse et al., 2014). Furthermore, under certain conditions, self-affirmation can as well (Kruse et al., 2017). However, in both cases, the manipulation is directly inducing a different state and humility indirectly. This may be a boon if the researcher is interested in that particular relationship, but may be a confound otherwise.

In the second option, several researchers have directly elicited humility through writing tasks. Most commonly, this intervention involves recalling a time the participant felt humble (Kesebir, 2014; Tong et al., 2016; Weidman et al., 2018). Alternately, this approach has also been used to reduce humility, by having participants write about a time they felt superior (Kruse et al., 2017).

Notably, additional information is often provided to ensure the participant knows what was meant by humility. Kesebir (2014) clarified that "we do NOT want you to write about a humiliating event." Tong et al. (2016), in their first study, included a short vignette about a humble person. Weidman et al. (2018) provided additional adjectives in line with their two distinct factors of humility.

However, not all writing tasks are recall tasks. Lavelock et al. (2017) describe an 80-page workbook in which participants completed five different activities intended to promote humility. Unlike the recall method, the workbook is not intended to increase state humility but rather cultivate humility as a stable virtue. Experimental interventions are available to elicit both short- and long-term effects.

Conclusion

Humility is a nascent but flourishing field. In the past 10 years, the literature has exploded due to the support of institutions like the Templeton Foundation. There now exists enough literature to support robust theory building and hypothesis testing, but enough space remains to allow for wide-ranging exploration. To date, very little—indeed, almost no—research has examined humility and entrepreneurship directly.

I argue that this is unfortunate because both constructs have a nearly unique capacity to inform the other. Social entrepreneurship is a context that may force

apart humility at its seams, requiring both agency and altruism in a way that could elucidate the nature and definition of humility. In turn, humility may be either an essential strength or a fatal error in social entrepreneurship, and one that critically distinguishes it from traditional entrepreneurship.

Reviewing the extant literature, I propose that humility is more likely to be a strength than a weakness in this context. Yet, in the spirit of intellectual humility, for now we must remain open on this question. I hope that this chapter serves to equip the social entrepreneurship researcher to better pursue the answer.

Chapter Takeaways

- Both humility and social entrepreneurship are difficult to define and each uniquely illuminates the other.
- Humility and social entrepreneurship may be intertwined in a mutually influencing causal relationship.
- Whether humility would promote or impede social entrepreneurial performance depends on the definition of humility.
- Using the most common theoretical definition, and extant evidence, humility is more likely to help than harm social entrepreneurs.
- As such, it is worthy of further study in this context, and this chapter provides a collection of methods and unexplored research questions to help social entrepreneurship researchers study humility.

Reflection Questions

1. People vary in their folk beliefs about what humility is. What are the consequences of this? Does holding different beliefs about the nature or value of humility shape its effect on performance? For example, does having a negative view of humility obstruct the potential benefits?
2. Is narcissism always antagonistic to prosocial goals? For example, Fatfouta and Schröder-Abé (2018) describe "communal narcissists," people who appear altruistic but for narcissistic reasons. Could communal narcissists ever be confused for the humble? What would be the consequences of these "communal narcissists" in social entrepreneurship? For example, would they be more or less likely to engage in mission drift?
3. Social entrepreneurship is partly defined by tension between conflicting goals and identities (W. K. Smith et al., 2013). If humility were related to a sense of "egolessness," would that make them better or worse able to manage paradoxical identities?
4. Some research has identified different types of social entrepreneur, such as the social bricoleur, social constructionists, and social engineer (Zahra, Gedajlovic, Neubaum, & Shulman, 2009). Given the relationships described in this chapter, would the effect of humility vary between these different types?

5. Research on humility has to date been focused within the Western world. Considering the importance of social entrepreneurship to the global business world, how does culture interact with these factors? For example: How recognizable is humility across cultures? Could a social entrepreneur be seen as humble in context but arrogant in another?

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Social Intrapreneurs: Rebels for Good

7

Princess Olabusayo Anifowose and Eugene Agboifo Ohu

Key Topics

- Providing conceptual clarity on intrapreneurship
- Contrasting intrapreneurship and entrepreneurship
- Social intrapreneurs (SI) as key to sustainable social impact and profit
- Internal obstacles SIs face with top management
- The social intrapreneurial toolbox for convincing top management

> *I wanted to keep one foot in the company – and one foot in society*
> **—Santiago Gowland, Unilever (The Social Intrapreneur, 2008, p. 24)**

Innovations within big organizations can often be traced to single individuals, who either generate or champion novel ideas before they are proven and become mainstream. They take risks and standalone until they can convince others to believe in what began as a dream. Intrapreneurial behavior may involve strategic renewal for their companies, which helps the firm to discover and take advantage of new opportunities for growth, to compete with others, or to survive changing circumstances. These individual employees are called intrapreneurs, a term first used by Gifford Pinchot in a paper written in 1985 (Grayson, McLaren, & Spitzeck, 2014). Intrapreneurship and its closely related concept of entrepreneurship will serve as background to understanding social intrapreneurs: who they are, where they are, why they exist, how to discover them, what values they bring, and how to foster it.

Social intrapreneurship is related to social entrepreneurship because both involve social agents who combine the innovative traits of intrapreneurship/entrepreneurship with the passion for social change and innovation. While the intrapreneur exist

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and operate within an organization, usually as an employee, the entrepreneur works outside a structure, and usually alone or with a few others. Social intrapreneurs are a bridge between profit creation and social benefit generation. The first recognized report on social intrapreneurs (SI) was done in 2008 by *SustainAbility* (Nijhof, Looise, & de Leede, 2012; Grayson et al., 2014; Belinfanti, 2015a, (Forthcoming); Hadad & Cantaragiu, 2017).

According to John Elkington in the book "*Social Intrapreneurism and All That Jazz,*" social entrepreneurs (SE) ought to take credit for discovering social intrapreneurs, because they recognized the existence of agents like them, but within organizations, with whom they desired greater collaboration because they had mutual passion for social impact (Grayson et al., 2014; SustainAbility, 2008). Thus, Grayson et al. (2014) describe social intrapreneurs (SI) as "people within a large corporation who take direct initiative for innovations that address social or environmental challenges while also creating commercial value for the company" (Spitzeck, Boechat, & Sergio, 2013).

The rest of the chapter is arranged as follows. We draw attention to the different conceptions of social intrapreneurship with a view to providing some clarity. There is a brief introduction of the entrepreneur, with whom the intrapreneur shares many features. Contrasting them helps to highlight the strength of each which provides justification for a later suggestion on their mutual complementarity. We then consider two major perspectives in the definition of intrapreneurship: the organizational and the individual. Risk taking is an essential part of the intrapreneurial spirit. We briefly highlight this and provide an example of an organizational paradigm that helps some employees manage this risk. Having thus laid the foundation of attributes of the intrapreneur, the chapter introduces the social aspect, leading to a more detailed discussion of the social intrapreneur. There is a featured case in point to illustrate the social intrapreneurial mindset, followed by some learnings from that instance. The chapter ends with some suggested takeaways and reflection questions.

Toward Conceptual Clarity

Intrapreneurship is a relatively new term (Antoncic & Hisrich, 2003; Blanka, 2018). As a result, there is sometimes confusion of terms and, thus, lack of conceptual clarity. While each proponent has apparently valid arguments to support their chosen definition, the lack of shared meaning regarding the term "intrapreneur" and "intrapreneurship" may mean that the conversations may not be about the same thing (Blanka, 2018; Pinchot, 1985). Consider the following definitions of intrapreneurship:

> *The process whereby firms engage in diversification through internal development* (Gawke, Gorgievski, & Bakker, 2019, p. 4)
> *An organization's corporate venturing and strategic renewal activities as a result of its employees' intrapreneurial behaviours and effective use of human resources management* (Gawke et al., 2019, p. 4).

A specific type of agentic, strategic work behavior comprising employee venture behaviour and strategic renewal behaviour (Gawke et al., 2019, p. 9)

Although Blanka (2018) suggests that the diverse definitions depend on the research focus and goals of the various authors, in which case a general-level definition would suffice, we, however, agree with Gawke et al. (2019) that theoretical advancement in an area of knowledge demand clarity of concepts. It will thus be beneficial to attempt to harmonize the seemingly varied definitions of intrapreneurship.

Entrepreneurs began it all Describing intrapreneurship as *entrepreneurship behavior* suggests a prior understanding and a discussion (albeit brief) about entrepreneurship. Entrepreneurs conceive of new ideas to satisfy a need or to solve a problem. They may go to great lengths, often using unconventional means to achieve goals they set themselves (Aydin, Araz, & Ozer-Imer, 2018; Gerpott & Kieser, 2017; Conger, 2015).

If we tried to think of a good idea, we wouldn't have been able to think of a good idea. You just have to find the solution for a problem in your own life. – **Brian Chesky, Co-founder of Airbnb** ("*4 Things Airbnb's Brian Chesky Thinks All Young Entrepreneurs Need to Know*," Close, 2015)

Others may have seen the problem that got the entrepreneur started on their quest, but did not take the plunge. In taking the risky leap, entrepreneurs may find themselves alone, lacking either the time or the resources to convince others to join them. Being ahead of their time and taking seemingly unjustified risks, entrepreneurs have to rely on their own resources or that of friends and family to execute their dream. The entrepreneurial quest, thus, becomes a life mission. Money and profit are secondary outcomes based on the value people find in the services or products they develop (Cardon, Wincent, Singh, & Drnovsek, 2009; Renko, 2013; Shane, Locke, & Collins, 2003). These outcomes grow to the degree to which the value solves life's problems or satisfies unmet needs.

Intrapreneurs are *Entrepreneurs who are inside* Pinchot (1985) highlighted the importance of the organizational context as essential to the origin and understanding of intrapreneurship. According to him, the organizational context differentiates an intrapreneur from an entrepreneur: the first is inside and the second is outside the organization. Similarity in the traits of both (daring, risk taking, innovation, etc.) makes some authors describe the intrapreneur as "*entrepreneurs within/inside the organization*" (Pinchot & Pellman, 1999; Antoncic & Antoncic, 2011; Baruah & Ward, 2015; Turro et al., 2016).

Like entrepreneurs, intrapreneurs discover opportunities based on needs waiting to be satisfied for themselves or for others. Entrepreneurs set about finding solutions, even if no one else does, but unlike entrepreneurs, intrapreneurs do this from within an existing organization (Maier & Zenovia, 2011).

Entrepreneurs may have a more difficult start due to a shortage of startup resources (Renko, 2013; Tuazon, Bellavitis, & Filatotchev, 2018), while intrapreneurs can often rely on the resources of their employer (bigger organization). While the former may risk or stake their own resources, the latter may safely experiment with the resources belonging to their company (Baruah & Ward, 2015; Camelo-Ordaz, Fernández-Alles, Ruiz-Navarro, & Sousa-Ginel, 2012). Should the endeavor fail, intrapreneurs can usually fall back on their regular job, abandon the idea, and choose to try again at a future date (Pinchot, 1985; Pinchot & Pellman, 1999). A single failure may be the end of the experiment, and sometimes business, for an entrepreneur, who may have staked all they had (Renko, 2013).

People trying out new ideas need the freedom to make decisions without being held back or slowed down by bureaucracy, policies, and official structures. While entrepreneurs enjoy relative freedom as they operate with little restrictions, intrapreneurs have to fit their plans and projects within existing organizational approvals and frameworks. This may slow them down compared to the flexibility the entrepreneur enjoys.

Working in a structured organization, however, comes with benefits in terms of vicarious learning and sharing from the experiences of colleagues. Intrapreneurs can take advantage of this to do a more elaborate planning and forecasting. Such plans may be a major determinant of success, or in the case of the lone entrepreneur, of failure.

The amount of resources available to innovators may be a key factor of success. Some stages of the ideas development may need a huge injection of funds and resources at one time in order to surmount a particular obstacle or attain a threshold. Compared to the entrepreneur who may be investing money in trickles, the intrapreneur, who is using the resources of the company, may be better placed to get that huge financial outlay.

Intrapreneurs in potency Extant literature is largely silent on whether one can be called an intrapreneur ab initio, solely by having the potential, or only when the potential is actualized (Blanka, 2018; Pinchot, 1985).

An intrapreneur could be anyone with the needed attributes, even if these remain latent and are never activated, because the person neither did not recognize their existence nor did not get an opportunity to actualize them. Second, an intrapreneur could refer to someone who successfully implemented a new idea (Camelo-Ordaz et al., 2012). A third perspective could be to consider an intrapreneur as a person who, recognizing in themselves the existence of these attributes, proceed to put them into effect. In this case, they are intrapreneurs by the fact of acting as one (intrapreneur in actu). Even if they then fail in their intrapreneurial endeavor, they would still remain intrapreneurs. The attributes belong to them, although they did not get a chance to use them successfully. We prefer this last approach.

Organizational and Individual Perspectives Two paradigms emerge from the different conceptions of intrapreneurship: the organizational and the individual,

depending on whether one considers the organization, the environment within which the attitudes and actions of intrapreneurship subsist, or one considers the individual(s) who embodies the attitudes or performs the actions (Baruah & Ward, 2015; Blanka, 2018; Gawke et al., 2019).

Organizational According to this paradigm, an organization (although abstract and inanimate) is responsible for the observed behaviors and traits of intrapreneurship and is credited with all the attributes such as risk taking, innovation, and proactivity. Those who describe intrapreneurship from the organizational perspective may also be referring to the origin of the attitude. In this sense, the origin could be top-down, as when top management conceives of an entrepreneurial idea and pass it down to lower level managers or employees to execute. It could also be bottom-up where a lower level manager or employee comes up with the idea, but seek higher level approval, support, and resources.

Individual Gawke et al.'s (2019) description of intrapreneurship as "an organization's corporate venturing and strategic renewal activities as a result of the employee's intrapreneurial behaviors and effective use of human resources management" (Gawke et al., 2019, p. 4) recognizes the agency of the individual employee, rather than a depersonalized organization.

In support of the individual perspective, we agree with Blanka (2018) and Gawke et al. (2019) that the individual remains the agent. It is a specific individual who conceives of an idea, promotes, and/or executes it. Even when top management approves it, it is an individual, thinking, top-manager who examines the facts and then decides to either support or deny approval (Gauthier, Meyer, & Cohen, 2016; Gawke et al., 2019). Thus, it is a specific individual who is the intrapreneur and is responsible for whatever intrapreneurial ideas may exist in the organization (Bierwerth, Schwens, Isidor, & Kabst, 2015). Abstract concepts neither think nor perform act, even though some present the organization as the actor, such as Burgelman (1983) who define intrapreneurship as "*the process whereby firms engage in diversification through internal development.*" A focus on the individual actor is a step toward achieving conceptual clarity and a shared meaning among discussants.

Common Ground (Between Organization and Individual) Depending on whether one considers the organizational or individual perspective, Blanka (2018) refers to the terms (1) entrepreneurial orientation, (2) corporate entrepreneurship, and (3) intrapreneurship. The first refers to the actions and climate of an organization where innovation would be seen as dimensions of overall strategy making. Entrepreneurial orientation (EO) would be a firm-level construct that is observed throughout the organization, albeit a collection of EO behaviors. Entrepreneurial orientation refers to the atmosphere or climate within an organization, which makes it easy or possible

for individuals to discover in themselves, foster, and exhibit intrapreneurial behaviors (Blanka, 2018; Wales, 2016). Such orientation includes a proclivity toward innovation and toward risk taking.

Corporate entrepreneurship (CE) would be composed of corporate venturing (CV) and strategic renewal. According to Narayanan, Yang, and Zahra (2009), corporate venturing refers to the creation and integration of new businesses, and strategic renewal is the process of looking out for and taking advantage of opportunities (Gawke et al., 2019). Whatever organizations do to react to internal and external circumstances or advancements would be classified as strategic renewal. "Intrapreneurship" refers to the behaviors (of individuals) that bring about the observed effects. Both sets of authors are mainly saying the same thing.

The organization is, of course, very important in the existence and execution of intrapreneurial potentials. The environment they create and the support of managers are necessary conditions for intrapreneurs to thrive (Gawke, Gorgievski, & Bakker, 2017). That an employee experiences and freely actualizes the desire to dream and to innovate is to a large extent due to the people in organizational leadership positions at different levels: low, middle, and senior managers. There is research showing that transformational leadership styles foster intrapreneurial behavior in employees (Aydin et al., 2018).

The individual-level perspective, just as it highlights the agentic action of the actor, also makes it possible and easy to focus on the individual-person characteristics that may be responsible for the intrapreneurial actions. The personality trait of the actor may predict intrapreneurial attributes. For instance, based on the five-factor model of personality, openness to experience may predict creativity and innovation (Farrukh, Ying, & Mansori, 2016; Sinha & Srivastava, 2013). According to literature, one differentiating factor between an intrapreneur and an entrepreneur is that the former is more risk averse, while the latter is less (Bouchard & Basso, 2011; Tietz & Parker, 2012).

Intrapreneurs as Failed Entrepreneurs?

Not every potential intrapreneur has understanding bosses or is able to convince top management to approve their ideas.

Intrapreneurs hope to find comfort in the security of an established organization to try out their new ideas. They can count on available company resources, human, and material (de jong et al., 2015). This reduces the risk they take because should the ideas fail, they would fall back on their regular jobs. Intrapreneurs need the support of top management to pursue their dreams (Honig, 2017; Pinchot, 1985; Veenker, van der Sijde, During, & Nijhof, 2008). This will be a function of their power of persuasion. Failure to persuade top management would often mean a failure of the takeoff of the idea, or at least a delay. To the extent to which this dream does not proceed, the intrapreneurship intention and idea could be described as a failure, albeit temporarily. In this respect, those employees who left a company in

order to execute a new idea they failed to sell to their superiors might be termed failed intrapreneurs (Pinchot, 1985; Pinchot & Pellman, 1999). Judging, therefore, from the success many of these made later on of their initial idea; therefore, many successful entrepreneurs were failed intrapreneurs (Pinchot, 1985). If only they did not leave, the values they now accrue for themselves could have remained within the company. Such is the case of Elo Umeh, the CEO of Terragon Group, one of the fastest-growing mobile marketing companies in Africa.

> *When Steve Jobs launched the iPhone on June 29, 2007, in Cupertino, that event gave birth to another person's dream thousands of kilometers away in Africa. Elo Umeh was then working for Mtech, a Nigerian value-added service (VAS) provider to the mobile network operators. From when he saw the iPhone launch, Elo became convinced that "the future is mobile." He ran to his Mtech bosses in excitement. With the new insights from the iPhone launch, Elo told his bosses that he was convinced that whatever the future held had to be "mobile." Mtech at that time was operating in about five African countries, and Elo had just returned from a 9-month stint in Kenya. Although Nigeria had four times Kenya's population, the latter was far ahead in the adoption of technology. In Nigeria, as well as in Kenya therefore, and indeed all of Africa, Elo saw many opportunities that nobody was as yet taking advantage of.*
>
> *He offered arguments about how much marketing and advertising potential was to be found in the mobile phone characteristics of "individuality" and "ubiquity." His Mtech bosses were not convinced. Elo even dared to suggest that Mtech quit providing third-party mobile services (its mainstay), and instead focus on setting up a full-fledged digital business focused on mobile. He could have been talking to a brick ball. His bosses would not bulge. After repeated attempts, Elo quit Mtech, frustrated at their seemingly lack of foresight, and decided to set up his own company Terragon, in order to pursue his new dream.*

Risking Taking

> *If something is important enough, or you believe something is important enough, even if you are scared, you will keep going.*—**Elon Musk, CEO of Tesla Motors and SpaceX**
> *Only the paranoid survive.*—Andy Grove, former CEO of Intel

Intrapreneurial endeavors are risky. The behaviors involved in new venture creation may result in failure. People with new, innovative, and often untested ideas need a safe ground to try out their projects. The resources they need, and the support and the buffer in case of failure can often only be provided by established organizations.

Rewarding Thoughtful Failure

Google has devised a way to encourage intrapreneurship within its ranks, without calling it such. One reason why Google has remained one of the most innovative companies in the whole world is because of its 20%-time policy. While not a formal requirement, employees are encouraged to spend 20% of their work time on any project of their choosing, without supervisor oversight or approval and without giving account to anybody (Schmidt & Rosenberg, 2017). According to Google founders, Larry Page and Sergey Brin in their 2004 IPO letter:

> *We encourage our employees, in addition to their regular projects, to spend 20% of their time working on what they think will most benefit Google. This empowers them to be more creative and innovative. Many of our significant advances have happened in this manner. For example, AdSense for content and Google News were both prototyped in "20% time." Most risky projects fizzle, often teaching us something. Others succeed and become attractive businesses.* (Page & Brin, 2004).

This culture encourages employees to take risks and not be afraid to make mistakes. Knowing that nobody breaks new ground by being too careful, Google provides a safe playground, almost making it a virtue to engage in trial and error. Not all self-driven projects succeed. Employees have spent hundreds of hours working on ideas that fail. How Google responds to such outcomes is responsible for another unique organizational attitude—*rewarding thoughtful failure*. Although employees would have benefitted from huge monetary rewards had their experiments succeeded, Google also pays those whose projects fail. This is because, irrespective of the outcome, the company goes further. Mistakes teach new lessons, and the organizational response encourages more risk taking. Knowing that they will not be punished for failing, employees do not spend too much time trying to revive a doomed project. They move on to new challenges, thus saving valuable time.

The Social Intrapreneur: In to Out

Whether those who benefit are inside or outside of a company, the same attributes are required of the individual that make this happen. To this person belong the task of conceiving of, selling, and executing often radical ideas. All the characteristics of the intrapreneur and entrepreneur exist in the social intrapreneur, the only addition to the mix being—"social."

Another reason why a prior discussion of "intrapreneur" is necessary before the social dimension is because "social" is more difficult to sell (Gauthier et al., 2016; Venn & Berg, 2013). Many organizations set up to make money invest in social enterprises either because society (and hence their corporate image needs) requires this or because they are truly committed to helping society. Others do it because regulators prompt or coerce them (albeit indirectly) to do it

Studies are still ongoing to provide arguments for or to make business cases for why for-profit organizations should be concerned about society. The social

intrapreneur must be able to present a compelling business case for social if his\her project would get the needed support.

The Value of Social

*Every single social and global issue of our day is a business opportunity in disguise—**Peter F Drucker*** (Social Intrapreneurism and all that Jazz, 2014, p. 27)

To make a business case for why companies should engage in social enterprises, social intrapreneurs need to make compelling arguments for the value inherent in social concerns. To do this, they need a deep understanding of this value, which will help them communicate it persuasively. Awareness of Aristotle's *art of persuasion* will be an advantage. According to Aristotle, the power of influencing either through written or verbal communication can be hinged on the triple factors of Ethos, Pathos, and Logos. The first refers to the integrity and competence of the person doing the persuasion, the second refers to an appeal to the emotion of the audience, and the third refers to the logic of the argument, the data supporting the position.

Promoters of social benefit projects and organizations (our preferred term for the so-called nonprofits) ought to possess the same mindset of a business person offering tangible goods and services for sale (Yunus, Moingeon, & Lehmann-Ortega, 2010). They ought to think and act like businesses. Thus, in addition to an understanding of the value of social, social intrapreneurs also need to understand social benefit projects as businesses, and explain them as such, aware that it is the value inherent in projects that people are willing to pay for. The challenge is to discover this value and then to sell it.

Promoters of social benefit organizations should be comfortable with this seeming juxtaposition of their noble, voluntary exertions on behalf of other people's needs with the pecuniary, often selfish motives behind many businesses. People pay money in exchange for the goods and services businesses have to offer because they find value in them, and these goods and services solve a problem or satisfy a need. The offerings of social benefit organizations likewise have value and intangible values that were they to be more critically analyzed and are likely to have more and longer lasting values than many material goods.

While many material goods have limited shelf lives and go bad, the values derived from intangible goods remain longer in the person, transform lives for good and for longer, and provide human fulfilment and flourishing. Ultimately, when the urgency of satisfying immediate pleasures provided by goods and services is over, the value of social benefit offerings remains. Being intangible though, the latter are often neither seen nor heard, hence the temptation to doubt their reality, and the greater difficulty in making a business case for them. The task of communicating their reality and their value is the challenge that their promoters face. Any effort, method, and style used in successfully communicating this reality and value is a necessary preparation and skill exemplar that the intrapreneur needs to make a business case of the value of social goods (Grayson et al., 2014).

Social benefit organizations should consider that even when they are not asking for money, everyone who shows sympathy to their cause pays with some currency. The currency may be their time, their expertise, their advice, or even their love, all of which could have been channeled to other causes or endeavors. Recognizing, thus, that their customers (how they should view all publics) have limited resources to deploy, they would come up with innovate products, services, offerings, and creative ways of communicating their messages.

Social Intrapreneurs are Key to Sustainable Social Impact and Profit Social intrapreneurs are able to identify social issues that can be mitigated or solved by certain innovative processes from their organizations, employing the resources of the latter for the same (Mair & Martí, 2006; Grayson et al., 2014). Climate change and the depletion of the earth's resources pose growing challenges in the preservation of the environment. Increasing poverty, low standard of living, growing housing challenges, growing population, and inadequacies in education are worrying human problems. Social benefit organizations and social entrepreneurs do not have the means to solve these problems by themselves, and hence, profit-making organizations are steadily getting involved. It is the task of social intrapreneurs to use their skill to align organizational objectives with social needs by creating value for both sides.

Although organizations often engage in corporate social responsibility (CSR), many have had to conform through regulatory policies or pressures to be more sustainable and show greater responsibility toward solving society's needs. Most companies are more focused on improving their bottom-line and profit for their shareholders.

One major problem of the CSR model, which is like philanthropy, is that it is difficult to sustain. Some companies engage in CSR in order to make a wider spectrum of stakeholders happy and to improve customer loyalty. When the need to satisfy the regulator or get good public relations exposure is over, there is little incentive to continue to show concern for society's needs.

Nongovernmental organizations (NGO) and nonprofit organizations (NPO) also contribute toward social impact and sustainability projects. These agencies, which are independent of government and of shareholder concerns, have over the years helped to highlight the need to help society and salvage the environment. They sometimes get support from organizations through sponsorships and grants. The NGOs and NPOs, however, operate a financial model that is often not sustainable. There have been several efforts to make them prepare and use proper business plans to ensure financial sustainability, the so-called social business plan (Arenas, Lozano, & Albareda, 2009; Lee, 2010; Lyne, 2012).

Social intrapreneurs, who are found in both for-profit and nonprofit, through the ideas and projects they initiate, challenge their organizations to look beyond the traditional CSR model, in order to engage the society in a way that the organizations, while attaining their financial objectives, also satisfy social needs.

Other Green Agents and the Social Intrapreneur Within organizations and the execution of CSR activities are individuals called corporate social entrepreneurs and others referred to as green employees (Grayson et al., 2014; Hadad & Cantaragiu, 2017). These work within the CSR department and help it to act responsibly toward the environment in which they operate. To a great extent, the corporate social entrepreneur and the green employee have entrepreneurial and intrapreneurial skills. Although they are both to be found within the organization, one major difference between the corporate social entrepreneur (CSE) and the social intrapreneur (SI) is the degree and nature of their proactivity and the direction of their intentions (Michelini, 2012; Spitzeck et al., 2013; Foley, 2014). The CSE is focused on innovations through which the organization's products and services have positive impact on the society. In other words, the CSE works to make the organization socially responsible in a unidirectional way and would most times be restricted to work in a sustainability or product development department. The SI, on the other hand, has a bidirectional concern. The social intrapreneur, who is not limited to a specific department, ensures that the organization makes a social impact and also proactively tries to see what they can do to have a positive impact on both internal and external stakeholders. Thus, beyond making social impact, the SI differs from other green agents, in ensuring that the company also achieves its goals.

A Hard Sell to Top Management

One of the greatest challenges and obstacles that social intrapreneurs face is from inside their company. They have to sell their ideas to top management in order to get the resources and approvals they need to further their ideas. The SI has to convince top management to look beyond revenue and the need to immediately please shareholders with more profit. Baets and Oldenboom (2009) attribute this to a loss of entrepreneurial and social value in organizations. Such a climate would not be very encouraging of ideas that go outside the norm of increasing the value of stocks (de jong, Parker, Wennekers, & Wu, 2015; Gauthier et al., 2016). This difficulty is especially prevalent when social innovations are proposed from the bottom-up to top management. Since most social intrapreneurs (low-level managers and employees) are hardly involved in managerial decision making, they do not get a chance to defend their ideas for social innovation, and top management on their own hardly make these topics a priority (Foley, 2014; Venn & Berg, 2013). In the absence of a supportive human resource department, many SIs leave the company in frustration to become social entrepreneurs, to the detriment of the organization (Grayson et al., 2014).

The Social Intrapreneur's Toolbox

The personality type, mindset, behavior, and skill set help social intrapreneurs overcome the challenges they face internally and externally and to sell their ideas successfully (Grayson et al., 2014). The way they think and the values they uphold,

their desire and zeal for social value creation, the aspiration to help preserve nature and a helping attitude toward the needs of others, self-belief, tenacity, perseverance in the face of difficulties, a learning attitude, strength of character, and a pleasant attitude are attributes that stand the SI in good stead.

Many SIs discover their calling through involvement in some social impact initiatives at a young age, long before joining their current organization. Thus, their preparation for discovering how businesses and social impact can thrive together began years before and in other circumstances (Baets & Oldenboom, 2009).

> *Be pleasantly persistent*
> —Gib Bulloch (*Social Intrapreneurism and all that Jazz*, 2014, p. 79).

This tenacity and persistence can sometimes be interpreted as rebellion. Social intrapreneurs, however, need this trait to pursue a social idea and carry out a test run of a new project, even while it may seem a distraction from their normal jobs, and even when no one else believes in its viability.

Grayson et al. (2014) suggest that one factor that get social intrapreneurs support for their project is to have paid their dues to the company. Gib Bulloch was able to drive his ADP (Accenture Development Partnerships) initiative at Accenture, because he was already a model and hardworking employee (Grayson et al., 2014). Further, SI combines entrepreneurial with communication and marketing skills. Gauthier et al. (2016) further propose that social intrapreneurs should have a good understanding of the company's objectives and strategy and how these fit in the operating environment. A deep understanding of how one's organization works will enable social intrapreneurs sell their business and social ideas (Grayson et al., 2014; Hadad & Cantaragiu, 2017).

An SI-SE Tag-Team Social intrapreneurs (SI) and social entrepreneurs (SE) can support and complement one another, because of their common interests in having more social impact (Belinfanti, 2015a, (Forthcoming); Grayson et al., 2014; SustainAbility, 2008). The SI has more access to resources from the parent organization as well as assurance of institutional advisory and support. Being closer to the beneficiaries, the SE would likely understand their needs and circumstances better, which would help the SI choose the most useful and workable social project. The SI can also benefit from the confidence that members of society have for the SE who is physically closer and better known to them. The SE may also have a previous good track record based on previous social accomplishments, albeit only on a small scale.

Featured Case in Point

> *We are grateful! And please, we want you to do this for our children too, especially our daughters…*
> —Group of Rural Women in Northern Nigeria

This was the heartwarming appeal and message from a group of women as they left their adult education classroom in a peaceful village in Northern Nigeria. They had experienced the joy of education, and the only worry to mar their joy was the thought that their daughters would wait to be adults before getting educated.

With the unbundling of Nigeria's electricity generation, transmission, and distribution, several private companies sprung up, tasked with distributing electricity to all parts of Nigeria. Most were drowning in debts and unpaid electricity bills. But one was doing phenomenally well, with revenues shooting up to more than 100% in 1 year. While other distribution companies were floundering, this one, located in Northern Nigeria, was exceeding all targets, while making new Zero Investment. Their secret was linked to the social intrapreneurial skills of a senior executive.

Mr. Aditya Vihaan (not his real name), a 63-year-old manager, was seconded to northern Nigeria by the Asian technical and management partners of this power distribution company. A major problem was bill collection, meaning that the company was distributing power free of charge. Mr. Vihaan took time to study the local environment, observing that rural villages and communities owing the company huge amounts in electricity bills, felt no obligation to pay, and had no intention of settling any outstanding bills, even though they wanted electricity. This attitude was a carryover from when power management was in the hands of the government. This was costing the company millions of dollars of lost revenue monthly.

Mr. Vihaan identified women literacy as one of the problems of the rural villages. Many northern women were homemakers and were illiterate. Vihaan considered that educating them would be a way of empowering them for the future. It was something that would make the villagers happy. Through local contacts of the electricity company, they reached out to the community leaders, proposing an initiative to educate the women. Their target was to instill basic reading and writing skills. These women should then be able to write their names, visit health-care centers and read medicine prescriptions for their children, operate bank accounts, read the newspaper, and understand the news on television. Vihaan hoped that this would increase the self-confidence of these rural women.

Mr. Vihaan had other hopes, because he also wanted to solve the bill collection problem of his employers. He expected that these newly educated rural women could become contract staff of the power company who would then help monitor and collect electricity bills from the households in their local community. This step was crucial because of the cultural restrictions in many parts of Northern Nigeria whereby there were some parts of the household that only women could step into.

The village-heads were excited about the adult education school plan. They provided make-shift classrooms and classes began. The teachers were recruited from local schools and paid by the power company. Within 1 year, several women who previously could neither read nor write were now watching the news on TV, reading prescriptions, and now wishing that their daughters be taught to read and write. Their loyalty and gratitude to the power company was such that all the villagers now felt obliged to pay their electricity bills as at when due.

Several lessons emerge from Mr. Vihaan's handling of the power company's bill collection problem. First, as a social intrapreneur, he was able to understand and

quickly adapt to local situations. While mindful of the frustrations of his company who were owed bills, he was also aware of the needs of the operating environment. Thus, he sought to satisfy both, adjusting his methods to cultural peculiarities. Second, this case shows how social intrapreneurs often have innate predispositions to social and humanitarian values that also influence their approach to their work. Vihaan was able to merge his social concern with the power company objective of recovering losses and closing several financial loopholes. Third, Vihaan's case (considering his age) shows that social intrapreneurial skills, even though they imply innovation, have no age limitations. Fourth, the social intrapreneur sees opportunities and needs on both sides (inside and outside). The needs he identified within the company was his chance to solve a social problem he saw (outside) in the society. Finally, Vihaan adopted a solution that was sustainable. By empowering the local women, he recruited now educated and loyal contract workers who would now help the power company on a continuous basis to collect bills in the rural communities. It was a win for everyone.

Chapter Takeaways

- Social intrapreneurs are the bridge between the social impact that companies try to have through the corporate social responsibility (CSR) activities and the concern for profit that inspire many of them.
- As insiders, SIs understand the needs of their company and have access to the resources that society needs. The intervention of SIs provides assurance of sustainability of both organizational and societal values.
  - Their organization provides SIs safe ground to take risks without adverse repercussions.
  - Social intrapreneurs need a deep knowledge of the local environment in order to adapt their social projects to local realities and needs. Working with social entrepreneurs in a complementary way will help provide this local knowledge. While SIs have access to resources and organizational knowledge, SEs provide close contact with society as well as credibility and trust.
  - Certain personality traits, dispositions, human relations, communication skills, and previous experiences of the social intrapreneur help them overcome internal and external obstacles to championing their social and business projects.

Reflection Questions

1. What are the implications of describing the social intrapreneur as the key to sustainable profit and social impact?
2. In the "Featured Case in Point," would you say that Mr. Aditya Vihaan used the villagers? Did he use his company? Give reasons for your answer.
3. Give two instances how businesses can make more money by engaging in social impact activities.

4. In what ways can top management foster the emergence of social intrapreneurs from among their employees?
5. Mention three ways in which social intrapreneurs and social entrepreneurs can complement one other.

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Entrepreneurs with Disabilities: Making a Difference in Society Through Social Entrepreneurship

8

Cara Jacocks and Greg Bell

Key Topics

- Social entrepreneurship
- Persons with disabilities labor force
- Advocacy
- Disability communities
- Down syndrome

Introduction

The US Census Bureau reports that people with disabilities are twice as likely to be self-employed or launch their own businesses as the general population. Entrepreneurship offers people with disabilities attempting to overcome barriers and stereotypes the ability to self-define their role. Research has shown that entrepreneurs design their jobs to fit their personal resources and needs (Baron, 2000). This is likely of particular importance for people who require unique work accommodations but still strive to engage in meaningful vocations, such as persons with disabilities. Indeed, entrepreneurship may provide more unique and fulfilling job options than traditional employment for many people including those with a variety of different abilities.

Social entrepreneurship combines both the generation of social value with the benefits of commercial entrepreneurship. Social entrepreneurs will often focus their efforts to derive solutions that address the very challenges they have personally experienced and by drawing from their own knowledge and understanding of a

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social problem to develop both relevant and effective strategies (Harris, Renko, & Caldwell, 2013). Because of the challenges they have personally faced, people with disabilities may be uniquely equipped to address social needs in communities and society by creating innovative solutions to overcome disadvantages facing other people with similar disabilities. Indeed, there are a growing number of social entrepreneurs in the disability community seeking to create their own business narratives. However, to date, there is little research attention devoted to disabled entrepreneurs and the specific ways that they are making a beneficial impact through their ventures to their communities and society.

In this chapter, we review the growing body of research exploring this unique group of social entrepreneurs and investigate how social entrepreneurship is connected to the persons with disabilities labor force. We also investigate what are some of the unique characteristics of social entrepreneurship enacted by persons with disabilities. Our chapter reviews the factors that support these ventures including the characteristics of social entrepreneurs with disabilities. In addition, we explore the phenomenon of social entrepreneurship across the disabled labor force in the United States by examining two distinct cases: Austin's Underdawgs and Dreamers Merchant Coffee Company. These two cases represent how social entrepreneurship is being enacted within the persons with disability labor force as each entity assumes different organizational forms with varying social initiatives. The following sections present an in-depth analysis of two cases or exemplars of social entrepreneurship enacted by entrepreneurs with intellectual disabilities. Data collection involved purposive theoretical sampling of online texts and artifacts related to the two cases under observation, including online resources, websites, mainstream publications, and social media accounts. Examining social entrepreneurship via this lens (a case analysis approach) presents a scholarly launchpad for additional research in an area that is largely unexplored and not fully understood.

Challenges Facing Entrepreneurs with Disabilities

The World Health Organization defines disability to refer to impairments, activity limitations, and restriction on participation. This definition includes people with mental, intellectual, and physical disadvantages. Today, 15% of the global population suffers from some form of disability (World Health Organization, 2011), and the population (and genres of disabled communities) is increasing around the world (Anderson & Galloway, 2012). Traditionally people with disabilities have been perceived as nonparticipating members of society and have been both socially and economically marginalized (Anderson & Galloway, 2012). Despite inclusive efforts to eradicate the stigma associated with disability, people with disabilities continue to experience significant disadvantages (Ameri et al., 2018). Further, despite the same level of education, these individuals tend to not achieve the same employment and career success as those without disabilities (Martin & Honig, 2019). Hence, work can often lead to significant positive personal outcomes for people with disabilities such as adding to self-worth (Seekins & Arnold, 1999).

Many disabled entrepreneurs have faced direct and indirect discrimination and employment hardships that their neurotypical counterparts do not necessarily experience, so it makes sense for these members of a marginalized labor force to eventually pursue entrepreneurial endeavors where they can carve out their own vocational paths (BLS, 2019). The Bureau of Labor Statistics recently conducted a demographic study of the persons with disability labor force that led to the following conclusions (BLS, 2019):

- Across all age groups, the employment–population ratios were much lower for persons with a disability than for those with no disability.
- Across all educational attainment groups, jobless rates for persons with a disability were higher than those for persons without a disability.
- In 2018, 31% of workers with a disability were employed part time, compared with 17% for those with no disability.
- Employed persons with a disability were more likely to be self-employed than those with no disability.

These findings demonstrate that for the disabled workforce, there are many hidden roadblocks to achieving meaningful, full-time employment. The sting from discrimination and/or obstacles often awakens a need to innovate and/or join enterprises that help eradicate the exact hardships many of these workers have faced, hence, the popularity of social entrepreneurship ventures within the disabled workforce. Indeed, people with disabilities may be uniquely equipped as a result of personal challenges to found ventures that blend for-profit goals with generating beneficial outcomes for society.

Scholars are recognizing that entrepreneurship offers a viable path for people with disabilities (Pagán-Rodríguez, 2012). Baldridge and Neubaum (2008) suggest that an entrepreneurial path for a person with a disability can help them achieve an exceptional and prosperous career. This is largely because of the benefits that entrepreneurship can provide. For example, entrepreneurship is a good option for those who have experience in creative problem-solving, persistence and grace under pressure, and who display a willingness to ask for help (Dhar & Farzana, 2017). Research also suggests that people with disabilities may be uniquely equipped to be entrepreneurs because disabilities can serve as a stimulus for independent problem-solving (Harper & Momm, 1989). Freedom from access-related obstacles such as difficult work environments, cultural misfit, and limited transportation options helps explains the advantages of entrepreneurship to those with disabilities (Holub, 2001). Other benefits include the ability to have an independent identity and status in society (Kašperová & Kitching, 2014).

Scholars have found that people with disabilities face significant challenges in their attempt to launch a business. Resource disadvantages are a primary barrier to entrepreneurship for these individuals (Anderson & Galloway, 2012). These disadvantages can be especially difficult for disabled social entrepreneurs in less developed institutional environments (Maziriri, Madinga, & Lose, 2017). The lack of information is a significant challenge and is often due to poor access to information

or to an inability to comprehend and discern what programs and resources could be advantageous to their social venture (Harris et al., 2013). Disabled social entrepreneurs face challenges after launch, including attitudinal issues and discrimination from stakeholders (Caldwell, Harris, & Renko, 2016).

Personal barriers also face disabled individuals attempting to succeed in entrepreneurial endeavors. Lack of knowledge, experience, and social networks are also barriers facing persons with disabilities (Larsson, 2006). Lack of knowledge has been identified in several studies (Parker Harris, Renko, & Caldwell, 2013). Time management and poor networking skills due to low self-confidence also negatively impact the success of disable social entrepreneurs (Ashley and Graf, 2017). Along with their limited financial knowledge, entrepreneurs with disabilities rely on friends and family when starting a business (Parker Harris et al., 2013). Additionally, some disabled individuals may lack confidence in themselves and may not be primed to perceive success in an entrepreneurial endeavor (Halabisky, 2014), and this lack of confidence may be exacerbated when relatives and others in their immediate network are not supportive (Halabisky, 2014). Research has shown that confidence is particularly important for those with mental health disabilities (Maritz & Laferriere, 2016).

Societal barriers exist that hamper the growth in disabled entrepreneurship (Halabisky, 2014). Government services exist in most developed countries to help train and equip people with disabilities. However, within these systems support, workers may discourage entrepreneurial endeavors because they perceive them to be higher risk, and because they perceive the disabled individual could not succeed in their entrepreneurial endeavor (Maritz & Laferriere, 2016). Due to this, government services may place a greater emphasis on helping disabled individuals secure stable employment, and entrepreneurship as more of a secondary option for disabled individuals (Wehman, Griffin, & Hammis, 2003).

Case Studies

Despite these challenges, people with disabilities are uniquely equipped in managing social entrepreneurship ventures. For example, studies have shown that disabled business owners show empathetic behavior toward their employees (Mwangi, 2013). In addition, they are amendable to accommodate their physically challenged employees because entrepreneurs can recognize the potential of such people and also understand their barriers first hand. Shier et al. (2009) found that entrepreneurs with a disability also aspire to empower other disabled individuals.

In the following sections, we highlight two social ventures led by disabled individuals, Austin's Underdawgs and Dreamers Merchants Coffee Company. These two cases are unique in that they assume different forms of entrepreneurship, are founded and sustained by individuals with disabilities, and enact social entrepreneurship with the aim of solving one of the aforementioned obstacles to entrepreneurial success in the disability community—lack of mentoring and training.

Austin's Underdawgs

To fully conceptualize the complex and impactful social entrepreneurship venture that Austin Underwood has pioneered, one has to understand Austin and his mother Jan Underwood. Austin was born and diagnosed with Down syndrome in 1978, an era where persons with disabilities were kept separate from their typically developing peers in most facets of life including work and school. His mother, Jan, was determined to give Austin anything and everything he needed to be successful in life and adamantly believed inclusion was the cornerstone of this plan. She fought against many layered social constraints and successfully ensured that Austin worked and played alongside his neurotypical peers in every social arena Austin desired to participate in. Fully immersed in inclusive contexts, Austin began to learn what his developmental strengths and weaknesses were and make decisions about his future, including his career trajectory. His narrative, as described by austinsunderdawgs. com, began at this point—"It all started with a determined young man with Down Syndrome and the desire to be a Chef." Additional detail is provided:

> At age 21 he attended a vocational program at Eastern New Mexico University designed for people with limited abilities. Since Austin had never learned to read, he was not a good candidate for a Chef job, but he quickly learned skills to be an excellent Prep Chef in the University cafeteria. His love of food had him yearning to own his own restaurant. Some 16 years later, Austin is taking his show on the road selling Underdawg Hot Dogs in his Traveling Dawgmobile!

Austin's Underdawgs was established in 2015 with two primary purposes: (1) To give Austin, a member of the disabled workforce, the opportunity to create and enjoy meaningful and gainful employment, and (2) To give back to the disabled community through The Each & Everyone Foundation (Austin's Underdawgs, n.d.; www.4eeo.org).

Austin's Underdawgs has grown exponentially since 2015 and now maintains a steady calendar of bookings. Essentially, the Underdawgs venture offers onsite catering services through a line of food trucks and carts, merchandise and food products for sale in an online storefront, and franchising opportunities. Catering services include travel to local (and sometimes remote) venues where Austin and members of the Underdawgs team prepare and serve his famous "dawgs" and all the "fixins" at private parties, corporate events, fundraisers, nonprofit cooperatives, etc. Patrons and fans can also purchase Austin's famous "Dawgsauce," branded merchandise such as caps and T-shirts, and Austin's cookbook from his corporate website. And adults with intellectual disabilities (and/or their guardians) can actually purchase a piece of Austin's Underdawgs as a franchise opportunity (Austin's Underdawgs, n.d.). At the heart of this franchising endeavor is social entrepreneurship.

Austin's Underdawgs is committed to helping members of the disabled workforce find fulfillment through self-employment. This commitment is evident in the connection between Austin's Underdawgs and The Each & Everyone Foundation (www.4eeo.org). According to austinsunderdawgs.com, "Understanding the needs of people with limited abilities, Austin knows how important it is to help his fellow

man. For this reason, Austin's Underdawgs has developed a Fundraising source event in addition to operating his for profit business." The Each & Everyone Foundation gives Austin's Underdawgs a unique opportunity to assist adults with intellectual disabilities in finding meaningful work through vocational training, similar to the training Austin received while at Eastern New Mexico University.

The Each & Everyone Foundation has an interesting tie to Austin's Underdawgs as it was founded by Austin's mother, Jan Underwood. It is funded primarily through the "Riley Charitable Trust and private donations" including beneficiary support through Austin's Underdawgs (www.4eeo.org). Austin's Underdawgs, and subsequently Austin and Jan Underwood, are both deeply committed to supporting the disabled workforce through EEO (The Each & Everyone Foundation, n.d.) because of the opportunities afforded to Austin through his formative education and development at Easter New Mexico University. The EEO website offers this short narrative regarding the history of The Each & Everyone Foundation:

> *The Each & Everyone Foundation was created in April, 2010 by parent advocate, Jan Underwood. Jan and Joe Underwood's son, Austin Underwood, was born with Down Syndrome. After completing public school graduation at the age of 21, Austin yearned to attend college just as his older sister, Sara, and younger brother, Anthony, had done. Little programming was available for Austin since he was unable to learn to read or do math. Even handling money was difficult. No programs existed in the state of Texas, so the parents were forced to look outside the state. Jan found a program in New Mexico, which Austin attended for one year, earning a "vocational degree." The life skills, vocational skills and social skills that were experienced by Austin have served him well. He continues to showcase his accomplishments living as an independent, working, tax paying citizen who owns his own business.*

A portion of all Underdawgs proceeds is directly donated to The Each & Everyone Foundation which directly supports local vocational training and transportation programs for adults with intellectual differences, including the Mingus Job Academy (4eeo.org; Mingus Job Academy, n.d.). Sill in the early stages of development, the Mingus Job Academy's mission is to "create an environment for vocational on-the-job training for adults with IDD (Intellectual Developmental Differences) and other learning or physical differences" (Mingus Job Academy, n.d.). More specifically, the Mingus Job Academy is situated on 2.2 acres and aims to construct a campus of "eight tiny houses, vegetable gardens, a boutique, a farm-to-table restaurant and coffee bar, and a community-run animal shelter" (Mingus Job Academy, n.d.). MJA will eventually offer onsite vocational training modules to persons with limited abilities that will include targeted vocational training and career services resources (Mingus Job Academy, n.d.). Thus, Austin's Underdawgs is uniquely positioned to engage in social entrepreneurship, vis-à-vis the EEO, in an effort to eradicate the lack of training, mentoring, employment opportunities, and limited transportation options many disabled workers face, including Austin himself. Although a unique venture, Austin's Underdawgs is not alone in establishing a business structure that supports the larger goal of producing a "social good" for the disability community. There are several new ventures pioneered by entrepreneurs with disabilities and/or parent advocates, including ventures that assume nontraditional forms such as a multilevel-marketing compensation structure.

Dreamers Merchants Coffee Company

Dreamers Merchants Coffee Company was founded in 2015 by Diane Grover, mother to MaryEllen Grover, her youngest daughter with Down syndrome. Diane is severely deaf, so she is no stranger to living life through the lens of disability. After her daughter MaryEllen was born, she created the International Down syndrome Coalition (IDSC) to connect new parents of children with Down syndrome diagnoses and raise awareness. When her daughter MaryEllen underwent open heart surgery, Diane began blogging as a form of emotional release, an avenue to stay connected and keep loved ones updated, and an awareness platform (www.diane-grover.me). Through maintenance of the IDSC and her personal blogging and advocacy endeavors, Diane learned that individuals with intellectual disabilities are scarcely employed in mainstream occupations. Thus, in 2015, she pioneered Dreamers Coffee.

Dreamers Coffee began as a local coffee shop in Memphis, TN but rapidly grew into a coffee company, as interest in selling Dreamers Coffee products as a form of social entrepreneurship evolved (Grover, 2019). Diane Grover describes the motivation behind Dreamers Merchants Coffee Company on her blog:

> Our plan was to open a coffee house so that we could employ individuals of all abilities to show the world that every person deserves the dignity that jobs innately bring each and every single one of us, including individuals with a disability! It is said that only 20% of individuals with an intellectual disability are employed. We wanted to bring attention to that abysmal rate and see if we could help it along.

Dreamers Merchants Coffee Company now sustains a two-tiered structure that includes a coffee kiosk in Cordova, TN, where Dreamers products are sold and merchant training sessions and events take place and an MLM (multilevel marketing) structure where budding entrepreneurs can "buy into" Dreamers and sell coffee products directly to consumers through online storefronts (Dreamers Merchants, 2019). Thus far, the MLM tier maintains "27 online stores with store owners in 13 states nationally and growing" (Dreamers Merchants, 2019). Business owners follow standard MLM practices by investing in the company via a yearly store license fee and a starter kit with Dreamers coffee products that can be customizable. Yearly license fees are $70 and come with a year of support from a Dreamers Consultant, access to social media pages, marketing materials, a "branded" online storefront, and discounted Dreamers coffee products. The starter kit comes with various product samples and is priced at around $30, and thus, the startup costs related to owning a part of the Dreamers Merchants Coffee Company are fairly reasonable (Dreamers Merchants, 2019).

The Dreamers Merchants Coffee Company website offers a database of Dreamers business owners through their "Find a Dreamer" feature for clientele and potential investors. Dreamers business owners assume a wide variety of demographic characteristics, including location of the business, unique abilities, and ownership status. While the bulk of Dreamers store owners can be found in the southern and midwest regions of the United States (most likely due to the founder being located in

Memphis, TN), Dreamers has expanded nationally with entrepreneurs located on the west coast, east coast, and southwest regions of the United States. A few Dreamers business owners experience some form of disability themselves including both physical and/or intellectual disability; however, intellectual disability is a more prevalent characteristic than physical disability. However, the majority of Dreamers online store owners do not have disabilities themselves, but rather, are the parent or family member of a disabled child with the aspiration of passing the Dreamers business on to their child with a disability as they become adults, as a form of family business apprenticeship and inheritance. One Dreamers store owner/parent explains this form of ownership in the "about" section of her online storefront:

> *Our family is thrilled to be a part of the Dreamers Merchants Coffee Company. We believe that people of all abilities should have the opportunity to work in their community and own their own businesses if they would like. Dreamers Coffee was a way that our family could build that dream for our boys and give them the freedom and independence that they want and deserve. We proudly provide coffee and related products which support the advocacy of individuals with an intellectual, developmental or other disability.*

Several Dreamers store owners tandemly own physical businesses that cater to the needs of disabled children and adults and sell Dreamers products from an online storefront as well as a physical "pop-up" storefront. For example, Gigi's Playhouse in Fort Wayne, IN, is listed as Dreamers store owner. Gigi's Playhouse is a national organization with several franchises across the United States that offer resources for families raising children with Down syndrome through a "playhouse model" (Gigi's Playhouse, 2019). The playhouse model adopted by GiGi's Playhouse offers services and resources similar to The Little Gym International Inc. and Gymboree Play & Music (Gymboree, 2019; The Little Gym, 2019). Gigi's, however, caters specifically to the educational and developmental needs of people with Down syndrome and other developmental disabilities. Thus, a Gigi's location is ideal for a Dreamers Merchants pop-up store, as customers are highly motivated to buy products and/or services that support the Down syndrome community.

Dreamers Merchants Coffee Company is branded as "The Bean that Comes with a Dream" because of its core mission—to improve the employment rate within the disabled community and offer entrepreneurial training and enterprise opportunities to members of the disabled labor force. Recently, Dreamers Merchants began working closely with the University of Memphis to create community-based externships for students with disabilities enrolled in the TigerLIFE program. Through the Dreamers Gives Back Foundation (501c3), Dreamers Merchants is providing training opportunities for Memphis-based persons with disabilities to hone or learn new skills valuable to them and their future careers and communities (Grover, 2019). Thus, Dreamers Merchants Coffee Company is engaging in social entrepreneurship in two ways: (1) By offering self-employment opportunities to individuals with disabilities and their families that come with affordable startup costs and support resources, and (2) By funding and creating externships and training opportunities for students with disabilities enrolled in the University of Memphis TigerLIFE program. This connection between social entrepreneurship and the persons with

disabilities labor force, as evident in both the Austin's Underdawgs and Dreamers Merchants Coffee Company, has unearthed some interesting themes.

Discussion

In collecting and synthesizing artifacts and texts related to the above case scenarios, several common themes emerged worth noting. First, in both cases—Austin's Underdawgs and Dreamers Merchants Coffee Company—businesses were founded by entrepreneurial parent advocates of children with intellectual disabilities. Each of these parent advocates were motivated to innovate business ventures that would create opportunities for their children, based on direct knowledge of and experience with employment obstacles within the disabled labor force. Similarly, each parent created their respective business with an innate intent to train their child with Down syndrome to run the enterprise as separately and independently as possible. This theme has an interesting connection to entrepreneurial scholarship that contends children of entrepreneurs are likely to become entrepreneurs themselves, when reaching adulthood (Aviram, 2009; Schoon & Duckworth, 2012). Additionally, this theme underscores business literature that examines entrepreneurship as an "escape hatch" for women and minorities, who often pursue employment opportunities where they can create their own organizational rules and structures, such as self-employment (Bird & Brush, 2002; Calas, Smircich, & Bourne, 2009).

Another prominent theme worthy of discussion involves the phenomenon of social entrepreneurship. In both cases, Austin's Underdawgs and Dreamers Merchants Coffee Company strive to provide opportunities within the disabled workforce through collaborative philanthropic relationships with seeded and external entities. In the Austin's Underdawgs case, Underdawgs fundraises for The Each & Everyone Foundation, which collaborates with Stand-up LLC, to ultimately assist in funding the Mingus Job Academy (www.4eeo.org). And the Mingus Job Academy will likely partner with other local organizations (e.g., university communities, transportation services, career services, and grant-writing agencies) in the growth and expansion phases. Dreamers Merchants Coffee Company seeded the Dreamers Gives Back Foundation which is now paired with the TigerLIFE program at the University of Memphis to assist in training and career preparation for enrolled students, through the Dreamers Vantage Point training center. Thus, like many business ventures, ventures owned and operated by adults with disabilities and/or parent advocates depend on complex external relationships in order to expand. And it appears that these intricate relationships evolve from a common goal—providing some sort of "social good" to the disabled workforce. In both the Austin's Underdawgs and Dreamers Merchants cases, that "social good" is training and career resources for members of the disabled workforce.

Lastly, Austin's Underdawgs and Dreamers Merchants Coffee Company adheres to the common sense business practice of investing in investors. In both organizations, entrepreneurs are essentially investors, and if each entity wants to grow and expand, these investors/entrepreneurs need to be successful at what they are trying

to accomplish. Underdawgs and Dreamers Merchants have attempts to ensure this success via a twofold strategy. First, ample training supports and resources are provided to franchisees (Underdawgs) and investors/entrepreneurs (Dreamers). Underdawgs provides direct assistance at every level of business development for potential franchisees, down to the selection of appropriate tools, menus, ingredients, and a vehicle. Dreamers Merchants provides direct technical and marketing support to new online store owners and a training facility for more specialized services. Second, the structure of each organization offers opportunities for gainful and meaningful employment, as being a franchise owner and/or an investor/entrepreneur requires working under a larger organizational umbrella with all the perks associated with that organizational form (e.g., technical support, direct training, and starter kits). Similarly, there is inherent freedom associated with these two kinds of business structures. Entrepreneurs investing in either business structure have a great deal of control over building a client base, creating and advertising marketing materials, organizing events, placing orders, communicating with clients, etc. Undoubtedly, flexibility, freedom, and support are desirable work characteristics for most who pursue self-employment opportunities, but these are vital characteristics to entrepreneurs with disabilities who may require a variety of work accommodations. These findings point to some interesting and unexplored trends within the scholarly contexts of social entrepreneurship and the disabled labor force.

Directions for Future Research

The connection between social entrepreneurship and the disabled workforce is a topic that is unexplored with many opportunities for new directions in entrepreneurial scholarship. In this chapter alone, several for-profit business entities have been referenced that provide high-quality services or products with an underlying mission to make the world a better place by equipping persons with disabilities with the tools and resources they need to engage in traditional work flows (including business ownership), and pursue their chosen vocations. Austin's Underdawgs, Dreamers Merchants Coffee Company, and Gigi's Playhouse (referenced in connection with Dreamers) are just a handful of for-profit organizations that support the Down syndrome and disability communities. Additional scholarship could begin to unpack the connections between these entities and other for-profit, nonprofit, governmental, and NGO constituencies. Furthermore, the question of ownership pertaining to these types of organizations could be another lucrative research endeavor. For instance, how much ownership does each party in the entrepreneurial venture assume? Currently, in many states in the United States, if a person with a disability earns a certain amount of income, this can directly impact how much government assistance they receive (e.g., disability and Medicaid). Parceling out these questions and more could give us a clearer picture of business ownership, social entrepreneurship, and the persons with disabilities labor force.

Self-advocates and parent advocates have been pushing for inclusion within US public education arenas for several decades. And because of the efforts of these

trailblazers, many strides have been accomplished when it comes to inclusive learning environments, accessibility, learning accommodations, and classroom supports. The next frontier for inclusive advocacy efforts, many contend, is higher education and the modern workforce. As more adults with disabilities complete secondary education and graduate from higher education programs such as TigerLIFE, the natural next step is meaningful employment. Thus, this trend of disabled workers entering the workforce and seeking employment opportunities including self-employment is just emerging. As this trend progresses, more research is warranted to understand, explain, and predict the connection between the disabled workforce, social entrepreneurship, and additional emerging topics.

Chapter Takeaways

- There is a growing trend of social entrepreneurship being enacted by persons with disabilities.
- Many members of the disabled work force appear to be pursuing social entrepreneurship as a way to engage in flexible, meaningful work that allows them to give back to their communities in impactful ways.
- Social entrepreneurs, who also happen to be disabled, take on many demographic characteristics and innovate enterprises that assume a variety of structures and provide a variety of services/products.
- These enterprises comprise complex external relationships, through their social entrepreneurship ventures.
- Many of the business owned by social entrepreneurs with disabilities are supported by parent advocates.

Reflective Questions

1. Currently, due to FSLA (Fair Labor Standards Act) Section 14(c), many members of the persons with disabilities labor force are paid less than minimum wage. However, members of this work force frequently express the desire to engage in meaningful employment while earning meaningful wages. What is the connection between this expressed desire, FSLA Section 14(c), the ADA, and the growing population of disabled entrepreneurs? Could this be another motivator behind the social entrepreneurship trend as well?
2. The above analysis provides insight related to social entrepreneurship and the Down syndrome community specifically. What are some social entrepreneurship trends across different disability communities?
3. While inclusion, learning accommodations, and LRE (least restrictive environment) are features of IDEA (Individuals with Disabilities Education Act) and part and parcel with mainstream education across the United States, companies are not held to the same standards. How can advocacy groups, parents, and educational institutions connect with corporate communities to provide more mem-

bers of the disabled work force with work opportunities? How can inclusion be embraced and supported within private companies?

4. How is technology and/or digital communication supporting (or taking away from) social entrepreneurship opportunities for members of the disabled work force?

5. What are some ways we can support members of the disabled work force? How can we support disabled social entrepreneurs?

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Motivations of Social Entrepreneurs in Germany

9

Malte Nikolaus, Anke Turner, and Joanna Rowe

Key Topics

- Motivations of social entrepreneurs
- Social entrepreneurs in German history
- The impact of the German Welfare State in the twentieth century
- The role of the co-operative system in Germany
- Social entrepreneurship in present-day Germany

Motivations of Social Entrepreneurs

In recent decades, policy makers and scholars from various disciplines have been working on a common definition of the terms *social entrepreneurship*, *social enterprise*, and *social entrepreneur*, but there is still some disagreement about what makes a business a social entrepreneurship. Germany is one of the 28 member countries of the European Union (EU), a political and economic union. According to an EU-operational definition, companies are regarded as social enterprises if the following three dimensions are fulfilled: (1) The social dimension provides for a primary and explicitly formulated social goal of the enterprise, whereas the (2) entrepreneurial dimension provides for continuous economic activity. (3) An inclusive governance-ownership dimension refers to the reflection of the social goal in the governance structure (Göler von Ravensburg, Krlev, & Mildenberger, 2018). A lot of available statistics follow this definition, generally with a focus on the corporate entity.

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However, the aim of this chapter is also to shed some light on the different concepts of social entrepreneurship in Germany. Frequently cited scholarly definitions of social entrepreneurs, such as those of Dees (1998), Mair and Martí (2006), or Peredo and McLean (2006), show similarities on some points, which can be summarized as the following three key elements. (1) The aim of social entrepreneurs is to create added value by solving a social problem. (2) The actions of social entrepreneurs are characterized by the recognition of potential. (3) The creation of social added value results from the innovative use of resources. Unlike EU policy documents, the German academic literature puts a lot of emphasis on the innovative aspect of social entrepreneurship (Göler von Ravensburg et al., 2018).

This debate also includes the question of whether social entrepreneurs may act in a profit-oriented manner. Austin, Stevenson, and Wei-Skillern (2006), for instance, are of the opinion that social entrepreneurs may act both profit-oriented and nonprofit-oriented, provided that they generate social added value through innovative activities. The EU operational definition assumes that surpluses will mainly be used for social goals (Göler von Ravensburg et al., 2018).

In recent years, a small part of the still relatively young research field of social entrepreneurship has dealt with the motivations of social entrepreneurs. Within general psychology, motivation is described as the sum of all motives that lead to a willingness to act. Motives, in turn, are also referred to as personality traits, which describe the individual priority of a particular type of goal. Accordingly, the motivated action of an individual is determined by two universal characteristics: (1) the pursuit of efficacy and (2) the organization of goal engagement and disengagement (Heckhausen & Heckhausen, 2018).

The question of the motives of social entrepreneurs can be explored on different levels. On one hand, entrepreneurial spirit is an important factor. On the other hand, there are unique motives that clearly distinguish social entrepreneurs from conventional entrepreneurs. Another perspective is the examination of the biographical background of a social entrepreneur.

Since the middle of the twentieth century, research has been concerned with the motivation of entrepreneurial action and the process of founding companies or start-ups. Risk-taking, accomplishment, control, and creativity were identified as typical entrepreneurial characteristics, for example (Estay, Durrieu, & Akhter, 2013). Shane, Locke, and Collins (2003) in turn distinguished between general and task-specific motives. According to the authors, the general motives could include the desire for independence, one's personal vision, passion, conviction of control, one's own drive, or the need to achieve something. The personal goals and self-efficacy of an entrepreneur are named as task-specific motives. Carsrud and Brännback (2011), in turn, differentiate between intrinsic and extrinsic factors. Consequently, power, money, or prestige can extrinsically influence motivation, whereas success can cause intrinsic motivation.

There are clear differences between the motives of conventional entrepreneurs and social entrepreneurs. In contrast to the conventional entrepreneur, social entrepreneurs are far less, or they are not at all motivated by independence, recognition, financial incentives, or success. The motives of selflessness and voluntary work play

a much greater role than those of a conventional entrepreneur (Braga, Proença, & Ferreira, 2014). Besides a nonmonetary focus and a calling to help society, Germak and Robinson (2014) also believe that closeness to a social problem and the motive of self-fulfillment can be decisive for a social engagement. Christopoulos and Vogl (2015) also consider social responsibility and the need to redefine the world on the basis of the social entrepreneur's values as further motives. This includes prosocial motivation to help other people, the community, or society. The essential importance of social networks in which social entrepreneurs interact and receive support is also mentioned in this context (Ghalwash, Tolba, & Ismail, 2017; Omorede, 2014). Local conditions of economic, ecological, and social character can also have a motivating effect on social entrepreneurs. For developing countries, economic hardship would be the most notable, but social entrepreneurs can also be driven by religious or spiritual beliefs (Idris & Hijrah Hati, 2013; Omorede, 2014).

Another research approach on motivation deals with the biographical antecedents and the path to become a social entrepreneur. According to the findings of Shumate, Atouba, Cooper, and Pilny (2014) who interviewed social entrepreneurs from the United States, there are two possible ways to become involved as a social entrepreneur. First, the activist path is characterized by previous work in a social context and the experience associated with it. Second, the business path is not related to former social activity. Involvement as a social entrepreneur at a later stage in a career seems to be linked to the previous training in a field and the shaping of the individual identity. Both paths are morally motivated by the family heritage or by a transformative experience in early adulthood (Shumate et al., 2014).

Within a study on the Portuguese social entrepreneurship environment, Braga et al. (2014) classify the motives in push and pull factors that refer to the specific development process of a social enterprise. Pull factors such as selflessness, suffering, innovation, creativity, or possibilities for action act like incentives that draw an individual into social engagement. Push factors depend more on the individual's current job, the influence of family or other role models, and experience with voluntary activities that motivate individuals to become socially involved.

Yitshaki and Kropp (2016) examined the motives of Israeli social entrepreneurs in a similar way, but concentrated more on the biographical antecedents for such a social engagement. The authors argue that these antecedents lead to a perception of unsatisfied social needs and are, therefore, ultimately decisive for becoming a social entrepreneur. Pull factors within this model are divided into present events, past events, and ethical or moral orientation. Present events are unsatisfied social needs or problems of fellow human beings that are identified by the social entrepreneur and motivate him to act. Past events, in turn, have a motivating effect for social entrepreneurs through their own involvement in a social or societal problem. Social entrepreneurs could also be triggered by their own rehabilitation process or the need to save others from a problem. According to the authors, ethical or moral orientation consists of one's own perception during childhood and adolescence, one's own ideology, and religious belief or spiritual influence. The authors identified career development opportunities as push factors. For example, individuals experience frustrations at work that can be linked to unfulfilled social needs or notice that their

current job is not fulfilling them. This makes them strive for a more relevant or meaningful purpose (Yitshaki & Kropp, 2016).

Social Entrepreneurs in German History

Social entrepreneurship has a long tradition in Germany. During the Renaissance and the Reformation, many voluntary associations emerged to advance the common good. For instance, hospitals were run by associations close to the Christian churches. Others such as guilds had a secular background. The beginning of industrialization was characterized by rapid and massive social and economic change, urbanization, and liberalization, leaving a large part of the population behind. As early as the nineteenth century, Herrmann Schulze-Delitzsch (1808–1883), Friedrich Wilhelm Raiffeisen (1818–1888), and Lorenz Werthmann (1858–1921) advanced community life in a way that we would recognize today as social entrepreneurship. The names of Schulze-Delitzsch and Raiffaisen are associated with the early co-operative movements in Germany. Among others, they identified underdeveloped credit markets as a significant cause of poverty. Subsequently, they invented the idea of co-operative lending by giving needy people microcredits to lift them out of poverty. Their belief in the idea of self-help and cooperative spirit led to the formation of credit co-operatives known today as the *Volksbanken Raiffeisenbanken.* Other co-operative initiatives included purchasing co-operatives to pool purchasing power of urban craftsmen, small retailers, or the rural poor (Grosskopf, Münker, & Ringle, 2017; von Mueller, 2010).

Another essential social entrepreneurial movement was advanced by the German theologian Lorenz Werthmann, who combined the many smaller, unorganized Catholic social activities by founding the *Caritas* Association in 1897. He established a social organization that was oriented toward the common welfare and in line with Christian values. The originally private initiative was later granted privileged legal status and public funding in Germany (Zimmer, 2015). With over 600,000 employees, Caritas is today one of the largest social service providers and, thus, larger than any private employer in Germany. The organization is engaged in the advancement and qualification of disadvantaged people in the social and health sector as well as in social policy (Boos, 2011, 2019). Today, there are 160 member organizations active across the world (Caritas Internationalis, 2019).

Solving Social Problems in the Twentieth Century: The German Welfare State and the Cooperative System

In the first half of the twentieth century, public social spending increased with tax revenues in Germany, famed as the German welfare state. Historically, this development began with the introduction of the world's first statutory health insurance scheme in 1883. Other statutory insurance schemes cover unemployment, old-age pensions, long-term care, and occupational accidents. These statutory insurance

schemes are financed by both taxes and insurance contributions of the insured and of their employers.

In addition to communal social service providers, nonstatutory welfare organizations run a comprehensive care system in Germany with day-care centers, nursing homes, inclusion projects, and many other services for the whole society. They include six welfare umbrella organizations: Arbeiterwohlfahrt, Caritas (Catholic), Diakonie (Protestant), Paritätischer Wohlfahrtsverband, Rotes Kreuz (German Red Cross), and Zentralwohlfahrtsstelle der Juden (Jewish). Although these organizations are politically independent, they have been privileged under social law since the 1960s. Thus, they have long been protected from competition, and even today, they receive public funding to some extent.

However, political criticism in the late 1980s and 1990s led to institutional changes of the traditional welfare system. As a result of these reforms, the market for social services was opened up to commercial providers. This ultimately led to an increase in newly founded social enterprises in the social service sector (Zimmer & Bräuer, 2014).

Additionally, Germany has always had a well-developed co-operative system. Co-operatives are jointly owned and democratically controlled by their members. Together, they work toward the common needs of their members, with a strong notion of self-help and self-sufficiency. Toward the end of the twentieth century, the total number of co-operatives significantly decreased. However, co-operative founding initiatives of the co-operative federations (*Genossenschaftsverbände*) and the reform of the co-operative law in 2006 were followed by the establishment of 2379 new co-operatives from 2000 to 2015. The new co-operatives were active in completely different fields compared to the traditional co-operatives, namely (renewable) energy and health-care co-operatives. Other successful co-operative endeavors included childcare, housing, rural retail shops, and community swimming pools (Stappel, 2016).

Unlike elsewhere in the world, social entrepreneurship driven by a business approach was not substantial until the late 1990s. Institutions such as the Schwab Foundation for Social Entrepreneurship helped in increasing public awareness about this topic. The German couple Klaus and Hilde Schwab founded the organization in 1998 and made it their personal endeavor to honor social entrepreneurs in different countries. Since 2005, the award has also been presented in Germany, thus helping German social entrepreneurs to attract media attention (Achleitner, Heister, & Stahl, 2007).

Social Entrepreneurship in Present-Day Germany

The German welfare state today is under constant pressure. For instance, an aging population demands for more market-driven social solutions (Reifner, Tiffe, & Turner, 2003). However, statutory insurance systems and the welfare umbrella organizations still play a major role in the social service sector in Germany. In 2018, 88% of the population is insured in the public health insurance system (German

Federal Ministry of Health, 2018). In 2016, the member welfare organizations were running 118,623 social facilities, such as nursing homes, and employed 800,000 full-time and 1.1 million part-time staff (Bundesarbeitsgemeinschaft der Freien Wohlfahrtspflege, 2018).

However, with the beginning of the twenty-first century, a business-driven social entrepreneurship scene has gained substantial momentum in Germany. In 2018, 60% of new ventures surveyed by the German *Social Entrepreneurship Monitor (DSEM)* poll had been founded within the last 2 years. This dynamic was driven by global challenges, such as digitization or globalization, but also by political challenges like the influx of refugees, especially in Germany (Olenga Tete, Wunsch, & Menke, 2018). The *Social Entrepreneur Network* Germany (SEND) included more than 250 members in 2019—and counting. Members include established innovative social enterprises, emerging social startups, committed social entrepreneurs, and business angels (SEND, n.d.).

Inspired by Bill & Melinda Gates' and Warren Buffet's The Giving Pledge, German social entrepreneurs initiated the Entrepreneur's Pledge. From Berlin, Germany, the backers promote the idea of established entrepreneurs committing to found at least one social business. In 2019, the website presented the profiles of 112 such entrepreneurs, with the majority hailing from Germany (Entrepreneur's Pledge e.V., 2019).

The social enterprises covered in the DSEM study differ in terms of their impact orientation, their business model, or their legal form. Companies with corporate social responsibility orientation and conventional companies tend to be more profit-oriented. Not surprisingly, traditional nonprofit organizations, social enterprises, and socially responsible companies tend to orientate their actions toward impact. The 2018 German Startup Monitor survey investigated new ventures, which are (1) less than 10 years old, (2) growth-oriented, and (3) highly innovative. According to the survey, more than 32% of German startups labeled themselves as social enterprises (Kollmann, Hensellek, Jung, & Kleine-Stegemann, 2018).

In sum, there is no clear distinction between social enterprises and conventional entrepreneurship with social orientation or responsibility. In the 2018 DSEM poll, more than 92% of the German social entrepreneurs who were surveyed said that the social impact was a main motive. In addition, more than half of the respondents stated that the intention to make a profit is an additional important motive (Olenga Tete et al., 2018).

Due to the long history and legal status, there are detailed statistics available about the co-operative system in Germany. In 2017, 22.7 million members were organized in German co-operatives, 80% of them are member-owners of the co-operative banks. The co-operative banking network covers every German community and, therefore, forms a strong pillar of the German retail banking system. Compared to other industrialized countries, German retail banking clients and small business owners suffer much less from financial exclusion (Größl & Turner, 2008). In the first half of 2018 alone, 93 new nonfinancial co-operatives were founded. They cover business activities such as affordable housing, retailing, farming, renewable energy, and health care (DZ BANK AG, 2018).

The following two mini case studies of the German companies Premium Cola and Upstalsboom illustrate to what extent for-profit and nonprofit business models differ or resemble each other in the social entrepreneurship sector and which motives play a role.

Premium Cola: Ensuring Equality of All Stakeholders

At a first glance, "Premium" refers to certain beverages—cola, beer, elder blossom juice, mate tea—which are distributed under the Premium brand. However, it is, in fact, a management system that is built upon the shared idea of equal worth and equal importance of all human beings. The Premium Cola management system started actual business activities in 2001 with the bottling of the first 1000 Premium Cola bottles (Premium, n.d.). In 2018, roughly 1.5 million bottles were sold.

The actual trigger for developing the Premium Cola management system was a particular experience of social entrepreneur Uwe Lübbermann as a customer in 1999. His favorite cola at that time, Afri Cola, did not taste as good any more. As it turned out later, the company had changed the ingredients of the beverage without asking or even informing its customers. The attempt of a few unhappy customers to get back the beloved taste was unsuccessful (Lübbermann, 2017). However, this is just a symptom of a much larger social problem in business: Different stakeholders are not (always) treated equally.

The Premium Cola management system tries to address this problem in numerous, innovative ways. The backbone is a stakeholder network, called "collective" (*Kollektiv*). It includes all stakeholders—including staff, customers, and suppliers on an equal basis. In 2019, about 10,000 customers and 1600 business partners were involved. Roughly 200 of them are actively engaged in the Premium *Kollektiv* community in an Internet-based discussion forum, which is open to all stakeholders. On average, 20–30 members are actively discussing a particular decision (Lübbermann, 2017; Premium, n.d.; U. Lübbermann, personal communication, May 13, 2019).

Consequently, decisions are made after a discussion among all stakeholders on the principle of consensus. Some decisions take longer than in a top-down decision-making process. However, follow-up decisions are generally made quicker, since there is a basic agreement and support from all stakeholders in place. Uwe Lübbermann, the founder, is also the chief moderator, facilitating a fair and harmonious discussion (Edinger-Schons, Lübbermann, & Kaya, 2019).

The principle of equality is rigorously applied to the staff as well. There is no boss to direct the employees. Employees choose what, where, and when to work. They are trusted, equal members of the stakeholder community. Every employee receives the same hourly wage, plus extra compensation for children, disabilities, and home office. The underlying assumption of the *Kollektiv* community behind the extras is that these employees simply need more money to meet their basic needs. The principles of equality, trust, fairness, and cooperation are also visible in the interaction with the business partners in the stakeholder community. Unless dictated by law, there are no legal contracts in place. Areas of conflict are discussed and

solved through a fair communication process. Since incorporation, Premium Cola has had no legal dispute (Premium, n.d.; U. Lübbermann, personal communication, May 13, 2019).

Finally, Premium Cola is a commercial company, but not profit-oriented. The founder receives the same hourly wage as all other employees. The consensus of the Premium *Kollektiv* is that profit implies charging too much to the customers (Premium, n.d.; Edinger-Schons et al., 2019). When it comes to pricing for business clients, Premium Cola follows a similar principle. Through so-called antiquantity discounts (*Anti-Mengenrabatt*), the beverage company tries to support small dealers or new ones entering the market. The aim of this measure is to reduce the transport cost disadvantages of small retailers by giving them a discount. According to the Premium *Kollektiv*, large wholesalers already have a cost advantage and, therefore, do not need further financial support (Premium, n.d.).

In sum, the founder Uwe Lübbermann saw the potential to create an innovative way of conducting business in which all stakeholder concerns are addressed. Benefits include near zero fluctuation and stress-induced absenteeism among the employees as well as zero court disputes. As a stakeholder, he had experienced the lack of inclusion in the corporate decision-making process. Motivated by his strong values for equality and justice, he created an innovative business system in line with these values.

In addition to successfully conducting business with 1600 partners and delivering 1.5 million bottles to the clients, the Premium management system has caught interest from different institutions and entrepreneurs. Stefanie Mölle-Schröppel, for instance, is the owner of bottling company Mölle, one of Premium's suppliers. For her, being part of the Premium *Kollektiv* community was the inspiration to think over their own business system, to learn and to grow together (Edinger-Schons et al., 2019). The team of the social startup Parkour Creation e.V. in Hamburg applies the Premium's management system to their activities (J. Hofmann, personal communication, November 17, 2018). Uwe Lübbermann runs workshops and/or acts as a consultant to audiences as diverse as universities, for-profit corporations, social service providers, and government institutions (Lübbermann, 2017; Lübbermann, personal communication, May 13, 2019).

Upstalsboom Hotel Group: The Company as Means to the End of Employee Happiness

Upstalsboom Hotel Group is a German family-owned hotel business with roughly 600 employees and 300,000 guests. The company manages several hotels and vacation rentals across the North and Baltic Sea shores and in Berlin. Social entrepreneur Bodo Janssen took over the management from his mother after his father died in an aircraft crash in 2007. In a talk to university students in 2016, Bodo Janssen described the management paradigm at the company as follows: "At Upstalsboom, employees are not seen as a means to the end of company success. The company is actually the means to employee success."

Previously, when he took over the family business, Bodo Janssen managed the company strictly by financial key performance indicators. Initially, the business developed well, according to the numbers. However, staff fluctuation and sick leave days significantly above industry standard were clear signs of employee dissatisfaction. New job applications were rare. At some point, the company was not able to fill the minimum number of positions to run the business smoothly. In 2010, an anonymous employee survey showed that dissatisfaction with the leadership, especially with Bodo Janssen, was the root cause of this situation.

Bodo Janssen describes this negative feedback as quite traumatic. He decided to act on the feedback and initiated an organizational transformation process along with a few necessary investments in equipment and so on. He started a personal leadership transformation for himself as well and ended up spending about one and a half years in a monastery to undergo a leadership coaching by Benedictine monk Anselm Grün. He developed his own personal goal in life: To help others (and himself) to become happy. As an entrepreneur, he wants to create the preconditions in which employees and hotel guests can pursue their own happiness (Janssen, 2017).

The company started to invest heavily in self-development trainings. Bodo Janssen encourages every employee to find his own personal purpose in life. A lot of employees chose to spend time in the Benedictine monastery as well. However, latest research from psychology and neurobiology and related corporate happiness training and coaching methods are administered as well. In 2013, the employees jointly developed the Upstalsboom value tree, defining 12 fundamental company values: fairness, appreciation, reliability, openness, loyalty, role model, mindfulness, trust, responsibility, kindness, vitality, and quality.

Today, being profitable is not the main purpose of the company. Of course, earnings are appreciated as the foundation of existence of the company. And as it turns out, human-centric leadership can be profitable. Employee happiness is directly related to hotel guest satisfaction. Upstalsboom Group in 2019 reported 80% employee satisfaction, sick leave down from 8 to 3%, and 98% positive guest recommendations. 500% more job applications. Company sales doubled in 3 years, with an above-average growth in productivity (Upstalsboom, n.d.; Janssen, 2017; Purps-Pardigol, 2016).

Stress-induced mental health problems are an important cause for absenteeism, especially in service-oriented professions (Meyer, Wenzel, & Schenkel, 2018). Other negative consequences are lower employee engagement, higher fluctuation, potential loss in labor supply, and lower productivity (OECD, 2015). According to a study by the German Federal Institute of Occupational Safety and Health, the productivity loss due to mental diseases in Germany was estimated at 12.2 billion euros in 2017 (Brenscheidt, Siefer, Hinnenkamp, & Hünefeld, 2019). Therefore, the human-centric management approach of Bodo Janssen is an innovative and inclusive solution to a much larger social problem.

The Upstalsboom Way (*Upstalsboom-Weg*) has caught significant public attention in Germany. Bodo Janssen is a best-selling author of two books, vividly describing his spiritual journey as an entrepreneur. Several TV and movie theater documentaries tell the story of the personal and organizational transformation

process of Bodo Janssen, the employees, and the company, notably the 2018 documentary *Die stille Revolution* ("the quiet revolution"). Bodo Janssen and a number of employees cheerfully and skillfully share the success story as (keynote) speakers at professional conferences, or in academic and corporate trainings. Other employees have moved on to other companies to implement a similar human-centric leadership approach.

Chapter Takeaways

- Social entrepreneurs are driven by other, more other-oriented motives than conventional entrepreneurs.
- Germany has a long tradition of social entrepreneurship, although very different to other industrialized countries due to, for example, a strong welfare state and co-operative system.
- It is only in the twenty-first century that a more business-like social entrepreneurship, such as can be seen in other industrialized countries, has developed in Germany.
- Modern social entrepreneurship in Germany is diverse in terms of areas of activity, type of management system, and profit/nonprofit orientation.
- Premium's management system is an innovative way of including all stakeholders in the decision-making process.
- With increasing importance of mental health of employees, the Upstalsboom Way is an innovative approach to enhancing employee happiness.

Reflection Questions

1. What—in your opinion—defines a social entrepreneur?
2. What do you think of the debate about of profit versus nonprofit orientation in social entrepreneurship?
3. What kind of motives may prevent entrepreneurs from striving for social impact?
4. Are you familiar with the social entrepreneurship ecosystem of another country? Discuss the differences between that country and the German ecosystem.
5. What could be pitfalls of the consensus-based decision-making process at Premium Cola?
6. Make a team of four. Imagine you want to move to a popular city with high rent and little supply of housing. You will need to share an apartment with three total strangers in an apartment in which each room has a different disadvantage (one is noisy, one without Wi-Fi, one walk-through room, etc.). Try out a consensus-based decision-making process about sharing the apartment.
7. Could the Premium management system and the Upstalsboom Way work in other industries as well?

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Social Entrepreneurship in the Emerging Economies of Africa

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Introduction

Social entrepreneurship is one of the most significant paradigms in the world of management and economics and has assisted many countries to be developed in a variability of areas. The concept of entrepreneurship, long concentrated in the context of business undertakings, has been progressively useful in the context of social problem-solving. Social entrepreneurs who have created innovative organizations are contributing to sustainable economic development all over the world (Ashoka, 2010). The way social entrepreneurs operate after starting their enterprises, the processes, structures, and outcomes engendered are sometimes in sharp contrast with the more traditional efforts employed by ordinary business people even at the Small and Micro Enterprise (SME) sector level where we find most social entrepreneurs. There are renewed calls to support social entrepreneurs in many countries today (Ebner, 2005; Leff, 1979). For example, South Africa, Kenya, and Botswana have formulated policies for support of SMEs. Kenya's efforts in the massive allocation of development funds, the Youth Development Fund, the Constituency Development Fund, and the Women Development Fund to name a few (Economic Survey, 2009) cannot be underrated.

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Meaning and Scope of Social Entrepreneurship

The clear definition of social entrepreneurship is frequently seen as contested and unclear. The concept of social entrepreneurship has different meanings to different people. Some refer social entrepreneurship as a nonprofit initiative, which is aimed at searching for funding strategies to create social value, while others perceive social entrepreneurship as the socially responsible practice of businesses engaged in partnerships to trigger long-lasting ripple impact to enable change to survive and expand. Social entrepreneurship research arena has been bombarded by many definitions used by researchers and policy-makers. Social enterprises have also been diversely described as private enterprises managed for the sake of public interest. Social enterprises use different legal formats and abide to different legal frameworks and fiscal tasks and duties in different countries in the world. The various definitions of social entrepreneurship reflect the need for a substitute for the market discipline that works for business entrepreneurs.

We can confidently observe that social entrepreneurship is the process of fulfilling prevailing unmet basic needs by the traditional institutions and entails delivery of goods and services to the needy in society. The main aim of social entrepreneurship is to bring social change to the community or society (Alter, 2006; Roger & Sally, 2007). According to the classical definitions, social entrepreneurs act as the change agents in the SME sector by adopting missions to generate value and maintain social value, identifying and pursuing new opportunities to serve the mission, and participating in the process of continuous innovation, adaptation, and learning.

Social entrepreneurs are people who target the highly disadvantaged people and aim at a large-scale transformation of benefits that lead to an important segment of society. In addition, social entrepreneurs are innovative, vision minded, and ethical problem solvers and have characteristic of high commitment to social change. Social entrepreneurs and their networks reveal a relentless focus on general social change that disregards institutional and organizational culture and boundaries. These disruptive change agents are frequently sectorial attackers operating in a more diverse and ever-changing strategic landscape than conventional businesses or social ventures. There are various activists, innovators, and change makers who do not match into the narrow definition of social entrepreneurship which is a growing movement, reflecting an interesting trend where by human beings are taking responsibility for their own development in the midst of governments' failure in service delivery.

Today, there appears to be a consensus that social entrepreneurship includes the activities, processes, and systems enterprising individuals undertake to discover, define, and exploit opportunities in order to enhance social wealth in their communities by creating new ventures or managing existing organizations in an innovative manner. Sometimes, the individuals take risks and plunge into new areas with a lot of courage and without fear that they will fail in their efforts. The following definitions from different sources capture the key aspects of the paradigm of social entrepreneurship.

Alford et al. (2004) have the view that social entrepreneurship involves the creation of innovative solutions to immediate social problems and mobilizes the ideas, capacities, resources, and social arrangements required for social transformations. Drayton (2002) contents that a social entrepreneur is a major change agent, whose core values center around identifying, addressing, and solving societal problems. Ashoka (2010) defines social entrepreneurs as people who come up with innovative ideas and solutions to their society's most pressing social problems. They are ambitious and persistent individuals who see problems and their negative impact on the lives of people and decide to do something about it in order to bring about necessary change. Mort et al. (2006) argue that social entrepreneurship is a multidimensional construct involving the expression of entrepreneurially virtuous behavior to achieve the social mission. It is innovative and is characteristic of risk taking. Zadek and Thake (1997) in their study came up with the conclusion that social entrepreneurs are driven by a desire for social justice. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions which are financially, organizationally, socially, and environmentally sustainable. Reis (1999) holds that social entrepreneurs create social value through innovation and leveraging financial resources … for social, economic, and community development. Fowler (2000) defines social entrepreneurship as the creation of viable socioeconomic structures, relations, institutions, organizations, and practices that yield and sustain social benefits. Schwab Foundation (2005) reached the conclusion that social entrepreneurship involves applying practical, innovative, and sustainable approaches to benefit society in general, with an emphasis on those who are marginalized and poor. Peredo and McLean (2006) claim that social entrepreneurship is exercised where some persons or groups aim at creating social value, show a capacity to recognize and take advantage of opportunities, employ innovation, accept an above-average degree of risk, and are unusually resourceful in pursuing their social venture.

Concepts in Social Entrepreneurship

The various definitions of social entrepreneurship above and elsewhere in literature show that the concept comprises a wide range of activities, which include individuals devoted into making a difference, social purpose, business opportunities dedicated to improving profit motivations to the nonprofit sectors, new types of philanthropists in support of venture capital-like investment portfolios, and nonprofit organizations that are reinventing themselves by taking into consideration the lessons learned from the business world. Available literature gives us several concepts in social entrepreneurship (Alter, 2006; Martin & Osberg, 2007; Neace, 1999; World Bank, 2004). The key concepts of social entrepreneurship are outlined below.

Social Mission

Social mission is very important to the social entrepreneur. Mission is the reason for existence (*raison d'etre*). This affects how social entrepreneurs understand and evaluate opportunities. Mission-related effects become the central criterion, not wealth creation. The concept of social mission can be found in any place. In some cases, it reflects in a traditional context whereby no one anticipates a new social approach to materialize. A social mission focus leads to the establishment of an unmet social needs or creation of a new value creation. The process of social entrepreneurship is characterized by several social missions that are tackled at different stages of social value chain.

Social Innovation

A Social entrepreneur enters into a situation where things are challenging. These situations or contexts require new approaches, new ideas, and new strategies. Innovation is the central part of social entrepreneurship. Social entrepreneurs search for new ways of doing things. Innovation involves incremental change which ranges from creativity to innovation, crucial for success in social entrepreneurship.

Social Change

Social innovation needs to be separated from the element of social change considering that the former is a spark and the latter has a long-term and far-reaching consequence. Change is considered a critical factor of social entrepreneurship. The effect of change can be more vital than the initial changes. The entrepreneur plays a key role as a change catalyst by looking for new paradigms and exploiting them as new opportunities. Social entrepreneurs aim for a systematic social change so as to ensure sustainability of their novel and innovative interventions. Social entrepreneurs in Africa, where countries have failed in service provision, appear to be pushed by an inner force to bring about change in their societies.

Entrepreneurial Spirit

An individual's level of entrepreneurial spirit is considered a crucial part of social entrepreneurship especially where it is considered the main engine driving a big percentage of the business sector and as a driving force behind the rapid growth of the social sector. Recently, it is been viewed as the process of making something new and in a different way with the aim of wealth creation and value addition to the society. As is already clear, entrepreneurs are considered as leaders who are able to see opportunities and innovate to take advantage of the opportunities. They devote themselves to making sure that change happens. These leaders usually have little

interest in other things other than the mission and are always willing to spend more years in historic development creation. They display the entrepreneurial spirit.

Personality

The use of social entrepreneurship term focuses on the characteristics and activities of individuals who are risk takers and who against all odds are willing to create change. The characteristics of the individuals form part of the definition of a social entrepreneur. The major personality traits of social entrepreneurship are creativity, innovation, and risk taking among others. Social entrepreneurs are unique people who do unique things sometimes against all odds in their communities.

Boundaries of Social Entrepreneurship

Social entrepreneurship is becoming popular and is attracting growing amounts of resources. It is often discussed in academic discourse, in social media, and in public debates as a fast-growing sector. Public servants and many academicians are involved in it in both theory and practice. This is due to the support which social entrepreneurs are receiving from various network of organizations that support their work. However, due to the lack of consensus on the correct definition and scope of social entrepreneurship, there is really no agreed standard definition or common meaning of the concept (Alter, 2006; Martin & Osberg, 2007). Defining the boundaries of social entrepreneurship might assist to shed some light. Two boundaries useful in positioning social entrepreneurship have been proposed in literature. They include "mission growth" and "profit growth."

Nonprofit with Earned Income Strategies

Nonprofit with earned income strategies means that the social entrepreneur performs both hybrid social and commercial entrepreneurial activities to achieve self-sufficiency. In this case, a social entrepreneur runs a business that is both social and commercial. This means, therefore, that the revenues and profits generated are available for use in improving delivery of social values and services.

For-Profit with Mission-Driven Strategies

The main purpose of a business performing social and commercial entrepreneurial activities is to achieve sustainability. This means that the business with the above orientation is likely to become financially independent and that the owners can benefit from personal monetary gain. If the owners hold shares in a company engaged

in social entrepreneurship, they expect to receive financial gain as they support engagement of their company in social entrepreneurship activities.

Theories of Social Entrepreneurship

There are many theories of social entrepreneurship. They have their origins in different disciplines including mainstream entrepreneurship, economics, management, and strategic management. Only the theories considered relevant to this chapter are considered here. However, it suffices at this point to present the necessary background on theories here. Even though there are several approaches to entrepreneurship, to profit, and to functions that the entrepreneurs provide in the market process, in this chapter, we recognize that many of the relevant theories have their basis in the Neoclassical Theory (in general, the ideas of Marshall), the Schumpeterian approach, and mainly the Neo-Austrian theories of entrepreneurship (Kirzner, 1997; Schumpeter, 1962/2005).

In analyzing entrepreneurship, Marshall mainly tries to explain how markets reach to equilibrium under the assumption of perfect competition and does not give each individual player in the market a specific role in terms of innovation or change (Marshall, 1948). Many small- and medium-size firms compete, and, in equilibrium, there is no excess profit earned by each firm because of the numerous number of firms where none can singly influence supply and demand. The model fails to explain profit and how changes and innovations occur in a capitalist economy and ignores the role that creative entrepreneurs have on economic development.

Schumpeter rejects the equilibrium analysis, and he believes that human economic development is the history of continuous creative destructions by entrepreneurs. The entrepreneur is an innovator, not an imitator in the production of goods and services. Since economic progress comes from innovations, the role of entrepreneurs in this regard is very important.

The Neo-Austrian theory of entrepreneurship is that the entrepreneur is an alert arbitrager, and competition between alert entrepreneurs helps the market clearing process. Economic agents have different information and knowledge, and this difference creates opportunities for entrepreneurs to exploit and cause the market to reach equilibrium. He believes that in the markets, the tendency toward a single price is continually interrupted but is continually resumed.

The early contributions to the theory of social entrepreneurship above provided a good basis for the development and growth of other theories relevant to social entrepreneurship.

Public Goods Theory

Since 1950, public goods theory has been the foundation of economic theory of the public sector. Public goods are less costly when provided to many people compared to one person. Public goods theory tries to show the reason why goods with specific

characteristics of publicness are not produced efficiently by the private sector, which, therefore, leads to market failure. Public goods theory shows different types of goods in form of excludability and rivalry of usage.

Excludability refers to the extent to which an individual in a society can be barred from using a specific good or product. Rivalry of use is the degree of competition in using a certain good in a market. It also means the degree to which consumption of a particular good in a market can reduce the availability of the good to the other consumers. Public goods theory is used to discriminate against the interests of the economists who developed the theory. This theory has been applied in public policy issues.

The Government Failure Theory

Government failure theory is anchored on the fact that due to a combination of factors, the public sector is sometimes unable to supply social goods to the population. Government failure pushes the state sector to support nonstate actors in the provision of public goods. As governments realize that the nonprofit sector has a significant competitive advantage in the supply of some public goods, they support the nonprofit sector financially so as to improve provision of different public goods, a key mandate of government. Since public subsidies can be a major source of financial gain for the nonprofit sector, when the government sector appoints the provision of heterogeneous public goods to the nonprofit-making organizations, the nonprofit sector gets subsidy payments, thereby supporting the nonprofit sectors' growth.

Entrepreneurship Innovation Theory

This theory was proposed by Ebner (2005) who argued that entrepreneurship is a key function in the production of goods and services. It is a main catalyst in the revitalization and growth of economy. Ebner added that entrepreneur is able to achieve much because he/she is innovative, foresighted, and creative. He viewed innovative transformation as the normal behavior, which is slow and conflict driven, and he, therefore, defined innovation as differently management roles. The theory is relevant in regard to the growth of social entrepreneurs as it provides many propositions and ideas.

Economic Theory of Entrepreneurship

This theory holds the belief that entrepreneurial activities are influenced by the economic incentives available. Economic gains trigger the willingness of entrepreneurs to carry out diverse entrepreneurial initiatives. The relationship between a person's urge and the anticipated economic gain influences improvement of entrepreneurial

activities. This theory shares ideas with the ideas of Marshall and Schumpeter high-lighted above.

Contract Failure Theory

Contractual failure theory argues that nonprofit-making organizations exist where there are no available options for the provision of goods and services consumers. A good example is the failure by nonstate actors and government agencies to supply goods and services. In this theory, consumers lack trust of some service providers and are convinced that services provided will not be at a fair price.

Key Characteristics of Social Entrepreneurs

Social entrepreneurs are credited in many quarters as having technical capability, effectiveness in judgment, intelligence, confidence, creativity, positive attitude, honesty, and emotionally stability. Various sources have brought out the key charac-teristics of social entrepreneurs in emerging economies, and these appear to be shared by social entrepreneurs everywhere else in the globe (Austin, Stevenson, & Wei-Skillern, 2006; Ebner, 2005; Leff, 1979; Neace, 1999).

Risk Taking

Successful social entrepreneurs have an idea that sometimes it is important to be a risk taker. Avoiding risks sometimes does not lead to the success of business although it is not all about taking all types of risks. It is important for the social entrepreneur to understand the risks that are likely to pay off. A social entrepreneur is unlikely to succeed without ever taking risks.

Addressing Key Social Problems

Social entrepreneurs solve major social-related issues such as supporting HIV/AIDS orphans to enroll in schools in spite of the stigma, supporting poor and low-income students to finish schooling and engaging in undertaking in their communi-ties to alleviate poverty. Social entrepreneurs operate in different kinds of organizations, which include nonprofit-making organizations, social ventures, and hybrid organizations. They venture where others dare not. They are found in all spheres of life.

Mission Oriented

Creation of social value is not all about wealth creation. Although wealth creation may be part of social entrepreneurship, it is not always the main mission but promotion of social change in the society.

Strategic

Like other entrepreneurs, social entrepreneurs investigate and act upon what has not been done by others even though sometimes some of them may engage in activities similar to existing ones in novel and innovative ways. Social entrepreneurs look for the available opportunities to improve business systems, come up with solutions, and innovate new strategies to create or improve social value. Social entrepreneurs pay attention to achieving their social vision.

Resourceful

As entrepreneurs operate in a social context rather than in a business world, they usually have limited access to funds and support systems. Due to this challenge, social entrepreneurs always yearn for skills enhancement and are very resourceful in seeking skills.

Results Oriented

Social entrepreneurs ensure that they produce reasonable returns. These outcomes change the existing realities, open up new ways for the less disadvantaged, and open the potential for the community to accept the change.

Mental Ability

Mental ability comprises intelligence and critical thinking. Experiences show that many social entrepreneurs are intelligent human beings who possess critical thinking capability. They are able to solve various problems and handle difficult situations. Social entrepreneurs accept changes and are able to observe various situations where decisions are required.

Objective Setting Capability

Social entrepreneurs operate on the basis of some objectives. Many of them are able to set clear objectives concerning the exact nature of the goods to be manufactured

or produced and other activities to be undertaken and services to be provided. Many successful social entrepreneurs display the ability to identify what ventures will make a fair return on their investments in terms of time, money, networks, and other resources.

Secretive

Many social entrepreneurs are able to come up with surprising innovations and new idea. They are capable of keeping the secrets of their business as leaking business secrets could destroy their operations and interfere with their missions and visions.

Good Personal Relations

This is an important personality trait which can make an entrepreneur successful and it comprises emotional stability, good personal relationships, considerable, and tactfulness. Many social entrepreneurs are friendly human beings who are able to maintain good human relations with clients, employees, creditors, suppliers, and the society in general.

Communication Skills

This is the ability to communicate effectively with stakeholders. A social entrepreneur who can effectively communicate well with clients, employees, creditors, and suppliers is more likely to prosper in business than the one who does not. Many successful social entrepreneurs are expert communicators of their ideas and visions.

Technical Expertise

Technical expertise comprises technical and administrative skills necessary in all business operations. A social entrepreneur who has administrative skills, mental stability, good human relations, effective communication skills, and technical expertise outweighs the other entrepreneurs who possess lower basic technical expertise.

Opportunities and Challenges in Social Entrepreneurship

A review of available literature and anecdotal evidence shed light on the key opportunities and challenges in social entrepreneurship.

Opportunities of Social Entrepreneurship

Social enterprises carry out their businesses in a complex environment where they compete against full commercial enterprises which may have subsidized products and services. Therefore, it may be helpful if the social enterprises try to establish niche markets where there may be higher opportunities and where there is availability of resources for the social enterprises.

Markets serving the less disadvantaged in the community   There is an ongoing debate in the micro finance sector as to whether to fully commercialize operations and fulfil the needs of the less disadvantaged or to improve the NGO models available at the moment in Africa. In the health sectors of many countries in Africa, there exists a niche for the hybrid service models in places where there is no state provision and capability to pay market prices in full is lacking. For example, micro-clinics in low-income parts of some countries such as Kenya, Uganda, and Zambia, and provision of solar lanterns for poor households in Kenya by some social entrepreneurs in the NGO sector.

In many countries in Africa, there are sectors whereby the costs of providing social services are high. There is need for creating new opportunities to overcome stigmatization, improve technology, and eliminate the perception that services should be provided by the government. Most social enterprises deal with intractable social issues where the barriers to success are long term. A good example is the social enterprises which provide counselling services to HIV/AIDS patients in Kenya, Uganda, and South Africa.

Infrastructure management   This entails management of infrastructure which the government has no resources to maintain. For example, opening up rural roads accessibility, whereby cooperatives are active and have close interaction with farmers.

Key Challenges in Social Entrepreneurship

Here, only the main challenges as gleaned from available literature, interviews with DBA students, and from anecdotal evidence are outlined.

Raising of capital   Raising capital for the investment by the social entrepreneurs is a challenge. They borrow capital from family and friends. Many social entrepreneurs do not raise their money from government agencies, and so they are forced to use their own personal assets and grants for survival. Sourcing for money is time consuming and is not easy. The governments of Botswana, South Africa, and Kenya have come up with state schemes for supporting social entrepreneurs. However, many social entrepreneurs in these countries and elsewhere have problems of access

to state funds because they lack knowledge on how to access them but also because of corruption and demand for bribes.

Human resources Constraints   Social entrepreneurs face the challenge of human resources. Many established founders of the social enterprises usually find it difficult to hand over the responsibilities of the organizations to other energetic people. Succession management, therefore, becomes a big issue. This has led to a low growth of social enterprises in many countries, as the founder management skills are not always adequate.

Markets   Social enterprises pay attention to niche markets especially those at the bottom of the pyramid. Some markets are very challenging to penetrate as their technological requirements are very high and also because of other inhibitions. For example, in Kenya, Tanzania, Zambia, Nigeria, Morocco, South Sudan, and Ethiopia, illiteracy is a limiting factor and many social entrepreneurs in these countries are not able to acquire relevant market information services in their expansion efforts.

Sector-based constraints   Some sectors usually have their own specific requirements which are difficult to be met by the social enterprises due to their nature of work. This challenge has been hindering social enterprises from engaging in business operations in some sectors in some countries.

Locating the right manufacturers   There is a tendency of the social entrepreneurs to bargain as they search for the best manufactures especially if their business entails selling of physical goods. The challenge is that most of the manufacturers require specified minimum orders. This is always a challenge for the social entrepreneurs who have financial constraints making it difficult to make orders in large batches. But in any case, if the minimum order can be achieved, the other challenges remain. For example, maintaining inventory and ensuring that there are no stock outs and surplus stock in the store are key challenges for social entrepreneurs who do not have knowledge or expertise in supply chain management or inventory management.

Low profit margins   Millennial social entrepreneurs face low-profit margins because of the scale of their operations. Many have high expectations in terms of generating huge profits, but they face obvious limitations.

Mission drift   As the businesses for the social entrepreneurs grow and become profitable, their social missions can expand, and there can be a great attention paid to profits. Focus on profits can be triggered by many factors. Some social entrepreneurs occasionally lose their view of their original mission in search of high profits.

Kenya's Experience

Background

Kenya provides a good case to understand social entrepreneurship in Africa. Social entrepreneurship in Kenya was given much needed boast through the efforts of the Green Belt Movement (GMB) whose founder the late Prof. Wangari Maathai was awarded the Nobel Peace prize for her efforts in environmental conservation.

The Green Belt Movement (GBM) is an environmental organization that empowers communities, particularly women, to conserve the environment and improve livelihoods. GBM was founded by Professor Wangari Maathai in 1977 under the auspices of the National Council of Women of Kenya (NCWK) to respond to the needs of rural Kenyan women "who reported that their streams and rivers were drying up, their food supply was less secure, and they had to walk further and further to get firewood for fuel and fencing. GBM encouraged the women to work together to grow seedlings and plant trees to bind the soil, store rainwater, provide food and firewood, and receive a small monetary token for their work" (http://www.green-beltmovement.org). The Green Belt Movement is a social enterprise operating at the macro level. It encouraged the growth of many social entrepreneurs at the micro level. Our focus in this chapter has been the micro level social enterprises.

Social entrepreneurship plays a critical role in wealth and job creation in Kenya. Although majority of the social enterprises are informal, they help in job creation. The Economic Survey (2018) reveals that small enterprises create majority of the jobs in the informal sector, and this has made the informal sector very important to the economy. Kenya is increasingly encouraging social entrepreneurship development. Social entrepreneurs in Kenya are expending their energies toward social issues facing the community and providing new ideas for change.

Policy Environment for Social Entrepreneurship Development in Kenya

The recognition of social entrepreneurship dates many years back in the 1970s when the International Labor Organization (ILO) did a study on employment and incomes in Kenya. The study identified that small enterprises, including social entrepreneurs, had a capability of employing and creating wealth and income for the community. The vital role outlined in Kenya's vision 2030 is to transform Kenya into a middle-income country. Social entrepreneurship is one of the sectors which

has been given priority as one of the drivers of Kenya's vision 2030. This vision recognizes need for capacity building and establishment of social enterprises. The social entrepreneurship sector has been identified in Kenya as quite important for economic development because it creates social and economic values such as employment, new products, social services, and social capital and promotes equity (Economic Survey, 2018; Vision 2030, 2008).

Social Entrepreneurship and Poverty Alleviation

Technological innovation and entrepreneurship are crucial to development. A new entrepreneurial approach to development is emerging. This involves designing new technologies and adapting existing ones to suit the specific requirements of poor people. These are then bought by poor people to form the basis of small businesses or used to help people meet their basic human needs (Remenyi, 2004; World Bank, 2004).

Creation of Employment

Social enterprises create and provide employment opportunities and job training to segments of society that are disadvantaged. Reintegration of disadvantaged groups into the labor market is both socially and financially beneficial to Kenya and its different communities.

Innovation and Provision of New Goods and Services

Social enterprises develop and apply innovation important to social and economic development and develop new goods and services. They innovate and bring new and novel responses to unmet social needs. This is seen in the provision of new goods and services that are complementary to those delivered by the public and private sectors and are accessible by a greater number of citizens. Issues include societal problems in Kenya such as Female Genital Mutilation (FGM), early marriage to under-age girls, HIV/AIDS, mental ill-health, illiteracy, and drug abuse.

Social Capital

Social entrepreneurship creates social capital. Social capital is the most important form of capital created by social entrepreneurs because economic partnerships require shared values, trust, and a culture of cooperation which is all part of social capital (Leadbeater, 1997). The World Bank also sees social capital as critical for poverty alleviation and sustainable human and economic development (World Bank, 2004).

Equity Promotion

Social entrepreneurship fosters a more equitable society in Kenya. This is an objective for most economic development policies in many African countries including Kenya (Remenyi, 2004).

Social Entrepreneurship in Africa

The case of Kenya above shows that social entrepreneurship plays an important role in the promotion of initiatives to solve economic and social challenges in the economy. Most of the social enterprises are as a result of government failure to provide services to the citizens and, therefore, fulfil social needs which are as a result of poverty, tribalism, and colonial history among others. A Country's environment and economic failure triggers social problems. The African continent is faced by social issues, which lead to various opportunities to the social enterprises. The African continent has been receiving aid from Europe and Asia over many years and from China in the recent past in an effort to improve the economic growth and development (Navarrete Moreno & Agapitova, 2017).

African entrepreneurs have been receiving money support and cash inflows from international financial institutions and donors such as the Red Cross, the World Bank, and religious organizations. An entrepreneurial revolution has been spreading in the African continent, and social entrepreneurs have been providing social services with a high value. The Global Enterprise Monitor (GEM) has revealed that the African continent has the highest number of social entrepreneurs in the whole world apart from Australia and United States. Northern and Sub-Saharan Africa have the highest number of entrepreneurs in the initial stages of growth than commercial entrepreneurs.

Today, it is clear that African governments and the traditional market players on the continent struggle to deliver services to the poorest segments of society. At the same time, social innovations continue to emerge, primarily led by private enterprises, Community Based Organizations (CBOs), social enterprises, NGOs, and individuals in universities and other sectors. It is firmly established that Africa is one of the most vibrant and dynamic regions for social enterprises, yet it is beset by serious challenges such as poor governance, lack of robust institutional infrastructure, and inadequate financial and capacity building to support social entrepreneurship. There are, of course, a few success stories but much need to be done by way of support to ensure that social enterprises, in general, contribute their maximum share to Africa's development.

In order to assess the status of social enterprises on the African continent and to develop effective support mechanisms to help them to replicate and scale, the World Bank Group contracted Endeva and BoP Learning Lab to carry out a comprehensive study of the social enterprise ecosystems in the health, energy, education, and water and sanitation sectors in seven Sub-Saharan African countries: Kenya, Tanzania, Uganda, Rwanda, Malawi, Zambia, and South Africa in 2017 (http://www.endeva.

org/publication/socialenterprise-ecosystems-africa). The study was conducted by Navarrete Moreno and Agapitova (2017).

The conclusions of the 2017 study agree with many of the issues on SEs discussed earlier in this chapter in regard to such aspects such as scope and involvement, key characteristics and concepts, opportunities, challenges, operating environment, contribution to development, and scale of operations.

Social entrepreneurs play a key role in social delivery especially to the poor and the marginalized in Africa wherein they fill a critical gap in social delivery. They help developing countries to develop, but they face substantial obstacles in growing their activities to a scale where they can significantly and substantially contribute to economic development and to the sustainable development goals (SDGs). They have a huge potential to contribute to development (Navarrete Moreno & Agapitova, 2017).

Conclusion

Social entrepreneurship is an emerging area of research, but lack of a common definition has led to constraints in this field. Increase in competition among nonprofit-making organizations has led to the inclusion of innovative ideas in the activities. For the last several years, social movements have been promoting social entrepreneurship. During the analysis of social entrepreneurship, it is very important to define who a social entrepreneur, the purpose of his/her personality, his/her acknowledgment of the social issues, his/her capability to solve problems, and the different initiatives in use to improve social entrepreneurship. Concerns about social entrepreneurship improvement initiatives should come from the stakeholders by putting their efforts together while aiming for long-term benefits and synergies, but the main driver of social entrepreneurship should be the entrepreneur himself/herself. The process of social entrepreneurship initiative begins with proactive relationships with several stakeholders and is always led by vision set.

Chapter Takeaways

- There is no consensus on the scope and meaning of the concept of social entrepreneurship, but some boundaries have been established.
- Social entrepreneurship is a growing sector in many countries and is seen to be an important player in economic growth and development efforts.
- Social entrepreneurs are best placed to address government and market failure in the social economic life of a country.
- Social entrepreneurs play a key role in innovation and new product development.
- Social entrepreneurs face serious challenges, but they also have opportunities to exploit if they get the right kind of support such as skills development and funding.

- Theories on social entrepreneurship come from diverse sources and disciplines, but to date, some key theories on social entrepreneurship have been firmly established.

Reflection Questions

1. Who is a social entrepreneur according to what is known about entrepreneurship today?
2. Describe the key characteristics of social entrepreneurs and what role they play in an economy.
3. What are the key features of social entrepreneurs in Kenya and in Africa at large?
4. Identify and outline the key opportunities and challenges confronting social entrepreneurs.
5. Explain the key theories of social entrepreneurship.

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USA and Nigeria: SWOT Analysis of Social Entrepreneurship

11

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Key Topics

- Social entrepreneurship
- SWOT analysis
- Social entrepreneurs in the USA
- Social entrepreneurs in Nigeria
- Social entrepreneurs

Definition of Social Entrepreneurship

Social entrepreneurship is not a new topic; if one would do a search of the literature, one can easily see that this topic has research dated back to the 1970s. However, as one continues to research this topic, it becomes clear that the definition and understanding of the topic have yet to be decided on, meaning that there is not one definition that researchers agree upon to define social entrepreneurship. Within one article (Dacin, Dacin, & Matear, 2010), it lists 15 different definitions of social entrepreneurship. Along with the many definitions, it has also become clear that this topic has an increased popularity in recent years. The addition to Business Schools curriculum, research and the business world has shown an increased interest in social businesses and entrepreneurship (Jones, Warner, & Kiser, 2010; Santos, 2012; Schlee, Curren, & Harich, 2009).

Even though there are many definitions for this topic, a closer look shows that there are some commonalities within defining of the word. Some of the common

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topics within these definitions are a business that is more concerned about social activities than profits (Baron, 2005; Dacin et al., 2010; Santos, 2012), a business that practices social responsibility (Baron, 2005; Young, 2001), or a business with the objective of creating social value. Social entrepreneurs are seen as playing the role of change agents in the social sector by implementing the following five items per Dees (2017):

- adopting a mission to create and sustain social value (not just private value)
- recognizing and relentlessly pursuing new opportunities to serve that mission
- engaging in a process of continuous innovation, adaptation, and learning
- acting boldly without being limited by resources currently in hand and
- exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created

As we look at social entrepreneurs, this term may be new; however, the idea and objective of social entrepreneurs have been around for many years. Other terms that have been used in the past to describe this practice are social capitalist, social innovators, and venture philanthropist (PBS, n.d.). The idea behind social entrepreneurs and social entrepreneurship can be described as individuals who have the innovation to solve society problems. These society problems can range from providing clean drinking water, providing female menstrual products, or providing shoes for the poor. Whatever the problem, a social entrepreneur tries to solve a society need through innovative business solutions (Baron, 2005; Dacin et al., 2010; Dees, 2017; Santos, 2012; Young, 2001).

The basic definition for the term "entrepreneur" that will be used within this chapter is "a person who starts a business with an objective of providing a social need."

SWOT Analysis

A SWOT analysis is a strategic management tool used by managers to get an overview of the company. Within the SWOT analysis, a company will look at internal and external forces that will benefit or threat the company's success (Gürel & Tat, 2017; Phadermrod, Crowder, & Wills, 2019; Rizzo & Kim, 2005). SWOT is outlined below, describing what it is and giving examples of each area that could be considered when conducting this analysis.

Strengths are factors that give the company a competitive advantage. What does the company do that puts it ahead of its competitors? Examples could be having an efficient processing procedure, known for quality, or known for providing a high level of customer service.
Weaknesses are factors that may make the company unsuccessful in their selected market. Examples could be limited source of financial resources, an oversaturated market, or a lack of understanding its consumer base.
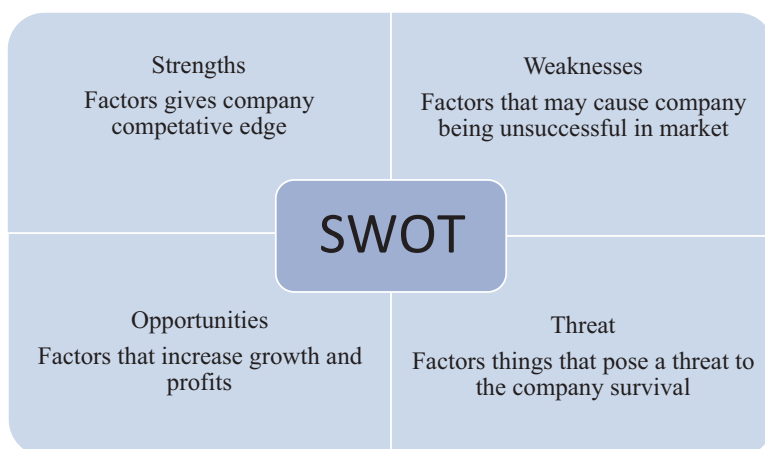
Fig. 11.1   SWOT analysis

Opportunities are factors that increase growth and profits. Examples could include entering into a market where there is a need for the company's product or service.

Threats are factors that pose a threat to the company. Examples could be a new competitor entering the market, regulations, or entering into a market with a popular competitor (Fig. 11.1).

Social Entrepreneurship in the USA

As per the U.S. Census population count clock on May 18, 2019, the US population is 328,902,244 (census.gov). Taking a look at the entrepreneurship industry as of 2016, per the U.S. Entrepreneurs survey, there are 5.6 million. These surveys also break down the percentage of the total per the size of the business using the number of employees/workers. Business with fewer than 500 workers accounts for 99.7%, firms with fewer than 100 workers account for 98.2%, and ones with fewer than 20 workers account for 89% (SBE Council, n.d.). With this number, it shows that there is a high percentage of small businesses, which is usually also categorized as an entrepreneur. According to the Global Entrepreneurship Monitor Report (GEM) of 2018/2019, the USA in the categories of World Bank Ease of Doing Business and Ease of Starting a Business ranked 8 and 53, respectively, out of 190 countries. In both categories, the USA ranks fairly high, which gives us the understanding of why entrepreneurship and social entrepreneurship in the country remain a highly discussed topic.

Other data break down this industry in terms of gender and race. Data from 2012 state that women owned 9.9 million of the small business, which employed 8.4 million employees with a total sale of $1.4 trillion (SBE Council, n.d.). Some of the top industries that see women owners are personal care, direct selling, and child day care.

Table 11.1 Small business years in operations

Men (%)	Years in operation	Women (%)
15	>32	9
16	23–32	12
22	13–21	21
27	5–12	32
20	<5	26

Table 11.2 Overview of social entrepreneurs

Overview of social entrepreneurs in the USA		
Social entrepreneurs	Social impact category	Social impact: what do they do
Hamilton Perkins	Environment	Use recycled material plastic bottles and billboard vinyl
PilotED Schools	Social, community	School to prepare future civic leaders
Aunt Flow	Social, gender equality	Provide menstrual products
Khan Academy	Education	Provide education tools for students, teachers, and parents virtually
Toms Shoes	Community, environment	Provide shoes for children in poverty, clean water, and eyewear

Among the length of the life of the business, the census shows that the highest percentage for men and women is business in the 5–12 years. For women, the next highest is less than 5 years, which is 26% but only 20% for men. The second highest for men is in the range of 13–21 years of operation. Refer to Table 11.1 (SBE Council, n.d.).

First, we will look at three small social entrepreneurs and two larger social enterprises. Second, we will create a SWOT analysis of the industry in the USA and Nigeria. Third, we will provide a conclusion of the topic. Out of the five social entrepreneurs that will be discussed in the USA, three of them have made the Cause Artist Social Entrepreneurs to look out for in the years 2017 and 2018 (Cause Artist, 2017, 2018) (Table 11.2).

Hamilton Perkins Collection (HPC)

Hamilton Perkins, a person who was listed on the Cause Artist Social Entrepreneur to watch in 2017, started the company Hamilton Perkins Collection (HPC) a few years before in 2014 (HPC, n.d.). This social entrepreneur social charity falls into the category of environmental sustainability. HPB bags are created from recycled plastic water bottles, pineapple leaf fiber, and billboard vinyl (HPC, n.d.). HPC is a company making a social impact on the environment, with reducing the disposal of plastic water bottles and billboard vinyl.

PilotED Schools

Jacob Allen appeared on the Cause Artist Social Entrepreneur to watch in 2018 (Cause Artist, 2018). Allen's PilotED Schools located in the USA are changing the way we think of K12 curriculum. PilotED Schools' vision is to increase the number of future Community Civic Leaders. Their curriculum model is based on the concepts of social identity, and merging classroom learning with lived experiences. Their mission statement is, "We are adamant about one thing: empowering the way students see themselves and the world around them (PilotED, n.d.)."

Aunt Flow

Claire Coder, another individual who was listed on the Cause Artist Social Entrepreneur to watch, started the company Aunt Flow (Cause Artist, 2018). Aunt Flow was started in a time of need for the owner, when she was out in public and was in the need for menstrual products, which were unavailable. From this situation, the idea for the company was born along with the social charity of providing menstrual products to people in need (Aunt Flow, 2019).

The idea of Aunt Flow can be seen in their mission statement "to ensure everyone has access to quality menstrual products" (Aunt Flow, 2019). However, the company is not only providing supplies to women in need but are also promoting empowerment by changing how the products are called. Instead of referring to these items as female hygiene products, they changed the name to menstrual product (Aunt Flow, 2019). This allows for a non-gender name, and allows the product to be called for what it is used for. Along with empowerment, they promote authenticity with the labeling of the ingredients in the product (Aunt Flow, 2019).

Aunt Flow has donated approximately 350,000 menstrual products. The company donates to 1 menstruator, for every 10 tampons and pads sold. The company refers to this as "people helping people, PERIOD" (Aunt Flow, 2019).

Khan Academy

Salman Khan created a different kind of social enterprise, Khan Academy. This enterprise goes along the line of the definition of social entrepreneurship being a non-profit organization helping individuals in need. Khan Academy was created from a simple gesture, tutoring family members. Khan Academy has grown into a free online program that assists students, teachers, and parents with providing instructional videos and personalized learning from Kindergarten to Calculus (Khan Academy, 2019).

Toms Shoes

Toms Shoes, created by Blake Mycoski in 2006, is another example of a social entrepreneurship development from a social need (Toms Shoes 2019). Toms Shoes also started after the owner saw a need. This happened when Mycoski was visiting South America and noticed children without shoes (Toms Shoes 2019). Toms Shoes is an example of providing a social need whereever the need is seen and not just a social need in your backyard. This business started with a business plan and mission of "Sale 1 Donate 1" which became the program One for One. Although the company started with the social need of providing shoes, it has grown to include other social programs. Other social programs created by the company are providing eyewear, safe drinking water, and birth kits. Each of these programs is provided through a branch of their business (Toms Shoes 2019). Each of these social programs follows the same idea of One for One.

SWOT Analysis of Social Entrepreneurship in the USA

Strengths

- The USA has many opportunities for a person to become an entrepreneurship. Several places that help an individual create a business can be accessed at a low or no cost such as local colleges, non-profit organizations, and Small Business Associations (SBA).
- An entrepreneur who is seeking a social impact with his business has many options to provide a social need. These options could be giving to a local charity, or creating a program similar to Toms Shoes or Aunt Flow.

Weaknesses

- Financial stability. New start-up companies may experience financial stability, making it hard to run the business and have finances to continue the social impact.
- Will the idea of the social impact the company chooses resonant with their customers and potential customers?

Opportunities

- Collaborating with other social entrepreneurs desiring to help with the same social need.
- Supporting a social need and making a social impact by non-financial resources. The non-financial sources could be in using recycling technologies like HPC or using non-toxic materials like Aunt Flow.

Threats

- A start-up company trying to enter a market that is already saturated.
- Legal issues with creating a start-up company and also in setting up donations for the social need that the company wants to support.

SWOT of Social Entrepreneurship in Nigeria

This section looks at social entrepreneurship in Nigeria by using SWOT analysis, an organization tool used to study the strengths, weaknesses, opportunities, and challenges or threats of the organization competitiveness and profitability in a market. We provide a sociological narrative about Nigeria, the nature of social entrepreneurship or what it is like to be involved in social entrepreneurship in the country, and the SWOT analysis of the social entrepreneurship in Nigeria. The conclusion is a simple summary of the findings of the analysis on social entrepreneurship in the country.

Background of Nigeria

Nigeria is the most populous country in Africa and, according to a United Nations report of 2018, the country is expected to overtake the USA as the world's third most populous by 2050 (Adegoke, 2017). Nigeria is heterogeneous in ethnicities and geographies and the prominent ethnic groups are Hausa, Ibo, and Yoruba though largely found in distinct locations but are still asymmetrically dispersed across the country's six geographical zones (Adegoke, 2017). There are 36 states across the federation with a federal capital territory in Abuja. Abuja is young when compared to Lagos, the economic lifeblood of the country since its independence in 1960. Abuja in comparison to cities, however, is not just the vision of the New Nigerian and dreams held by most Nigerians but the Eldorado for companies, political elites, and foreign investors investing in the country (Adegoke, 2017).

Nigeria is not only Africa's economic heavyweight; it is the largest democracy on the continent since the military transfer to a democratically civilian head of state in 1999. In 2018, the country became the largest economy in Africa forging ahead of other resource-rich countries such as South Africa and Angola, an economic feat indicating the success of the new government's policies during recession (IMF, 2018). This macroeconomic achievement is, however, dwarfed by some of the inherited social problems such as food shortage, unemployment, social inequalities, amorphous radicalism, and separatists in the country's North and delta region. No rational government, irrespective of its political ideologies and defined national interests, would neglect the welfare and aspiration of its people. The government has shown more eagerness and even earned global solidarity or commendations and supports in its fight against impunity and provision of social infrastructures, social inclusion, and encouragement of investments in order to see people's lives transform.

Developments in most resource-rich but complex societies like Nigeria, Angola, and South Africa can be problematic, especially when they are not properly studied or understood, and equitably and sustainably implemented. A case study in Nigeria is the yet unclear controversies of poor implementation, fraud, and corruption that cloud the state's Social Investment Program that seeks to reduce hunger, poverty, and joblessness in the country (SERAP, n.d.). No argument is further needed when it comes to how unregulated pursuits of national wealth by states and multinational corporations can hurt people and environmental conditions.

State exists to create social goods and redistribute them but state degenerates into tyranny and corruption that complicate state wealth, breeds social inequalities, and diverts plans to diversify the country's economy by creating a false sense of wealth or security. In this case, people's opportunities to survive or improve their lives are limited. The United Nation human developments index, for instance, places emphasis on people and their capacity to meet basic needs such as food, education and communication, good health, quality environment, and social inclusion, rather than focusing on macroeconomic indices as gross domestic products or foreign reserves which have little or no impacts on people's lives (O.E.C.D, 2011). The UNDI report 2018 on Nigeria places average life expectancy at 53.9 and about 25.8% of the over 190 million population has access to the internet. This report is somewhat similar to Wolfram statistics which computed 53.4% and 25.67% of the population for life expectancy and internet access, respectively (O.E.C.D, 2011). Given the existentiality of some of these social inadequacies, it is somewhat obvious that government alone cannot solve all the social needs of the country by itself. This gives opportunity to the population seeking to enter into the social entrepreneurship industry.

Social Entrepreneurship in Nigeria

The country's Bureau of National Statistics recorded that as at 2018 the number of unemployed youths has risen from 17.6 million at the end of 2017 to 20.9 million. Nigeria's unemployment rate makes it a ready market for social enterprises. One positive observable trend is how the young population, despite human and logistics challenges, combating entrepreneurial education (Maina, 2014) now turn to opportunities in agriculture, health and environment, information technology, and education in order to tackle and proffer solutions to social challenges in the country. Kola Masha, a US MIT and Harvard graduate in 2010 moved to Northern Nigeria and his hometown to create Babba Gona. Babba Gona and his other initiatives now deprive insurgencies the human forces they need to thrive in northern Nigeria, as many youths now see farming as a profitable venture (Foote, 2018).

The United Nations warn that climate shocks, economic crisis, and conflicts are plunging the world into a global rising food challenge and Nigeria is categorized as one of the most affected (UN News, 2019). Prior to the UN emergency trump, the country's Federal ministry of health has come out to label food insecurity as the nation's silent crisis. The north east of Nigeria's humanitarian concern is clearly evidenced when over one million displaced children and orphans are either

undernourished or facing hunger-related problems. Most households and farmers in communities of Yobe, Adamawa, and Borno states affected by unfavorable rain patterns, continued amorphous insurgent crisis, and military interventions depend on humanitarian assistance from external actors (UN News, 2019).

In spite of these developments, social entrepreneurship is driving social changes where states' or government's efforts, though not completely absent, are either found insufficient or poorly implemented.

Chowberry and Food Chain and Availability

Oscar Ekpenimo is a young and award-winning Nigerian social entrepreneur who localizes solutions to the nation silent crisis (Niccole Galucci, 2017). Oscar's personal encounter with hunger for several days at the age of 11 is enough motivation for him to help orphans and vulnerable living without food and to motivate his teams in Lagos and Abuja toward achievement of this mission (Wecyclers, n.d.). Oscar and his team are using innovation through technology to solve the problems of food scarcity, availability, and distribution to orphans and vulnerable children by partnering with local charities and in Lagos and Abuja. Some of these charities include Afro Global Care Foundation, Hold My Hands Women and Youth Development Foundation, and Thrifty Slayers in Nigeria (Wecyclers, n.d.). The "Chowberry" cloud base software app, which Oscar developed, allows retailers to monitor and track food product expiration in order to allow customers (charities) to access deep discounts through the app's algorithms. The app is also accessed by non-governmental organizations that are using it to purchase food at reasonable prices and acquire sufficient food for distribution into where they are urgently needed (Wecyclers, n.d.).

Hello Tractor

The American Social entrepreneur Jehiel Oliver is the founder and CEO of Hello Tractor, also known as "Uber's ride sharing technology" with a focus on farmers-centered designs (Otufodunrin, 2017). Oliver uses his experience as a global finance consultant to solve problems of late cultivation, undercultivation of farmland, and poverty among farmers in most, especially the sub-Saharan African countries. Africa's 200 million smallholder farmers lack mechanized tools such as tractors because of low income, high cost of acquiring them, and government supply capacity (Otufodunrin, 2017). Starting in Northern Nigeria in 2014, Hello Tractor initiates technology transfer to tractor manufacturers and dealers to produce low-cost but efficient two-wheeled tractors with trackable GPS, which allows Hello Tractor to track their usage and gather data on location, market trends, and uptake. A low-cost financing system makes it profitable for farmers who can invest in the tractors to acquire them and serve other smallholder farmers in their network (Otufodunrin, 2017). Hello Tractor has a booking system that allows farmers to request, schedule,

and pay for tractor services through SMS and mobile money at the time when they are needed. The innovative low cost-driven strategy is changing Nigerian northern societies by improving food supply and income of smallholder farmers who now access tractor services and training hundreds of youth on how to own and maintain fleets of smart tractors (Otufodunrin, 2017).

ETrash2Cash

When it comes to environment, health, and hygiene, a good look at Wecyclers and ETrash2Cash reveals how social entrepreneurs are making a difference in Nigeria.

ETrash2Cash is a social enterprise co-founded and directed by Salisu Abdullahi. He and his team are helping to solve environmental problems in Northern Nigeria. Located in Kano, Etrash2Cash combines sustainable goals and innovation technology through the use of web, mobile phone, and SMS platform to solve environmental problems in low-income communities (ETrash2Cash, n.d.). The company collects a variety of waste products (plastic, paper, metals, food, glass, etc.) from thousands of low- and middle-income communities in Kano through partnership with scrap dealers and mobile waste managers who exchange those wastes with direct cash gifts. These are sorted, processed, and recycled into reusable products in the same communities (ETrash2Cash, n.d.).

Wecyclers

Bilikiss Adebiyi-Abiola, the CEO of Wecyclers, has created and earned a win–win brand for herself and her teams as a social and entrepreneur innovator (Wecyclers, n.d.). She is making social impacts by helping to deal with huge local waste issues in Lagos where she resides and its environment. Wecyclers in partnership with the Lagos state waste management authority sends fleets of company bicycles to homes to pick up a variety of plastic, cans, and sachets. The residents who participate in the waste collection program are given cash or other items for being part of the program (Table 11.3) (Wecyclers, n.d.).

Table 11.3 Overview of social entrepreneurs

Overview of social entrepreneurs—Nigeria		
Social entrepreneurs	Social impact category	Social impact: what do they do
Chowberry	Equality, women, youth, food industry	App to track food expiration date
Hello Tractor	Agriculture	Rental for agriculture equipment
ETrash2Cash	Sustainable, environment	Cash for recycling
Wecyclers	Sustainable, environment	Waste management

SWOT Analysis of Social Entrepreneurship in Nigeria

It is perhaps prudent to avoid ascribing a particular date to the emergence of social entrepreneurship in Nigeria. Some observable trends are of young start-ups that are optimistic that not only do they have what it takes to operate a successful enterprise but also sharing the idea of making a social impact within their communities and the world. However, such social benevolent projects are not as easy as imagined, and social entrepreneurs are free agents or actors operating in climates that are unique, sometimes challenging, and constantly changing. Entrepreneurs are aware of these challenges which are usually the cause of a high failure rate in the first 6 months of business existence. The young start-ups engaging in social enterprises or even matured social entrepreneurs need constant and renewal support at the beginning and throughout the journey to survive in this environment.

Strengths

- The young and a growing middle class are driving the engine of social entrepreneurship in waste recycling, agriculture, water, female education, health, and many other sectors (Tang & Yi, n.d.).
- One of the dynamics of social entrepreneurship in Nigeria is its gender neutrality. Nigeria has one of the highest numbers of women entrepreneurs in the world and a significant number of them are driving social innovation today.
- Social entrepreneurs survive on the crest of innovation. Social entrepreneurships are free from the lethargic and conservative thinking that characterizes most national and international bodies. This flexibility allows new ideas and methods when those previously experimented did not work (April, 2019).

Weaknesses

- Social entrepreneurs are concentrated more in developed cities such as Lagos and Abuja. More presence is still needed, especially in the Northern Nigeria.
- Many of these start-ups are still faced with liquidity or cash flow challenge.

Opportunities

- Government economic reform programs and efforts to boost agro-business, electricity, and education do provide an avenue for social entrepreneurs and government to collaborate on best practices or more sustainable and innovative way of solving societal problems.
- The growing population of the middle class and large young population is the area that shows the highest number of individuals interested in social entrepreneurship (Tang & Yi, n.d.).

- The growing rate of technological innovations in the continent and the country has continued to inform the choices and methods of solving social challenges.
- Emerging of foundations offering programs and grants for social entrepreneurship like the Tony Elumelu Foundation.

Threats/Challenges

- Poor awareness about the social benefits of social entrepreneurs among the political class/elites, corporate bodies, and public.
- Social entrepreneurs lack the assistance for financial and non-financial resources.
- When it comes to government policy to support social entrepreneurs, government still does not have any incentives either in terms of policy or in terms of tax benefits in place to support social enterprises solving social problems.

Conclusion

Whether you are a small business or a large enterprise, you can be considered a social entrepreneur. On the small business side, we use the terms social entrepreneurs and social entrepreneurship. While on the larger side, we use the terms "Triple Bottom Line" and "Corporate Social Responsibility." Whatever term that you use, the idea is still the same, providing some kind of social need, making a social impact on the world that we live in. As we see in both the USA and Nigeria, there are many opportunities for entrepreneurs, both big and small, to be a part of this industry. We also see that the social needs are present in both countries. We recommend that the conversation moves from how to define it to how can we get new start-up to consider embracing a social need to make an impact.

Chapter Takeaways

- Although social entrepreneurship has many definitions, it appears to be a strength on who can be a social entrepreneur and what can be considered as a social justice impact.
- Social impact can be done on a variety of levels, and within different company sizes. TOMS Shoes has several social impacts; they participate in distributing shoes, glasses, and safe water drinking kits; however, Aunt Flow focuses on one social impact which is providing menstrual products to individuals in need. In Nigeria, social impact is focused more on a single social impact.
- Social impact can be for a social injustice outside of your home country. TOMS Shoes is located in the USA; however, they have carried out several social impact justices in other countries.
- Financial stability is seen as a weakness in both social entrepreneurship in the USA and Nigeria.

- Social entrepreneurship is not tied to only one industry. TOM Shoes sell shoes, Hello Tractor is UBER for tractors, Aunt Flow is a company that provides menstrual products, and Wecycle is in the waste management industry.

Reflection Questions

1. With the various definitions of social entrepreneurship in the research, how would you define this topic when talking to others?
2. If you were advising someone on a social entrepreneurship start-up in the USA, what would you advise them? What about Nigeria?
3. Do you think government alone can solve societal problems? Give at least two reasons for your answer.
4. How do social entrepreneurs solve societal problems and can they operate successfully without government and societal supports?
5. How would you consult new start-ups on a social need to take on, and how to make it a part of their mission and vision?

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Social Entrepreneurship at the Micro Level: A Study of Botswana

12

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Key Topics

- Meaning of social entrepreneurship
- Theories of social entrepreneurship
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- Social entrepreneurship and sustainability at the micro level
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Introduction

Social Entrepreneurship is coined from two words, social and/or society, and enterprise. The word social means relating to society and the way it is organized, and the way the various groups in society depend on each other. An enterprise is a business or an entity or even company engaged in some form of business. Someone who is enterprising is involved in business and is entrepreneurial if innovative in the sense that he/she thinks of doing new things and is willing to take risks to ensure that there is success in his/her undertaking. People who carry out business with reference to

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societal needs are called Social entrepreneurs and they engage themselves in Social enterprises (R. L. Martin & S. Osberg, 2007).

It is widely established that Social enterprises represent a form of businesses that has over time manifested itself as a key carrier of social innovations, creativity, and social progress. Social enterprises play a crucial role in promoting and advancing initiatives and also in building social capital to address economic and social challenges in nation states, regions, and local communities (Rajagopal & Behl, 2019). Some authorities, in many quarters, argue that social enterprises catalyze social change depending upon the Political, Economic, Social–Cultural, Technological, Ecological or Geographical, and Legal (PESTEL) factors and institutional contexts or environments. Scholars, well-informed policy makers, and practitioners have also found that social enterprises are a result of market or government failure and have the ability to meet social needs that are mostly created by poverty, informality, colonial history, and ethnic group identity. Some of these factors are more pronounced in African countries than others, especially in developing and emerging markets. Many social or environmental problems are also created by a country's environment, political, and economic failure (Gugerty, 2010; Helmsing, 2015). The failure is even more pronounced in Africa where economic and political climates are unstable and as a result, most social enterprises do not survive the harsh climate beyond 5 years after their birth. Some die as soon as they are born because of the harsh PESTEL environment. Anecdotal evidence suggests that competition, copy-cutting to come up with imitated enterprises and products, lack of knowledge and understanding of spatial market dynamics and localized corruption as well as some negative cultural practices in Africa such as witchcraft are also alleged to be some of the great killers of social enterprises. Of course, countries in Africa and in some emerging economies differ in regard to these issues but the issues do show up in one way or another or bearing different "baptismal names" aka other names. According to a study by the International Monetary Fund (IMF, 2013) in South Africa, a rising star economy in Africa, social enterprises have unequivocal applications where traditional government initiatives are unable to satisfy the entire social deficit, where challenges to nonprofit accountability are acute, and where the survival of many nongovernmental organizations (NGOs) is at stake. This is the same story in Kenya, Uganda, and Rwanda, to name a few.

The African continent is characterized by serious social issues, which give rise to several opportunities to social enterprises. It is evident that the populations in Africa expect Social enterprises to rise up and meet the needs that the governments have failed to address. Social enterprises have thus proliferated in Africa to address the growing social problems and the increased demand for their services (Rajagopal & Behl, 2019). For the purpose of this chapter, we are inclined to follow the generally accepted definition of a social enterprise as an entity that has a mission instead of profit and uses its income to achieve the mission instead of maximizing shareholders' returns on their investments.

Social entrepreneurship belongs to the category of Social enterprises in the realm of Small and Micro enterprises (SMEs). It is generally agreed that the definition of a social enterprise must reflect two critical features of a social as opposed to a

mainstream enterprise; that is, it has social goals rather than profit, and revenue is used to support social goals instead of shareholder returns (D. Rana & T. Farah, 2007). Social entrepreneurship blends traditional capitalism with the imperative to address the planet's most pressing problems. Professor Gregory Dees in 1998 published an article titled "*The Meaning of Social Entrepreneurship*." This contribution essentially set the foundation for what social entrepreneurship means as a field of study today. Many of those who engage in issues relating to social entrepreneurship, and especially authors and academics, make references to this seminal work of Professor Gregory Dees.

Social entrepreneurship is a new concept but is not a new phenomenon. Even though the term is relatively new, very well-known Social entrepreneurs such as Florence Nightingale and Robert Owen and the activities they engaged themselves in with their communities are well recorded in history. This phenomenon of Social entrepreneurship has generated a lot of interest in recent times, and especially in regard to the African continent, and in many emerging economies elsewhere. Currently, the interest in social entrepreneurship is really a global issue. Governments everywhere, private sector actors, and Nongovernmental organizations are very much involved today in matters relating to social entrepreneurship. An increasing number of universities and many training institutions today offer courses related to social entrepreneurship while the number of social enterprises keeps growing. One may ask at this point what meaning is ascribed to the concept of social entrepreneurship and what consensus exists in regard to its meaning.

The field of Social entrepreneurship is growing at a fast rate today. The increased interest in this important area of study is caused in part by the changing orthodoxies in regard to development, the difficulties the organizations in the Not-for-Profit sector face in their operations under changing circumstances, the rising crusade for development in regard to societal welfare and many other related considerations. Generally speaking, the environment within which nonprofit organizations operate is rapidly changing due to increasing globalization, increasing needs in local communities, and a funding environment with mounting competition for donors and grants. Some individuals would describe what nonprofit organizations are facing as the "perfect storm"; a convergence of several factors leading to a situation where few alternatives exist.

The field of Social entrepreneurship and its role in economic growth and development cannot be ignored anymore. Several well-known organizations have developed awards, competitions, and financial support to highlight social entrepreneurial organizations. Among them are the Yale-Goldman Sachs Partnership on Nonprofit Ventures, the Institute for Social Entrepreneurs, the Social Enterprise Alliance, the magazine *Fast Company*, the Nonprofit Enterprise and Self-Sustainability Team, and Ashoka. For example, Yale-Goldman Sachs has invested in many countries, including Kenya, in support of skills development for women Social enterprises under what is called the "10,000 Women." In Kenya, the program has been under the management of the United States International University (USIU) – Africa [www. usiu.ac.ke].

Meaning and Scope of Social Entrepreneurship

A search in the internet, in journal articles, commentaries, contributions by the World Bank, Organization for Economic Cooperation and Development (OECD), Harvard University, and other organizations as well as in published books on social entrepreneurship brings out multiple but similar definitions of social entrepreneurship, even though there still remain some complexities involved in defining social entrepreneurship; something always expected in an evolving field. The word entrepreneurship is derived from the French word *entreprendre*, which means "*to take into one's own hands*." Social entrepreneurs take into their own hands the risks inherent in starting a new thing and personally manage their enterprises with a lot of commitment.

The concept of entrepreneurship has a long history in the business sector. A major theme has been the creation of value through innovation and creativity according to the early contributors such as Schumpeter and Drucker (Shane & Venkataraman, 2000; Venkataraman, 1997). As applied more recently to social concerns, the concept has taken on a variety of meanings. Some, for example, have focused on social entrepreneurship as *combining commercial orientation enterprises with considerations on social impacts*, meaning that entrepreneurs nowadays use business concepts, models, skills, and knowledge to create businesses or enterprises that accomplish social purposes. Private sector organizations are increasingly doing business with this view in mind. The Sustainable Development Goals (SDGs) appear to encourage this kind of orientation.

There is general consensus today that social enterprise in general and social entrepreneurship in particular combines profitability with social/environmental objectives (Doherty, Haugh, & Lyon, 2014; OECD, 2000, 2003). There is, however, little consensus on boundaries and characteristics and as a result, definitions abound, leading many or some authors and organizations to conclude that this is a contested concept. However, the common view is that social entrepreneurship embraces the activities, processes, and systems enterprising individuals undertake to discover, define, and exploit opportunities in order to enhance social wealth in their communities by creating new ventures or managing existing organizations in an innovative manner. Social entrepreneurs are driven by a desire for social justice. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions that are financially, organizationally, socially, and environmentally sustainable. Schwab Foundation (2005) reached the conclusion that Social entrepreneurship involves applying practical, innovative, and sustainable approaches to benefit society in general, with an emphasis on those who are marginalized and poor.

There is a general agreement that Social entrepreneurship is a concept that involves the application of business techniques, procedures, and systems in innovative ways to find solutions to problems in society. Global experience to date shows that social entrepreneurship engages in all sorts of problems facing the society, be they social, environmental, or even cultural. In some quarters, Social

entrepreneurship has also been given the names sustainopreneurship or sustainable entrepreneurship.

Actors or Players involved in Social entrepreneurship have a desire to make the world a better place by solving immediate problems affecting society. Those involved directly in social enterprises are not in business just for money. Their objectives go beyond money or profit but they must seek to generate surpluses and seek to find money in order to be able to meet the social needs they attempt to address.

There is a shifting wind of change in today's globalized environment in matters of economic development. The marketplace has become increasingly competitive and now faces what is generally described as hypercompetition at all levels of the economy. Creativity and innovation have become critical factors for success today under this kind of competitive environment. The rising rate of innovation has made governments realize that social entrepreneurship is a key asset. Drucker (1985) made the conclusion that one of the most valuable assets, if not the most valuable in the twenty-first century, is the Social entrepreneur. Social entrepreneurs help societies where they operate to address some of their own social problems. But who are Social entrepreneurs? Who qualifies to be described as a Social entrepreneur?

According to Ashoka (2010), Social entrepreneurs are individuals who come up with innovative ideas and solutions to their society's most pressing social problems. They are ambitious and persistent individuals who see problems and their negative impact on the lives of people and decide to do something about it in order to bring about necessary change. They realize that the government and the market interventions are not sufficient or do not have wide reach to ensure there is no exclusion. Thus, rather than leaving societal needs to the government or business sectors, Social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps.

According to what is known today about entrepreneurship in general and Social entrepreneurship in particular, people involved in whatever form of entrepreneurship have compelling reasons to get involved in pursuing opportunities in some activities that are aimed at changing the status of their communities. They sometimes take very high risks to get involved in new areas, are innovative, and have a high level of commitment to pursue what they believe in. Social entrepreneurs often seem to be possessed by their ideas, committing their lives to changing the fate of their communities for better. They seem committed to changing their fields of endeavor forever through their involvement. They are risk-takers, visionaries, and ultimate realists, concerned with the practical implementation of their dream above all else. Each Social entrepreneur presents ideas that are practical, understandable, ethical, and mobilizes communities or groups of people and engages them in seeking their internalization of the ideas and their widespread support in order to maximize the number of local people that will want to get involved in the dream and what it would entail. Social entrepreneurs can be described as change agents who have the belief that what they hope to achieve is possible and can bring lasting change to communities. A Social entrepreneur displays most of the characteristics presented in Table 12.1.

Table 12.1 Key characteristics of social entrepreneurs

Key aspect	Description
Risk	Takes a risk when entering a venture
Innovation and creativity	Thinks innovatively and creatively
Vision	Begins with a compelling vision or dream in the mind to attempt to cause a lasting change
Mission (raison d'être)	Adopts a mission to create and sustain social values
Recognition	Recognizes and relentlessly pursues new opportunities to serve the dream
Mobilization	Mobilizes communities for direct or indirect support
Engagement	Engages in a process of continuous learning and adaptation (Knowledge Management)
Boldness	Acts boldly sometimes with limited or no resources initially
Accountability	Exhibits heightened accountability to the constituencies served and the outcomes created
Other Aspects	Involvement in related activities, e.g., Building networks with supply chains, government institutions, individual supporters, and customers

Source: Authors (2019)

Traditionally, Social entrepreneurship was practiced in the nonprofit, charity, and philanthropic sectors but nowadays the boundaries between nonprofit and for-profit are vanishing (Alter, 2006). Some Multinational enterprises and Private sector companies in many countries are now pursuing their profit motive with community welfare in mind. For example, in Kenya, South Africa, and Botswana, countries that have better performance than many in sub-Saharan Africa, we find some blue-chip companies that have blended their private motive with social motive. These include Safaricom, Kenya Commercial Bank (KCB) and Equity Bank in Kenya, Starbucks in South Africa, and Choppies Chain stores in Botswana. These companies demonstrate what is becoming an important phenomenon today: increasingly incorporating the enterprise orientation with social objectives and social ownership, which implies that the social enterprise is nowadays required to be more accountable to both community stakeholders and those with financial interests in them.

Knowledge about what makes Social entrepreneurs succeed is important for practitioners, learners, and students who feel they have a calling to change their communities. We can therefore ask at this point what the key habits of highly successful social entrepreneurs are. Books, journal articles, and stories of Social entrepreneurs appear to agree on some key factors that help define what Social entrepreneurship success is.

It is already apparent that Social entrepreneurs develop solutions to social and cultural problems which they feel motivated to address. They may also be compelled to act in the face of environmental problems affecting their communities. They engage well-wishers in their communities and more often than not create excitement around new solutions through stories of what "ought to be" (vision or dream) and of course through products and/or service. They talk "value propositions" not mission statements.

Social entrepreneurs measure outcomes. They have a clear picture in their minds of how their proposed solutions or ideas will benefit their communities. They often measure their success by their impact, not by their good intentions. They are very conscious of the likely impact of their efforts on their community's welfare. They measure outcomes, one way or another, so they are able to see what real difference they are making.

Social entrepreneurs find systematic ways to create change and attempt to make it sustainable. They attempt to make the change models they come up with repeatable and scalable. This allows them to focus on the essentials and bring change to as many people as possible.

Social entrepreneurs seem to be fully aware that bringing about social change is a very complex process often requiring behavior and/or system change. To achieve this requires understanding, empathy, and social mobilization. Success for Social entrepreneurs is largely defined by inclusion of interested stakeholders in the design, production, distribution, and evaluation of their proposed solutions.

Social entrepreneurs actively leverage the available assets, which we may describe as the **7Ms**—Men & Women; Money, Minutes (Time); Materials (Supplies), Methods (systems and processes); Markets (outlets of their products and services); and Man-made intangible assets such as networks, good will, reputation, and other "corporate resources" as they are called in finance and management cycles (P. M. Lewa, 1997, 2004).

Social entrepreneurs have a long-term orientation. They recognize that small change is easy while achievement of big change is hard. To have meaningful change they think strategically and always engage in long-term thinking. That means thinking about how solutions can last, how ventures can be sustained, and how outcomes can be scaled up.

Theories of Social Entrepreneurship

The theories of Social entrepreneurship are generally the same ones one would find in the field of Entrepreneurship (Godfrey, 2011; Santos, 2012). They are also the same theories generally applicable to the Not-for-Profit sectors where Social entrepreneurship resides. The implication is that one can come up with a long list of theories when discussing Social entrepreneurship. In this chapter, we have outlined only those theories that we felt met the objectives of the chapter.

The theories of entrepreneurship have their basis in the work of classical economists, Schumpeter, Marshall, and others. One popular theory is the public goods theory. The Public goods theory states that nonprofit organizations, including social enterprises, provide public goods that supplement goods that are provided by government. Public goods cost no more to provide to many individuals than they do to provide to one individual. Their provision is such that there is no easy way to prevent others (free riders) from consuming them as well. Provision of public goods suffers from externalities.

Another theory that explains the role of nonprofit organizations, including Social enterprises, is contract failure theory. This theory holds that nonprofit organizations exist where contractual mechanisms are unable to provide consumers with the means to police producers. Under this theory, consumers do not trust that the service provider will present a fair exchange for the value offered. Many producers of goods and services in the private sector and in the public sectors of most emerging economies, such as Nigeria, Kenya, South Africa, and Botswana, do not necessarily always provide a fair exchange, particularly those enterprises that hold monopolistic and oligopolistic positions in markets. Institutional transitions may have a lot to do with this failure.

Institutional theory may also offer explanations in regard to the rise and operations of nonprofit organizations. It is mostly about institutional voids; factors that relate to the degree of openness and the social–political atmosphere in a country. This theory focuses on the role of the political, social, and economic systems surrounding enterprises or firms in shaping their behavior and sometimes their structure and performance. The PESTEL factors here affect a country's products, labor, and capital markets as it does to its social environment.

Subsidy theory provides another explanation for the rise and role of nonprofit organizations. Subsidies, typically in the form of tax holidays and other exemptions, provide incentives for individuals and companies to form nonprofit organizations. Some researchers have made the case that nonprofit organizations fulfill a role where neither the government nor the private sector has the proper incentive to produce or provide a service. In this case, the government and the private sectors are inferior to entrepreneurs in general and Social entrepreneurs in particular.

Social Entrepreneurship Versus Nonsocial Entrepreneurship

Generally speaking, there are two primary forms of socially valuable activity or ventures that are not part of social entrepreneurship. The first type is social service provision in which courageous and committed individuals identify unfortunate stable equilibria, for example, girls in some countries in Africa impacted negatively by undergoing Female Genital Mutilation (FGM), many without their consent, or the sorry state of human immunodeficiency virus–acquired immunodeficiency syndrome (HIV–AIDS) orphans in Africa, and goes on to set up programs to address the issues.

A second class of social venture is social activism. In this case, the motivator of the activity is the same as in the first case above—an unfortunate and stable equilibria. Several aspects of the actors' characteristics are the same—inspiration, creativity, courage, and fortitude. What is different is the nature of the actors' intervention. Instead of going it alone or taking direct action, as the social entrepreneur would, the social activists attempt to create change through indirect action, by influencing others—members of the community who are in social groups registered legally to operate, governments, NGOs, consumers, workers, etc. Social activists may or may

not create ventures or organizations to advance the changes they seek. They seek influence to have the status quo on the issues in question changed.

In Africa, African socialism is sometimes confused with social entrepreneurship. African socialism is of much concern, as it is part of the culture of the African people. It is a practice based on the belief that economic resources in a community or country should be shared in an African way. It is an Afrocentric economic model that contrasts sharply with capitalism. It differs from Marxism and the European model of socialism. African socialism discourages the development of social classes in society. Things done purely out of this orientation are not to be considered as Social Entrepreneurship. In the early days of the independence of most African countries such as Ghana, Senegal, Tanzania, and Kenya, African socialism was a unifying force. As more and more African countries gained independence, anticolonial nationalism could no longer play the unifying and mobilizing role that it had before the early 1950s. African socialism became a mobilizing slogan to unite Africans around the challenge of economic development in postcolonial societies. African communities were organized in unique ways before colonialism. The communal basis of most African precolonial societies and the absence of a tradition of private or individual property appeared to strongly justify the existence of an indigenous African path to socialism, one that seemingly offered a third way between Western capitalism and communism (https://britannica.com/topic/African-socialism).

Value Creation in Social Entrepreneurship

The work of social entrepreneurs creates value in several ways. They operate as a kind of research and development wing of the welfare system, innovating new solutions to serious social problems that have a negative impact on society and its operations. They often deliver services far more efficiently than the public sector. Most importantly, they set in motion a virtuous circle of social capital accumulation. They help communities to build up social capital; they create employment and job training opportunities sometimes to vulnerable members of society such as the physically challenged, the homeless, and youth and gender-discriminated women; develop and apply innovation important to social and economic development; they create social capital and foster a more equitable society, which is a key objective found in most economic development blueprints and policies (Dees, 2011; Remenyi, 2004; UN, 2005; World Bank, 2004).

Social Entrepreneurship and Sustainability

Social entrepreneurship has emerged over the past several decades as a way to identify and bring about potentially transformative societal change. Social ventures are a hybrid of government intervention and pure business entrepreneurship. They address problems that are too narrow in scope to spark legislative activism or to

attract private capital. In order to succeed, these ventures must adhere to both social goals and stiff financial constraints. Typically, the aim is to benefit a specific group of people, permanently transforming their lives by altering a prevailing socioeconomic equilibrium that works to their disadvantage.

Sustainable development was initially linked to the environmental dimension. The first definition that appears on sustainability with an environmental approach appears in the Brundtland Commission's report that was adopted by the United Nations General Assembly in 1987. It proposed practical means to reverse environmental problems. This report defined Sustainability and Sustainable development (development that meets current needs without compromising the ability of future generations to meet their own needs). However, "sustainability" is a complex and multidimensional concept with multiple interpretations. The general consensus is that sustainability is the ability to continue a defined behavior or operations indefinitely. An enterprise is sustainable if it continues operations successfully well into the future; into perpetuity as it were. There is agreement in many quarters though that the following are the main challenges that affect the sustainability of Social enterprises and the entrepreneurs who manage them (F. Tilley & W. Young, 2009).

Lack of adequate managerial training is a major challenge. More often than not, managers of small and medium enterprises mostly work through trial and error mechanism and lack strategic orientation in their approach. Their managerial techniques mainly focus on operational plans rather than strategic plans of their organization. The result is that the managers of social enterprises are not able to handle challenges facing their enterprises adequately. Lack of adequate finance and limited access to credit are other challenges affecting sustainability. Financial institutions such as commercial banks demand collateral that many social entrepreneurs do not ordinarily possess because of their status. Their other sources of finance such as friends and relatives have limited capacity to meet their financial needs.

Technological changes today are occurring at a fast rate. Most social entrepreneurs are of low academic status and lack technological skills or even knowledge of what may be the appropriate technology for their enterprises. They are not able to adopt new technology due to its high initial and installation costs.

Modern changes and challenges have forced governments everywhere to keep enacting laws to regulate the operations of enterprises. In a bid to pursue sustainable development, it is imperative that new laws and regulations are enacted. For example, laws and regulations on pollution control.

The social entrepreneurship sector in particular (and similarly the small and medium enterprises sector in general) face generic obstacles that hinder their progress and hence success. To begin with, the structure of the sector does not promote innovation in a sustainable way; operators in the sector do not have consistent access to capital; there exist cultural barriers that are usually a hindrance to success; funding communities and even government agencies have complex agendas and conditions that social entrepreneurs cannot understand or adhere to; social entrepreneurs in most cases lack adequate skills in bookkeeping and financial management; traditionally media has always reported on the success of large enterprises and so successful entrepreneurs never get exposed for stakeholders to learn from their success;

and burnout and stress are major hurdles to the progress of social entrepreneurs. Today, there is a growing concern that social entrepreneurs, who deal with the chronic stress of maintaining and growing their organizations in a dynamic environment, need help from supportive government policies and interventions by other stakeholders.

Finally, it suffices at this point to observe that the social sector also suffers from the same issues of inequality that have been reported in other sectors. It is well known that many Social enterprises led by women, people of color, indigenous people, and youth contribute significantly to social change and economic development of local communities. Problems, such as sexual harassment and assault, racism, sexism, ageism, and exploitation of the underaged or the underprivileged and some cultural practices, negatively impact progress and sustainability.

Social Entrepreneurship in Africa with Reference to Botswana

The African continent is a good continent for studies on social entrepreneurship because of the continent's uniqueness and the fact that social entrepreneurship is growing at a very fast rate. This is as a result of many factors including the failure of governments to meet their obligations to address the common good through public utilities, institutional failure and decline, corruption, poor governance systems, bad politics, and the awakening of the populace in regard to their basic freedoms and human rights. The study of Africa is a very good illustration of how political, economic, social–cultural, technological, legal, and geographical (PESTEL) factors can have a bearing on social entrepreneurship. There are great variations though among African countries. For example, Egypt, Nigeria, Ethiopia, Kenya, Botswana, and South Africa are among the rising states of Africa in terms of economic development and their stories differ significantly from those of their poorer neighbors (Gugerty, 2010; Helmsing, 2015).

The African continent is characterized by serious and profound social issues, which can become opportunities for business creation. Lack of resources, poverty, frequent famines, overreliance on agricultural exports for most countries, institutional rot and poor governance, among other factors, are likely to present particular challenges for social enterprises. While many of these issues can be found in both developed, developing and emerging country contexts, it is widely established that important differences exist in the prominence of particular social and environmental issues within the public spheres of the Global North and South. It is a truism that African countries face unique challenges in their economies and these make social entrepreneurship a fantastic discipline of study and academic research in universities and colleges in the African continent.

In spite of the variation across, and within, countries, African countries are typically characterized by high levels of poverty, government failures, and poor infrastructure, market failures, and a large informal economy, with many countries ranked among the 30 worst countries to do business in. Furthermore, it is well known that the African institutional environment is characterized by lingering

colonial influences and by particularly strong ethnic group identities. The continent's uniqueness sets it apart from the others. Nevertheless, the African environment is likely to create many opportunities for social enterprises to emerge in new and creative forms that reflect the institutional variability and constraints.

It suffices at this point to elaborate on some of the key issues in terms of the PESTEL factors mentioned above. On average, the GDP growth in Africa in the last decade has been impressive. In spite of relatively high GDP growth rates, especially in sub-Saharan Africa, the African continent is still characterized by severe socioeconomic problems. Africa and especially sub-Saharan Africa has the poorest countries on earth. These are the Democratic Republic of Congo, Zimbabwe, Burundi, and Liberia. Economic and social challenges are often compounded by conflicts, such as those in Northern Mali, Somalia, Sudan, Democratic Republic of Congo, and the Great Lakes region, as well as high economic inequality. Poverty in Africa is not just economic but is apparent in matters of life such as the wider aspects of well-being, including health and education. Generally speaking, starting and growing enterprises in most countries of Africa is also typically more difficult than in other parts of the world, linked to poor infrastructure, relative cost, ethnicity, party politics, and bureaucracy. Challenging business conditions alongside weak institutional structures lead to high levels of informality. Overall, this coexistence of opportunities and challenges is likely to have important implications for enterprises emerging to address them.

The political context of African countries also tends to be more complex than in many parts of the world, even though substantial variations exist across countries. Africa suffers from weak formal institutions. Those who manage and control institutions mostly do so through patronage and rent-seeking behaviors. It is a well-established fact that the political games that are played in most African countries are deadly to say the least; serious opponents sometimes get eliminated and elections are mostly sham exercises that are controlled by the ruling political classes. Ethnicity is a phenomenon to behold in the African continent. Most scholars in many quarters in Africa and elsewhere have advanced the common view that there is a strong correlation between the current levels of economic development and the geographic prevalence of slave raids, as well as the impact of these raids on present-day cultural patterns (Robinson, 2009). Trading patterns at the moment generally reflect the colonial legacy. It is safe to state that in most African countries complex institutional layers seem to be specific to the Continent, at least to some extent.

Africa is a continent of many nation states with numerous ethnic groups in each country. Many of the ethnic groups operate in very complicated tribal and political systems. Their operations and impact on economic development are profound. Some scholars seem to think that Africa operations in terms of politics and tribe are not only deep but also very high because of the complexities involved (Herbst, 2000; Mair & Marti, 2006). In some countries such as Kenya, especially in the 1980s, the world witnessed the ascendancy to political power of illiterate tribal leaders who could only use their thumbs to sign documents. Such leaders assumed very high-level positions in state institutions such as State-Owned Enterprises (SOEs).

Most of them are accused of having used their positions to reward their tribal followers with jobs and contracts. This is not unique to Kenya.

Some cultures such as of the Maasai people in Kenya and Tanzania have mostly defied civilization. This has influenced enterprises both negatively and positively in regard to considerations such as cultural tourism. Cultural practices such as Female Genital mutilation (FGM) have had a negative impact on development. Culture remains a significant factor.

The issues of technology development and diffusion cannot be overlooked. While technology has been embraced in significant ways in Africa, the continent has not really benefited from what might be described as appropriate technology and many areas of development such as mining and agriculture remain in serious need of technical support skills.

Ecological or geological concerns relate to environmental degradation and the awakening of the population to the social problems created as a result.

Finally, institutional and legislative frameworks in African countries have not been reformed adequately to conform to changing circumstances.

From the foregoing, it is apparent that the African context seems to exhibit particularly interesting characteristics for Social enterprise development. Botswana's case is illustrative of the key issues.

The country of Botswana is in the central and southern part of Africa. It is among the countries of sub-Saharan Africa. Social entrepreneurship in Botswana in particular and in the African countries in general shares similar characteristics with those of many of the emerging economies. The sub-Saharan African context exhibits particularly interesting characteristics for social entrepreneurship researchers, scholars, and policy makers interested in entrepreneurship in general and its role in economic development. Social and economic challenges abound, creating needs that can become opportunities for ventures that have at least some social goals. These ventures range across a spectrum from for-profit commercial business operations exploiting niche markets, to more socially driven ones managed by private or commercial firms, Nongovernmental Organizations (NGOs), Organized communities, and government.

In Botswana, Small Micro Enterprises are classified under Small, Medium & Micro Enterprises (SMMEs). SMMEs have significantly contributed to Botswana's economic growth, especially in areas of job creation and poverty alleviation. The Government of Botswana set up advisory programs and financial support services to help citizens toward establishing their own enterprises. This definitely spurred the growth of micro enterprises (Lisenda, 1997). The government established a comprehensive policy framework through the Ministry of Trade & Industry in 1997, and later Ministry of Commerce and Industry in 1999 (LEA, 2018; SMMEs Taskforce Report, 1998).

Social entrepreneurship in Botswana falls within the SMME sector. The Small Medium and Micro Enterprises (SMMEs) policy of Botswana defines small enterprises as those that have less than 25 employees and an annual turnover of between P60,000 and P1,500,000. Medium enterprises are regarded as having less than 100 employees with an annual turnover of between P1,500,000 and P5,000,000

(K. Jefferis, 1998). The Micro enterprises that employ one or two persons may be described as *minute* in our view. These are enterprises that are not captured in the definition of SMMEs in Botswana, even though they are numerous and are spread all over the country in the major cities, towns, and villages. In Botswana, enterprises with a turnover of less than five thousand **Pula (P5000)**, approximately **USD 500**, are described as micro. Most of these enterprises are owned by women and operate in both rural and urban areas on the streets. This sector has played a crucial role in the economy. Government reports, such as the SMME Task Force Report (April 1998), indicate that SMMEs on average account for 30–45% of the National Gross Domestic Product. No wonder then the Government of Botswana has given much support to this sector over the years.

It suffices at this point to highlight the key issues in regard to this sector. Social entrepreneurs operate in the major towns, villages, and cities. They choose sites away from the central business districts—shop corners, neglected parts of towns and villages, etc., due to high rent rates. They are mostly situated near the living quarters of the owners. They borrow money from government agencies, relatives, friends, etc. Their sustainability can be looked at in terms of finance, markets, quality items, government policy support, registration with the authorities, citizens' acceptance of them, etc. An interesting feature along most streets during lunch hours is the numerous cars parked along the major roads with citizens buying wares, drinks, and food in support of the enterprises.

Botswana is a unique case among emerging economies because of the government's commitment in supporting the SMMEs sector through legal and policy frameworks, and also because of the impressive sustainable growth of the country's GDP since independence in 1966. Botswana is lauded as one of the countries in Africa that has done well in supporting the SMEs sector.

Social entrepreneurs in Botswana operate within the broad spectrum of the SME sector. Many of them belong to the micro sub-sector, even though they can really be described as "*minute*" in regard to their level of operations, financial endowment, and other considerations.

The key issues relating to Social entrepreneurship in Botswana were based on literature review and on a major study of Social entrepreneurs and community in Botswana's major towns carried out by Prof. Z. Muranda and Prof. P. M. Lewa under funding by Siemens-stiftung in 2011. Many of the issues are those found in other countries (Gugerty, 2010; Helmsing, 2015). However, Botswana economy is characteristic of very small (Minute) Social enterprises that are found everywhere in the country. These are the focus of the following section.

The reasons for starting social enterprises were mainly linked to the need to help the surrounding community. Some other reasons were due to religious convictions as well as poverty. One of the Social entrepreneurs named James in James Town, the second largest city in Botswana, observed that his church encouraged unemployed people to find work *as those who do not work should not eat* according to their religious beliefs based on the Bible. He also wanted to help his community because his religious beliefs mandated him to address social needs through support of the

needy and he felt naturally compelled to help those who were needy. Poverty also pushed many people to find something to do in order to earn some money.

Many enterprises sold their finished products to their communities. Many of the products such as plastic hats, furniture, and prefabricated steel products were manufactured from waste collected in the vicinity of the business. The waste was sometimes dumped in the yards where the enterprises operated from. In this way, the businesses contributed to the cleanup of the environment. Some customers come from other villages and towns outside their areas. Most customers buy the products on a cash basis. Some take goods on credit. Some owners of business observed that some customers never pay back what they take on credit, as they believe the businesses exist to help them.

Finance was initially sourced from relatives and friends, and for some larger micro enterprises from government agencies and banks.

Many Social entrepreneurs worked alone in their small businesses but some worked with one or two relatives depending on the size and throughput of the business. Whenever there were many orders for products to service, the entrepreneurs obtained help from unemployed relatives or hired labor readily available in the towns.

Many of the Social entrepreneurs interviewed during the 2011 study and from information gathered during a major meeting of entrepreneurs organized by the Local Enterprise Authority (LEA) in 2018 had basic skills for what they did but obviously lacked advanced skills and appropriate technology. Many lacked entrepreneurial knowledge and lacked bookkeeping skills and hence many did not keep books of accounts.

Many of the businesses did not face serious competition but faced indirect competition from businesses that sold similar products to the middle and upper ends of the market. Such customers did not buy from the business because they did not produce the quality that the middle and upper ends of the market needed. Many entrepreneurs observed that with advanced training and appropriate equipment they could make high-quality products for different categories in society.

Nearly all the Social entrepreneurs in Botswana were very active members of their communities. They attended **Kgotla** (community) meetings where a diverse range of issues were always discussed. It is during such meetings that community problems were highlighted and this was a good way of entrepreneurs to donate to community affairs. Many helped members in their neighborhoods on individual basis. Most beneficiaries were relatives.

Many Social enterprises remained small and those that grew were those that were lucky to get funding from government agencies mostly through connections with powerful politicians and local community leaders. The status of many of the enterprises was a reflection of the Social entrepreneurs themselves. The businesses could only go as far as the owners were able to reach in terms of planning, organization, and connections with "tall" political brothers and sisters.

Conclusion

The Social entrepreneurship sub-sector in Botswana is growing, is getting support from government, is vibrant, diverse, exciting, and constantly changing, thanks to the removal by government of the many barriers to entry. Today, there are very low barriers to entry to those with collateral for loans. The core strengths of the sub-sector are its ability to break silos across sectors and organizations, and its democratic nature, encouraging bottom-up solutions to social problems and the retention of the wealth produced at the local level. Additionally, the perception is that the quality of products and services delivered by Social enterprises is constantly improving.

Botswana has lessons for the rest of the continent. The government has supported Social enterprises through legislation, statutory bodies such as LEA, conscious effort in planning and training, supportive infrastructure, permission of Social entrepreneurs to locate and operate their businesses freely and without harassment on the street as is common in some countries such as Kenya. However, what we have named ***minute*** enterprises in Botswana do not appear on the Ladder of government support in most cases. Their numerous numbers and their spread everywhere in Botswana should raise the eyebrows of policy makers in regard to their support.

Chapter Takeaways

- The field of Social entrepreneurship and its role in economic growth and development cannot be ignored. There is an increasing interest in social entrepreneurship due to various global changes, particularly around the role of partners/donors in meeting needs that should ideally be met by the Government.
- Social entrepreneurship embraces the activities, processes, and systems enterprising individuals undertake to discover, define, and exploit opportunities in order to enhance social wealth in their communities by creating new ventures or managing existing organizations in an innovative manner.
- Social entrepreneurship belongs to the category of Social enterprises in the realm of Small and Micro enterprises (SMEs).
- Social entrepreneurship can also be referred to as sustainopreneurship or sustainable entrepreneurship.
- The rising rate of innovation has led to Government's realization that social entrepreneurship is a key asset as social entrepreneurs help societies address numerous social problems. Social entrepreneurs often measure their success by impact and this results in addressing current societal needs.
- There are several theories of Social entrepreneurship, and they are typically the same as those in the field of Entrepreneurship. These theories include public goods theory, contract failure theory, institutional theory, and subsidy theory.
- There are two primary forms of socially valuable activities that are not part of social entrepreneurship. They include social service provision and social activism.

- Social entrepreneurs face similar challenges globally and the case of Botswana is not unique. The main challenges that threaten the sustainability of social enterprises and the entrepreneurs who manage them include lack of adequate managerial training, fast rate of technological changes, lack of policies that govern the structure of social enterprises, cultural barriers, and lack of adequate skills in bookkeeping and financial management.
- The Government of Botswana has been actively involved in providing support to social enterprises through legislation, statutory bodies, and conscious efforts in building supportive infrastructure. This is likely to continue to create many opportunities for social enterprises to emerge in new and creative forms.

Reflective Questions

1. What is the main difference between social enterprise and mainstream enterprise?
2. What are three main characteristics that successfully drive social entrepreneurs?
3. What are some of the things that may hinder social entrepreneurs from fulfilling their potential?
4. What can governments or the society at large do to encourage more social entrepreneurship?
5. Can the same measures used to evaluate the for-profit sector be used for the social entrepreneurship realm?

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Sustainable Social Entrepreneurship: Serving the Destitute, Feeding the Hungry, and Reducing the Food Waste

13

Satinder Dhiman

Key Topics

- Social entrepreneurship
- Food waste
- Food insecurity
- Community kitchen
- Community fridge
- Food sustainability

Introduction

> *Helping, fixing and serving represent three different ways of seeing life. When you help, you see life as weak. When you fix, you see life as broken. When you serve, you see life as whole. Fixing and helping may be the work of the ego, and service the work of the soul.* – Rachel Naomi Remen

This chapter discusses how innovative social entrepreneurs are changing the world by serving the destitute, feeding the hungry, and reducing the food waste footprint. This chapter defines a social entrepreneur as "one who brings about a positive change in the society by implementing innovative ideas to fulfill vital social needs." After introducing the concept of Social Entrepreneurship, this chapter will chronicle exemplary mini vignettes/studies regarding innovative social entrepreneurs who are serving the destitute and sustaining the planet in innovative ways. From the little-known Dr. B. M. Bhardwaj, the founder of Apna Ghar in Rajasthan India (40 km away from the world famous Taj Mahal, Agra), to award-winning Italian

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chef, Massimo Bottura, to one of the top 10 in CNN's Heroes 2010 list, Narayanan Krishnan, and Pakistani immigrant, Kazi Mannan, pioneering social entrepreneurs are going viral with their commitment to feed the hungry and the homeless, and sustain the planet. While most of us only dream about changing the world in a positive manner, there are people like Dr. Bhardwaj, Krishnan, Bottura, and Mannan who are already busy doing so.

In the recent years, global food waste has emerged as a far-reaching problem, with tremendous financial, ethical, and environmental costs. The food system is the largest user of natural resources and emitter of greenhouse gases. Despite using 34% of the land, consuming 69% of the water, and being the main cause of deforestation and loss of habitat, one-third of food produced globally is wasted; that is, 1.3 billion tons of food that is never eaten. According to one estimate, 40% of the food produced in the USA ends up in landfill. When food waste decomposes in a landfill without oxygen, it produces a large amount of methane, which is approximately 20 times more harmful to the atmosphere than carbon dioxide. After discussing the horror of the negative impact of food waste on the environment, the chapter presents what strategies conscious social entrepreneurs have devised to combat this pervasive issue of global food waste. Finally, the chapter discusses how the innovative concept of "Community Fridge" is feeding the hungry and reducing food waste.

The Unique World of Social Entrepreneurs

The term "entrepreneur" was pioneered by Arthur Schumpeter, an Austrian political economist, in the twentieth century who calls the entrepreneur a "man of action" who drives the creative–destruction process considered to be the core of capitalism. Joseph Schumpeter (1934) built *The Theory of Economic Development* around the dynamic, innovative actions of the equilibrium-disturbing entrepreneur and identified the entrepreneur as essential element of the dynamic theory of economic change. He describes entrepreneurs as the innovators and catalysts behind social and economic progress facing the risks who reform or revolutionize the process of production for producing new goods or producing existing ones in a new way. In short, for Schumpeter, the major role of the entrepreneur is to realize new combinations or innovations that ensure economic change (see: Rahdari, Sepasi, & Moradi, 2016).

Whereas, the central mission of entrepreneurial activities involves profit generation, and these profits help entrepreneurs to build personal wealth (Certo & Miller, 2008), social entrepreneurship involves the recognition, evaluation, and exploitation of opportunities that result in social value—the basic and long-standing needs of society—as opposed to personal or shareholder wealth (Austin, Stevenson, & Wei-Skillern, 2006). Social entrepreneurs are entrepreneurs with a social purpose at the core of their business mission. Creation of social value has little to do with profit generation but instead involves the fulfillment of basic and long-standing needs such as providing food, water, shelter, education, and medical services to those members of society who are in need (Certo & Miller, 2008).

Despite burgeoning growth of entrepreneurship literature, social entrepreneurship remains relatively an underdeveloped field in the entrepreneurship. Social entrepreneurship has emerged as a subdiscipline within the field of entrepreneurship (Certo & Miller, 2008). Social entrepreneurs create social value by providing social benefit for all, and economic value by creating jobs and income for their venture while accomplishing their vision and missions (Meyskens & Bird, 2015).

Partzsch and Ziegler (2011) observe that the innovative capacity of social entrepreneurs is their primary source of authority to deal with the commonly perceived problems. Although the objective of a profit-maximizing firm is different from a social business, the managerial mindset should be the same as in a business while creating social benefit. Social businesses can certainly generate income while achieving their social missions and can be self-sustainable. The surplus generated by such businesses may be reinvested in the business to provide cost-effective quality goods and services to the target group of beneficiaries (Yunus, Moingeon, & Lehmann-Ortega, 2010).

Blurring the distinction between economic and social value creation, recently, the most renowned capitalists have embraced, and served as champions for, social entrepreneurship. Perhaps, the most notable example involves Bill Gates, the founder of Microsoft. In a recent speech at the World Economic Forum in Switzerland, Mr. Gates championed a new form of capitalism: "such a system would have a twin mission: making profits and also improving lives for those who don't fully benefit from market forces" (cited in Certo & Miller, 2008, p. 267).

In the next section, we present four short vignettes of innovative entrepreneurs who are *redefining* what it means to be a social entrepreneur in this VUCA (Volatile, Uncertain, Complex and Ambiguous) world.

Dr. B. M. Bhardwaj, Socio-Spiritual-Entrepreneur Par Excellence!

Dr. Bhardwaj is completely unknown in the world of social entrepreneurship. He is the founder-leader of "Apna Ghar" Ashram (A destitute's own home) that aims to serve the helpless destitute persons who are facing a very painful phase of life. Its website (http://www.apnagharashram.org/About-Us.aspx) modestly states the following facts about the organization (and its services offered completely free of charge):

On June 29, 2000, the organization Maa Madhuri Brij Varis Sewa Sadan, Apna Ghar was established at village Bajhera, Bharatpur, Rajasthan in India, only 40 km away from world-famous Taj Mahal in Agra city.

Dr. Bhardwaj along with his spouse and teammates continue their mission to give hope and happiness to homeless, destitute, oppressed, helpless, abandoned, mentally and psychically ill, injured, infected, people in their old age, and people in near-dying condition. These people are found generally in railway stations, bus stands, religious, and other public places in highly unhygienic, critically diseased, and painful condition. Nobody comes forward to help or even to touch them. Due to

lack of food, medicine, and care, their condition becomes more and more critical, slowly moving toward lingering and painful death. After recovery, the organization rehabilitates them in various ways, so that they can get themselves back on their feet and lead a respectful social life as well as establish themselves in the society.

The website further specifies the following tripartite organizational setup:

A. This organization is opening more Apna Ghar Ashrams in major cities of India. At present, 17 Apna Ghar Ashrams are run by the organization in Bharatpur, Ajmer, Kota, Alwar, and Jodhpur in Rajasthan. There are also Apna Ghar Ashrams in Kokilavan in Uttar Pradesh, Pooth Khurd in Delhi, Bikaner in Rajasthan, Delhi, Budhpur in Delhi, Sri Ganganagar in Rajasthan, Shamli in Uttar Pradesh, Pali in Rajasthan, Nokha in Rajasthan, and Hindon, Bassi, Jaipur.

B. "Apna Ghar" Sewa Samities – *Samities* are run by the organization at district and tehsil levels for the services of these persons. Samities are working as a referral center. Any helpless person found in their area can be admitted in the nearby "Apna Ghar" Ashram by the samity.

C. "Apna Ghar" Helpline – Any place where individual volunteer comes forward to join the mission of "Apna Ghar" establishes the "Apna Ghar" Helpline. Helpline workers have to provide immediate services to the helpless destitute persons found in their area.

Author's Personal Experience

In 2014, while searching for some good civic engagement project options for my MBA course, *Managing and Leading Organizations Ethically*, I stumbled upon the Apna Ghar website. As I explored the website more, I found it to be rather unusual, in the kinder sense of the word. The photogallery contained graphic images that I had not seen before: there were people with lacerated wounds, with worms literally swarming all over; people literally seen lying on the garbage heaps; and people unkindly thrown in the gutters and sewer holes. Then, there were people mentally incapacitated, unable to take care of themselves, deserted by their families, left to die. Apna Ghar vans with toll free numbers were shown to bring these suffering people from all corners to the Ashram site to be kindly treated by Dr. Bhardwaj and his devoted team. I was shaken to my very roots! I was so moved that I thought the minimum one can do is to help the organization financially.

I immediately called the contact number listed on their website and wanted to talk to Dr. Bharadwaj to express my appreciation for the kind of work he was doing. I was immediately connected to Dr. Bhardwaj who happens to be near the office on his daily morning round of visits. He greeted me in low-toned, soft voice. I could sense his sincerity and humanity immediately. In a completely self-effacing way, he thanked Divinity for providing him the opportunity to serve these people. I felt that I have made a contact with the true embodiment of servant leadership. I also discovered that Dr. Bhardwaj did not refer to them as "patients." He called them *Prabhuji*, an Indian word, that represents the highest possible designation for human beings, and which literally and reverentially means, "god." I had seldom heard such a loving, kind epithet applied to human beings in this manner before. After exchanging the greetings and hearing about the unique work this organization was doing, I

expressed my desire to help the organization financially in a systematic manner. As a business professor, I was fully cognizant of the challenges such organizations face in funding their operations. So, I volunteered to help.

I was even more surprised at Dr. Bhardwaj's response to my offer to help. He said, "It is not about money at all. Next time you come to India, please visit our facility and if after seeing our set up, you still would like to help us financially, we would be happy to accept it." Then and there, I knew that this was not a typical nonprofit organization, always seeking funding and help. This was very different from fundraising campaigns that we see often in such situations.

I took Dr. Bhardwaj on his offer. During mid-December 2014, I went to India, especially to visit this organization and to meet this wonderful socio-spiritual-entrepreneur! A friend's friend agreed to drive me from Delhi to Bharatpur (Rajasthan), a 220-km distance. On the way, he showed me more than 1000 pictures of various "Prabhuji," most of whom were either in residence at Apna Ghar or have been helped and/or treated in the recent past. In about 4-h's journey by road, we reached Bharatpur around 5 pm. There, I was standing at the gate of Apna Ghar, finally, eagerly waiting to meet Dr. Bharadwaj.

I was immediately taken to their main office where 4–5 employees were present, all volunteers, who came to this organization for help and, after being healed, decided to dedicate rest of their life in helping others. Their dedication and sense of belonging was infectious. After a short meeting with the office staff, I was taken to Dr. Bhardwaj's office. He welcomed me with his gentle smile and inquired if my trip to Bharatpur was comfortable. Then, he asked me if I would like to get a tour of the facility. I said yes, thinking that I will be able to ask questions during the tour. It was a rather large facility with several small and large rooms, buildings, and a big courtyard. I was told that about 800 Prabhujis were in residence at the time and were undergoing various forms of treatment for physical and mental illness.

I asked Dr. Bhardwaj how he decided to establish this organization. He explained that when he was quite young, he saw someone die in the neighborhood for want of medical treatment due to extreme poverty. Then and there, he decided that when he would grow up, he would like to dedicate his life to treat patients, free of charge. So that no one dies simply because they could not afford to pay the medical fees. That is what Dr. Bhardwaj did. He was also fortunate to find, he added, a life partner who was equally passionate about serving the poorest of the poor. Mrs. Bhardwaj, whom I met later, practically runs the entire institution—I was told—from managing the office affairs, overseeing the food preparation, to ensuring the financial viability of the organization. Everyone in the facility respects her like their mother. I also discovered that when they got married, the couple decided not to have their own children, lest it would interfere with their resolve to serve others selflessly. This is perhaps the reason they are able to treat everyone in the organization as their family. I kept on wondering how could one rise to this level of selflessness at such a young age. When inquired about his spiritual belief, Dr. Bhardwaj remarked that the best way to serve God is to serve everyone, treating them as divine. Hence, the epithet "Prabhuji."

During my walking around the facility that evening, I saw first-hand the stark-ness of different forms of suffering that I had not witnessed before. There were residents from all walks of life, ages, and bearings. It is one thing to see pictures of people suffering on TV or read about them in a book; it is quite another to see them in person, and so many of them.

I noticed that, from office to kitchen to storage facility and the rest, everyone in the organization was a volunteer. No employees. Period. I must remark that the facility has a very big in-house kitchen that serves three meals a day to approximately 1000 people every day. The kitchen was rather modern looking, equipped with all the contemporary appliances to cook nourishing, healthy meals efficiently. I also discovered that mostly they grow their own vegetables, fruits, and grains—in the farmland around the facility. They treat the waste in a sustainable manner. **Nothing Is Wasted. Everything Gets Recycled as Appropriate.**

I was curious about the funding—the greatest challenge of social entrepreneurship—Apna Ghar being a very large operation! Dr. Bhardwaj explained that, with God's grace, the funds keep coming in somehow. Willing organizations, private donors, and friends have come forward to help, unasked. Some have donated their land for building the facility and the hospital. A well-known architect from Delhi, Dr. Bhardwaj explained, drew the floor plan for the building and the hospital free, as a service. And other operations are being funded in the similar fashion via donations in kind or otherwise. I have learned that when our motivation is pure, the whole universe conspires to help us in such social work. Apna Ghar is a living example of this understanding. Presently, the administrative and financial aspects are being taken care by trustees who volunteer themselves for their services for the noble cause that Dr. Bhardwaj has undertaken. Dr. Bhardwaj lives with family members—his old mother and wife—with modest means.

As one researcher who has studied Apna Ghar for his doctoral work with this author explained: Though Dr. Bhardwaj lacks erudition yet he bears message of deep spirituality. Though his low-profile voice lacks eloquence of speech, yet his humble, kindness, compassion, altruism, and other values speak volumes about the spiritual inspirations being manifested in selfless services. Dr. Bhardwaj does not even regard his work as "selfless service" since he dedicates his efforts to God to whom we owe everything:

> I do not think as I am doing anything (like selfless service). When God has given the body, how we can call it selfless, everything belongs to God. These (patients, orphans, homeless, etc.) are Gods manifested in human body. They have come to test ourselves. Their service provides us happiness. We should understand them. These are also God manifested in human body. (See: Kumar, n.d.)

It was getting dark. Dr. Bhardwaj signaled to me that we should return and have our dinner together. This was in a smaller kitchen which serves the same food that is provided to everyone else in the facility. When I reached this area, we were greeted by some 30–40 little children in a manner that is hardly possible outside one's own family. When I inquired about these wonderful kids, I was told that they were all born here, mostly from battered woman who were victims of extreme forms of

domestic violence and were deserted by their families. These women were brought to the Ashram when they were pregnant and were in mentally unstable condition due to domestic abuse. Their state of mind is such that many of them were in the Ashram, completely oblivious of their own children living in the same facility! Such is life.

The understanding is that when a person living in the Ashram gets better/healed, their family is contacted, if possible, so that they can come and take their family member back. Some families come forward to do so, some don't. Sometime, some who get better go back to their families and come back again to the Ashram, due to repeated incidents of abuse at home.

A young lady who was preparing our meals in the kitchen, I was told, had lost her speech ability due to domestic violence. She wanted to go back but was not able to tell anything about the place she came from. She had tried to explain via sign language and the Ashram people tried to locate the place but in vain. Before we began our meal, these little kids came forward and sat in our laps. They were hungry for love. Everyone of them wanted their pictures to be taken with us. It was a very moving experience. I could not contain my tears throughout this whole time. More stories of pain and abuse that had been inflicted upon the residents before they came to the Ashram were shared.

We finished our meals and went to our room for sleep at night. I could not fall sleep all night and kept thinking about each one of the Prabhujis I met that evening. Next day, we were to leave and every staff member, and especially Dr. Bhardwaj and his wife, showed us such degree of loving kindness that I have not seen elsewhere. I have been to many Ashrams in India and many monasteries around the world; I can say with all honesty that, I have not seen such level of selflessness, humility, and humanity that I witnessed at Apna Ghar.

On my way back to Delhi, I kept thinking that Dr. Bhardwaj and his wife should get a Nobel Prize for Peace for the selfless work that they are doing. Perhaps, they do not really need such accolades for virtue is its own reward.

Their best reward is seeing the smile on the faces of their Prabhuji, healing them with tender loving care, and in serving them selflessly—going from one unselfish act to another, with God in mind.

Rob Greenfield: A True Social Entrepreneur/Activist Changing the World by Saving Food Waste

Mountain Life Magazine quipped, "The English language may need a new noun to define Rob Greenfield." Rob Greenfield is a social and environmental change agent. According to his Tedx talk introduction, Rob is an adventurer, activist, and dude making a difference. His purpose is to inspire health, happiness, and freedom on Earth and he has dedicated his life to this mission. He has cycled across the United States, twice, on a bamboo bicycle, went 1000 days without showering, and has dove into thousands of dumpsters across America, all to inspire positive social and environmental change. When not out adventuring he lives off the grid in a 50-ft^2 tiny

home in San Diego (Currently, Bob has moved to Orlando, Florida in his 100-ft^2 house that uses some electricity—100 dollars' worth per year, to be exact). His extreme adventures and activism campaigns may appear unattainable at first glance but within them are an abundance of simple lessons and tips that can be adapted into any life to live with more happiness, health, and freedom. Rob invites us to commit to small daily changes to become the change we wish to see in the world.

Bob has given two Tedx talks entitled: How To End The Food Waste Fiasco | Rob Greenfield | TEDxTeen (Published on February 2, 2016) https://www.youtube.com/watch?v=w96osGZaS74 and Be the Change in the Messed up World | Rob Greenfield | TEDxIHEParis (Published on June 22, 2017). He has also written a book, titled, *Dude making a difference: bamboo bikes, dumpster dives and other extreme adventures across America* (Gabriola Island, BC: New Society Publishers, 2016).

Rob introduces himself as a "dumpster diver" and as "an adventurer and an activist on a mission to effect positive change on Earth." Rob does a lot of extreme adventures and activism campaigns to catch the mainstream media's attention, catch people's attention, and get them to stop and think about important social and environmental issues. He tends to go about it in some very interesting ways, like riding across the USA on a bamboo bike. During April 2013, he cycled 4700 miles across the United States practicing sustainable living to the extreme.

In order to accomplish this, Rob laid down certain ground rules, as follows:

1. Using electricity generated by solar panels.
2. Creating near zero trash and carrying whatever I created for the entire journey.
3. Using water directly from natural sources or water that is going to waste.
4. Eating locally produced, organic, and unpackaged foods or dumpster diving.
5. Using human generated power and avoiding fossil fuels completely.

"In a 104 days of riding," he tells us, "I used just a 160 gallons of water, created only two pounds of trash, plugged into just five outlets, turned on not a single light, consumed 280 pounds of food from grocery store dumpsters, and learned how to live an environmentally friendly life."

In his 2016 YouTube video titled, "How To End The Food Waste Fiasco," Rob explains,

> Not only do I dive into the dumpsters but I actually eat out of them too. It all started with that first bike ride across the country and this dumpster right here. I was crossing the Sierra Nevada mountains and decided to roll around the back of a local grocery store and see what I might find. Well, what I found was a surprising amount of what looked and tasted like perfectly good food. … I discovered that what I would typically find in a dumpster in one day was enough food to feed about a hundred families. I was eating like a dumpster king and managed to even gain five pounds while riding my bike every single day.
>
> Even when I wasn't in the dumpsters, I was thinking about what was in the dumpster I just couldn't get it out of my mind. So I decided to do some research. I found out that we waste a 165 billion dollars worth of food per year. Now, to put that into a little bit of perspective, that's more than the budget for America's national parks, public libraries, veteran's healthcare, all the federal prisons, the FBI, and the FDA combined.

Recently, Rob Greenfield and IDEAS for Us have partnered to launch a micro-grant program (comprising micro-grants of $1000 each) to incubate new projects that will have a positive impact in the Orlando, Florida community both environmentally and socially. They are focusing on projects that provide solutions to challenges in food and waste, specifically that relate to the Sustainable Development Goal two, Zero Hunger, and goal 12, Responsible Consumption and Production.

Rob's life demonstrates the power of simple living and high thinking; an idea he might have picked up from reading Gandhi's autobiography. He went from the biggest room in the house to sleeping in the 6 × 6 closet. Since then, Rob has lived in two tiny homes, a 50-ft^2 home bought used on Craigslist for $950 where he lived off the grid without a bill or debt to his name and his 100-ft^2 home in Orlando, Florida, that he built himself from 90% reusable material. He auctioned his first tiny home to build 10 tiny homes for the homeless. Rob is committed to living in the service of others and am donates 100% of the proceeds from both his new book, *Dude Making a Difference* and his TV show, "Free Ride on Discovery" to nonprofits (See: http://robgreenfield.tv/tinyauction/).

In his characteristic style, he tells us, "I am now traveling indefinitely with every single possession that I own in my backpack. I have 111 possessions to my name. I have nothing stored anywhere and no home to go back to. The Earth is my home and I feel as home here as I have felt anywhere else."

Rob's example has inspired many to reduce food waste and help feed the hungry. In her guest blog entry, How High School Student Took Action to Reduce Food Waste in Her Community, Ella Diamond, tells us about the havoc of food waste that ends up in landfill:

> Shockingly, landfill excavations have found instances of it taking 25 entire years for a head of lettuce to decompose! When food gets dumped in landfills, it tries to break down, but it doesn't have the available oxygen, causing it not only to remain intact, but also to release methane gas. (http://robgreenfield.tv/elladiamond/)

The level of ignorance about food sourcing and food waste is alarming. In a survey, most urban consumers who were interviewed did not realize that meat and dairy come from living animals that use natural resources.[1] We need social activists like Rob to inspire our youth to live sustainably (and be the change like Ella Diamond) and to reeducate us about the terror of the food waste situation and take action to resolve the problem, (one person, and one household at a time.)

Food Waste and Its Environmental Impact

The food wasted by the United States and Europe alone could feed the world three times over.

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[1] See: https://www.theworldcounts.com/counters/world_food_consumption_statistics/world_food_waste_statistics.

Food waste is a growing global concern. According to one estimate, between 33% and 50% of all food produced globally is never eaten, and the value of this wasted food is worth over $1 trillion. Meanwhile, 800 million people go to bed hungry every night. That is, one in nine people on the planet who are starving or malnourished. Every one of them could be sufficiently fed on less than a quarter of the food that is wasted in the USA, UK, and Europe each year. Perhaps, food waste is one of the most serious problems facing humanity today, with serious moral, financial, and environmental implications. Not only are all of the resources that went into creating the uneaten food wasted (land, water, labor, energy, manufacturing, packaging, etc.), but when food waste goes to landfill, which is where the vast majority of it ends up, it decomposes without access to oxygen and creates methane, which is 23× more deadly than carbon dioxide.[2]

The UN Food and Agriculture Organization estimates that "roughly one-third of the edible parts of food produced for human consumption, gets lost or wasted globally, which is about 1.3 billion ton per year —as much as a third of the food that is produced on the globe each year, worth over $750 billion." Food waste is a huge climate change issue. Our food system is currently responsible for approximately 60% of global terrestrial biodiversity loss, 24% of greenhouse gas emissions, and 33% of degraded soils. Food waste generates 3.3 billion tons of greenhouse gases.

Food waste uses up to "1.4 billion hectares of land—28% of the world's agricultural area." Livestock production is the least efficient process in our food system, with losses of 78% or 840 million tons. Livestock production uses 70% of all available agricultural land and consumes around 40% of the world's grain harvest. *A recent study showed that reducing food waste is the third most effective way to tackle climate change*. UN estimates that if farmers globally fed their livestock on food waste and on agricultural by-products, enough grain would be liberated to feed an extra three billion people, more than the expected population by 2050.[3]

Food waste is one of the most serious of environmental problems with high economic, ethical, and environmental costs. As UN Food and Agriculture Organization has rightly observed, "Food loss and waste also amount to a major squandering of resources, including water, land, energy, labor and capital and needlessly produce greenhouse gas emissions, contributing to global warming and climate change."[4] More than a quarter of the world's agricultural land is devoted to grow food that nobody eats. Food production requires water. In the United States, food waste accounts for 25% of the country's water use. If food waste were a country, it would be the world's third largest emitter of greenhouse gases, behind the USA and China.

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[2] See: THE PROBLEM OF FOOD WASTE. Retrieved July 28, 2019: https://olioex.com/food-waste/the-problem-of-food-waste/.

[3] See: Food System Facts. Retrieved July 28, 2019: https://feedbackglobal.org/knowledge-hub/food-waste-scandal/ [emphasis added].

[4] SAVE FOOD: Global Initiative on Food Loss and Waste Reduction: Key facts on food loss and waste you should know! Retrieved July 28, 2019: http://www.fao.org/save-food/resources/keyfindings/en/.

Food wastage occurs in two ways. About one-third happens at the consumer level, where we buy too much and throw it away. Approximately two-thirds occur at the production and distribution level. For example, a lot of food rots in the fields, or is lost as a result of poor transportation systems, or spoils in markets due to lack of access to proper preservation methods and technologies. According to some estimates, in developed countries, almost 50% of food waste takes place in our homes. It is a bad news and a good news. It is bad news that we are half of the problem. It is also good news, because we can also be half of the solution! It is our choice.

On September 16, 2015, in alignment with Target 12.3 of the UN Sustainable Development Goals, EXIT the United States Department of Agriculture (USDA), and the Environmental Protection Agency (EPA) announced the first ever domestic goal to reduce food loss and waste by half by the year 2030. By taking action on the U.S. 2030 Food Loss and Waste Reduction goal (2030 FLW reduction goal), the United States can help feed the hungry, save money for families and businesses, and protect the environment. Led by the USDA and EPA, the federal government is seeking to work with communities, organizations, and businesses along with our partners in state, tribal, and local government to reduce food loss and waste by 50% over the next 15 years.[5]

In the concluding sections that follow, we chronicle the efforts of three innovative individuals (who have Social entrepreneur's mindset) regarding feeding the hungry, reducing the food waste, and saving the planet. While most of us only dream about changing the world, these people are already busy doing so.

Narayanan Krishnan: Once a Five-Star Restaurant Chef Now Feeds the Hungry!

Narayanan Krishnan, a bright, young, award-winning chef with a five-star hotel group, was all set for an elite job in Switzerland. Before heading to Europe, he paid a quick visit to his family in Madurai which changed everything. Krishnan was visiting a temple in 2002 when he saw a very old man eating his own human waste for food. "I was literally shocked for a second," told Krishnan to CNN (Berger, 2010). He started feeding that man and decided that this is what he should do for the rest of his lifetime. The image of the old man eating his own excrement haunted Krishnan for days and he found himself questioning his own life choices as a chef providing food for the wealthy while people all around him were starving. Krishnan quit his job within the week and returned home for good, to follow his new destiny—to feed the hungry, the homeless, and the destitute. Krishnan founded his

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[5] See: Laura Depta/Reset Editorial (September 2018) Global Food Waste and its Environmental Impact   https://en.reset.org/knowledge/global-food-waste-and-its-environmental-impact-09122018.

Also See: Elena Matsui, Feeding the World by Reducing Food Waste || TEDxGrandForks https://www.youtube.com/watch?v=fGOUCNvuu0s.

nonprofit Akshaya Trust in 2003. In May 2013, he started the "Akshaya Home" for the helpless.

One of the Top 10 in CNN's Heroes 2010 list, Narayanan Krishnan's story has inspired many. Till 2016, he has served over 2.25 million meals for free to the destitute. The Akshaya Home has been a home to around 1500 old people and disabled and Narayanan Krishnan has successfully reunited at least 400 of them with their family members.

In the recent years, the Akshaya Home in Madurai has come under the scanner and mired Krishnan in controversy. In June 2014, a 23-year-old inmate who left the Akshaya Trust home alleged that she was sexually abused (Rajendran & Das, 2014).

An investigation led by the local law authorities has found that the charges made against the Akshya Trust have not been substantiated, with sufficient evidence. It has also been noted that the Trust has a valid license to run the Home. Although the Akshaya Trust home was exonerated by the Madurai Bench of the Madras High Court, it was asked to submit regular monthly reports regarding the inmates of the home, since lot of human rights abuses have been reported from the home. It has also been made clear that before persons are taken in as inmates, the information regarding such persons shall be submitted to the nearest police station. If possible, the identity of the person may also be established and further details, if any, may be furnished to the Police Station.[6]

Kazi Mannan: An Immigrant's Mission to Feed Washington DC's Homeless

Kazi Mannan came to the United States in 1996 at age 25. He started by working at a gas station until he was able to save enough money to begin a limousine service. He still owns the limousine service and feels genuinely proud to be able to provide jobs to immigrants like him. He says that, his prime motivation is not money, but to help others, the true essence of social entrepreneurship. Mannan purchased The Sakina Halal Grill, formerly known as the Mayur Kebab House, in 2013 and has been feeding the hungry ever since—just blocks away from the White House. They serve Pakistani and Indian staples, like chicken karahi, goat curry, and saag paneer (Kinney, 2017). In an interview with *Eater D.C.*, Mannan explained,

> As a Muslim-American and small business owner I live in fear of a Trump America …. But, my heart is pure. I will continue to believe in the goodness of humanity and remain hopeful in the unity of people. (Kinney, 2017)

Kazi purchased the restaurant from one of his friends in 2013 and changed its name to Sakina Halal Grill, a credit to his mother. He says he feeds the hungry and the homeless to honor his mother's teachings. On the opening day, Kazi walked to a

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[6] https://akshayausa.files.wordpress.com/2014/09/akshaya-trust-court-verdict.pdfSee also: https://www.thehindu.com/news/cities/Madurai/madras-high-court-orders-monitoring-of-akshaya-trust/article6407384.ece.

nearby park and invited dozens of homeless individuals to his restaurant. In just 5 years, those first dozen customers turned into thousands. Kazi estimates he feeds 16,000 people in need each year. Kazi remembers that many friends advised him not to let homeless people come inside the restaurant, for it may ruin his business. Kazi is undaunted and does not care if he fails. For it is the humanity that matters the most to him. Anyone who questions why he would give away so much, Kazi has a message: Let us stay human (Judson, 2018). "Forget everything," said Bertrand Russell, "but remember your humanity." Kazi embodies the essence of Russell's philosophy.

Kazi's generosity and kindness finally paid off. On Monday morning of February 11, 2019, a video on *ABC7* (Washington) went viral. Several customers at the restaurant on Monday said they were eating there because they saw the viral video and wanted to support his mission. Kazi told *ABC7*: "It's a big success that it's changed my life in many ways." "It got so much attention from all over the world. I'm overwhelmed and really excited that this message is going viral. What do we do next?" (Patrickis, 2019).

His policy has remained the same for the last 5 years. If you're poor or experiencing homelessness, you eat for free. In 2018, he estimates the restaurant served over 16,000 free meals. Despite the worldwide attention to his restaurant, Kazi remains true to his mission: "I don't want recognition because I am serving humanity until my last breath," he told *ABC7*.

Massimo Bottura and His Global Mission to Feed the Hungry and Reduce the Food Waste

Massimo Bottura, award-winning Italian chef, is renowned for his disruptive approach to cooking. Bottura is one of the finest chefs in the world. However, his real reason to fame, and greatest achievement, is *Food for Soul*, his project to feed the poor and cut food waste. Early in 2019, *The Guardian* reported that the Italian chef has announced to open community kitchen for homeless in Sydney with the help of local food rescue organization OzHarvest. Partnership with OzHarvest marks the fifth such *refettorio* venture for the Italian chef. Bottura will open his fifth refettorio, a restaurant where celebrated chefs use rescued food to create meals for vulnerable people, in Australia's biggest city. In Australia, more than 5 million tons of food a year ends up in landfill, costing an estimated A\$20 billion (US\$14 billion). OzHarvest collects over 180 tons of food each week from food donors across Australia, including supermarkets, restaurants, and catering companies (Spring, 2019; Also see: Adams, 2017).

Food for Soul's impact to date is impressive. Since 2016, they have served more than 150,000 guests, cooked 450,000 dishes, harnessed the power of 830 volunteers and 340 guest chefs, and recovered 45 tons of food that would otherwise go to waste, reports Deirdre Appel, writing for Dietdetective.com. In early 2016, he founded Food for Soul, a nonprofit organization whose goal is to empower communities to fight food waste through social inclusion and community dining. In

2017, he appeared alongside Anthony Bourdain in the documentary *Wasted!*, which explores how food waste negatively impacts hunger, biodiversity, and climate change. In May of that same year, Bottura received a \$650,000 Rockefeller Foundation grant to develop community kitchens in US cities like Miami, New Orleans, Detroit, and New York. Says Bottura in the video, "And you have to learn how to dream to change the world" (See Glicksman, 2019).

Bottura opened his first *refettorio* in Milan in 2015. In 2016, he and wife Lara Gilmore founded *Food for Soul*, a not-for-profit organization which aims "to empower communities to fight food waste through social inclusion." Bottura wants to open 1000 refettorios all over the world. He told *Newsweek*, "We're gonna fight waste, and we're gonna feed the people in the world" (Glicksman, 2019).

Bottura stays humble and down to earth even amidst the spotlight. Holding the double awards of The World's Best Restaurant 2018 and The Best Restaurant in Europe 2018, the first thing that Massimo Bottura did was to move the spotlight from himself to something he cares about even more than himself: the community. Thanking his team, he told his associates:

> This is for you, because all together we are creating a community and this community can truly create a revolution in the food world and beyond. We have to feed the world, we have to fight waste. I want to use this spotlight to make visible the invisible. (Sgarbi, 2018)

With this gesture, Bottura demonstrated some of the best traits in wise leadership: When success graces their work, wise Leaders are careful to move the spotlight from themselves to others, to greater good, to their teams and associates. Effective social entrepreneurs are able to see the universal dimension in the individual challenges. They have mastered the art of transitioning from narrow "mirror mentality" (Look at me!) to pervasive "window mentality" (They did it!). They know the secret of doing well by doing good.

Concluding Thoughts

This chapter discussed how innovative social entrepreneurs are changing the world by serving the destitute, feeding the hungry, and reducing the food waste footprint. It approached the concept of social entrepreneurship in a creative manner, defining a social entrepreneur as one who brings about a positive change in the society by implementing innovative ideas to fulfill vital social needs. It profiled exemplary social entrepreneurs who are changing the world by serving the destitute and sustaining the planet in innovative ways. These are true heroes of our society. They embody the essence of what has been referred to authentic servant leadership.

This chapter also broached the global problem of food waste, which has far-reaching financial, ethical, and environmental costs. The food system is the largest user of natural resources and emitter of greenhouse gases. After discussing the negative impact of food waste on the environment, the chapter presented key strategies conscious social entrepreneurs have devised to combat this pervasive issue of global food waste.

Chapter Takeaways

- When our motivation is pure, the whole universe conspires to help us in our social work. That is, when our prime motive is to help others, to benefit the society, the resources come forth in unconventional ways.
- When success graces their work, wise Leaders are careful to move the spotlight from themselves to something greater they care about even more than themselves: the community. Social entrepreneurs are no exception.
- Effective social entrepreneurs are able to see the universal good in the individual challenges. They have mastered the art of transitioning from a narrow "mirror mentality" (Look at Me! More power to Me!) to a pervasive "window mentality" (They did it! We are in this together).
- Serving others is the core of social entrepreneurship. It is only by serving a cause greater than oneself that one redeems oneself and attains true meaning and fulfillment.
- Social Entrepreneurs know the secret of doing well by doing good. They know with Gandhi that happiness in the final reckoning lies in squandering one's gifts selflessly in the service of others.

Reflection Questions

1. Do you agree with the approach to social entrepreneurs, defined as the ones "who brings about a positive change in the society by implementing innovative ideas to fulfill vital social needs?" Briefly explain.
2. What qualities make for success in social entrepreneurs' work? What is unique about their success?
3. Can one still do well by doing good? What challenges Social Entrepreneurs face in balancing social service and financial viability needs?
4. It has been observed that just by controlling food waste, we can feed not only all the hungry in the world many times over, but also feed three billion additional population estimated by 2050. Reflect on the veracity of the food waste problem and its solution in relation to making a major impact on climate change. What can we do at our own level to reduce food waste?
5. Since 30–50% of the food waste in developed countries occurs at the individual household level, what steps can we all take in combating the food waste.

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Part II

Corporate Social Responsibility

Making and Keeping Stakeholders Mindful of CSR

14

Joan Marques

Key Topics

- Corporate social responsibility
- Mindful leadership
- Ethics
- Respect
- ISO 26000

Introduction

With the second decade of the twenty-first century coming to a close, corporate leaders have had ample opportunity to calibrate the performance of business entities in and outside their own industries, and realize that socially responsible behavior is no longer an option or a strategy for specific times in the life cycle of an organization. Corporate Social Responsibility, CSR, is as prominent a core element in organizations' performance today as is ethical behavior from each internal stakeholder. The foundational assumption in this chapter is, therefore, that CSR is one of the essential manifestations of mindful leadership and, subsequently, of moral sensitivity.

In the first part of this chapter, a brief review of mindful leadership is presented, followed by a deliberation on ethics, with specific emphasis on business ethics. Following these two core elements, the chapter then presents a purpose overview of CSR, followed by a case in point by way of illustrating the interplay between mindfulness, ethical behavior, and CSR.

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Mindful Leadership

Mindfulness is a critical skill for any leader, in any setting, to develop and maintain, because it has a major influence on the type of decisions this leader will make, and the influence he or she will have on followers. Mindfulness is a cognitive state that results from drawing novel distinctions about the situation and the environment (Carson & Langer, 2004; Langer, 1989). A mindful person actively engages in the present and is sensitive to context as well as perspective. A mindful approach is the foundation as well as the outcome of noticing new things (Carson & Langer, 2006). According to Carson and Langer, mindfulness can enhance self-acceptance, which, in turn, brings greater peace of mind. When we lack self-acceptance, we may experience emotional troubles, resulting in anger and depression (Carson & Langer, 2006).

Mindful people have some distinctive traits. They view objects as well as situations from different angles in order to obtain as broad a perspective as possible, and they have the ability to shift their perspectives, based on the context of an issue (Carson & Langer, 2006).

People who are not mindful, behave in exactly the opposite way: they strongly hold on to a single perspective without considering contexts or perspectives (Carson & Langer, 2006). Mindless people compartmentalize experiences, behaviors, objects, and other people into inflexible categories. They are trapped within a single perspective, and are incapable of shifting their viewpoints in order to see the other side of a situation, story, or experience. In other words, they lack respect for others' viewpoints, because they are so caught in their own (Marques, 2016).

Kabat-Zinn (2005) describes mindfulness "as moment-to-moment, non-judgmental awareness cultivated by paying attention in a specific way, that is in the present moment, and as non-reactively, as nonjudgmentally and as open-heartedly as possible" (p. 108). Kabat-Zinn's definition could also be attributed to something called *respectful awareness*, because it combines the nonreactive, nonjudgmental, open-hearted foundation of respect to specific attention in the present moment.

Respect presents itself through the way we treat people and other living beings. Some people think that respect is classified: they only show respect to those that hold higher positions than the one they hold, and disrespect or ignore those who hold subordinate positions or represent a lower ranked status in society. Other people think that respect is limited to our interactions with other human beings, and that other living beings are not worthy of respect. Of course, that is not the case. There is much to be questioned about the mindfulness level of a person who only grants respect to other human beings, but abuses or ignores his or her pets.

Real, deep, genuine respect goes beyond just honoring human cultures and behaviors, and understands the importance of honoring all living beings, as they all have a right to exist, whether or not we interact, appreciate, or understand them. In order to evoke and nurture this degree of respect, we have to reflect in a way that is not exactly common among business practitioners, but it is not impossible. Everything on planet earth was created for a special purpose. On our quest to progress, we, the humans, have disrupted many cycles and sequences of life, forcing

them out of their protective habitats and into those we now call ours. This is, for instance, why we find bugs and roaches in buildings, because we build with wood, which comes from the trees in which they used to live. Each living being was placed here with a special task, and we should be aware of that. We may not like everything, but we can still practice the mindfulness to respect it (Marques, 2016).

Respect is not always easy to give. Some people seem to do everything to make it difficult to grant them any respect. People, who disrespect others blatantly, because they feel superior to those, are hard to like. Yet, mindful leaders understand that even those souls need respect, just as much as the downtrodden and dejected ones (Marques, 2016).

As our general sense of respect expands, so will our mindfulness toward other living beings. The beauty of it all is that there is a mutual dynamic at play here, because when we practice mindfulness, we begin to cultivate deep respect for other beings and their circumstances, most of all, their emotions (Khong, 2011).

The Role of Ethics in Business

CSR is a direct manifestation of a business and its leaders' concept of ethical performance. Given the recent decades of moral scandals, the question of ethics in the business world continues to increase in importance. Yet, it can only be truly successful if mindfulness is practiced, and within that, respect for all stakeholders, human and nonhuman, direct or indirect, in the entity's performance. Unfortunately, there are numerous examples of companies crafting awe-inspiring mission and vision statements, yet not living up to them. One of those infamous examples is Enron, a company that went down due to gross and lengthy immoralities toward its stakeholders and the entire US society. Enron had a 64-page code of ethics, which meticulously outlined the moral requirements of its employees (Marques, 2012a, 2012b).

Unfortunately, it was this same Enron that epitomized the disintegration of all ethical behavior. If anything becomes obvious from this example, it is that a well-formulated and thoroughly considered code of ethics does not guarantee actual follow-up.

Ethics is the general term we use when we contemplate what we consider to be good or bad. It can be described as a set of rules of moral conduct observed by an individual or group, such as a corporation. There are many different ethical theories, concepts, and perspectives, and some of them may lead to contradicting outcomes. Part of the complexity of ethics is its multidimensionality. There are some ethical values on which we commonly agree, such as not killing, stealing, or deliberately harming others. Within these common values, however, there are many shades of gray, which get even more intricate based on the many ethical constructs that exist.

Two of the most popular theories taught in business education are the utilitarian approach, or consequentialism, and the deontological approach, or universalism. The utilitarian approach considers that we should make decisions that result in the greatest good for the greatest number of people. The deontological approach, on the other hand, teaches that we should always do what is right, regardless of the

associated outcomes. In other words, even if a large number of people are negatively affected by doing the right thing, we should do it. The foundational thought here is that we should always do what we would want to be a universal rule and never use anything or anybody as a means toward selfish ends. Instead, we should treat all beings as ends themselves. For example, with the deontological approach, we would never lie, even if telling the truth would harm us, because we would not want others to lie to us. This brief explanation of just two of the many ethical theories shows the potential differences (Marques, 2012b).

Being sensitive to others' perspectives is key because people adopt their ethical stances from many sources—their religions, cultures, upbringings, societies, personal convictions, educations, and many other psychological influences. This creates an obvious problem; there is tremendous divergence in ethical perspectives. What one person considers a big ethical dilemma, another person may not believe is an issue at all.

There are numerous ethical theories—some as old as human history, and others still in developmental stages. There are business analysts who suggest simply forgetting about all the formal theories and just considering the following two probing questions when facing an ethical dilemma:

- Would I do this if my family knew about it?
- Would I do this if it were published in tomorrow's newspaper?

These two questions can provide a quick and clear view on actions to undertake or avoid, but even this straightforward approach can lead to different individual decisions.

Zooming in on ethics within the world of business, we find that the first decade of the twenty-first century disclosed many unethical corporate acts. A recent example involves the 2008 economic meltdown caused by unethical practices in the financial industry, resulting in a domino effect that was globally noticeable. Millions of people who thought that their lives were secure found that they had built their dreams on a cloud and were suddenly jobless, homeless, and deserted.

All of these events have left us disillusioned and have given way to questions about whether there is such a thing as "organizational ethics" or whether these two—successful business performance and ethics—are mutually exclusive. The short-term profit mentality has become so prominent in our society that any long-term effects have been placed on the back burner. A "hit-and-run" approach seems to have become second nature in business practices, negating ethical considerations and empathy for living beings.

If there was one positive outcome of it all, it is that the repeated mental and emotional blasts of immorality have expanded and sharpened our focus on ethical behavior, and the consequences of this increased focus on ethics are apparent. Business education institutions have adopted ethics, social entrepreneurship, and CSR-geared courses as part of their curricula, and corporations have included more moral sensitivity training in their programs.

In addition, there has been a consistent stream of efforts from multiple sources to heighten awareness among current business leaders—not just toward living beings but also toward the environment (Weiss, 2009). One such effort is ISO 26000, the guidance standard for social responsibility issued by the International Organization for Standardization (ISO 26000, 2010), which increases awareness about the effects of our common behavior on a variety of societal issues, all of which are affected by ethical perspectives. There is still much to be sorted out, but ISO 26000 already has ignited some dialogue among corporate leaders where there was none before. If handled responsibly and not molded into the form of yet another rigid set of rules, this new standard could encourage business leaders to delve more deeply and enthusiastically into the actual implementation of ethical behaviors at all levels of their organizations (Marques, 2012a).

As a final note on this brief section about ethics, it may be crucial to state that both, individuals and organizations, make decisions based on their ethical frameworks, which can vary significantly based on a variety of underlying factors. Any given situation can be viewed quite differently by the people who must decide what responses are appropriate. In organizational settings, however, leaders must be mindful, step forward, and not only establish the ethics code clearly but also exemplify its use on a daily basis (Marques, 2012b).

Corporate Social Responsibility: A Purpose Overview

CSR is defined by the European Commission (2001) as "[…] the responsibility of enterprises for their impacts on society […] to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy" (Hahn & Kuhnen, 2013, p. 6). Taghian, D'Souza, and Polonsky (2015) interpret CSR as "the voluntary actions taken by firms to benefit social and environmental causes and communicated to the organization's key stakeholders" (p. 340). While there is still a legal constraint in for-profit entities, called fiduciary duty, whereby directors and managers carry the obligation of maximizing shareholder wealth, corporate leaders are increasingly formulating responses to this requirement. They do so because many have come to understand that CSR is perceived as a positive development for business, and may improve the entity's market position and reputation, even though it remains complicated to quantify how much CSR actually benefits a corporation (Zizka, 2017). Still, in spite of the complexity in quantification, it remains critical to top management in corporations that CSR should be conducted strategically and well planned, due to its effect on both, the corporation and the surrounding community (Wang, Tong, Takeuchi, & George, 2016). Some of the potential qualitative advantages of CSR for a corporation are brand equity, employee satisfaction, reputation, team building, and community relations (Sones, Grantham, & Vieira, 2009). The strategic implementation of CSR partly lies in the fact that different stakeholder groups have different expectations and priorities, some of which could contradict each other. It is not only a matter of formulating values, even if many of those transcend profitability and financial

advancement, the reality remains that any business-doing entity works with a budget, of which a responsible division will have to be made. Considering the moral, societal, and financial obligations of performing entities, and trying to circumvent the restriction of fiduciary duty, several business leaders now create different types of performance entities, such as Benefit Corporations and L3Cs (Weismann, 2017).

Over the past years, increasing evidence has been shared about the fact that a company's CSR policies and applications strongly impact its stakeholder outcomes in multiple dimensions. This can vary from customer trust, loyalty, and support of the business, to employee satisfaction and commitment; appeal to potential employees, as well as attraction to potential investors (Arikan, Kantur, Maden, & Telci, 2016). Some researchers even classify CSR as a marketing activity for organizations (Golob & Bartlett, 2007; Taghian et al., 2015) because it has such an influence on the company's reputation and its brand personality. This, then, may explain why so many companies are very vocal about their CSR initiatives, oftentimes allotting an entire page on their website to this topic. On the other hand, there is also the aspect of expense, which places CSR square and fair into the moral and ethical realm of the organization: CSR usually brings along extra costs and investments for a firm that cannot immediately be translated or detected in revenue. This can shift perceptions from labeling it as a marketing effort to categorizing it as an ethical one.

A major advantage of CSR's existence in today's world of business performance is the fact that it leads to more information disclosure to stakeholders, which is considered a demonstration of amplified moral responsibility (Pérez, López, & García-De, 2017).

Stakeholders: The Focus of an Organization

A stakeholder is "a person or group that can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). Stakeholder theory is concerned with the relationships of a company with a variety of stakeholders in society (Pérez et al., 2017). Stakeholders are at least as interesting a phenomenon as CSR. There are various opinions about the concept and context of stakeholders. Ditlev-Simonsen and Wenstøp (2013) provide a useful overview of what could be considered stakeholders in the context of business performance. Starting with the owners or shareholders of the corporation, who have a major stake at keeping the entity performing and profitable, scholars of business have become increasingly convinced that it is also important to consider other aspects of an entity's performance. This is where customers' desires and employees' satisfaction rise to the forefront. Yet, there are more key groups involved in an organization's success, such as suppliers, communities, investors, and others that may influence the realization of the organization's goals. Ditlev-Simonsen and Wenstøp (2013) also point out that the lens through which an organization is reviewed may help determine who the significant stakeholders are. Benedek, Takács, and Takács-György (2014) point out that in that regard, ethical, social, legal, and strategic pressure on the economic and social well-being of an organization play a major role, especially in light of our shift

in recent decades from an exclusive profit-maximizing theory to an increasingly stakeholder-based mindset. In the perspective of CSR, the government, NGOs, and even business students, who aspire to become future leaders of organizations, could be considered stakeholders (Ditlev-Simonsen & Wenstøp, 2013).

Managing stakeholder groups has emerged from a point of little interest in the early twentieth century, to a full-fledged strategic focus point for today's corporate leaders. What makes this so intricate is the fact that different stakeholder groups may have different desires, thus calling for divergent ways in satisfying them. This is, then, why there are sometimes stakeholder groups, formed out of a need to increase pressure onto organizations to pay more attention to their call. Some of these groups are anti animal-cruelty groups, preservation of natural habitat groups, and anti-pollution and anti-dumping groups. Organizations, from their end, may also decide to group the different stakeholders they have to adhere to, as this may help them formulate better functioning and reporting structures. They may, for instance, elect to cluster their stakeholders in environment-focused, innovation-focused, and profit-focused groups. Some organizations may choose to group their stakeholders on relationship characteristics, institutional impact, market areas, and nonmarket areas, such as political, media, authority, and other bases. Yet others may cluster stakeholders on the basis of legal considerations, whereby we may distinguish internal (i.e., employees, advisors, and stockholders) and external (i.e., media, competitors, authorities, governments) (Benedek et al., 2014).

de Mascena, Cunha, Fischmann, and Boaventura (2018) raise, within the context of stakeholder theory, the issue of stakeholder prioritization, which has to do with the amount of time, attention, capacity, and other scarce resources corporate managers allocate among their different stakeholders. There are two dominant ways in which stakeholder prioritization is implemented, one being related to corporate managers' assessment as to which stakeholders should get prioritized, and the other based on the level of fulfillment of stakeholders' interests. In regard to the first, de Mascena et al. point to the Salience Model, which classifies stakeholders on basis of their power, legitimacy, and urgency. The more attributes a stakeholder meets, the more he or she will be prioritized. In regard to the second, the prioritized stakeholder is the one that happens to receive most prominence of their interest, most likely by virtue of who they are, what they represent, or what they mean to the company.

Case in Point: Adopting CSR for the Right Reasons

Not all organizations adopt CSR proactively. Many of them do so because of the pressure from their environment or because it allows them to be perceived as being socially responsible, which in turn increases customer and other stakeholder support (Golob & Bartlett, 2007). In fact, there are not too many corporations founded prior to the 1990s that considered CSR as a critical factor in their performance, and the reasons, while not justifiable, are somewhat understandable: there was much less awareness or concern about the environment and the well-being of living

species therein up till the early 1990s, when stakeholder groups started demanding answers regarding the origins and supply systems behind the goods and services they purchased.

An interesting case in this regard is the story of Ray Anderson, founder and CEO of Interface, the world's largest carpet tile company. From 1973 on, when Anderson founded the Atlanta, Georgia-based company, to the early 1990s, he was a CEO as many others: focusing on profit maximization and unconcerned about the massive destruction his company's activities caused to the environment. While he was in compliance with legal prescriptions, he did little more to ensure a sustainable approach to the ecosystem. However, in 1994, he was approached by a team in his organization that was attempting to answer questions asked by clients, an important stakeholder group that was hard to ignore. The questions pertained to the company's environmental vision, which, at that time, was nonexistent. Initially reluctant and slightly averse to the idea of developing and maintaining an environmental vision, Anderson soon became intrigued by the topic of sustainable performance. This is also when he came to the shocking realization that he, along with many other corporate leaders, had lived the life of plunderers, who had just never been punished for conducting their troublesome acts. He started reading books that increased his awareness on the topic, and the more he read, the more his intention changed toward wanting to do the right thing.

Anderson subsequently embarked on mission to make his carpet tiles in a more sustainably responsible manner. This new approach required immense effort and creativity to shift from what was first considered to be impossible to making it achievable. After all, carpet production is by default highly destructive to the environment (Langer, 2011). Anderson's efforts to engage in CSR transcended the reputation and production approach of Interface: he gave presentations, wrote books and articles, and talked to suppliers and fellow CEOs about the sustainability movement that was way overdue (Langer, 2011). He got encouraged to do all this after reading that the same source that caused the destruction through a "take-make-waste" approach (business), could also be the initiator of a restoration of the crisis in the biosphere (Anderson, 2007). As the years and the efforts accrued, Interface shifted from using less than 1% to using 49% of recycled and renewable sources (Davis, 2014). Up till 2011, when he passed away, Ray Anderson worked on transforming himself into the greenest chief executive in America, and received numerous awards for being a model environmentally conscious leader (*Interface's Ray Anderson …*, 2011).

While he did not adopt his CSR approach proactively, Ray Anderson managed to convert his thinking and his entire approach, from a mindless business leader, to one who became a major and highly vocal advocate, who did everything in his power to help raise awareness about the importance of CSR and stakeholder sensitivity.

Chapter Takeaways

- Corporate Social Responsibility, CSR, is as prominent a core element in organizations' performance today as is ethical behavior from each internal stakeholder.

It is one of the essential manifestations of mindful leadership and, subsequently, of moral sensitivity.

- Mindfulness is a critical skill for any leader, in any setting, to develop and maintain, because it has a major influence on the type of decisions this leader will make, and the influence he or she will have on followers. Mindful people view objects as well as situations from different angles in order to obtain as broad a perspective as possible, and they have the ability to shift their perspectives, based on the context of an issue.
- Respect presents itself through the way we treat people and other living beings. Real, deep, genuine respect goes beyond just honoring human cultures and behaviors, and understands the importance of honoring all living beings, as they all have a right to exist, whether or not we interact, appreciate, or understand them.
- Ethics is the general term we use when we contemplate what we consider to be good or bad. There are many different ethical theories, concepts, and perspectives, and some of them may lead to contradicting outcomes. Some business analysts suggest to just consider the following two probing questions when facing an ethical dilemma:
  – Would I do this if my family knew about it?
  – Would I do this if it were published in tomorrow's newspaper?
- An important morally responsible effort in business ethics is ISO 26000, the guidance standard for social responsibility issued by the International Organization for Standardization. ISO 26000 increases awareness about the effects of our common behavior on a variety of societal issues, all of which are affected by ethical perspectives.
- It is critical to top management in corporations that CSR should be conducted strategically and well planned, due to its effect on both, the corporation and the surrounding community. Over the past years, increasing evidence has been shared about the fact that a company's CSR policies and applications strongly impact its stakeholder outcomes in multiple dimensions. This can vary from customer trust, loyalty, and support of the business, to employee satisfaction and commitment, appeal to potential employees, as well as attraction to potential investors.
- Stakeholders are at least as interesting a phenomenon as CSR. Stakeholders are not only the owners or shareholders of the corporation, but also other key groups involved in an organization's success, such as suppliers, communities, investors, and others that may influence the realization of the organization's goals. In the perspective of CSR, the government, NGOs, and even business students, who aspire to become future leaders of organizations, could be considered stakeholders.

Reflection Questions

1. Explain in your own words, based on the text in this chapter, how mindfulness is related to Corporate Social Responsibility.
2. Consider the interplay between ethics, mindfulness and CSR, and explain in your own words whether you agree that there is a direct correlation among these phenomena or not.
3. Explain in your own words the relationship between ISO 26000 and CSR.
4. Consider the Case in Point about Interface's founding CEO. Did Ray Anderson engage in CSR for the right reasons?
5. Review the company "Interface" online, and produce a list of their internal and external stakeholders.

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Valuable Intersections: Why CSR Requires Mindfulness for Higher Ed Leaders

15

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Key Topics

- Mindfulness
- Mindful leadership
- CSR
- Higher Ed leadership
- Ethical action

Introduction

The concept of business morality and leadership focusing on moral behavior has deep roots in leadership, business acumen, and higher education (Barnard, 1938; Clevenger, 2019; Drucker, 1954). Specifically, higher education leaders must maximize relationships and resources, so mindful action is vital (Gould, 2003; Levesque & Brown, 2007; Rhodes, 2001; Sirsly, 2009). Modern corporations focus on corporate social responsibility (CSR) and create a platform and opportunity to give back to society—including inter-organizational relationships with higher education. (For exhaustive histories and discussion of corporate social responsibility, see Clevenger, 2014; Clevenger & MacGregor, 2019; Crane, Matten, McWilliams, Moon, & Siegel, 2008; de Hond, de Bakker, & Neergaard, 2007; and Sirsly, 2009). Managerial and organizational cognition developed over time and are heavily influenced by leaders (see Barrick & Mount, 1991 and Walsh, 1995).

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Corporate Social Responsibility

Corporate social responsibility (CSR) is concerned with minimizing harm in society and maximizing benefit through shared value with all stakeholders (Aguinis & Glavas, 2012; Blowfield & Frynas, 2005; Googins, Mirvis, & Rochlin, 2007; Waddock, 2004). Practitioners tried for CSR to morph into corporate responsibility (CR), which eventually became corporate citizenship to include the triple bottom line of profit, people, and adding environmental concerns (Gupta & Sharma, 2009; Marsden & Andriof, 1998). However, *CSR* has maintained being the general term for business attention to society. Business researchers and scholars have marginalized the topic of CSR with little active research within the field of management—although CSR has been growing as a subtopic on its own (Aguinis & Glavas, 2012; Campbell, 2007; Clevenger & MacGregor, 2019). Most emphasis has been on the organizational level followed by institutional level with none focused on corporate interaction with higher education specifically, but rather general support or agendas for social causes as a whole (Clevenger & MacGregor, 2019). Further research agendas from a business perspective delineate predictors, outcomes, mediators, and moderators as variables that interplay to affect a company's CSR through internal planning, actions, and measurement of inter-organizational and societal outcomes and impacts (Abbot et al., 2011; Aguinis & Glavas, 2012; Baron, 2012; Cleland et al., 2012; Moon, Crane, & Matten, 2005). While some attention has been paid to theoretical frameworks to understand why and how corporations behave in socially responsible ways, the breadth and depth of such behavior is beginning to be quantified, measured, widely reported, and used as a partnership arrangement with stakeholders (Campbell, 2007; Donaldson & Preston, 1995; Kang & Moon, 2012; Rowley & Berman, 2000; Ullman, 1985). Other scholars push CSR—and concepts in that arena—to foster public policy, political lobbying, and legislative actions (Moon et al., 2005).

Blowfield and Frynas (2005) define CSR as:

> An umbrella term for a variety of theories and practices all of which recognize the following: (a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the behavior of others with whom they do business (e.g., within supply chains); and (c) that business needs to manage its relationships with wider society, whether for reasons of commercial viability or to add value to society. (p. 503)

CSR is part of business ethics and ties into *stakeholder management* by being concerned with all value chains for a business and creating mutual impact (Cortina, 2008; Dawkins & Lewis, 2003; Donaldson & Preston, 1995; Farmer & Hogue, 1973; Lawrence & Weber, 2017; Prieto-Carron et al., 2006). From profit maximization of shareholders to managers, employees, local communities, vendors, creditors, and consumers—CSR aims to create positive outcomes and social impact to maintain ethical behaviors and build reputation and admiration (Cegarra-Navarro & Martinez-Martinez, 2009). Key focus areas include emphasis on multi-stakeholders, creation of public–private partnerships, development of win–win propositions,

and actions toward mutual goals (Blowfield & Frynas, 2005; Clevenger, 2019). However, scholars and practitioners disagree on the importance of semantics to label and describe corporate contributions to society. Baden and Harwood (2013) indicate that "terminology matters" (p. 615) because words influence attitudes, behaviors, and perceptions. On the flip side, Stangis and Smith (2017) said, "semantics are less important than the fact that you have a program with clearly defined goals and objectives" (p. 217). Regardless, CSR has become the mainstay umbrella term to address corporations' involvement and investment in society, including higher education relationships.

Van Marrewijk (2003) first re-explored the pluralistic organizational interactions of business, civil society, and government (i.e., the state), which is also called tri-sector (Warhurst, 2001). Three entities were illuminated and how they shift or share responsibilities. For example, with reducing federal government funding in 2018 and 2019 for after-school programming, a shift occurred to the nonprofit sector, parents, or for-profit sector (Peterson, 2018). J.C. Penney has determined after school programming as their national "signature platform." However, since J.C. Penney has struggled financially, it could not invest additional resources to fill the void in after-school programming left by federal budget cuts. Thus, families or nonprofit organizations were left to balance the gap (Peterson, 2018).

Five key concepts and important facets of CSR and sustainability are called The Five Ideas—or ambitions—of concern for companies and include compliance-driven actions, profit-driven actions, caring actions, synergistic actions, and holistic actions (van Marrewijk, 2003). *Compliance-driven actions* are those performed based on duty, obligation, or punishments for bad corporate behavior. For example, in the 1990s, when Household Financial-Beneficial and HSBC issued loans to families for mortgages that were high-risk, numerous households defaulted. The bank had knowingly allowed the loans to people who could ultimately not be able to afford them. Their ultimate penalty by the federal government was the creation of financial literacy programs to benefit society. The programs became quite extensive to better educate the population on lending and home ownership. *Profit-driven actions* consist of best practices that promote a company's bottom line while also improving brand reputation. Traditional sponsorships that aid youth or community organizations are good examples, and companies attach their logo, which, in turn, sets a constructive attachment image for people to positively relate to the brand and potentially favor a brand's products or services. In higher education, sponsorships are prevalent in athletics, arts and concerts, events, and recruitment activities. *Caring actions* go beyond the required behaviors and profit motives to invest in people—social concerns including care of the planet for future generations. Companies often 'stay in their lane' of expertise or their 'expertise' (aka their 'treasure chest'), which does not cost extra in resources. Examples include Campbell Soup Company partnering with Feeding America to help food-insecure populations (i.e., children and low-income families). Campbell is a food company, so it is sharing its abundance. *Synergistic actions* focus on functional solutions that create value for multiple relevant stakeholders and have sustainability as a focus. For instance, if Proctor and Gamble, Unilever, or Dial discover a safer and more environmentally

friendly detergent formula (e.g., lower phosphates), they share the discovery and patent freely with others in the industry to improve products for all people and to consider better long-term environmental preservation. Finally, *holistic actions* fully integrate all aspects of the organization and are "aimed at contributing to the quality and continuation of life of every being and entity, now and in the future" (van Marrewijk, 2003, p. 103). Campbell Soup Company, for example, has launched a broad and dynamic food sourcing program to make sure that farming of materials, production, distribution, advertising and marketing, and household tastiness and pricing all work together to promote the best possible products in their food lines available. Functionally, Campbell Soup Company is committing to a strategy compartmentalized into agriculture, packaging, responsible sourcing, climate, water, waste, and safety (Campbell, 2018).

Examples for higher education in these five areas could include offering financial aid (compliance-driven), creating market-relevant programs (profit-driven), volunteering service in the local community (caring), educating students for employability (synergistic), and teaching students to behave ethically (holistic). Corporations could help these goals by offering scholarships for accessibility in financial aid (compliance-driven), funding and naming market-relevant programs including endowing departments or faculty positions (profit-driven), volunteering in the local community together with a business (caring), educating students for employability and giving those students internship and/or employment opportunities (synergistic), and teaching students to behave ethically and funding case studies or competitions to solve business problems and rewarding best practice ideas (holistic).

Munilla and Miles (2005) focused on a mini-continuum to explain CSR including compliance, strategic, and forced behaviors by combining ideas from several other scholars. This continuum is wholly concerned with stakeholder pressures. The expectations create compliance with external mandates, strategizing potential positive outcomes considering the creation of new value for customers, and forced behavior such as compulsory taxation. Oftentimes, pressure from the government, competitors, or customers creates competitive advantages. Examples of compliance-focused companies typically include oil and gas companies like Exxon or pharmaceutical companies like Pfizer. The companies do what they must for society, yet yield extremely high profit margins. Examples of strategically focused companies include GE, Campbell Soup Company, and Coca Cola®. These companies embrace innovation, stakeholder pressures, and desire for long-term sustainability. Finally, examples of forced behavior (i.e., a ban) would include the 2015 Food and Drug Administration forcing fast food companies such as McDonald's to eliminate unnatural trans fats. To further explore these concepts, Munilla and Miles (2005) considered pressures and perceptions from internal and external stakeholder groups. Internal stakeholder groups include owners, employees, creditors, and external stakeholders, such as customers, nongovernmental organizations, the local community, and the regional and national community.

Carroll's (1991) *Pyramid of Corporate Social Responsibility* is concerned with economic, legal, ethical, and philanthropic issues as compared to van Marrewijk's (2003) ambition categories of issues for compliance, profit, caring, synergistic, and

holistic with Munilla and Miles' (2005) ideas. These scholars' concepts intertwine well, but are focused internally to externally with keen attention to how to best serve the company.

Other scholars also eluded to continuums or spectrums for business interaction with society. Without elaborating, Stangis (2007) indicated that there was a corporate social responsibility spectrum with "responsibility" on one end and "social" on the other end. Likewise, Edwards (2008) noted that corporations' involvement with society occurred on a spectrum: One end of the spectrum was corporate philanthropy, and at the other end was the triple bottom line, also called total corporate responsibility. Along the continuum existed volunteer opportunities and systems (e.g., higher education) that are concerned with the interactive relationship between corporations and nonprofits. Edwards claimed, "In civil society, social transformation is usually a deliberate goal to be achieved through conscious collective action" (p. 56). Garriga and Melé (2004) categorized business and society content into four theoretical groupings: instrumental theories (economics), political theories (politics), integrative theories (social), and value theories (ethics). These groupings provide four major considerations surfaced: having long-term perspectives, "using business power in a responsible way, integrating social demands, and contributing to a good society by doing what is ethically correct" (Garriga & Melé, 2004, p. 65). This literature compilation helped to organize prior research and models to categorize motives for companies. Again, just like the earlier models, all of the considerations are totally company focused, which ultimately lead back to enlightened self-interest.

CSR of ethics, human rights, financial accountability, consumer product and professional service liability, profitability, and environmental concerns create an integral landscape of corporations' scope and consideration in their role in today's pluralistic society. Newer companies that consider people, profit, and planet from their start have ingrained all facets of concern into their makeup, or DNA. A mix of high social benefit and high economic benefit provided a progression for maximizing long-term, sustainable citizenship. "In the long run, then, social and economic goals are not inherently conflicting but integrally connected" (Porter & Kramer, 2002, p. 7). The process of companies with an ingrained DNA ethos partner with the best organizations (Clevenger, 2019). These positive inter-organizational relationships signal other funders and organizations to follow and help to improve performance of the higher education institution involved. Finally, these partnerships advance knowledge and concepts contributing to society and long-term interests, which creates value both economically for the company and socially for all stakeholders as well as the environment.

A next level of viewing corporate interactions comes from Googins et al. (2007), in *Ten Precepts for 21st Century Business*, which emphasizes ideas and concerns regarding CSR beyond company agendas in reaction to social pressures. This thinking came as globalization became more commonplace, reactions to corporate and non-profit scandals and the Sarbane's Oxley Act, and increasing demands on companies regarding global sustainability and green movements. The ten precepts include: (1) compliance is not enough, (2) size invites scrutiny, (3) transparency is a

requirement, (4) cutting costs can raise risks, (5) reducing risks means engaging society, (6) stakeholders are a link to society, (7) society's needs are growth opportunities, (8) global growth requires global gains, (9) sustainable corporations need sustainable societies, and (10) society needs business, nonprofits, and government (p. 70). These precepts encompass all major concerns, but from the inside out.

Around the same time as the Ten Precepts were developed, Bright, Fry, and Cooperrider (2006) created a multidimensional matrix considering corporations' behavior as a benefit to society versus benefit to business as transformative innovation. Considerations of compliance and disclosure, social responsibility and the environment, sustainability, and strategic issues development are incorporated into the conceptual framework yielding a "zone of mutual benefit" (Bright et al., p. 21). Cone's (2010) multidimensional spectrum illustrated four categories identifying key corporate citizenship functions: *Philanthropy*, *Cause-related Branding*, *Operational Culture*, and *DNA Citizenship Ethos*—as a continuum from left to right. (For an exhaustive discussion of the corporate and higher education space including visual representation of all of these models and theories, see Clevenger & MacGregor, 2019.)

Over time, companies desired to be more involved with other organizations such as higher education. This new prioritization shifted corporate philanthropy—with little hands-on engagement—to CSR, whose focus is built on leadership priorities, enculturation of values and goals through organizational culture, and then enacted through social responsiveness including employee volunteerism. A number of scholars and practitioners began to organize ideas into models and continuums to try to understand and articulate the phenomenon.

CSR has shifted companies away from altruistic philanthropic roots, although many companies maintain nonprofit foundations that continue philanthropic efforts. During the latter half of the 20th Century, CSR was shaped and became concerned with stakeholder needs initially and refocused on social concerns. As businesses respond to these needs—and sometimes pressures—the companies considered responsibility, drivers, and policies needed to respond (Frederick, 2008). Further, corporate social responsibility was eventually mapped for organizational redesign and implementation, which also led to the need for measuring productivity known as corporate social performance (or CSP) (Clarkson, 1995; Frederick, 2008; Lawrence & Weber, 2017; Wood & Jones, 1995).

In tandem, business ethics became a field in the late 20th Century, requiring equality, social justice, more conscientious corporate culture, ethical climate development, and purposeful focus on corporate values, mission, vision, and leadership (Clarkson, 1995; Frederick, 2008). In the late 1980s and early 1990s, globalization created a major development and shift in business processes and operations. CSR raised awareness beyond people—social stakeholders—to consider environmental sustainability of the planet including water and animal rights. In response to these demands, the largest of companies—the global Fortune 1000—have become sophisticated and invested more resources in staffing and reporting for CSR and performance (Lawrence & Weber, 2017). As technology grew and became more commonplace in the late 20th Century and early 21st Century, the development of

websites, blogs, and annual reporting on goals and performance became more expedient and widespread (Stangis & Smith, 2017).

Finally, there are two schools of thought on CSR: for and against (Frooman, 1997; Lange & Washburn, 2012; Lawrence & Weber, 2017; McIntosh, 2016). Reasons in favor of CSR include balancing corporate power with responsibility, discouraging undue government regulations, promoting long-term profits, improving stakeholder relations, and enhancing business reputation while giving back to society (Lawrence & Weber, 2017). On the opposing side are the arguments against CSR including reducing profitability, inefficiency because of attention away from the business focus, imposing unequal responsibility among competitors, imposing hidden costs to stakeholders, requiring skills outside the expertise of the company, and placing responsibility on corporate entities of individual personal responsibility (Bakan, Achbar, & Abbott, 2003; Frooman, 1997; Lawrence & Weber, 2017).

Higher Education Leadership

Sirsly (2009) provided an eloquent review of CSR applicable to higher ed leaders over the last 75 years; the newest component to add is *mindful leadership*. Leaders are the main administrators to set priorities, to manage expectations, and to actively engage constituents in fostering an institution's mission, vision, philosophies, values, and wide range of goals (Clevenger, 2019). This leadership capacity comes from deeply rooted behaviors in social identity theory and the organization (see Ashforth & Mael, 1989). Leaders create organizational culture and reinforcement of behavior based on what they "pay attention to, measure, and control" (Schein, 1985, p. 224); their reactions "to critical incidents and organizational crises" (Schein, 1985, pp. 224–225); how they role model, teach, and coach others; and how they allocate "rewards and status" (Schein, 1985, p. 225).

Leaders define priorities, and a major priority for higher education is resource development, which often comes from businesses and corporations (Clevenger, 2019; Drezner & Huels, 2014). Therefore, leaders must champion the importance of these relationships (Bornstein, 2003, 2011; Clevenger, 2014, 2016, 2018, 2019; Clevenger & MacGregor, 2016; Hearn, 2003; Hodson, 2010). Leaders, trustees, and key stakeholders work together to foster a positive environment (Clevenger, 2014; Essex & Ansbach, 1993; Sturgis, 2006). Leaders must learn about key issues and demonstrate personal involvement, engage others internally and externally, be strategic, set objectives, and expect results. Emphasis on fundraising and resource development by leaders—including corporations with CSR goals—reinforces this important commitment organization-wide. Higher education leaders' attitudes, behaviors, personal commitment, and involvement in constituent engagement set the tone and send the message both internally and externally about the importance, emphasis, and prioritization of resource development and innovation (Clevenger, 2014, 2018; Crow & Dabars, 2015; Drezner & Huels, 2014; Essex & Ansbach, 1993; Freeman, 1991; MacAllister, 1991; Saul, 2011; Sirsly, 2009).

Leadership spans across disciplines and sectors. Key business thinkers as well as practitioners have encouraged having a moral compass, awareness, and mutual interactions with other organizations (Barnard, 1938; Drucker, 1954; Goleman, 2015 Simon, 1945). Authentic institutional belief, investment of external relationships, strategic goal setting, vision, passion, and credibility are key leadership emphasis areas (Clevenger, 2019; Kaufman, 2004). From the leadership competency model, several traits and behaviors are applicable for higher education leaders: maturity, optimism, vision, understanding systems, collaboration, initiative, passion, balance, strategy, and influence (Kinnicutt & Pinney, 2010; Pinney & Kinnicutt, 2010). These practices must be woven into a consistent fabric through cognizant *mindful leadership*. Thus, leaders must have a toolbox filled with expertise to be effective: maturity, a visionary thinking, an inspirational attitude, optimism, personal commitment and connectivity, excellent communications, ethical integrity, professionalism, sensitivity, transparency, powerful influence, determination, flexibility, and patience (Clevenger, 2019). This wide range of attributes, competencies, knowledge, skills, abilities, personality, intelligence, and experiences provide for effective leadership—particularly with companies.

Individuals arrive in leadership with a wide range of experience, knowledge, and vision—culminated, these constitute *maturity*. These tools allow a sense of maturity to permeate their thinking and actions. Leaders use "patience and pragmatism to maintain confidence in the face of change and adversity, knowing the organization or cause will benefit from efforts" (Pinney & Kinnicutt, 2010, p. 11). Others are watching the leaders and acting based on their tone. Thus, mindful leadership aids in reflection, planning, and action.

First, *visionary thinking* requires that leaders must understand the macro picture as well as the individual parts to connect the dots to promote creative and innovate thought in support of organizational direction (Bornstein, 2011; Kaufman, 2004; Kinnicutt & Pinney, 2010). "Vision, mission, and money are intertwined. Fulfilling a vision and mission is not possible without resources" (Bornstein, 2011, p. 13), which includes corporate support. This vision must then be communicated organization-wide internally as well as externally to all constituents.

Passion and the ability to convey vision to others are *inspirational attitude* (Essex & Ansbach, 1993; Kaufman, 2004). Optimistic passion engages others and builds community (Clevenger, 2014, 2019; Pinney & Kinnicutt, 2010). An inspirational attitude permeates leaders' actions to promote the academic institution's many causes, thus creating a value proposition to potential partners. A positive attitude aids in creating optimism, sharing personal satisfaction, and exciting others about important opportunities and initiatives. *Optimism* pushes organizations to better standards and higher performance (Clevenger, 2014; Kinnicutt & Pinney, 2010; Pinney & Kinnicutt, 2010). Organizations' optimism or pessimism often extends from the tone, aura, actions, and attitudes of its leaders.

Personal commitment and connectivity by leaders are committed to their vision and purpose (Clevenger, 2014; Kinnicutt & Pinney, 2010; Pinney & Kinnicutt, 2010). Leaders are expected to support goals in spirit and in action. Leaders have a wide range of peers and liaisons in their network, including alumni, community

leaders, a board of directors, business representatives, and (if appropriate) government liaisons. These connections multiply leaders' impact by bringing additional effort and resources into important causes based on their own personal commitment and action (Clevenger, 2014).

Leaders *communicate* "with stakeholders, adapting to their issues, concerns, and level of understanding" and deliver "well-timed and effective presentations" (Pinney & Kinnicutt, 2010, p. 22). Excellent communication is vital to exploring curiosity; learning about constituents and corporate partners; listening and responding to ideas, issues, concerns, and opportunities; and promoting the vision, mission, and goals of the institution and its programs, causes, platforms, and research (Clevenger, 2014).

Ethical Integrity: Organizations are expected to avoid questionable practices, to respond to the spirit and letter of the law, and to protect employees and the environment (Carroll & Buchholtz, 2017; Reichart, 1999). Instead of making right decisions, the responsibility of organizational leaders is to be role models and catalysts for values in all activities, thus setting both the tone and modeling an appropriate example to everyone (Bolman & Deal, 2017; Bornstein, 2003, 2011; Levy, 2012). However, ethics must be rooted in soul (Bolman & Deal, 2017). This ethical integrity promotes the authentic leadership and provides for concrete actions with good conscience.

Professionalism—often culminating mindful behavior—includes a mix of persona, action, and reputation. Extending common courtesy to others, having sincere respect and interest for situations and people, and allowing for open communication build professionalism. These actions contribute to legitimacy as a leader. The main professional aspect for leaders is building this legitimacy or validity (Bornstein, 2003; Carroll & Buchholtz, 2017.) Ultimately, professionalism inspires confidence with those who interact with a leader (Hodson, 2010).

Sensitivity is the comfort to read people and situations and appropriately respond or take action. The attribute and skill of sensitivity provide thoughtful considerations, keen articulation, and empathy to promote authentic solutions and actions. This empathy–also known as *emotional intelligence*–nurtures relationship, which contributes to effective resource development and management with corporations (Clevenger, 2014, 2019; Weinstein, 2009).

Because of increased media attention to ethical violations by organizations (Day, 1998; Stangis & Smith, 2017), leaders must safeguard practices through *transparency*. Transparency includes open processes to divulge goals, intents, fair disclosure, proper ethical behavior by stakeholders at all levels, compliance, and reporting of institutional behavior (Clevenger, 2014, 2019; Weinstein, 2009). Consider "the democratization of information and digital and social communication," which allows for greater public awareness and accessibility to corporate behaviors in the media and mass communications (Stangis & Smith, 2017, p. xxvii). Recent examples include race protests at the University of Missouri-Columbia and University of Virginia, leadership ethical issues at Michigan State University, and political controversies at University of North Carolina.

Leaders employ a combination of authority and *powerful influence* to execute their roles (Day, 1998). Authority stems naturally from a person's role, title, and office. Power is the ability and capacity to produce an effect—to get something done that otherwise may not be done (Bolman & Deal, 2017). Leaders begin with their personal and positional power to leverage influence (Bolman & Deal, 2017; Kinnicutt & Pinney, 2010). Through collaboration, alliances, and networks, they build a reputation for success that promotes legitimacy (Bolman & Deal, 2017; Bornstein, 2011; Kinnicutt & Pinney, 2010; Pinney & Kinnicutt, 2010). Leaders' influence makes things happen (Day, 1998). Their span of influence develops others, pushes people and programs to innovate, builds trust, motivates, inspires, shapes ideas, sets direction, aligns people, seeks opportunities for change, and assesses risks (Day).

Determination of leaders in their roles institutes their ability to lead (Hodson, 2010). Their span of control is wide. Leaders must therefore understand each situation, person, or organization's depth and have a keen sense of navigating each situation. This process is determination, which provides leaders with an unwavering commitment to the situation, person, or organization being addressed.

Circumstances of individuals and organizations change. Goals and milestones change. The economy changes. Internal staff members change positions and roles. Key liaisons with corporations and corporate foundations change. Leaders must have the *flexibility* to adjust their thought processes, actions, and policies dynamically to change with circumstances.

Building relationships takes time, persistence, and *patience* (Bornstein, 2003, 2011; Clevenger, 2014; Flanagan, 2002; Garecht, 2015). Patience also comes from persistence with key follow-up, appropriate and timely interactions, and ongoing mutual commitment (Day, 1998). It is patience that commits leaders to invest in a long-term viewpoint in the goal-achieving process. Typically, the larger the resource at stake, the longer negotiating a win–win agreement may take.

Mindfulness in Leadership

Leadership behavioral capacity develops over time. Aside from formal education, executive training, and practical experience, personal mastery undergirds all interactions. *Mindfulness* is a meta-cognitive process of being aware of situations with a maturity and reservation for judgment or action (Craig, 2019; Kudesia, 2019). There is much debate about whether mindfulness is a trait or learned behavior as well as its usefulness to describe the consciousness through ongoing and events and experiences in a non-judgmental way (Craig, 2019; Hülsheger, Alberts, Feinholdt, & Lang, 2013). While mindfulness has its roots in Eastern spirituality—especially Buddhism—it has begun to gain attention in business and industrial and organizational psychology for application at work in the Western cultures (Brown, Ryan, & Creswell, 2007; Hülsheger et al., 2013; Hyland, Lee, & Mills, 2015). Mindfulness is useful in most areas of life, including leadership and organizations (Boyatzis & McKee, 2005; Good et al., 2015; Kudesia, 2019; McKenzie, 2014). Well-being for

workers, leaders, organizations, and organizational decision-making stem from the practice of mindfulness applied in the workplace regardless of setting (Glomb, Duffy, Bono, & Yang, 2011; Good et al., 2015; Levesque & Brown, 2007). Mindfulness can have positive impacts in the workplace including innovation and creativity, productivity, communication, and reduction of burnout, turnover, conflict, and absenteeism (Chaskalson, 2011; Forbes Coaches Council, 2018; Grant, Christianson, & Price, 2007).

Mindfulness has functional domains of cognition, emotion, behavior, and physiology, which translate into workplace outcomes into performance, relationships, and well-being (George, 2000; Good et al., 2015), and increased team building and safety (Grant et al., 2007). The key is to be intentional in thoughts, planning, and actions (Milham & Parsons, 2016). Mindfulness contrasts conceptual processing (Walsh, 1995) with experiential processing (Brown et al., 2007). *Conceptual processing* is more concrete and cognizant and relates to understanding, awareness, and action (Brown et al., 2007). *Experiential processing* involves analysis and attention to both internal and external considerations through self-talk, mental images, impulses, etc. Both are needed for action, but mindfulness stems from nonjudgmental evaluation, nonattachment, consideration, and thoughtful response as opposed to direct response to stimuli without planning, analyzing, or thinking.

Successful mindfulness from experiential processing requires scheduling time on the calendar—a pause—to 'think' through situations, plan, and resource decisions (Forbes Coaches Council, 2018). Such time is considered "white space" (Milham & Parsons, 2016, p. 17). In today's hectic 24/7 environment, scheduling and honoring the time are paramount for self-observation and organization (George, 2016). It is key to "be fully present" (George, 2016, p. 2). Additionally, taking time to "reflect" is also important. Carnegie (1998) indicated reflecting each week on situations that happened and what responses were given and considering how could future interactions be improved and evaluation if anyone had potentially been offended or harmed. Weekly reflection carves out space to plan the next week and month's activities and building in processing time and response time to situations, opportunities, and people. "Awareness of and attention to these reactions affords a degree of mental distance or disengagement from self-relevant evaluations" (Good et al., 2015, p. 117). As such, reflection and thought allow detachment from biases, histories, negative emotions, and create control of thought processes.

The Freiburg Mindfulness Inventory (FMI) and the Mindfulness Attention and Awareness Scale (MAAS) are used to determine capacities for mindful action (Hyland et al., 2015; Walach, Buchheld, Buttenmuller, Kleinknecht, & Schmidt, 2006). Creating understanding of motives and choices in action aid in thoughtful responses instead of flippant reactionary demands. Mindful leadership is harnessing the power of mindfulness in decision-making, coaching and supervising employees, and interacting with others—including external constituents (Craig, 2019; Marturano, 2015). It is important to establish authentic behaviors with congruent actions, or synchronizing (Carroll, 2008).

Emotional control, organizational citizenship, and emotional intelligence all play key roles in leadership (George, 2000; Goleman, 2010). Emotions play a vital role

in developing and maintaining relationships (Forbes Coaches Council, 2018). Emotional intelligence joins emotions and reasoning (Mayer & Salovey, 1997). Mindfulness can aid in all three of those areas. Habits of a mindful leader include being real about situations, needs, and resources (Carroll, 2008). Additionally, the ten talents of a mindful leader include simplicity, poise, respect, courage, confidence, enthusiasm, patience, awareness, skillfulness, and humility (Carroll, 2008). Development of mindfulness aids in relationship building and positive social and organizational interactions (Brown et al., 2007).

Mindfulness is created and managed differently based on each individual leader. Perhaps the only major challenge is implementation when there are cultural differences (Hyland et al., 2015). Mindful leadership can be learned through training and focus (Brown et al., 2007; Carroll, 2008). Keeping a diary is an important part of reflection to analyze motives (Hülsheger et al., 2013). Being mindful allows awareness of what's new or different—whether in the external environment or one's own reactions and responses—to openly receive diverse signals that may be faint or at odds with prior experiences (Dunoon & Langer, 2012).Development of mindfulness happens through a variety of ways (Grant et al., 2007; Olano et al., 2015). Physical health is important to aid in strong emotional health and behavioral regulation and enhanced mind–body functioning (Brown et al., 2007). Each person may maintain physical and mental health in a variety of way such as meditation, yoga, tai chi, and qingong (Olano et al., 2015). Workplace practices also include giving others processing time, asking challenging questions, modeling and teaching mindfulness, and not micromanaging (Forbes Coaches Council, 2018; Grant et al., 2007).

Implementation of mindfulness for leaders when negotiating, planning, and managing CSR interactions with companies requires the same processes as those for internal constituents. A major facet is understanding goals and motives by companies (see Clevenger, 2019). Each company and each company's representative have their own set of boundaries, goals, and tactics to interface in inter-organizational relationships with higher education. In practice, mindful leadership also requires clear communication (Forbes Coaches Council, 2019). Dunoon and Langer (2012) suggest three key practices: (1) using language descriptively rather than judgmentally; (2) favoring conditional over absolute language; and (3) seeking to disclose some of what has been hidden or unspoken regarding the issue at hand (p. 12). Practical application of mindfulness can improve relationships, inter-organizational interactions, and positive outcomes.

Chapter Takeaways

- Higher education continues to face resource challenges, which continues to create expectations and pressures leaders—especially in navigating relations with corporations. The efforts are team-oriented and enhanced with shared responsibility.
- Balancing the budget let alone building for the future is a daunting task with high time commitment, emphasis on relationships and networks, and attention to details.

- Success centers on authentic leadership and mindfulness. Leaders ought to embrace their roles and show personal involvement, engage others internally and externally, be innovative, be strategic, set objectives, and expect strong results.
- Displaying a conscientiousness of mindfulness comes from professionalism, relationship skills, and proper ethics.

Leaders require a toolbox filled with qualities and attributes, competencies, knowledge, skills, abilities, personality, intelligence, and experiences to provide a fertile environment for effective fundraising and philanthropy (Clevenger & MacGregor, 2016). Effective, mindful leaders are mature, optimistic, and ethical visionaries.

Reflection Questions

1. Are leaders aware of the importance of corporate relationships?
2. To what degree would mindfulness work for me and my leadership?
3. What is my own style, and how can I prepare for mindfulness?
4. Can mindfulness be modeled and learned by others?
5. What are my motives in my actions related to inter-organizational behavior with companies and their CSR platforms?

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Tensions and Personal Responsibilities When Engaging in a Responsible Career: Focus on CSR Managers and Emotions

16

Charline Collard

Key Topics

- CSR managers
- Ecological transition
- Emotional equanimity
- Emotional complexity
- Selective coupling of Nature

Introduction

> *And the day came when the risk to remain tight in a bud was more painful than the risk it took to blossom* – Poem by Anaïs Nin

On May 6, 2019, more than 100 Scientists and experts from the ONU Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) released findings of the last Global Assessment Report. The main finding is that, in the next decades, human activities are likely to extinct one million species out of eight millions (UN News, 2019). One of the initial questions guiding this international 3 years' research has been: "What are the opportunities and challenges, as well as options available to decision-makers relating to nature and its contributions to good quality of life?" (IPBES 2019). In a globalized world where nature resources become scarce, where competition has never been so high, where innovation is a key world (Smith & Lewis, 2011), these findings urge decision-makers to rethink organizing processes to better support ecological transition.

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Ecological transition is defined as "the progressive incorporation of Nature into human frames of purpose and action" (Bennett, 2009, p. 3). It is when Nature becomes the meta-structure normalizing social and economic structures, rather than depending on them, leading to a change of paradigm. Individuals working for the ecological transition are often part of social movement such as environmentalists, working as volunteers or paid workers in not-for-profit organizations. However, more and more individuals pursue the same objective by engaging in responsible careers through crafting new protean (self-directed) roles, and contributing to corporate social responsibility (CSR). These roles support the ecological transition from within for-profit organizations. Georgallis (2017) states that "social movements reflect ideologies that direct behavior […] in the workplace as well as in civil society" (p. 735). Along these roles, we find, for example, social entrepreneurs, responsible social investors, or corporate social responsibility (CSR) managers (Tams & Marshall, 2011). In the following discussion, I focus on the later population, based on micro-CSR literature.

Micro-CSR is nascent but growing. It was 4% of CSR research in 2011 (Aguinis & Glavas, 2012) and 12% in 2017 (Gond, El Akremi, Swaen, & Babu, 2017). Micro-CSR studies "the effects and experiences of CSR (however it is defined) on individuals (in any stakeholder group) as examined at the individual level" (Rupp & Mallory, 2015, p. 216). While this research had started with a focus on consumer loyalty (Rupp & Mallory, 2015) and employee satisfaction (El Akremi, Gond, Swaen, De Roeck, & Igalens, 2015), some studies have now started to focus explicitly on the role of CSR managers, and the impact their role has on CSR and organizational change (Collard & Fortin, 2019; Mitra & Buzzanell, 2017; Risi & Wickert, 2017; Wickert & de Bakker, 2018; Wright, Nyberg, & Grant, 2012).

CSR managers' role consists in the inclusion of the three dimensions of sustainability (economic, social, and environmental) within organizations' performance (e.g., the triple bottom line). This role creates paradoxical tensions (De Colle, Henriques, & Sarasvathy, 2014) that are defined as "feeling states, ones that often result from frustration, blockage, uncertainty, and even paralysis that individuals face in dealing with contradictions and paradoxes" (Putnam, Fairhurst, & Banghart, 2016, p. 68). So, dealing with paradoxes helps CSR managers to integrate the ecological transition within the strategy of their organizations. Paradoxes are "contradictory yet interrelated elements—elements that seem logical in isolation but absurd and irrational when appearing simultaneously" (Lewis, 2000, p. 760). It involves "tensions between building upon and destroying the past to create the future" (p. 383), which is what Smith and Lewis (2011) call a learning paradox. It implies that different stages of learning will overlap through the transition phase, until the transition is finished.

The literature (Scherer & Palazzo, 2007; Schultz, Castelló, & Morsing, 2013) finds three types of CSR commitment: it can be either instrumental, normative, or political. The instrumental engagement sees CSR as a performance tool to increase the financial bottom line. The normative engagement sees CSR and the stakeholder theory as means to dictate society rights and wrongs based on economic rules and the business case. These first two views of CSR support a business-as-usual

paradigm of corporate social performance (CSP) rather than corporate social responsibility (CSR). On the contrary, the political engagement, also called communication view of CSR (Schultz et al., 2013), sees CSR as a tool for social dialogue and co-creation of a common good together with all the other actors of society. It means changing the instrumental intentions of stakeholder negotiation to influence their organizations to engage in "ongoing process of observing and participating in public discourses" (Scherer & Palazzo, 2007, p. 1110). It is a way to build a new society where rights and wrongs are decided collectively and out of social dialogue, rather than out of materialist assets and economic rules (Noubel, 2004).

Although organizations communicate on their engagement in CSR, often, CSR managers can have a different agenda than their organization's strategic goals (Collard & Fortin, 2019). For example, if the CSR strategy is instrumental, CSR managers' work will not be enough to attain their own goals toward ecological transition, creating more tensions to reduce the gap that exists between the two types of goals.

While the paradox literature and the institutional theory (Hahn, Figge, Pinkse, & Preuss, 2017; Hahn, Preuss, Pinkse, & Figge, 2015; Kok, de Bakker, & Groenewegen, 2017; Pache & Santos, 2013; Van der Byl & Slawinski, 2015) inform well on possible strategies to deal with the paradoxes found in the practice of CSR, there is, however, little on how the corresponding paradoxical tensions are experienced at the micro-CSR level (Collard & Fortin, 2019; Wright & Nyberg, 2012). As stated by Carollo and Guerci (2018): "It seems, however, that the growing strand of studies on the paradoxical nature of CS has to date given little space to the conflicts and tensions experienced at the individual level" (p. 250). There is a lack of studies on the role of emotions in the context of CSR managers (see Wright & Nyberg, 2012 for the only study). What emotions do they experience? How emotion management could support CSR actors find new strategies to cope with paradoxes? How would this support an ecological transition?

So, my aim in this chapter is to discuss the role of emotion management in dealing with paradoxes in the context of CSR managers. I draw from three literatures to build my argumentation. First, I use the literatures on CSR that focus on CSR managers and on CSR paradoxes. Second, I use the literature on organizational paradoxes, and more specifically, I build my argumentation based on Smith and Lewis's (2011) Dynamic Equilibrium Model. This model explains the dynamics processes that are at play between organizational paradoxes, how it impacts actors' salient paradoxical tensions and the strategy of emotional equanimity to deal with paradoxical resolution in the long term. Finally, I draw on emotion literature to adapt this model to the context of CSR managers.

First, I discuss the notions of ecological transition, sustainability, and CSR managers to briefly set the CSR paradigmatic contexts organizations are in today. Second, I review Smith and Lewis's (2011) model and discuss the notion of emotional equanimity in the context of CSR managers. Finally, I discuss how CSR managers resist paradoxical tensions and could resolve them differently to push toward ecological transition, leading to a new dynamic equilibrium model of CSR organizing with a focus on emotional complexity rather than emotional equanimity.

This chapter could contribute to understand better how CSR managers are prevented or supported in their endeavor, revealing the complexity of their role. It could also help develop further empirical investigations based on the new dynamic equilibrium model of CSR organizing that I develop.

Ecological Transition, Sustainability, and CSR Managers: Understanding the Context of CSR Paradoxes

An easy way to visualize the different stages of learning and change involved during ecological transition is to look at the different representations of sustainability. The first one is represented by three circles where nature is nested in social, which is nested in economy (see Fig. 16.1). It is when sustainability is about profit maximization for the organization to live long based on the exploitation of social and natural resources. It is regulated by economic natural laws (e.g., Adam Smith's invisible hand). This first representation has since been replaced by Edward Barbier's "famous diagram of 'three inter-locking circles'" (Jeanrenaud, Jeanrenaud, & Gosling, 2017, p. 5, see Fig. 16.2). This is a great representation of paradoxical sustainability, as it juxtaposes "conflicting yet interrelated elements" (Smith & Lewis, 2011, p. 384), representing the paradoxical relationships that exist among the three dimensions of sustainability, and hence in juxtaposing the triple bottom line of CSR (economic, social, and environmental performances). This juxtaposition is very difficult to be managed in practice (Van der Byl & Slawinski, 2015), as it creates latent tensions: "Even with a heightened awareness of and commitment to Sustainable Development Goals (SDG) […] that the UN expects to achieve by 2030, most corporations prioritize economics first, followed by social and ethical issues, and then the environment" (Markman, Russo, Lumpkin, Jennings, & Mair, 2016, p. 674). Latent tensions are "contradictory yet interrelated elements embedded in organizing processes that persist because of organizational complexity and adaptation" (Smith & Lewis, 2011, p. 389).

This difficulty of juxtaposing shows the complexity of dealing with CSR paradoxes. However, this view enacts learning through practice by increasing complexity up to the point when it forces adapting to a simplified and new representation of sustainability (Schneider, Wickert, & Marti, 2017). However, this effort to navigate

Fig. 16.1 Old business sustainability
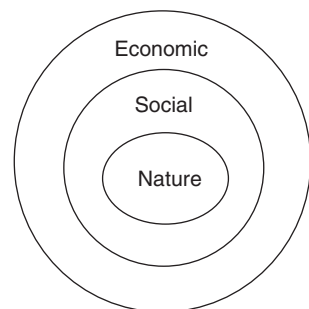
Fig. 16.2 Paradoxical
sustainability
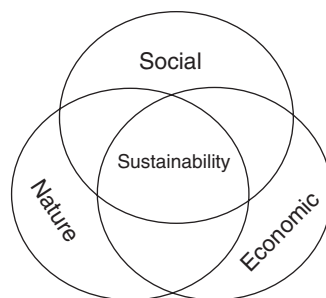
Fig. 16.3 Strong model of
sustainability
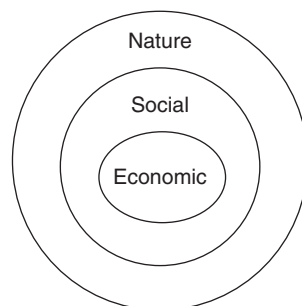
paradoxes "invites resistance and challenge" from individuals (Tams & Marshall, 2011, p. 112), who are likely to manage these tensions in different ways, depending on their capacity to deal with complexity and paradoxical thinking (Waldman & Bowen, 2015). This is what I highlight through Anaïs Nin's poem.

When these tensions are managed, the representation of sustainability can help change paradigm, which is represented by the Strong Model of Sustainability (Jeanrenaud et al., 2017), "which depicts concentric circles […] with the economy nested within society, and society nested within the environment (see Fig. 16.3). This is the model aligned with a transformatory approach to sustainability" (Jordan & Kristjánsson, 2017, p. 12). However, as these authors say, representing a nested paradigm, which prioritizes nature first, society second, and economy third, is not enough to guarantee overall positive impact. So, the Strong Model of Sustainability should not be regarded as a representation of priorities, but rather as a representation of selected demands from Nature coupled with social and economic demands (Pache & Santos, 2013, p. 994). This process enables building upon sustainability and CSR paradoxes. This third level of learning and change involves a "cultural evolution," which is a transition from a "man-centered universe" to a "man-in-Nature ideal" (Bennett, 2009, p. 140).

In organizations, this is part of CSR managers' work to deal with CSR paradoxes. CSR managers are engaged in responsible careers. Responsible careers are careers in which individuals use their work and the organizational context to engage as political actors to transform society as well as individuals (Tams & Marshall, 2011). CSR managers can be found at different positions in the organization such as

directors, managers, or employees (Collard & Fortin, 2019). They are engaged in a highly purposeful mission to change the world. Based on the cause they defend, they are likely to see the "man-centered" economic context of globalization, innovation, and hyper-competition (Smith & Lewis, 2011) as the main cause of survival threat, explaining why they engage as internal activists to try to change organizations from within (Collard & Fortin, 2019).

The political notion of the role means that their work is to push their organization, and the people working in them, to operate as any other citizen in regards to sustainability issues such as carbon footprint, overshoot day, take-make-waste economy, deprivation of basic human needs, modern slavery, depression, consumerism, negative externalities, short-termism, jobless growth, tax avoidance, lobbying, revolving door, concentration of wealth, and so on (Jeanrenaud et al., 2017). So, at the same time that they have to deal with the related paradoxes of globalization, innovation, and hypercompetition as any other managers, they also have to deal with more paradoxes. These other paradoxes are related to the multiple institutional logics involved when trying to negotiate with all the stakeholders, but they are also related to the attainment of their multidimensional goals. Smith and Lewis's (2011) model explain the dynamic nature of paradoxes and how they can be managed. This is what I review next, adapting it to the context of CSR managers.

The Dynamic Equilibrium Model in the Context of CSR Managers: Paradoxical Resolution Through Emotional Complexity

Selective Coupling of Nature as an Alternative Paradox Resolution

Smith and Lewis (2011) suggest a model that links paradox resolution to emotional management. They claim that their model contributes to unleashing "the power of paradox to foster sustainability" (p. 393). Their discussion is based on studies from "the past twenty years across twelve management journals" (Smith & Lewis, 2011, p. 282). However, organizational researchers have started to properly focus on CSR not more than 10 years ago and research on micro-CSR is only nascent. So, although Smith and Lewis (2011) show awareness of the increasing organizational tensions between "profit-social responsibility" (p. 381), their model supports business sustainability, where paradoxes are created because of globalization, innovation, and hypercompetition that are ruled by a dominant liberal economy (Figs. 16.1 and 16.2). The goal is that "individuals, groups, and firms achieve short-term excellence while ensuring that such performance fuels adaptation and growth enabling long-term success" (Smith & Lewis, 2011, p. 393). So, the intention of the model would not necessarily support any sustainable ecological transition.

The dynamic equilibrium model suggests that any managers today have to deal with paradoxes. They suggest that paradoxes, because they persist over time, can be resolved through working on "acceptance." Acceptance is the idea that the

conflicting dimensions of paradoxes are seen with one another, not separately, which allows for a mindful observation of their dynamic relations leading to "more complex and challenging resolution strategies" (p. 292). Then, the notion of resolution means that once tensions are accepted, then actors can alternate between ideal strategies such as "splitting" the contradictory elements of the tension and choose to deal with one, knowing that the tension will reappear in time: "Actors make choices in the short term while remaining acutely aware of accepting contradiction in the long term" (p. 392). Then, this time dynamic will create synergies that will solve the initial paradoxes in the long run. So, the paradox is solved after an episode of selected actions that will be seen as logical between them only after a certain period of time. For example, "firms with strategic commitments to the financial bottom line and to a broader social mission may alternate between focusing subunits on different purposes and seeking synergistic opportunities that further both purposes" (Smith & Lewis, 2011, p. 393) in time. In the following, I review the types of paradox resolutions that can be found in the context of CSR.

The literature on paradox (Van der Byl & Slawinski, 2015) informs that, in the context of CSR, four strategies can be used to deal with CSR paradoxes. First, an instrumental win–win approach can be implemented, which is when the social and environmental elements of sustainability are used to increase the economic bottom line. It involves linear and rational cognitive capabilities. Second, another instrumental approach can be used that is called trade-off or win–lose approach. It is when one bottom line is preferred over the others. In practice, it is found that this approach, most likely, ends up putting the economic performance first. It also involves linear and rational cognitive capabilities. Third, they can adopt an integrative approach. It is when bringing the three performances holistically together, but with the risk to focus more on social and environmental elements as a way to counterbalance the traditional strong focus on the economic performance. Finally, they can choose not to make any choice adopting the paradox approach. It is when "juxtaposing opposites, rather than resisting or avoiding tensions" (Van der Byl & Slawinski, 2015). When the intention is to do CSR to support ecological transition (Fig. 16.3), this last approach would suggest juxtaposing the three performances by selecting nature elements to be coupled with social and economic performance (Svenningsen-Berthélem, Boxenbaum, & Ravasi, 2018), which would incorporate "Nature into human frames of purpose and actions."

This last strategy is an alternative to the splitting and iterative paradoxical resolution suggested into Smith and Lewis's (2011) Dynamic Equilibrium Model. It suggests an alternative to paradox resolution and its complex management. It draws from a new paradigm that takes into account ecological transition as end goal rather than business sustainability (see Fig. 16.3). I illustrate this proposition in Fig. 16.4, where I adapt the dynamic of latent tensions and their corresponding paradoxical resolution to the context of CSR. In the following pages, I discuss what could prevent CSR managers from using selective coupling of Nature as a strategy?

Factors rendering tensions salient		Latent Tensions		Paradoxical Resolutions		
Plurality, diversity, scarcity	Linear thinking	Instrumental CSR Normative CSR		Iterating responses of splitting and integration		Performance sustainability
Triple bottom line	Complex thinking	Political CSR		Selective coupling of Nature		Ecological transition
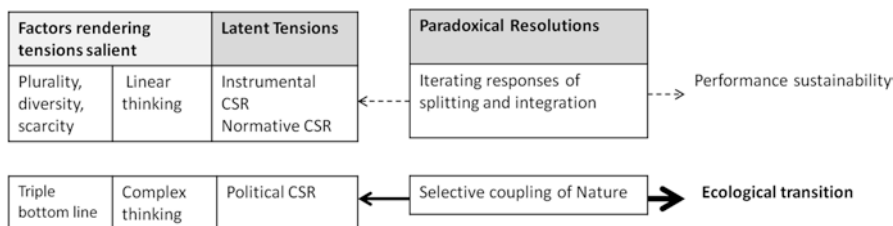
Fig. 16.4 Adapting dynamic equilibrium model (Smith & Lewis, 2011, p. 389) to CSR latent paradoxes and ecological transition

Emotional Labor Through Equanimity

Latent paradoxical tensions enact salient tensions. They are "contradictory yet inter-related elements experienced by organizational actors" (Smith & Lewis, 2011, p. 389). These tensions often involve unacknowledged emotions, because "in many cases, tensions are read, but the emotions behind them are either unclear or ignored" (Putnam et al., 2016, p. 73).

Smith and Lewis (2011) suggest that actors can learn to accept the conflicting dimensions of paradoxes, and its related anxiety, by working on emotional equanimity. They define emotional equanimity as "an emotional calm and evenness *(that)* further fosters paradoxical responses by reducing anxiety and fear spurred by inconsistencies" (p. 392). According to Theravadan Buddhist tradition, equanimity is "an even-minded mental state or dispositional tendency toward all experiences or objects, regardless of their affective valence (pleasant, unpleasant or neutral) or source" (Desbordes et al., 2015, p. 4). It means that it is a state of being serene and detached but present, to keep safe from "emotional agitation." So, such as meditation or yoga practice, emotional equanimity can help "change in degree or quality an emotion or feeling" (Hochschild, 1979, p. 561). Emotional equanimity is used as an "emotion-focused" coping mechanism (Gross, 1998) to help breath in, and ground oneself in times of high emotional intensity.

This process is meant to prevent actors, caught into paradoxes, to keep from being trapped into vicious circles of "emotional anxiety and defensiveness"; Emotional equanimity should help adopt a "strategy of acceptance rather than defensiveness" (Smith & Lewis, 2011, p. 391). However, there exist two types of defensiveness that Gross (1998) calls "ego-defense" (p. 274). The first type is engaged to regulate anxiety that "arises when situational demands overwhelm the ego. Here, anxiety regulation consists of avoiding such situations in the future" (Gross, 1998, p. 274). The second type is engaged to regulate anxiety that "arises when strong impulses press for expression. Here, anxiety regulation consists of curtailing the expression of impulses that the ego judges will create high levels of future anxiety" (Gross, 1998, p. 274).

Based on what we have discussed so far, latent paradoxes are grounded into organizational processes and are created by (a) the current economic model and (b) juxtaposing the three different logics of the triple bottom line. Those contradicting

organizational job demands create salient tensions experienced as anxiety that "overwhelm the ego." So, CSR actors are likely to create defensiveness to job-related anxiety. However, if the result is avoidance of the situation in the future, it means that CSR managers would be unlikely to stay in the organization to accomplish their mission. It is when emotional equanimity comes as a useful coping mechanism to face this type of anxiety and related defensiveness.

However, CSR manager are not as any other managers. They come to the role with high engagement in a cause that they come to defend through their work. They have different agendas than their organizations' objectives (Collard & Fortin, 2019). CSR managers' profile as internal activists (Collard & Fortin, 2019) makes them at high risk of experiencing a lot of emotions. Literature on activists (Gorski, Lopresti-Goodman, & Rising, 2019) explains that one of the main causes for burnout activism relates to a profound sense of responsibility that is due to a "hyper-awareness" and the ability to sense issues at a systemic level, which makes highly engaged individuals in a cause see the issue on a bigger scale, increasing the emotional load and leading to exhaustion. It means that they "carry the emotional weight of internalizing the violence other people ignore […]. As a result, they are susceptible to feelings of guilt for not doing more […] and frustration about the slowness of change" (Gorski et al., 2019, p. 4). So, they are also likely to feel anxiety when feeling that the strong emotions that are at play in their work cannot be expressed, which is likely to enact the second type of defensiveness.

Wright and Nyberg's (2012) empirical study on emotionology work is a good illustration of such a type of defensiveness. In the context of CSR managers, this defensiveness can result into a form of resistance against the organizational discourse. Emotionology represents "the attitudes or standards that a society, or a definable group within a society, maintains toward basic emotions and their appropriate expression; ways that institutions reflect and encourage these attitudes in human conduct" (Stearns & Stearns, 1985, p. 813; Wright & Nyberg, 2012). And so, CSR managers' emotionology work is "the adaptation and management of standards of emotional expression within organizations" (p. 1563). It means that CSR managers work at translating challenging social emotions on climate change—fear, hope, distrust, and so on (Doherty & Clayton, 2011) into business opportunities while working on their own emotions linked to these issues. To achieve this difficult task, CSR managers need to manage their own emotions in order to gain acceptance of their initiatives and avoid spreading their own negative emotions. Wright & Nyberg (2012) explain that: "More deeply, this involved reflexive consideration of their sense of self and dealing with the potential difference between public displays of emotion and their own beliefs regarding climate change" (p. 1575).

They use four emotional strategies to manage their emotions: (a) inauthentic emotionality to gain legitimacy and status, (b) downplaying one's own negative emotions linked to climate change to avoid encouraging questioning "the organizational emotionology of climate change as a challenge and opportunity" (p. 1581), (c) separating private-work emotions, allowing to feel authentic at home only, and (d) finally explicitly expressing their own emotions linked to sustainability issues. The first three emotional management strategies are instrumental suppression

(Gross, 2001) strategies, used to inhibit "ongoing emotion-expressive behavior" (p. 216). As such, "emotions of fear, anxiety, anger and hostility were replaced by more positive emotions of pride, enthusiasm and passion, which could be linked to business concerns such as reducing costs, improving efficiency and reducing waste" (Wright & Nyberg, 2012, p. 1578).

However, the fourth strategy shows that although emotion expression is regulated, emotions are still felt inside and this can sometimes hurt, creating some strong dissonance between the true self and the emotional impressions, enacting defensiveness. So, to reduce the emotional dissonance, some CSR managers can also take side with expressing their own negative emotions at work. And through this, they enter into resistance against the organizational discourse and its emotionology. This is related to Wright et al. (2012) findings that "the ability of individuals to balance the needs of business and the environment was sometimes seen as coming at too high a cost both in material and psychological terms, posing challenges that went to the heart of their environmental values and sense of self. In these situations, a third identity emerged, the 'committed activist,' in which individuals forcefully expressed their environmental commitment, often in the face of organizational resistance" (p. 1464). As such, when feeling too much dissociated from their authentic self, CSR managers stop regulating their emotions, but express them authentically. And this type of defensiveness creates some resistance.

So, following Smith and Lewis's (2011) reasoning, emotional equanimity and its regulation of felt emotions would only help in the resolution of latent paradoxes. But, when it comes to CSR managers' engagement in the cause, it would have the counterintuitive effect of limiting their motivation in carrying their job. Understood as such, emotional equanimity is a form of emotion work and/or emotional labor. Emotion work "refers […] to the act of evoking or shaping, as well as suppressing, feeling in oneself" (Hochschild, 1979, p. 561). As stated by Von Scheve (2012), emotion work is often found to be the desire of "averting negative emotions such as shame and embarrassment" (p. 4) that do not respect "social feeling rules" (Hochschild, 1979). Emotion work is also often assimilated to emotional labor, which "denotes emotion work that is performed in organizational and economic context. It does not primarily pursue individual goals, but is rather seen as an instrumental strategy to increase economic success of an organization" (Von Scheve, 2012, p. 4).

Emotional equanimity is a process that would relate to Sheppes, Suri, and Gross (2011) notion of reappraisal as an antecedent-focused emotion regulation. It is a change in cognition. It means that "the individual […] cognitively reevaluates a potentially emotion-eliciting situation in terms that decrease its emotional impact," and so decrease potential responses (p. 216). So, "such reappraisals or cognitive changes imbue a situation with a meaning different from an originally assigned meaning and consequently give rise to changes in the related emotion" (Von Scheve, 2012, p. 3). Gross's (2001) concept of reappraisal, somehow explains how some emotions can be killed in the egg and results in a cognitive re-programming leading to ecological threats' denials. So, CSR managers, should they want to carry on with their goals, have no choice but resist by feeling and expressing their emotions, rather

than accepting numbing them. This resistance is a creative process toward alternative paradox resolution, such as selective coupling of Nature.

To conclude, the Dynamic Equilibrium Model is epistemology grounded in the classical "man-centered" paradigm and might be limited when it comes to support ecological transition that fosters a "cultural evolution" from a "man-centered universe" to a "man-in-Nature ideal" (Bennett, 2009, p. 140). So, emotional equanimity would keep CSR managers trapped into a vicious circle, as I show in Fig. 16.5. Next, I develop why acknowledging emotional complexity would benefit better CSR managers when resolving paradoxes.

From Emotional Equanimity to Emotional Complexity: The Social Function of CSR Managers' Experience of Emotions

The model that I build on Smith and Lewis's (2011) initial model suggests that CSR managers resist letting go of their anxieties, which are of two types: job-related and eco-anxiety-related. There are four explanations of why CSR managers cannot ignore these anxieties, which I discuss next. So, CSR managers are loaded with paradoxical emotions that they have to manage to keep doing their work. Should they want to succeed in their mission, they have no choice than to embrace their emotional complexity rather than distance themselves from it, when dealing with paradox resolution. Finally, by reviewing Rothman and Melwani's (2016) paper, I
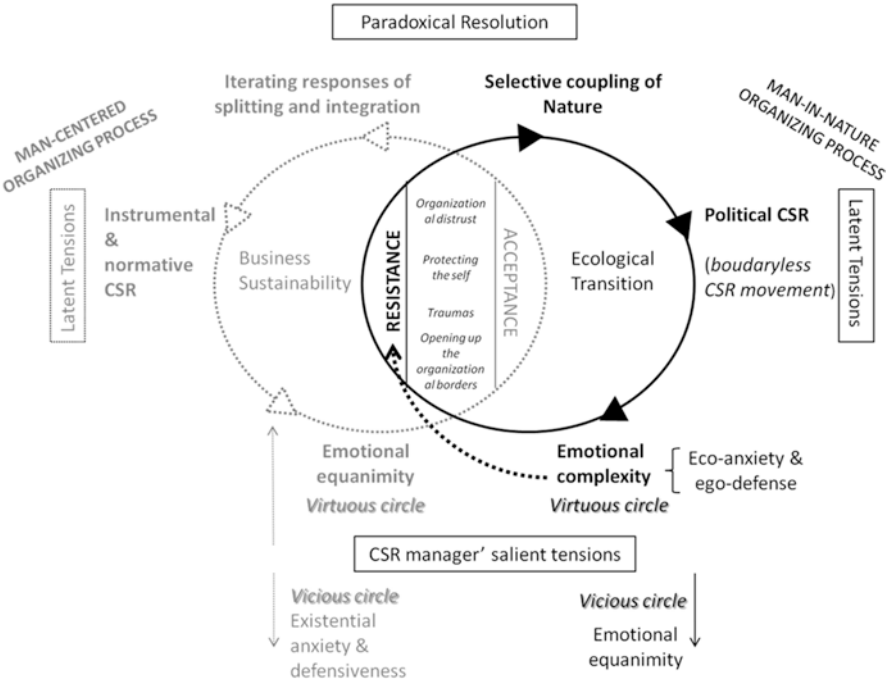
Fig. 16.5 Dynamic equilibrium model of CSR organizing

explain why this difficult task has the social function of empowering others toward the same goals.

Understanding CSR Managers' Emotional Management of Resistance

The literature in micro-CSR finds that CSR managers have a psychological contract with their organization that is ideology-infused (Collard & Fortin, 2019). An ideology-infused psychological contract is when "employees […] will hold the belief that, as part of the reciprocal exchange, the organization provides the context in which the employee can contribute directly or indirectly to the cause" (Coyle-Shapiro, Pereira Costa, Doden, & Chang, 2019, p. 97). But, if the context is socially framed so that anxiety and other negative emotions created by the sustainability challenges are encouraged to be numbed (nor felt or expressed), CSR managers might feel that their ideology-infused psychological contract is violated. Violation of such a contract enacts strong negative emotions (Morrison & Robinson, 1997), such as anger, distrust, guilt, fear (Collard & Fortin, 2019; Wright & Nyberg, 2012), because they could perceive that their own organizations prevent them from being true to themselves to attaining their own goals of changing their organization. Violation and breach are used interchangeably in this section. In a context of ideology-infused psychological contract, emotions created by this type of violation could create resistance to restore the breach, for the four reasons that I develop as follows.

Organizational Distrust: Coyle-Shapiro and colleagues (2019) state that "individuals who experience *(psychological contract)* breach with one employer are more likely to experience *(psychological contract)* breach with a subsequent employer due to their increased vigilance" (p. 94). As such, CSR managers who have already perceived violations of their psychological contract in previous work are likely to experience violation again in their current organization because of suspicious attitudes toward their organizations.

Protecting the Self: Collard and Fortin's (2019) empirical investigation found that CSR managers pursue a calling in organizations that often do not pursue the same purpose. A calling is the expression of the self through work: "Pursuing a calling refers to the enactment of personally significant beliefs through work […], and enacting one's calling through work has been referred to by some as the highest form of subjective career success" (Rosso, Dekas, & Wrzesniewski, 2010, p. 99). However, as discussed before, the practice of emotional equanimity to numb strong emotions could force emotional re-programming leading to deny their own self, and undermining their motivation in the role.

CSR managers would resist this process, as it threatens deep "personal values" and "individual self-concept" (De Vantilborgh et al., 2014, p. 220). Actually, violation of an ideology-infused psychological contract is found to lead to increased work effort, which is "the energy that people exert in a certain task" (De Vantilborgh et al., 2014, p. 218). It means that CSR managers are likely to work even harder to

"correct" the situation, sometimes even leading to "whistle-blowing, voicing of discontent or organizational dissent" (De Vantilborgh et al., 2014, p. 220; Thompson & Bunderson, 2003).

Traumas: In addition, Pines (2002) says that "according to psychoanalytic theory, the unconscious determinants of any vocational choice reflect the individual's personal and familial history. People choose an occupation that enables them to replicate significant childhood experiences, gratify needs that were ungratified in their childhood […] with the hope of healing the early wound" (p. 15). As such, CSR managers are likely to engage in CSR because of past personal sufferings, and they expect their role to give sense to those traumatic past events. Woodbury (2019) suggests that climate trauma "is continually triggering all past traumas—personal, cultural, and intergenerational" (p. 1). So, if CSR managers' emotional experience (feeling and expression of emotions) is numbed, they are at risk of feeling trapped into traumatic wounds. As such, they are likely to resist by emphasizing their need for sense, and so enter into resistance.

Opening up the Organizational Borders: As stated by Georgallis (2017), "Social movements […] emerge out of some form of dissatisfaction which they strive to redress" (p. 736). To attain their goals, CSR managers create internal networks of individuals to whom they "externalize their expert knowledge" (Collard & Fortin, 2019; Risi & Wickert, 2017) and with whom they can share the same anxiety. In addition, they go and find support outside the organization among CSR networks where they can share their experience with like-minded peers. Through this response, they strengthen their role as internal activists and become member of a broader movement, opening up the borders of their organizations and enacting a boundaryless CSR, which is likely to impact their organizations' economic model.

So, CSR managers are likely to resist quieting their anxiety and defensiveness created by organizing processes that they try to change. On the contrary, anxiety and defensiveness could be an impulse that they could benefit from to resolve any perceived conflict between their own goals and their organizations' intentions of CSR. This motivation has a social function and this is what I discuss next.

The Social Function of CSR Managers' Complex Emotions

When most of the literature on emotions conveys the idea that tensions associated with emotional complexity should be reduced, the literature on emotional complexity acknowledges the benefits of "the simultaneous or sequential experience of at least two different emotional states during the same emotional episode" (Rothman & Melwani, 2016, p. 259). Simultaneous experiences involve mixed emotions, emotional ambivalence, affective transitions, and emotional inconsistencies. In addition, traditional literature on emotions conveys the idea that individuals showing complex emotions are weaker and respond "with dysregulated and environmentally discordant emotional responses" (p. 264), which in turn impact their psychological well-being. So, they would either deny the feeling of conflict through distraction, either focus on a positive or negative attitude, or give up trying to

regulate and become incapable of any action (Rothman & Melwani, 2016). On the contrary, emotional complexity "helps align the leaders' cognitive processes to be in tune with their complex environment" (p. 272).

CSR managers' goal is to help their organizations to move from instrumental and normative CSR (corporate social performance) to political CSR, and hence ecological transition. As listed before, the spectrum of actions revolving around the triple bottom line, and that CSR managers can chose from to attain their goal is very broad. And, facing what is at stake regarding climate and biodiversity threats, they work toward these goals in a state of urgency (Collard & Fortin, 2019). So, in organizations designed in silos, they can struggle finding all the necessary resources to attain these multidimensional goals simultaneously and quick enough, leading to some emotional struggle. As highlighted by Berrios, Totterdell, and Kellett (2015):

> *setting multiple goals may hinder the attainment of some of them, and this can lead to experiencing mixed emotions, especially when the means available to progress in one of these goals are incongruent with the means necessary to progress in another* (p. 756).

This adds to my previous discussion on CSR emotionology work, reinforcing the fact that CSR managers experience emotional complexity through mixed emotions at work, which are "the experience of simultaneously feeling both positive and negative emotions."

In addition, commonly reported emotions enacted by media on climate change are disgust, hope, helplessness, sadness, fear, anger, guilt, and depression (Doherty & Clayton, 2011). These emotions form what Doherty and Clayton (2011) call eco-anxiety. However, this type of anxiety is barely acknowledged by institutions and business organizations. For example, psychology literature is still very shy about it (Doherty & Clayton, 2011). Yet, they employ individuals who could be affected by this type of anxiety, specifically CSR managers. Nevertheless, the nascent transdisciplinary research of eco-psychology is growing and it gives voice to it, recognizing climate change's traumatic effects on individuals (Woodbury, 2019). Eco-psychology is not a branch of psychology such as environmental psychology. It is a movement of the American counter-culture movement that is willing to remain a movement. It is composed of sociologists, psychologists, ethologists, artists, and so on, working toward restoring the ethological link between the planet and humans as a ground for an ecological society (Egger, 2019). It is interesting to see that the broader movement around sustainability challenges somehow rejects traditional institutions. In the same vein, by resisting their organizational discourse, CSR managers are internal activists who also form part of this movement. Nevertheless, there is an opportunity for organizational theory to give voice to this type of anxiety by revealing its social function.

Actually, Rothman and Melwani (2016) state that "the antecedents of an emotion reflect the problem that the emotion was designed to solve" (p. 264). So, eco-anxiety is likely to inform on the sustainability problems to be solved. So, being attentive to eco-anxiety (theirs and others') and to current emotionologies, CSR managers engage cognitive flexibility. It means that they better consider all the relevant

information before making any decision. In addition, "emotional expressions help individuals know others' intrapsychic feeling states" (p. 266), permitting a better interaction with others. On the one hand, CSR managers are then better equipped to understand and feel other's emotions. And on the other hand, CSR managers, by expressing their own mixed and/or ambivalent emotions would "empower followers to proactively speak up (Detert & Burris, 2007) and take charge" (Rothman & Melwani, 2016, p. 268).

So, acknowledging the benefits of complex emotions opens the possibilities to rethink Smith and Lewis's dynamic equilibrium model, moving it a step further into the broader ecological sustainability where not only business sustainability would be guaranteed, but social and environmental sustainability as well.

Chapter Takeaways

- By setting up the context of ecological transition through the discussion of three models of sustainability, I could show in which phase of the transition most organizations engaged in CSR are in today;
    - I introduced Smith and Lewis's (2011) dynamic equilibrium model of organizing, discussing the notion of emotional equanimity and its relation to emotional labor;
    - I adapted the model to CSR managers' experience of paradoxical tensions based on the literature on micro-CSR, suggesting alternative paradox resolution management;
    - I discussed why emotional equanimity can foster resistance among CSR managers when it comes to deal with paradoxical tensions;
    - I argued how the notion of emotional complexity rather equanimity would fit the model better in the context of CSR managers and how it would keep them motivated to succeed attaining their goals in terms of ecological transition;
    - Finally, I proposed a new dynamic equilibrium model of CSR organizing, which shows the moment when CSR managers' resistance to anxiety numbing helps them to succeed in their mission.

Reflection Questions
This chapter is an invitation for further reflection and empirical investigation. Further research objectives could be as follows:

1. How eco-anxiety triggers intrinsic motivation among CSR managers or any individual or group working toward ecological transition;
2. Comparing emotional complexity benefits between managers involved in CSR and those not involved in CSR;
3. The moderating effect of emotional equanimity on emotional complexity in the context of CSR;

4. The empirical investigation of the relation and influence between emotional complexity, to deal with paradoxical tensions, and the strategy of selective coupling of Nature, to resolve paradoxes;

5. The empirical investigation of the relation and influence between emotional complexity, to deal with paradoxical tensions, and political CSR.

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Certified B Corps: Using Business as a Force for Good

17

Maria Ballesteros-Sola, Céleste M. Grimard,
and Marshall Worsham

Key Topics

- What Set the Stage for B Corps?
- How Did B Corps Come About?
- How do Businesses Become B Corps?
- Why do Businesses Become B Corps?
- What is the Road Ahead?

What Set the Stage for B Corps?

Whose interests should business leaders consider when they make decisions? Who should benefit from the wealth-creation activities of a business? Should the benefits be limited to shareholders, or should they be extended to others who have contributed to the business's prosperity, for example, employees, customers, the community in which the business functions, or the environment? Since the 1970s, one answer to these questions—the doctrine of shareholder primacy—has dominated the mainstream of business practice and governance, squeezing the scope of a business's purpose into an ever more restrictive container. According to shareholder primacy, because managers have a fiduciary duty to serve shareholder interests,

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their primary responsibility is to maximize shareholder value (Friedman, 1970). The idea of shareholder primacy derives from four assumptions: (a) that shareholders actually own companies (as opposed to owning shares of an autonomous legal entity); (b) that the directors and executives of corporations are the agents of shareholders and have an obligation to advance shareholders' interests; (c) that this obligation is their primary obligation; and (d) that shareholders are primarily interested in maximizing the company's market value, which is typically measured by share price.

These assumptions have not always prevailed. In fact, shareholder primacy is a relatively recent addition to economics and management theory, and there are countless examples of businesses that promote other kinds of value creation for stakeholders beyond shareholders. The assumptions have faced these and other objections in the first two decades of the twenty-first century. One challenge comes from the legal and management literature. Perhaps, the most prominent objector has been Lynn Stout, who challenged the theory on a range of persuasive legal, economic, performance, and profit grounds in *The Shareholder Value Myth* (2012). As Stout argues, "Shareholder value–increasing strategies that are profitable for one shareholder in one period of time can be bad news for shareholders collectively over a longer period of time" (p. 82).

The next round of challenges comes from consumers. Over the past two decades, consumers have demonstrated a growing tendency to "vote with their wallets." In some cases, this preferential consumption takes the form of purchasing from businesses that actively address social or environmental issues through their business models or in their corporate social responsibility (CSR) activities. According to a report published by BBMG Global Strategy Group and Bagatto, nearly 90% of respondents to a national survey said that they would be "more likely to buy from companies that manufacture energy-efficient products (90%), promote health and safety benefits (88%), support fair labor and trade practices (87%) and commit to environmentally-friendly practices (87%), if products are of equal quality and price" (Bemporad & Baranowski, 2007, p. 1). Preferential consumption may also involve "punishing" businesses that breach consumers' expectations of good corporate behavior, through boycotting or substituting for the offending business's products or services (Glickman, 2009; Levingston, 2009).

A third set of challenges come from business leaders themselves. A growing number of executives have argued that businesses must extend their focus beyond the short-term maximization of shareholder value. To do otherwise "undermines the long-term health of the business and erodes the social and environmental health of the communities in which they operate" (Barnes, 2017, p. 8). This notion forms the basis of CSR activities of many businesses. According to Tochman Campbell, Eden, and Miller (2012), "CSR involves activities by private firms that appear to further some social good, where the activity level is 'above and beyond' that mandated by government" (p. 85). Ideally, CSR is not simply a matter of "instrumentally" managing stakeholder relationships in order to meet basic obligations and induce stakeholders' cooperation and compliance, while avoiding their alienation (Donaldson & Preston, 1995). Rather, CSR is more consistent with normative stakeholder theory,

which suggests that managers must consider and balance the interests of all stakeholders in their decisions because their interests have an intrinsic value (Donaldson & Preston, 1995; Freeman, 1984).

The foregoing trends reflect a growing consensus that business should aim to improve society (Giddens, 2018). This expectation is driving the desire to buy from, work in, and invest in organizations that make a positive contribution to the world. In a signal that this expectation may continue across coming generational shifts, the 2018 Deloitte Millennials Survey (Deloitte, 2018) reports that 39% of respondents believe that the purpose of a business is to "improve society, e.g., educate, inform, promote health and well-being" (p. 6). This response was second only to "generate jobs."

It seems that this shift toward "business for good" may also be good business. A meta-analysis found that CSR is associated with increased corporate financial performance (Orlitzky, Schmidt, & Rynes, 2003). According to Székely and Knirsch (2005), fund managers report an increasing demand for "information on the environmental and social performance of companies" (p. 633). Furthermore, European fund managers, including up to 50% of analysts in the Netherlands and Italy, place a premium on responsible companies. As Székely and Knirsch (2005) suggest, "There is a business case for sustainability. The principles of sustainability help business to reduce unnecessary risks, avoid waste generation, increase material and energy efficiency, innovate new, environmentally friendly products and services, and obtain operating permits from local communities" (p. 628).

Because of this positive impact and growing expectations from stakeholders, integrating CSR into business strategy and operations is becoming a priority for businesses (Caramela, 2018). One of the ways in which businesses demark, guide, and build on their commitment to CSR is to operate within a certification framework. Such a framework provides rails for steering a business's CSR efforts and rigorously measures the business's compliance with the framework. Certification also signals that a business has met the standards associated with the program. Examples from this increasingly crowded field include LEED certification for green building, USDA Organic certification for food and agricultural products, Leaping Bunny certification for non-animal-tested cosmetic and household products, Energy Star certification for consumer appliances and electronics, Forest Stewardship Council certification for forest products, and Fair Trade certification for global consumer packaged goods. In addition to these generally nonprofit- and state-administered certifications, there are several international CSR standards, administered, for example, through the UN Global Compact, ISO 26000, the Global Reporting Initiative (GRI) sustainability framework, International Labour Organization (ILO) guidelines, and others.

In a certification-saturated environment, B Corp certification has emerged with a distinctive approach: it is awarded for socially beneficial and environmentally sustainable practices across an *entire* business. B Corp certification evaluates a company's operations, supply chain, governance, and consumer and employee relations—not just its products. This chapter presents an introduction and review of B Corp certification. In particular, we present the certification's origins, the process

through which businesses become B Corporations, and the advantages and risks of doing so. Next, we present two brief case studies that illustrate B Corp businesses. Finally, we consider the road ahead for B Corporations as well as evolving issues, such as the B Corp Movement and its ecosystem.

How Did B Corps Come About?

B Corporation certification is awarded by B Lab, a nonprofit organization headquartered in Philadelphia, Pennsylvania (USA). B Lab was founded in 2016 by Jay Coen Gilbert, Bart Houlahan, and Andrew Kassoy, three longtime friends with extensive experience in running and interacting with businesses. In 1993, Gilbert and Houlahan co-founded AND1, an American company that specialized in basketball shoes and clothes. AND1 implemented progressive employee benefits, a solid philanthropic program, and a responsible code of conduct for their suppliers abroad. The business quickly grew to become the second-strongest basketball brand in the United States after Nike, with revenues of $250 M in 2001. To fund this impressive growth, external investors entered in 1999. However, the turn of the century proved to be highly challenging for the sportswear industry in general, and in 2005, Gilbert, Houlahan, and their partners sold the company. In their search for a new project, they considered starting a new company and a social investment fund. However, as they talked with more and more business managers and entrepreneurs, they discovered a massive gap in the social and environmentally responsible business landscape: a need for a measuring framework and legal infrastructure to evaluate and recognize responsible businesses (Honeyman, 2014). Within two years, the nonprofit B Lab and B Corp certification were born.

What Is a B Corp?

B Corp certification is perhaps the most developed alternative to the doctrine of shareholder primacy. As B Lab co-founder Jay Coen Gilbert (2018) suggests, "B Corps overthrow shareholder primacy" (What about B Corps? section, para. 13). More fundamentally, the certification recognizes businesses for meeting higher-than-average standards of accountability, transparency, and social and environmental performance. According to Gilbert (2018), "B Corps are required by law to balance the interests of shareholders with the interests of workers, customers, communities and the environment."

Only for-profit entities that have been in operation for at least 12 months are eligible for the certification. Non-profit organizations and public agencies cannot earn the certification. However, companies in the early stages can follow the process described below and obtain a "Pending" B Corp certification. The certification is agnostic to the size, industry, or geographic location of the business. Hence, B Corps range from one-person, founder-owned startups, such as The Refill Shoppe in

California, to Danone North America, a 6000-person subsidiary of Danone SA that draws $6 billion in revenue each year.

B Corporations are often confused with a related class of entities: benefit corporations. Recognizing the difference is important. Whereas the B Corporation label is a certification, a benefit corporation is a legal entity. In jurisdictions that have passed the necessary legislation, a company may be registered as a benefit corporation, much as it would be incorporated as a C corporation (a corporation that is taxed separately from its owner) or a limited liability corporation (LLC). At the time of publication, 35 U.S. states, Washington, D.C., and Puerto Rico, Italy, Ecuador and Colombia have benefit corporation legislation in place.

Benefit corporations are nearly identical to standard corporation classes, with a few important differences. First, benefit corporations must explicitly promote a "general public benefit," defined in the legislation adopted by several American jurisdictions ("Model Benefit Corporation Legislation," 2017) as "a material positive impact on society and the environment, taken as a whole, from the business and operations of a benefit corporation assessed taking into account the impacts of the benefit corporation as reported against a third-party standard" (p. 3). In most cases, this benefit must be stated in the company's charter. Second, the directors and officers of benefit corporations are legally responsible for considering their impact on shareholders, employees, customers, communities, the environment, and the long-term interests of the corporation. Third, benefit corporations in all states but Delaware must publish an annual benefit report on their performance, evaluated against a third-party standard (typically the B Impact Assessment, detailed in the next section, but other standards are permissible). Fourth, in some jurisdictions, benefit corporations must have a benefit director in place, either on the board or outside the board structure. This individual oversees the corporation's compliance with rulemaking related to benefit corporations and contributes to annual evaluation and reporting. A final note on the distinction: a company need not be a Certified B Corp to register as a benefit corporation. Although the nuances of these requirements lie beyond the scope of this chapter, they are discussed in greater detail in Barnes, Woulfe, and Worsham (2018), Honeyman and Jana (2019), Alexander (2017), and Benefit Corporations and Certified B Corps (2019).

How Does a Business Become a B Corp?

B Lab maintains a set of standards and a measurement protocol that are used to evaluate companies on how they create value for their stakeholders, from employees and customers to local communities, disadvantaged populations, and the environment. As Table 17.1 summarizes, there are four requirements for certification.

The first step toward certification is to complete the B Impact Assessment (BIA) (B Impact Assessment, 2019), a confidential, adaptive, and free online reporting tool that evaluates a company's performance across five dimensions:

Table 17.1 Certification requirements summary

Performance requirement	A business completes the B Impact Assessment (BIA), a free online adaptive evaluation. The business is required to obtain minimum 80 points to move toward the certification. Once the BIA is submitted, B Lab requests documentation and schedules a review call to verify the score.
Transparency requirement	The business's overall score and category scores are published on bcorporation.net.
Legal requirement	The business updates its corporate and governance structure.
Certification fee	The business signs the B Declaration of Interdependence and pays an annual fee to B Lab based on revenues.

Source: Based on the public information available at https://bcorporation.net/certification

- Governance: This section measures the stakeholder engagement and characteristics of the governing body and identifies the issues surrounding internal governance, ethics, and anti-corruption.
- Community: This section discusses the business's impact on its community. The questions in this section relate to suppliers, community services, local economic development, and charitable giving.
- Environment: Questions in this section reflect on the business's environmental impact. Specifically, questions relate to energy, water, and material usage, as well as emissions and waste. The concepts of carbon neutrality, zero waste, and closed-loop material processes are also addressed in this section.
- Workers: Through the questions in this section, businesses evaluate their current labor practices (for example, living wages, workforce development, diversity, equity, and inclusion, etc.).
- Customers: This section identifies best practices regarding customer stewardship. These factors include quality assurance, management of feedback and complaints, customer satisfaction and retention, product impact assessment, marketing and advertising philosophy, data usage, and customer privacy and security.

Via the BIA, a business self-reports answers and earns points for engaging in practices across the five categories, whether as part of its core business model or CSR practices. In this sense, B Corp certification encapsulates both the CSR- and social enterprise-driven approaches to responsible business discussed throughout this book. A business must meet an overall minimum score of 80 points across all dimensions. Once a business submits its responses, B Lab schedules a 60- to 90-min review call in a 2- to 4-week timeframe. The business must also upload documentation that validates its responses to BIA. In the United States and roughly a dozen other countries, the business must also add language to its corporate charter that commits to extending the fiduciary duties of directors and officers to all stakeholders. Finally, the business must pay an annual fee to B Lab and make its scores public on the B Lab website (bcorporation.net). To stay certified, businesses must be re-evaluated every three years.

The BIA platform is free and open to the public, not just to businesses wishing to pursue certification. As of March 2020, more than 70,000 organizations had completed the assessment (bimpactassessment.net). Different forms of the BIA are available based on a company's size, location, and industry. The assessment is independently governed by the Standards Advisory Council, which periodically reviews and revises the standards and questions. In January 2019, B Lab released Version 6 of the BIA, after an extended period of feedback, testing, and public comments. In this new version, each of the dimensions has been updated and expanded.

As Kim, Karlesky, Myers, and Schifeling (2016) note, "These steps demonstrate that a firm is following a fundamentally different governance philosophy than a traditional shareholder-centered corporation" (para. 2). The process also appears to serve as a broker of trust that is increasingly attractive to both business leaders and consumers. At the time of publication, there are currently more than 3200 Certified B Corps in 71 countries (bcorporation.net). Although B Corps originated in the United States, certifications have accelerated around the world. B Corps can be found in more than 150 industries in 71 countries (bcorporation.net). Around the world, B Lab partner organizations, such as Sistema B in Latin America (Ip, 2012), B Lab Europe, and B Lab Taiwan, have worked to adapt B Corp standards and requirements to the unique contexts of each country.

Why Do Businesses Become B Corps?

Advantages

There are many advantages in obtaining B Corp certification. As suggested by Giddens (2018), it can help businesses obtain more customers, employees, and investors. "The UK arm reported earlier this year that UK B Corps which had been certified for at least 2 years were growing at an average rate of 14% p/a. Roughly one in three of these companies said they had reached new audiences since certification, and almost half said their B Corp status had helped them attract new staff" (Giddens, 2018, p. 4). B Corporations may be able to attract more capital. J. P. Morgan and The Rockefeller Foundation (2010) report that there is a growing interest in socially responsible investments, with the market size being up to $1 trillion. As Barnes (2017) notes, "Some investors and groups are explicitly partial to socially responsible businesses, with ever-greater numbers of investors putting money in such companies." Attracting talent and retaining employees is another top advantage shared by B Corps. As reported by the 2018 Deloitte Millennials survey (Deloitte, 2018), key factors contributing to employee loyalty are companies' motivation beyond profits and diversity practices and flexibility.

Moreover, B Corp certification provides businesses with an opportunity to establish a brand identity (Barnes, 2017) and to differentiate themselves from other businesses in the same industry (Grimes, Gehman, & Cao, 2018; Wijen, 2014). In their study of changes over time in practice configurations among B Corporations, Sharma, Beveridge, and Haigh (2018) found that companies tend to customize their

accreditation by focusing on the impact areas that are most important to them. This distinctiveness may be advantageous as customers and investors seek out sustainable organizations whose values are consistent with their own. Grimes et al. (2018) argue that, given that the prevalence of social entrepreneurship varies depending on the context and industry, businesses may be deciding to certify based on their uniqueness or "deviance" in a particular context. Relatedly, in their research involving 1251 American companies that completed the B Impact Assessment, Grimes et al. (2018) found that women-owned businesses are more likely to qualify for and obtain B Corp certification. They argue that this result may be associated with questions of identity such that women pursue certification, "not as a means for overcoming legitimacy deficits but as a form of identity work that affirms those actors' values which are contextually distinctive" (p. 131). However, as suggested by the co-founder of one B Corp (Grover, 2012), "Anyone interested in the integrity of their brand should be wary of joining too many clubs. The fact is, you don't become a great brand by being associated with a group."

B Corps pointed to the value of certification in interviews reported in Weinreb (2018). While Vital Farms especially appreciated the benchmarks and goals offered by B Corp certification, Barnana valued the resources that B Lab provided to assist businesses along their journey toward sustainability. In interviews with Eco-Bags Products, Weinreb found that the B Corp certification helped build their network, as well as a community that "won't compromise planet and people for profit." Barnes (2017) suggests becoming a B Corp offers organizations membership in the "B tribe," which offers the potential for many networking and strategic partnerships. For their part, Wanderlust, a global yoga and wellness hub, appreciated participating as a force for good in an uncertain political climate. Businesses tend to view B Corp certification as a stamp of approval that increases trust, helps customers and suppliers feel more comfortable doing business with them, and increases employee engagement and pride.

Barnes (2017) argues that B Corp certification helps businesses build organizational resilience in the face of economic instability. For example, in comparison with other businesses, B Corporations survived the 2008 recession to a significant degree (68% higher) and have continued to enjoy a higher survival rate since 2008 (Hikisch, 2013).

Risks

In addition to its many benefits, scholars and practitioners have raised a number of concerns related to B Corp certification. The view that the purpose of business is to make money for its owners in the short term is still prevalent. In this context, businesses that adopt CSR practices or that work toward becoming B Corps may be limiting their ability to survive and thrive. On the other hand, some businesses may let their CSR values fall by the wayside when profits slump. Because B Corps prioritize the long-term viability of organizations, shareholder profit in the near term may be threatened (Barnes, n.d.). Parker, Gamble, Moroz, and Branzei (2018)

conducted a mixed-methods study on a sample of 249 mainly privately held North American companies. They identified short-term penalty growth as a consequence of the B Corp certification that it is more pronounced the smaller and younger the companies are. According to Parker, "Company founders who've gone through B Lab certification told us this can be onerous and takes attention away from what their businesses are doing" ("Note to Small, Young Firms," 2018). Businesses must consider whether investors will support decisions that involve foregoing high investor margins in the short term in exchange for "a better product, happier workers, and the company's long-term success" (Barnes, 2017). This trade-off may be too much of a gamble for some entrepreneurs.

Also, as indicated by Barnes (2017), B Corps may be subjected to heightened scrutiny from the public, social activists, and employees. For example, Barinka and Drucker (2015) report that, relative to their counterparts, mission-based organizations are more likely to be held to higher standards by social activists. Moreover, employees may compel such organizations to be more transparent and accountable in their reporting processes than they are prepared to be.

For some critics, another potential risk is that businesses may pursue CSR and certification as an add-on activity rather than integrating it as a central element of their mission, purpose, and objectives (Székely & Knirsch, 2005). Although they may appear to be sustainable organizations "on the surface," they may be engaging in practices that are harmful. Their approach to CSR may be "watered down" and adopted in a piecemeal fashion. Packaging existing propaganda without true engagement could belie strategic rather than altruistic intentions. If enough businesses adopt CSR practices or attempt to obtain B Corp certification as a "public relations" exercise, without a true commitment to the underlying principles, the social value of the certification could be compromised.

As a counterpoint, the process of obtaining B Corp certification is a time-intensive process that is not attractive to businesses engaging in a "public relations" stunt (Weinreb, 2018). The certification process (including gathering the needed documentation) requires the commitment of many resources and a great deal of time, depending "on whether a company already had a system in place to measure its social and environmental impact" (Barnes, 2017). This commitment of resources would likely deter those who are only weakly or superficially committed to obtaining certification.

Featured Cases

Bureo

Bureo, headquartered in Ventura, California, was founded in 2013 by Ben Kneppers, David Stover, and Kevin Ahearn, with the mission of providing a tangible solution to the issue of discarded fishing nets polluting the oceans. Working with local communities in Chile, Bureo collects, sorts, and cleans discarded nets and transports them to recycling partners. The nets are then transformed into 100% recycled pellets

that can then be used by different companies to manufacture products, such as sunglasses (Costa), skateboards (Carver), furniture (Humanscale), toys (Jenga), and surf fins (Future Fins). Bureo is supported by Tin Shed Ventures, Patagonia's venture capital fund. Bureo is highly involved with coastal communities, where the company has financed seven community projects. They are also part of 1% For The Planet, a network of companies committed to donating 1% of their revenues to nonprofits working on environmental issues. Bureo became a B Corp in 2015 with a total score of 90 points and was re-certified in 2017.

Roshan

Roshan is a mid-sized telecommunications company (900 employees) that provides most of the communications infrastructure in 230 cities and towns across Afghanistan. It offers a variety of services, including telephone services, mobile payment services, and others. First certified in 2012, Roshan earned a score of 159.3 out of 200 in its recent recertification and received a "Best for the World" distinction in 2016 (bcorporation.net). According to its website (Roshan, 2015), Roshan is known for its outstanding social and community impact. As examples, Roshan cites the following accomplishments: connecting hospitals in Afghanistan and elsewhere through a telemedicine link; providing youth with safe places to learn and play by building 29 playgrounds across the country, as well as 35 E-Learning Centers and the Youth Sports and Social Development Center for children in Kabul; creating educational and job opportunities for women; and providing reliable access to clean drinking water by constructing wells throughout Afghanistan.

What Is the Road Ahead?

Over the past 13 years, the B Corp brand and many B Corps themselves have become the cornerstone of an international social movement whose aims are to improve the social and environmental impacts of *all* businesses around the world and use "business as a force for good™"— that is, to deploy market forces to tackle intractable social and environmental challenges. Categorizing B Corps as a movement is appropriate for at least two reasons. Straightforwardly, participants frequently self-identify as members of the "B Corp movement." B Lab itself took up this framing around 2011 when a new brand strategy shifted the way that the organization talks about B Corps. In B Lab's public communications, B Corps were no longer companies "who are setting the new corporate standard for social and environmental performance" representing "a new sector of the economy," but, rather, leaders of a "growing global movement of people using business as a force for good." (B Lab).

Second, the activities and relations surrounding B Corps capture the minimal conditions for a social movement set forward by James and Van Seters (2014): "(1.) the formation of some kind of collective identity; (2.) the development of a shared

normative orientation; (3.) the sharing of a concern for change of the status quo and (4.) the occurrence of moments of practical action that are at least subjectively connected together across time addressing this concern for change" (p. xi). A common view among B Corp leaders and employees is that they are part of a collective alternative taking action to challenge conventional ways of doing business. Qualitative research by Kim et al. (2016) suggests that at least one certified businesses "became a B Corporation to 'join the movement of creating a new economy with a new set of rules' and 'redefine the way people perceive success in the business world'" (para. 11). And, as Harriman (2015) points out, "[T]he B Corp movement is fueled by a broad framing of social and environmental issues, whereby 'good' businesses built around a shared ideology and distinguished by the B Corp certification can drive the change necessary to redefine the role of business in society and create public benefit the world over" (p. 47).

Beyond the businesses themselves, an ancillary structure of actors, organizations, and institutions has emerged in support of the B Corp movement. This ecosystem includes the Benefit Company Bar Association, a legal organization advocating for benefit corporation legislation; "B Locals," locality-based associations of B Corps and better business activists; and B Academics/Academia B, a community of roughly 2000 global academics developing research and curricular programs related to B Corps.

Notably, the movement's reach has extended across national boundaries. Global growth is supported by a network of Global Partner Organizations (B Labs in Europe, the UK, Canada, Australia-New Zealand, Taiwan, East Africa; Sistema B in Latin America; as well as B Market Builders in Hong Kong and Korea; and the B Corp China team). It is perhaps too soon to say whether the B Corp idea has transcended its North American origins to become a truly globalized social movement (or whether it ever can, given its embeddedness in Western market ideology.) Yet, it is telling that in 2018 there were more B Corps certified outside the United States than within.

In a few instances, B Corp standards have been taken up at the municipal level. San Francisco, California, and Philadelphia, Pennsylvania, have both created preferential bidding schemes for B Corporations for city contracts. Both New York City and Taipei, Taiwan, have run "Best for the City" campaigns, driving local companies to complete the B Impact Assessment and awarding special designations to the highest scorers. In 2017, the Mayor of Taichung, Taiwan, announced his intention to make Taichung the world's first "B City," though the specifics of this plan had not been spelled out by the time of publication.

There is emerging evidence that B Corps are able to work together to address collective action problems beyond the scope of their own lines of business. In 2017, B Lab ran an initiative called the "Inclusivity Challenge," which pushed certified companies to improve on diversity, inclusion, and other labor-friendly practices over the course of the year. The initiative measured improvements based on score improvements in the "Workers" category of the B Impact Assessment. However, the B Corp movement's progress toward alleviating truly intractable global ills is the subject of some debate. Notably, journalist Anand Giridharadas questions whether

B Corps are simply a market-based salve for problems that actually require regulatory solutions. On the other hand, defenders have pointed to the movement's role in driving industry-wide changes to corporate governance, from required ethics training to board decision-making, as evidence of incremental improvement (Gilbert, 2018; Winston, 2018).

It is worth noting that the B Impact Assessment itself has also become a foundation for other kinds of sustainable decision-making. The BIA is the reporting basis for the Global Impact Investment Rating System (GIIRS), a framework used by socially responsible investment funds to evaluate and benchmark their portfolios' impacts on the environment, labor, customers, and communities. The Business Development Bank of Canada has used the BIA to evaluate the environmental, social, and governance (ESG) impacts of prospective investment targets. Moreover, in January 2020, B Lab launched the Sustainable Development Goals (SDG) Action Manager in partnership with the UN Global Compact. This free online tool allows companies to track their progress towards the SDGs.

Conclusion

Finally, much has been learned by B Lab, B Corps, and B Corp advocates in the past 13 years. However, some important questions still remain unanswered. Among practitioners, one emerges consistently in informal conversations: What is the true impact of the certification on the bottom line of businesses (and how should that bottom line be measured)? Moreover, given that businesses seek distinctiveness in their industries, what is the role of institutionalization processes in embedding certification in a particular context? Does mimetic pressure influence whether businesses seek certification? Or as Giridharadas puts it (in Gilbert, 2018), are B Corps just another "elite charade for changing the world?" Only time can tell, but in the meantime, B certification has created an unprecedented opportunity to engage consumers, workers, lawmakers, academics, and practitioners in a much-needed global conversation about the role of business "as a force for social good."

Chapter Takeaways

- There is growing consensus that business should aim to improve society and deviate from shareholder primacy. Major advocates of this trend include researchers and authors on the topic of management, consumers, and insightful business leaders.
- Because of this positive impact and growing expectations from stakeholders, integrating CSR into business strategy and operations is becoming a priority for businesses.
- B Corp certification evaluates a company's operations, supply chain, governance, and consumer and employee relations—not just its products.
- The B Corp certification recognizes businesses for meeting higher-than-average standards of accountability, transparency, and social and environmental

performance. B Corps are required by law to balance the interests of shareholders with the interests of workers, customers, communities, and the environment.
- There are several advantages in becoming a B Corp, such as reaching new audiences, attracting more capital, differentiation from competitors, and increased organizational resilience in challenging times.
- Some risks include B Corps' long-term focus, which can be challenging in times of economic downturns, a sometimes onerous and distracting process in keeping track of requirements, and heightened scrutiny from the public, social activists, and employees.

Reflection Questions

1. How do you think B Corps connect to or challenge the concepts and practices of CSR and social enterprise that you've encountered elsewhere in this book?
2. How does B Corp certification embody stakeholder theory? How does this certification address and account for different stakeholders' needs?
3. Does B Corp certification represent a "green-washing" effort on the part of businesses? Or, is there more substance to it? How could B Corps avoid this criticism?
4. Why is B Lab a non-profit? Who "certifies" the certification authority?
5. In considering the two case studies that were presented in this chapter, how do the practices for which these companies are highlighted span both conventional CSR and social enterprise?
6. Does the B Corp certification risk losing "authenticity" or dilute its "brand equity" if multinational corporations start adopting the certification?
7. What does the future hold for B Corp certification? Is it a passing trend? Should it be applied to all forms of organizations? How?

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CSR Case Study: Mitigating Ethics with Companies Investing in Higher Education Relationships

18

Morgan R. Clevenger

Key Topics

- Ethics
- Corporate social responsibility
- Corporate motive
- Higher education leadership
- Inter-organizational relationships

An Ethical Backdrop

Participating organizations include a major public American university and six of its corporate supporters: two small, two medium, and two large *Fortune 500* firms. All of the organizations seemed to uphold goals that organizations are expected to avoid questionable practices, to respond to the spirit and letter of the law, and to protect employees and the environment. Ethical organizational behavior considers various dimensions. "Ethical behavior means an organization must consistently act in a manner that would allow auditors, and even to some extent the general public, to examine the details of an organization at any time without fear they will find any 'questionable' behavior" (Beiser, 2005, pp. 18–19). Those organizations in this study also embrace the concept of minimizing harm to society and maximizing benefit through shared value with all stakeholders (Googins, Mirvis, & Rochlin, 2007; Waddock, 2004).

Organizations are registered as legal separate entities in the United States. These organizations function in and contribute to a pluralistic society. Yet, organizations

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themselves do not act. Organizational actors are comprised of the collective0 decisions from individual leaders who are decision makers and individual ethical actors representing the participants in the study, including the University, the University Foundation, and the six corporations and their related foundation (*Note*: The University, University Foundation, and six corporate partners were NOT named in the study for confidentiality. They are referenced as the University, the University Foundation, Small Company A, Small Company B, Medium Company A, Medium Company B, *Fortune 500* Company A, and *Fortune 500* Company B). One participant corporation leader indicated that image and reputation of organizations is inseparable from the conduct of employees. Both employ meaningful codes of ethical standards and vigilant enforcement of those ideals to protect inter-organizational relationships for both parties (Boyd & Halfond, 1990). Thus, ethical behavior and trust create the foundation for organizations to cooperate and seek one another's welfare and joint gain (Malloy & Agarwal, 2003).

Research Methods

This organizational analysis examined corporate citizenship through the inter-organizational relationships between a public American doctoral research university and six of its corporate partners. The World Economic Forum (2002) universally defined *corporate citizenship* as:

> The contribution a company makes to society through its core business activities, its social investment and philanthropy programmes, and its engagement in public policy. The manner in which a company manages its economic, social and environmental relationships, as well as those with different stakeholders, in particular shareholders, employees, customers, business partners, governments and communities determines its impact. (p. 1)

For this study, an embedded, instrumental, ethnographic single-case study viewed organizational participants from 2006 to 2010 titled, *An Organizational Analysis of the Inter-organizational Relationships Between an American Higher Education University and Six United States Corporate Supporters: An Instrumental, Ethnographic Case Study Using Cone's Corporate Citizenship Spectrum*. Research questions used to explore this relationship: (1) Why does a higher education institution accept corporate citizenship engagement and financial support? (2) Why do U.S. corporations engage as corporate citizens in relationships with a higher education institution as identified on Cone's (2010) corporate citizenship spectrum via philanthropy, cause-related branding, operational culture, or DNA citizenship ethos? (3) What ethical concerns arise in the engaged inter-organizational relationships between corporations and a higher education institution? Triangulation of data was provided by 36 interviews, more than 12,609 pages of documents and audio-visual materials, and a campus observation of 407 photographs. This chapter focuses only on the findings to research question three relating to ethics. (For a deeper discussion of all findings from the dissertation, see Clevenger, 2014, 2019).

Three Findings: Ethics in Inter-Organizational Relationships

First, most interviewees could not think of any ethical concerns or dilemmas or provide any specific examples, so *generally no ethical dilemmas*. While ethical issues do occur and many topics of ethical concerns or dilemmas were discussed when asked about ethical concerns, there was no single overshadowing ethical problem cited. Second, several *general ethics discussion topics* relating to ethical behaviors created five clusters of other topics: *public relations*, *solicitation*, *policies and stewardship*, *accountability and transparency*, and *leadership behavior*. While no specific examples or dilemmas were cited, several interviewees addressed attitudes, perceptions, behaviors, and protocols when asked if any ethical issues existed in the inter-organizational relationships between the University and corporations. Third, *five disparate ethical concerns* were shared by higher education interviewees. None of the dilemmas involved any of the corporate participants. Each of the situations were one-offs and handled professionally.

Generally No Ethical Concerns

There were *generally no ethical concerns* found from the face-to-face interviews, organizational documents and audio-visual materials, campus observation, or third-party sources. Document and audio-visual materials confirmed why few ethical concerns were found given the ethical cultures, climates, and expectations of each organization for employees to comply with appropriate ethical conduct. While ethical issues do occur and many topics of ethical violations or misbehavior were discussed when asked about ethical concerns, there were *generally no ethical concerns* and no single overshadowing ethical problem cited from interviews with 36 higher education leaders and corporate executives. All interviewees generally understood what ethics are in an organizational context. Some discussed protocols and ethical frameworks to safeguard ethical behaviors through codes of ethics, policies, training, expectation management, and consequences. Extensive evidence supported the protocols and ethical frameworks as found in the 12,906 pages of document and audio-visual materials for the University and University Foundation as well as Small Company B, Medium Company A, Medium Company B, *Fortune 500* Company A, and *Fortune 500* Company B. All interviewees perceived positive credibility of fundraising and resource management ethics by the University and University Foundation and were complimentary of the executive leadership of both entities. The University, University Foundation, and six corporate participants all strive to promote inter-organizational relationships based on sound business practices including legal compliance and ethical behavior because of the participant organizations' ethics culture; the participant organizations' commitment to ethics; and each participant organizations' ethics policies, guidelines, and trainings.

Culture of Ethics

Organizations are able to create a culture of the environment they desire from leaders' examples and management's expectations guiding the way because values define organizational behavior to the world. Personal integrity and responsibility are the beacons for behavior and action related to ethics. One University Foundation director said, "We follow all rules." Most interviewees could not think of any specific ethics violations or give an example of any infractions with corporations. One University Foundation vice president said,

> Can I imagine along the way at any university with a host of corporations something might have happened and could we give you anecdotal things that could happen? Maybe you could, but I don't have anything to report from this seat that would really be illustrative of a bad situation.

A retired corporate executive who is a University Foundation board member said,

> I think as a general comment without identifying anything that's peculiar to the University … accepting donor money and making sure that the money is well taken care of and is being put to use in a manner that is consistent with the donor's expectation—I think that's something that all foundations have as an issue. I think [the University] probably does as well if not better than most in terms of having steps and procedures in place to ensure that that happens.

Another University Foundation board member said, "There has been sort of a protected direction always given forth from the University Foundation or from the University that made everybody understand no games get played here." A University executive said, "I just have not even heard of anything on an ethical level in dealing with companies here at the University." The vice president of Medium Company A said the University does "a really exceptionally good job" in appropriate and ethical business practices.

Small Company A had no evidence regarding its culture for ethical behavior. Small Company B provided a presentation outlining the company's core values, which included ethical principles. Additionally, Small Company B received an ethical stamp of approval for small business in its state. Medium Company A operates under Christian principles, morality, and family values.

Medium Company B is a values-based company and operates with guiding principles to include integrity, trust, respect, safety, and accountability. Such concerns include employees, the environment, and shareholders. Leadership encourages dialog and active consideration, enforcement, and reporting of concerns relating to legal and regulatory compliance, companywide business practices with policies and procedures, and sound ethical principles. The code is not a substitute for good judgment. Medium Company B provides a culture that supports and empowers employees to make decisions. Concerns are reported to an outside third party. The company also randomly tests for drugs or alcohol. Leaders are held highly accountable for a manner reflecting their positions of trust and influence. Corporate governance includes a broad range of external corporate board members.

Fortune 500 Company A is committed to ethical and responsible actions because business is built on trust. The company's goal is to meet—and ideally exceed—all legal requirements. Such ethical behavior includes being responsible, compliance, fair practices within and outside the company, and adhering to strict standards. Leadership and management at *Fortune 500* Company A are expected to make ethical conduct a regular agenda item in everyday business and to set exemplary behavior by personal leadership. Leaders need to be accessible to address concerns and provide guidance. Multiple third-party options are available for concerns, complaints, or whistle blowing, and are managed confidentially.

Fortune 500 Company B's culture includes obeying all laws and regulations through strict compliance. Many of the products and services produced by the company have strict industry and government regulations. Responsible action begins with each and every individual.

Commitment to Ethics

The University and University Foundation are both highly committed to ethics. This commitment was noted by all higher education interviewees as well as tracked behavioral performance found in several areas of records, documents, and audio-visual materials including guidelines, policies, and training materials; disclosure of fiduciary operations and financial management; relationships with other organizations; auditors' comments; and the transparency of financial reporting.

Forensic evidence of five of the six corporations' commitment to ethics was noted by corporate participant interviewees as well as tracked behavioral performance found in several areas of records, documents, and audio-visual materials including guidelines, policies, and training materials; disclosure of fiduciary operations and financial management; relationships with other organizations; auditors' comments; and the transparency of financial reporting and providing annual reports, corporate social responsibility reports, or community investment reports (Nikolaeva & Bicho, 2011).

Ethics Policies, Guidelines, and Trainings

Policies provide clarity, consistency, and transparency. All entities had some amount of forensic evidence regarding ethical guidelines and behavioral expectations. This evidence verifies the existence of codes of ethics, ethics policies and manuals, availability of ethics training, and professional, organizational, and governmental accountability standards that are expected to be followed.

Multiple ethics codes, guidelines, and detailed policies are promoted by the University for research: faculty research, sponsored research assurance, and integrity; student conduct: student behavior, academic integrity, and social media guidelines; and employee conduct: management of University finances and resources, professional conduct for faculty and staff, and interaction with non-University vendors, contractors, and organizations. The University Foundation promotes the *Donor Bill of Rights* (AFP, 2018). The bill promotes transparency and integrity.

Ethics guidelines or policies were not found for Small Company A. Small Company B provided a presentation outlining the company's core values as well as its vision and mission. Ethical vocabulary included "respect, moral principles, honesty, trust, and concern for employees to do the right thing."

Medium Company A provided a three-page Code of Ethics addressing corporate compliance and ethics. Ethical vocabulary found included honesty, integrity, fairness, respect, and trust. The Code of Ethics was comprehensive to explain standards of conduct, behaviors to avoid, and discipline for violations.

Medium Company B ensures a high level of corporate conduct and ethics by providing employees with a 40-page manual addressing Code of Ethics and business practices to inform and to hold each other to the highest ethical standards. Additionally, the company provides a required annual training. Corporate officers, board members, and employees are required to pass an online test from the training. The company also includes a Code of Ethics for Financial Executives as required by the Sarbanes-Oxley Act (Welytok, 2006). Finally, the company complies with all state and federal human resource regulations and supports diversity.

Fortune 500 Company A does not have optional policies but rather explicit directives to employees. *Fortune 500* Company A provides a 38-page handbook of guidelines and regulations for business conduct in several major categories including: employee conduct, anti-corruption, external relations, and financial management. The Code of Ethics for Financial Matters is adopted and followed as a result of the Sarbanes-Oxley Act. From the employee materials and policies, ethical vocabulary included "honest, fair, values, principles, disallowing unscrupulous behavior, corruption-free business environment, responsible actions, responsibility, integrity, disclosure, reliability, appropriate considerations, transparent, transparency, financial integrity, against corruption, compliance, personal responsibility, highest ethical standards, quality trust, and openness." The policies also include prohibition of insider training. Employees are also required to protect company assets, provide timely and accurate reporting, share appropriate knowledge, ensure confidentiality, follow safety, enforce data protection, and properly perform accounting and finance functions.

Fortune 500 Company A offers extensive training for employees both online and in person relating to conduct. A list of definitions is provided to employees aside from case scenarios to assist with conduct compliance. *Fortune 500* Company A provides product liability and strives for customer satisfaction. This company abides by initiatives set forth by the United Nations such as human rights, environmental protection, and against corruption. The company also promotes diversity relating to gender, age, nationality, educational level, cultural backgrounds, and skill set.

Fortune 500 Company B has several handbooks dealing with various constituents relating to conduct expectations and making sound business decisions by providing specific guidelines and punishment for non-compliance. Employees complete annual trainings related to an ongoing commitment to ethical behavior. From the standards, materials, and policies, ethical vocabulary included "value, quality, respect, dignity, personal responsibility, safety, honest, financial integrity, fairness, trust, act responsibly, and transparency." Policies require employees to protect company assets and intangible assets, protect confidential internal information, and maintain accurate reporting. The policies also include the ability for employees to report suspected misconduct or violations for behavior or non-compliance. Values-based leadership sets the example by modeling appropriate behavior and ensuring compliance by all. Leaders also create a positive work environment for addressing issues openly and constructively.

Inter-Organizational Ethical Expectations

Small Companies A and B did not elaborate on expectations regarding inter-organizational ethical behavior. Medium Company A's policies relating to inter-organizational behavior included avoiding bribes, not accepting gifts, maintaining record confidentiality, and maintaining accurate and truthful documentation, communications, and representations of information.

The policies relating to inter-organizational behavior for Medium Company B included not accepting gifts or bribes, maintaining confidential records, and maintaining anti-corruption laws. Such emphasis on responsibilities guides job performance and how employees interact with others and represent the company. Employees at all levels are required to protect the company's reputation and maintain one company voice in all business objectives. The company aims to instill relationships of mutual trust and respect with all business partners and also maintains contracting guidelines for honesty and integrity. Additionally, the company provides training and requires audits of vendors and contractors. The company provides reporting of violations relating to business practices and makes appropriate corrections.

In inter-organizational relationships, *Fortune 500* Company A encourages business partners, suppliers, and stakeholders to adopt and abide by ethical behavior and provides a Code of Conduct for external entities. The company employs the same rules of conduct expected internally in relation to all external partners and third parties. Employees, management, and board members must avoid conflicts of interest, avoid espionage seeking advantages for the company, and not improperly influence government officials through bribery or other inappropriate means. The company desires to be a responsible partner, provides reporting of violations relating to business practices, and makes appropriate corrections.

Fortune 500 Company B admonishes employees, board members, and vendors to avoid espionage, conflicts of interest, improper behavior of any kind, bribery to government officials or other leaders, money laundering, anti-trust corruption, and not accepting or giving gifts to alter or influence anyone's behavior. All parties are expected to have fair dealing. The company also supports initiatives by the United Nations such as human rights. Valuing diversity of employees is also important as a factor of success.

General Ethical Discussion

General ethical discussion relating to inter-organizational behavior between the University and corporations emerged when asked about ethical concerns. From research interviews, many different scenarios and broad-based ideas relating to ethics in general were discussed. Dozens of ideas and concerns were presented then later analyzed and clustered. Grouping the topics created five broad general categories including *public relations*, *solicitation*, *policies and stewardship*, *accountability and transparency*, and *leadership behavior*. Although no specific examples or dilemmas were given, several interviewees addressed attitudes, perceptions, behaviors, and protocols when asked if any ethical issues or situations creating discomfort

occurred in the inter-organizational relationships between the University and respective corporations. Table 18.1 delineates the five clusters of categories and general types of concerns shared by higher education or corporate individuals. The categories are arranged from most predominate cluster to least predominate.

Table 18.1 General ethical discussion topics

Category	Higher education concerns	Corporate concerns
Public relations	Forced public relations by companies regarding donations Consistency of recognition Detailed reporting of accountability and transparency with money management Better communicate uses of donations to donors	Concern for reputation connectivity Concern about politics, protocols, and expectation management
Solicitation	Pressure of volunteers to fundraise Peer-pressuring gifts from company to company or within industry Renegotiation of pledge terms on a large donation because of challenging economy Dealing with rival companies' competing with each other for sponsorships or ads	Getting nickled and dimed to death Renegotiation of pledge terms on a large donation because of challenging economy
Policies and stewardship	Clarity on who benefits from royalty with intellectual property Clear rules and regulations for in-kind giving How to deal with current projects or facilities needing attention or new funding but unable to do so because of exhausted funds before adoption of sunset clause policies Expectations management with sponsored research: student access, timing, clear goals up front	Concern of no set corporate donation policies
Accountability and transparency	Inflation of in-kind gifts Cognizant of being circumspect of endowment use Scrutiny by students regarding companies with which the University is engaged	Students receiving scholarships have a duty to at least talk to corporate recruiters from the company that sponsored the scholarship Concern about overhead administrative fees for grants or research
Leadership behavior		Entitlement attitude from University administration Concern of culture change when top management changes Personality-driven organizational relationship

Note. This table highlights other ethical discussion yielded from face-to-face interviews (Clevenger, 2014, pp. 347–348)

Public Relations

Public relations is a visible means to see inter-organizational relationships. Examples of public relations mediums include advertisements, publications, billboards, print media, broadcast media, social media, reports, and correspondence. Universities often have standard procedures for recognition and promotion regarding inter-organizational relationships. Sometimes corporate partners request or require specific public relations mediums to promote their engagement. One public relations concern was corporations requiring major publicity about a gift. The University Foundation does accept gifts-in-kind, which are non-monetary items, if they represent value to the University. Such gifts are evaluated to consider if the gift is needed, wanted, and/or has use within the institution or if it should be sold to benefit the University. One University Foundation executive explained that in-kind gifts are valued at fair market value, and some companies want publicity for those gifts. Many, many companies donate products, equipment, supplies, or software. With the gift, they often want splashy media attention, which becomes a pseudo-media campaign that is essentially free.

Another public relations concern was highlighted by the donor recognition director. While the University has a naming policy in place, the director explained that named spaces have been applied inconsistently from college to college, school to school, program to program, and building to building. The director said,

> We're trying to create a University-wide standard. The University is so enormous, and there's been so much history of people doing their own thing. It's kind of like herding chickens! I hate to say that, but it's a challenge because many people out there in the campus world don't know that they're supposed to go through us although we have directors of development in most of the colleges that all of these requests flow through. I think they're starting to get the message, but over the years, it just hasn't been there. We're trying to actually even develop a plan so that everything looks the same across campus so this person isn't doing glass, this person isn't doing metal.

With inconsistent recognition—of both organizations and individuals—there are different expectations and lack of parity donor-to-donor. This inconsistency can cause tension between entities—particularly corporations.

Communication is also a public relations opportunity or concern. A University Foundation board member said donors often share "concerns about how their money's being spent," which "was more a question of communication than anything else." The board member also explained, "you have to ensure that you're fully communicating with those people that have an investment in the Foundation and that they know what's going on and—even though they may not be paying attention—you're pushing information out to them" as a matter of accountability and transparency. Businesses are much more interested in how that money is going to be used and what is going to be the return on that investment.

Another public relations concern is having inter-organizational associations and being sure both entities have good reputations. A University Foundation vice president said even students "were giving … some arguments about why the engagement of the University with a corporate side is fraught with peril and 'those two things

really ought to be kept separate in a church and state kind of way;' their missions are different." A vice president with Medium Company A said, "You have to be careful, or your reputation is done." A communications executive of Medium Company B explained that inter-organizational dynamics have a lot of push-pull, depending upon politics, protocols, and expectation management. "It's an agenda of what is [the company] trying to get out of this; what's the University trying to get out of it?" Medium Company B has a corporate foundation and a corporate giving department, but many relationship activities are organic and one-off.

Solicitation

The process of asking for a gift is termed *solicitation*. Depending on the purpose or amount of an opportunity, different individuals on either side of the inter-organizational relationship may be involved with various touch points between different people. One Medium Company B executive said, "The worst of it is that we were all getting nickel and dimed because there were so many relationships all over." Ideally, the goal of the University and University Foundation is to coordinate solicitation on behalf of the University through a central point, but one development officer said,

> Telling people that we manage corporate relationships is pretty much lying [because] some of [the relationships] are so big … we would probably have to spend a week focused with the research team and [the University corporate relations officer], and myself to give you a substantive list of relationships between the college and [a company] because nobody manages it.

The lack of centralization adds to the complexity of various individuals representing the University independently approaching companies. The former president and CEO of Medium Company B is a University alumnus and was significantly engaged with the University. One vice president of Medium Company B explained:

> Although there was not absence of conflict, … I saw it because former Medium Company B president had me front and center trying to smooth out some of the wrinkles that were happening. And here's the guy who bled [University colors]. Current president of Medium Company B would be glad never to get another call again from the University president. Let's do what we're gonna do. Stop bothering me. I don't have the money you want. I don't have $10 million a year to give you, [University president's name]. So I know the corporate president gets frustrated by the continuous ask and the continuous ask and the continuous ask.

One Foundation board member who is a retired *Fortune 500* CEO lamented:

> The only thing that you get from giving is the chance to give again, and that's it. You don't get anything else. You don't get applause; you don't get tickets; you don't get anything. You just get a chance to write another check.

The board member further explained that volunteering and giving then leads to fundraising from others. Peer-pressuring gifts from company to company or within an industry is a challenging solicitation tactic. One development officer explained:

There were some very interesting conversations with the [discipline] folks because it's a very tight-knit group. Getting them bought into this campaign was a multi-year effort, and it was very volunteer-driven. So there were a number of times that I was aware of conversations going on where companies were being strongly encouraged to make gifts—whether or not they wanted to—so that makes things uncomfortable because I'm not in these meetings so I'm only hearing that they might be going on and then I have to follow up and visit with these people who really have no interest in making a gift, and they're signing a pledge form and making gifts for a campaign that they don't care about. So that was an uncomfortable situation sometimes.

Another solicitation challenge is selling rights to a company to essentially own a space on campus—especially with rival companies in a given industry. For instance, one alumni relations executive said,

The funniest thing that we had to work it out was having both Coke and Pepsi, so they both want to be the official soft drink of the University (laughing). They both place ads in the alumni magazine, and they both say 'We're the official soft drink of the University' (laughing). How do you work that out? I gave some recommendations to the alumni president, and then we also called the business services guy that does contracts, and so we just changed the wording a little bit. One of them said, 'We're the official soft drink of athletics', and the other one said 'campus' or something like that. So in other words, they both were official soft drinks.

A University Foundation vice president said,

Nothing's casual anymore. It's not casual with individual investors; it's not casual with foundations, not casual with corporations. There's a significant contractual dance that's done to make sure everybody's on the same page …. And corporations probably uniformly will tell you universities are hard to deal with—their interests are all over the place; whereas the corporate side, pretty clear what it's doing. We have a multi-faceted agenda here at the University, so working with us can be tedious to get to the contract.

The last example discussed of solicitation concerns was a positive one. The University Foundation maintains a write-off and cancellation policy. If non-payment of a pledge extends over a year, the obligation will be reviewed and potentially written off. During the challenging economic times, many individuals and organizations faced tough financial decisions. Some corporations were in such ethical dilemmas. Medium Company A had a multi-year commitment to the University during the recession. The company had to renegotiate terms or lay off people. The vice president of Medium Company A said,

Obviously, we'd all want to be as generous as we can and fulfill our obligations that we've pledged, but we also have an obligation to our employees, and so there's definitely a balance there that you have to work through. Any time you sign those 3- or 5-year gifts you truly don't know where you're going to be in 3 or 5 years; none of us do. Economically, that's a long time.

Policies and Stewardship

Attention to policies and stewardship is very important to the University and University Foundation in maintaining strong inter-organizational relationships. The

University Foundation promotes the *Donor Bill of Rights*, which commits to best practices and policies in fundraising and engagement (AFP, 2018). The director of gift processing provided 27 fiscal guidelines, policies, and operational schematics aiding in the stewardship, transparency, and accountability related to contributions and management of donations. The University Foundation manages donations, which are accounted for and monitored through the use of accounts and account purposes. The fundraising staff adhere to a variety of ethics practices promoted by professional organizations such as the Association of Fundraising Professionals (AFP), the Council for Advancement and Support of Education (CASE), and the Network of Academic Corporate Relations Officers (NACRO). NACRO enables its members to advance comprehensive, mutually beneficial relationships with industry and establish common language and metrics for peer comparison.

University and University Foundation employees are to follow appropriate resource acquisition and management including: procurement rules and compliance with University policies; licensing requirements; conflicts of interest; reporting of concerns; avoiding misuse, fraud, or misrepresentation; enforcing contractor codes of business ethics and conduct; compliance; timely disclosure; and avoiding acceptance of personal gifts and gratuities. The University and University Foundation provide training to assist all representatives to understand responsibilities and reporting requirements. University Foundation officers, directors, and trustees are required to disclose any conflicts or potential conflicts on an annual basis.

With the depth and breadth of attention to policies and stewardship management, a few individuals still discussed issues. The vice president of Small Company A said they don't have corporate policies governing ethics or policies to interact with companies. "We don't write down as much as we should. I could say with some confidence that we're known for integrity and fairness. We're not big enough that we have to hold classes and distribute memos." Not having policies or expectations is often more difficult to manage than companies with high expectations. The University president said, "there can be conflicts about unmet expectations." A foundation board member indicated that being clear on roles, responsibilities, and expectations is important.

One gray area in policies is in-kind giving. Most in-kind gifts require external third-party valuations. A foundation board member said, "I think if there's ever a place for a potential—if not right outright conflicts or kind of related-party transactions or whatever—they're magnified by in-kind kind of things." The University Foundation maintains in-kind gift policies, but the onus of valuations is on the donor, not the University.

Relating to policies with research, a retired corporate CEO said, "the only thing that we had to get better at was how to work out the intellectual property and then the royalties." The University has various policies relating to research contracts, sponsored research, class projects, and quasi-research. The University president said, "We're very upfront about the fact that we're a University. We can't do work that our students can't have in their dissertations. If everyone understands that at the beginning," there are no problems.

Another issue in higher education is the time limitation of naming rights for physical properties because of the perpetual upkeep and relationships maintained in the longevity of facilities. Such a policy is called a *sunset policy* (Clevenger, 2014,

2019). Sometimes renovations or programs residing in buildings are named. Currently, the University negotiates an agreed-upon period of time, subject to reasonable long-term maintenance of facilities and/or usefulness of the purpose of the space for a school or program. The University does have buildings and programs that were funded and named by corporations before the current sunset clause was instituted. Those existing facilities are a challenge to consider renaming. All named physical elements and all academic programs have a gift agreement signed by the funding party and University to clarify terms. The University may also in an extremely rare occurrence remove the name of a funding partner should there be concern of compromising the public trust or image of the University because of its association with an individual or organization.

Accountability and Transparency

As a public institution, the University and its related University Foundation are open to report all resource streams, funding partners, management practices, and allocation of funds. Usages of financial resources related to instruction, research, student services, operation, construction, library books, and scholarships and fellowships, which are part of accountability and transparency. External watchdog organizations such as *Charity Navigator*, *College Navigator*, and *GuideStar* endorse the University's and University Foundation's compliance, accountability, and transparency. *Charity Navigator* rated the University Foundation as four star. *GuideStar* labeled the University Foundation with an Exchange Seal as a Partners In Trust organization, demonstrating its commitment to transparency. Such recognitions are endorsed because of timely and accurate releasing of financial information, clarity of mission, filing *Form 990*s, and complying with Internal Revenue Service regulations. The financial statements also discussed investment and financing activities, which were rated well by such organizations as *Fitch*, *Moody's Investor Services*, and *Standard & Poor's*. Finally, the University disclosed lawsuits relating to risk management, and no issues with corporations or businesses were mentioned among the grievances.

University research agreements and academic sponsorship guidelines outline roles and responsibilities of the company and the University regarding financial obligations as well as joint ownership of intellectual property. Additional provisions are disclosed for University ownership for publishable rights as well as human concerns of non-discrimination as well as recourse of non-appropriations or conflict of interest. The University is concerned with ethical outcomes of research. Additionally, the University considers ethics in relation to the economy, environment, and prevalent social and cultural issues in society.

Forensic evidence of the University and University Foundation's commitment to ethics as well as tracked behavioral performance was found in several areas of records, documents, and audio-visual materials including University guidelines and policies, disclosure of fiduciary operations and financial management, relationships with supporting organizations, the University Foundation's commitment to the *Donor Bill of Rights*, and extensive fiscal guidelines and policies, auditors' comments, and the transparency of financial reporting.

One accountability issue was scrutiny by students regarding companies the University is engaged with. Students—as well as executives of the

University—desire to maintain a strong University name and image, so only associating with responsible businesses of any size is highly valued. It seems the sentiment is a two-way street as the vice president of Medium Company A said they "didn't want someone at some level in some inappropriate way to tarnish our name."

One concern for corporations' engagement with the University was the topic of "fees." Strictly philanthropic money is managed at the University Foundation for managed accounts and is under 5%, but not permitted for non-charitable purposes. The University Foundation will charge a fee to help with such expenses as legal, financial, administrative, reporting, and development activities. Contracts are typically paid directly to the University's financial office for advertisements or direct sponsorships. Non-philanthropic grants, sponsored research, and outcomes-based projects typically are managed in sponsored research where more than 50% is charged to overhead by the University.

One other accountability issue dealt with students receiving scholarships considering employment with the company that funded the scholarship post-graduation. A global vice president of *Fortune 500* Company A said,

> There was no requirement to join *Fortune 500* Company A whatsoever. You can do whatever you want; there is no connection of the scholarship with an obligation to work for *Fortune 500* Company A. However, there was a moral obligation, and they made this clear from the onset—which I thought was fair—there was a moral obligation at least to talk to *Fortune 500* Company A, give them a chance.

Leadership Behavior

An executive of *Fortune 500* Company A said, "The tone from the top matters a lot. You can destroy many things with little words, and you can only build with many deeds. That's the challenge there." One former corporate CEO indicated "immense respect for the leadership" at the University and University Foundation, which is vital to working relationships. Leadership habits were discussed positively overall, but a few individuals expressed concern of an entitlement attitude. An executive of Small Company A said,

> The management and administration think they're entitled to money from us as if we are a state government to give them money. Sometimes the relationship is like we are their subject instead of we are the customers and they're the provider. When we do a contract, for example, the way they view it, we are the one who is being hired by them and the language of the contract and all that is kind of one-sided. They don't have the mindset where it makes it easy to work with small businesses, that their mentality is more like a big institution, and they're entitled.

Likewise, a vice president of Medium Company B agreed and said,

> I'll give you a little anecdote. So I'm over at the University meeting with our CEO and the University president, and the University president's lamenting why we don't do more together. That's what the University president does. The president's a fundraiser … always lamenting why we don't do more together. (laughing) Oh, goodness. It's okay. It comes with the territory. The president is brilliant, but it comes with the territory. Being a president of a big University, you have to ask for money …. It's like this broken record.

Nearly every individual interviewed discussed the charisma and energy of the University president. One University Foundation executive observed,

The president of the University is critically important, and we're fortunate enough to have someone who is incredibly visible, incredibly smart, very dynamic. The president is on the national and international stage all the time talking about education and how critically important higher education and postsecondary education is to the future and the fate of this country. The president is always talking to CEOs and presidents and highly placed executives within the corporate and industry sectors.

Another University Foundation executive said the University president's

Vision would be 'resources follow ideas.' And so given that the University president is an idea-driven person and believes—like nobody else I know—in the role of universities to make a difference in the world, the president wants to lead and demonstrate excellence.

On the corporate side, many C-suite individuals expressed how difficult it is on inter-organizational relationships when corporate executives change. Such changes occur much more frequently on the corporate side of the inter-organizational relationships than on the University side. "The corporate culture has changed dramatically," explained one University Foundation executive. One executive of Medium Company B said, "We've had far more interface [in the past] at the executive level, and that is less, though, because the faces have changed in our executive ranks." Since that executive is "not there anymore … the interest might be different" with the degree and magnitude of interest in engagement with the University. Changes in executive leadership alter dynamics in the inter-organizational relationships because the organizational relationships tend to be personality driven. One vice president of Medium Company B said "the University president is a strong personality; so's our CEO." Another executive said, "Depending on who's in the CEO spot here, who's in the president role there—the relationship is back and forth." Regarding Medium Company B, one University executive said, "That's one company who has had such a change in its own leadership that it has changed the way they see the community and the University."

Five Disparate Ethical Dilemmas

The University ideally partners with companies that demonstrate ethics and excellence. However, five University or University Foundation interviewees indicated specific yet *five disparate ethical dilemmas* involving corporations. All other higher education interviewees indicated that they had not experienced any issues between higher education and corporations during their careers. No corporate interviewees experienced any uncomfortable or unethical situations. The five stories of specific ethical concerns that were experienced included: (1) faculty trying to bypass fees in sponsored research, (2) a company wanting to use the University as a venue for a hot political panel debate, (3) requesting the University to submit a proposal and include a position that would inherit a specific corporate employee, (4) having student projects fail to deliver results, and (5) a corporate sponsor wanting free tuition or earmarked scholarship for their child. Table 18.2 highlights five disparate ethical dilemmas (in no particular order); all were discussed by higher education interviewees. None of the dilemmas related to the six corporations in the study.

Table 18.2 Five disparate ethical dilemmas (in no particular order)

Category	Higher education concerns	Corporate concerns
Ethical dilemmas	Faculty trying to bypass fees in sponsored research Company wanting to use University venue on a hot topic for a panel as a political agenda Requested to submit a proposal and had to include a stipend for a position, but an actual corporate employee was being provided What if student-funded projects fulfill no deliverables? Self-benefit: one sponsor wanted free tuition and another wanted to earmark a scholarship	

Note. This table summarizes five disparate ethical dilemmas yielded from face-to-face interviews; all issues were based on corporate requests and mitigated successfully by the higher education liaisons (Clevenger, 2014, p. 363)

Dilemma One: Faculty Trying to Bypass Fees in Sponsored Research

Depending upon where funds are managed, different overhead fees are associated with resource management. One concern for corporations' engagement with the University is the topic of fees. Strictly philanthropic money is managed at the University Foundation. The University Foundation fee for managed accounts is under 5%, but not permitted for non-charitable purposes. The University Foundation will charge a fee to help with such expenses as legal, financial, administrative, reporting, and development activities.

Contracts are typically paid directly to the University's financial office for advertisements or direct sponsorships. Non-philanthropic grants, sponsored research, and outcomes-based projects typically are managed in sponsored research where more than 50% is charged to overhead by the University. One development director said in historical years under prior regulations:

> Faculty will sometimes try and pump research dollars to the foundation because it's only a [single digit]% deposit fee and then transferring it over is some other very small percentage. They save a ton of money, but you know, [financial management]'s area and also the foundation don't want to get in the middle of it, so they've really clamped down on that. It used to happen a lot more probably 6, 7 years ago.

This topic was also a sticking point with a vice president of Medium Company B regarding the rate charged to manage project funds by sponsored research:

> Whatever the fee is, I know it's a big chunk of change that comes out and for people who want to give their money to do some specific work, that's a lot of money to go off into some black hole, right? I know that having the discussion with some engaged philanthropists, they're engaged at the University too, they sort of resent it, and there's a lot of discussion all the time about how to get around that. Right? So we talk about creating a friends of [program] and people will give to that 501(c)(3), and then we'll find some way for that to pay for the research without it going into management with fees. That is totally an ethical

issue. I know that people haven't given to the University because they don't want that large a percentage of the money coming out.

Faculty also would rather see money directly put to work instead of going into overhead, but must follow fiscal management protocols and policies and cannot misdirect or mismanage funds. University administrators justified the fees and indicated that they are industry standard and pay for facility usage, equipment, utilities, general program support, liability insurance, and other such resources needed to operate.

Dilemma Two: Company Wanting to Use a University Venue on a Hot Topic for a Panel as a Political Agenda

Higher educational institutions often serve as a venue for intellectual debate and support of social issues and causes. One development director explained,

> Right after new legislation had been enacted, we were approached by [company and related corporate foundation] that was interested in coming to the state as opposed to people who were boycotting. They wanted to sponsor a debate. They were doing kind of a series of whitepapers and community conversations around the issue, and they wanted to do one at the University and in particular the [school]. So they contacted us, and they were going to give us $10,000 or they basically said, 'We're gonna pay for this event, and we just want you to be a partner by hosting by having it in your space, and you can tell us whom to invite or you can help us maybe get some of the speakers and the panelists.'

In order to keep the event balanced, the University invited another organization to participate from the opposing viewpoint.

Dilemma Three: Requested to Submit a Proposal and Had to Include a Stipend for a Position, But an Actual Corporate Employee Was Being Provided

A fundraiser said,

> Just recently we were approached to put together a last-minute proposal for an organization who was looking to dole out some money. So, in 6 hours, we threw something together. We were then called the next day and told that we 'needed to include a $10,000 stipend for an individual who was going to oversee our efforts.' Meanwhile, we had been doing what we said we were going to do for the past 5 or 10 years, so this was just supposed to help us leverage, and we said, 'No, we're not, we're not going to do that.' They had a very specific person in mind. I wasn't comfortable with that, neither was the rest of my team that was working on this proposal,' and we said, 'No, that's not how we work. We don't know this person. Just because they've done this program at another University doesn't mean they know our area.' We responded with a, 'If that's the way you want to play this game please don't include us.'

Dilemma Four: What If Student-Funded Projects Fulfill No Deliverables?

One dean said,

> We solicit just research, we solicit just student projects, and we solicit these partnerships that evolve that are in-between. … When industry engages and actually does something where they're going to get the intellectual property [IP] out of it, there was a good question—is this foundational or is this sponsored research? Sponsored research is for deliverables.

When students work in a class—and this is formal class, not just a project that's extra-curricular—they own their intellectual property; they own what they develop. Industry is sponsoring students in a class to do classroom projects for them. It's neither foundation nor sponsored research. Because students own their own IP done in a class, they can transfer that IP if they develop it to industry.

If a faculty did it, it would be different because they're employees of the University, and the University would own part of that intellectual property. So we took over and moved out of the foundation all of these programs, and companies sent money directly to us. … We have an agreement they sign. An agreement in a class is a little bit looser than a formal agreement where if we … don't have a deliverable that if we don't deliver … they're going to come back and ask for their money back. So that's different, and that's what happens under a deliverable research sort of contract.

We promise to do this and there are legal ramifications if we don't do this. What we promise is students will work on a team for you on your project for a year. That's all we promise …. Now, we have a pretty good track record of delivering some interesting things, and many companies have ended up generating an IP out of this and getting some pretty big payoffs and some don't work quite so well ….

So it's kind of a nebulous area for us, and I think as it's been growing, maybe somebody's going to eventually want to take it. It's always about the money, you know. You generate too much money and people want the money. So right now, the foundation doesn't get any part of this and sponsored research doesn't get any part of this, though general counsel works with sponsored research on our agreements, and we have a standard template and have agreed not to take money providing that these companies will sign a standard agreement.

There's a risk mitigation piece because even though the contract says that we're just giving you a team, there still is liability—what happens if the contract goes bad? What happens if somebody gets mad at us? It could happen. So they do look at the contracts. … Any change in the agreements we sign with the companies, they want to look at, so there is a touch by sponsored research in terms of what's happening.

Could it change someday? Sure. But right now, we're outside of the purview of the foundation and sponsored research.

Dilemma Five: Self-Benefit

One dean said a corporate sponsor asked the question, "Can my son have free tuition now that we're sponsoring this [project]?" The dean responded that free tuition was not a benefit of sponsoring a program. Likewise, another corporate person asked "if they gave scholarship money if they could use it for their son." The dean indicated the University must follow Internal Revenue Service regulations, and earmarked scholarship funds for self-benefit are not allowed.

Chapter Takeaways

First, it is evident that both higher education and corporations need each other for various resources and benefits. As with any type of relationship, organizations, too, are unique. The inter-organizational relationships between higher education and corporations should be dealt with from each organization's perspective. Today, companies want to function as partners, be more transparent, engage employees at all levels, communicate their giving, and measure the impact of their activities (COP, 2007). The approach to the inter-organizational relationship with the University varied by the size of the six corporations in this study. Small Companies A and B had direct oversight of engagement by the organizations' presidents. Medium Company A's senior leadership directed the relationship with the University. Medium Company B had designated managers to interface with the University. Both *Fortune 500* Companies A and B had a lead liaison to navigate the University relationship as well as served as a central point of contact internally. The corporate executives interviewed explained that centralized coordination both internally and in cooperation with the University was desired to better allocate resources, focus on the inter-organizational relationship even with a myriad of complex relationships at various levels, and to centralize reporting and accountability. A "holistic model" emphasizes a relationship's focus and institutional coordination in a "strategic relationship" (McGowan, 2012, p. 5) and "one model does not fit all" (p. 7). Each relationship depends on what type of focus, the institution's staff size, dependence on a centralized or decentralized approach, and availability of resources corporations are interested in tapping. Usually having a single point of contact in corporate relations is a very helpful shortcut to contacting the right person at a university (Carey, 2012; Hartford, 2000).

While all of the corporation leaders in this study want to be goal-oriented in their engagement with the University, none of the six companies in this study had a centralized strategic plan overseeing the inter-organizational relationship. Corporations, like universities, should create an "engagement plan" to "build and maintain relationships," create "tools" such as timelines and agreements, and build an "awareness of opportunities" for optimal inter-organizational relationship success (Philip, 2012, p. 10). To that effect, most of the executives interviewed in this study indicated a desire to better interface with the University.

Reflection Questions

1. How aware are you of corporate support in higher education?
2. Could higher education avoid partnership with businesses and corporations?
3. How transferable are the findings of this case study to other colleges and universities?
4. Have there been any problems with corporate partners?
5. Are you aware of the policies and requirements of dealing with companies?

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Why Stakeholder Engagement Matters

19

Robert S. Fleming

Key Topics

- Corporate social responsibility
- Stakeholder
- Stakeholder analysis
- Stakeholder engagement
- Stakeholder expectations

Introduction

Corporate social responsibility (CSR) is a subject of growing interest in both society and in enlightened organizations. While the mission of many nonprofit organizations incorporates their commitment to socially responsible initiatives and activities, an increasing number of traditional profit-oriented organizations have likewise embraced their responsibility to transact their various business activities in a manner that contributes to the good of society. This chapter will consider the role of stakeholders in determining the success of an organization and the importance of engaging an organization's various stakeholder groups in its corporate social responsibility initiatives.

Understanding and addressing stakeholder expectations is essential to the success and survival of any contemporary organization. Proactive organizational leaders thus recognize the importance of meeting, and ideally exceeding, all reasonable stakeholder expectations, including those related to corporate social responsibility. While most organizations that operate with a "bottom line" orientation prioritize their employees, customers, and owners as the most important stakeholder groups

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that they must consider in making various business decisions, a genuine commitment to corporate social responsibility naturally elevates the importance of other stakeholder groups, such as the general public.

A commitment to corporate social responsibility is much more than simply complying with laws and regulations, or engaging in ethical business practices in the conduct of an organization's business activities. This commitment must represent a conscious decision to incorporate consideration of the impact on society as an organization makes and implements decisions and conducts its various operations and activities. A genuine commitment to corporate social responsibility must be demonstrated both in what an organization says it is committed to, as well as in that which it actually does.

There are obviously a number of stakeholder groups with an interest in an organization's commitment to corporate social responsibility, including its employees, customers, and owners. While it is always important to identify and understand the various stakeholder groups that have an interest in an organization as well as their expectations for the organization, it is important to understand the growing interest and appreciation that various stakeholder groups have with respect to corporate social responsibility. The divergent interests and expectations of the different stakeholder groups often present challenges as an organization prioritizes its strategic direction and balances its initiatives in the interest of meeting and ideally exceeding the expectations of a number of stakeholder groups. The challenges of making such mission-critical decisions are further enhanced as an organization seeks to discern its appropriate role as a good "corporate citizen" and align its strategies with the seemingly divergent challenges of producing the desired financial performance expected by owners while contributing to the good of society in a manner consistent with the expectations of the general public and other stakeholder groups.

Stakeholder engagement is the key to achieving this daunting challenge. While an organization's leaders may decide to incorporate a commitment to corporate social responsibility in its mission statement and the business decisions and initiatives that the organizational mission "drives," to do so without fully engaging relevant stakeholder groups can prove problematic. It is, therefore, imperative that the organization successfully engage its employees, customers, and owners in its commitment to corporate social responsibility and resulting initiatives. A proactive communication strategy will prove integral to a successful stakeholder engagement program.

Role of Stakeholders in Organizational Success

Stakeholders are individuals, groups, or organizations that have an interest, claim, or stake in an organization. They are interested in not only what an organization does, but also in its success. Consequently, stakeholders have certain expectations with regard to an organization, which astute organizational leaders will want to understand fully and, as appropriate meet, and ideally exceed. Anyone engaged in

an exchange relationship with an organization is considered a stakeholder of that organization.

The broad category of "stakeholders" can be further categorized in several ways, either as internal or external stakeholders, or as primary and secondary stakeholders. Understanding an organization's various stakeholder groups and the expectations of each is obviously important given the critical role that stakeholders play in the success of an organization. If their expectations are not considered and addressed, stakeholders may withdraw their support of the organization. Given the exchange relationship that exists between stakeholders and an organization, loss of their support could compromise organizational success.

Internal stakeholders include the owners of an organization (stockholders in the case of a corporation), employees, managers, executives, and board members. External stakeholders include all other individuals, groups, or organizations with some claim and/or expectations for an organization, including customers, suppliers, creditors, the general public, governments, local communities, and unions.

Primary stakeholders have a vested interest in an organization's business conduct and success in that they not only benefit from an organization's successes, but can be negatively impacted by an organization's actions as well. Primary stakeholders include employees, customers, owners, and suppliers. Secondary stakeholders are indirectly affected by an organization's actions and often have the ability to contribute to or frustrate an organization's success. The public, community groups, interest groups, government and regulatory agencies, unions, and the media fall under the secondary stakeholder category.

Customers, employees, and owners have traditionally been considered the most important stakeholder groups in charting and implementing an organization's strategic direction. Enlightened organizations are recognizing the importance of considering additional stakeholder groups as they contemplate their role in corporate social responsibility.

Understanding Stakeholder Expectations

Understanding stakeholder expectations is necessary if an organization intends to meet or exceed these expectations. Typical issues in addressing stakeholder expectations include failures to identify stakeholder groups, understand the expectations of each group, determine how realistic these expectations are, and respond appropriately to stakeholder expectations. These issues can be addressed through stakeholder analysis, wherein organizational leaders first identify the various relevant stakeholder groups and then develop an understanding of the expectations that each group has for the organization. In doing so, it is important to ascertain which expectations are realistic and reasonable expectations for a particular stakeholder group to expect the organization to address. This process is also instrumental in the determination of which stakeholder groups are most critical to the organization's success and survival, and therefore deserve priority attention. As stated earlier, most organizations

determine that their customers, employees, and owners represent their most important stakeholder groups.

An effective stakeholder analysis process incorporates a series of sequential steps. The process begins with identifying the various stakeholder groups that are likely to have an interest in and resulting expectations for the organization. It is important to ensure that a comprehensive listing is developed in completing this initial activity. The interest and claims of each stakeholder group with respect to the organization must be determined. This serves as a basis for discerning the "realistic" expectations of each stakeholder group for the organization. Next, the most important stakeholder groups, from the standpoint of contributing to organizational success and survival, must be identified. Lastly, organizational leaders must determine the accompanying strategic challenges of responding to the expectations of organizational stakeholders.

A challenge of formulating organizational strategies designed to address the expectations of more than one stakeholder group, which will routinely be the case, is that meeting the expectations of one stakeholder group may make it more difficult or problematic to meet those of another group. Considering the expectations of the three stakeholder groups typically considered the most important stakeholders of an organization serves to illustrate this dilemma. An organization cannot survive and prosper without customers, whose expectations typically relate to the price and/or differentiation of an organization's products and/or services. The key to the success of any organization is its people. The expectations of employees include appropriate wages and benefits, fair treatment, job security, and opportunities for advancement, and are essential to successful personnel recruitment, motivation, empowerment, and retention. Owners provide essential financial investment in an organization and are likely to withdraw their support if they do not receive an acceptable return on their investment. An organization committed to corporate social responsibility must also strive to understand and address the expectations of additional stakeholder groups, including the general public.

Meeting and Exceeding Stakeholder Expectations

Once an organization has identified and prioritized the expectations of its relevant stakeholder groups, it is faced with the challenge of developing and implementing appropriate strategies to respond to and address these expectations. The importance of determining which stakeholder expectations are realistic and which are not, must be recognized. An example would be employees who expect "Cadillac" wages and benefits that would result in their employer not being able to price its products or services so as to meet customer expectations and/or would compromise the profitability of the organization and its ability to meet the expectations that owners have for a return on their investment. The same would be true if an organization were to fully respond to the corporate social responsibility expectations of certain stakeholder groups, reducing its ability to meet customer, employee, and/or owner expectations and potentially compromising the success and even survival of the organization.

While the ideal is to meet the reasonable expectations of a particular stakeholder group fully, an organization may benefit from not only meeting stakeholder expectations but also exceeding these expectations when and where possible. Doing so typically results in a future alliance to an organization in meaningful ways that can contribute to the long-term success of the organization. An example would be increased customer satisfaction, loyalty, and retention based on an organization going the extra mile not only to meet but also to exceed a customer's expectations. An appliance retailer willing to swap out a defective appliance rather than forcing the consumer to have to deal with the manufacturer illustrates this point.

Corporate Social Responsibility

The story of any successful business organization typically begins with one or more owners who believe in a business concept and are willing to invest their financial resources and talents to establish, operate, and grow a successful business enterprise. While some owners may have altruistic reasons for starting a business, most owners have expectations that the business will be successful and profitable, thus meeting their expectations that they will realize an acceptable return on their investment. This is the case regardless of the form of business ownership—whether a sole proprietorship, partnership, or a corporation. In the case of corporate ownership, investors become stockholders and their expectations regarding the return on their investment involve appreciation of the value of their stock and the receipt of regular dividends.

The primary motive and thus owner expectations for starting and operating a business are therefore economic in nature. Throughout the history of business enterprises, governmental entities have enacted laws and promulgated regulations that set parameters within which a compliant business organization must operate. These agencies not only expect but also enforce compliance with all applicable laws and regulations. Economic and legal obligations traditionally influenced organizational decision-making resulting in a focus on satisfying the expectations of business owners and regulators. Astute organizational leaders have realized for many years the importance of listening to and responding to the expectations of their customers and employees, recognizing that the success and survival of their business is built on successfully meeting and ideally exceeding their expectations. The importance of customers, employees, and owners continues to prevail when prioritizing the expectations of an organization's various stakeholder groups.

In recent years, societal expectations have encouraged business organizations to visualize and embrace their responsibilities beyond the traditional economic expectations and regulatory obligations and those of customers, employees, and owners. These expectations have derived from a variety of potential stakeholder groups including the general public, special interest groups, political groups, and the media. These expectations suggest that contemporary organizations should concern themselves with more than simply being profitable and complying with applicable laws and regulations. They relate to an organization's ethical and moral responsibilities

that transcend traditional business orientation and practice. These expectations involve an organization purposing to comprehend and enact its appropriate role in understanding and responding to not only its primary stakeholders, but also relevant secondary stakeholders.

Corporate social responsibility (CSR) represents an organizational commitment to proactively and positively affect society as a whole. It is a management approach through which an organization monitors relevant aspects of society and the environment in the interest of doing its part to contribute to society and the quality of life of people. A growing number of contemporary mission-driven organizations have recognized and embraced their responsibility to contribute positively to society and their environment given their good fortune as a business enterprise. An important distinguishing factor of corporate social responsibility is its self-regulatory nature. Organizations that commit to and pursue this approach to interacting with society and their environment and responding to corresponding stakeholder expectations hold themselves accountable to a high and commendable level of social responsibility, rather than merely complying with existing laws and regulations.

Although various definitions have been offered for what we are referring to as "corporate social responsibility (CSR)" throughout this book, each definition is based on the responsibility that a successful contemporary organization should have to give back to a society that has enabled it to succeed and prosper. Corporate social responsibility has likewise been referred to by many other names including "corporate citizenship" and "corporate sustainability." Regardless of what one decides to call it and how one defines it, corporate social responsibility fundamentally comes down to a successful organization not only saying the right things, but more importantly demonstrating its commitment to social responsibility through its actions.

Corporate social responsibility is becoming commonplace within the contemporary business world. Enlightened organizations have learned that their commitment to social responsibility can in reality be a good business decision that has the potential of enhancing an organization's reputation and goodwill. Obviously, an underlying foundation of an organization's corporate social initiatives must be that the organization engages in socially responsible business practices at all times and in all situations. Most socially responsible organizations also commit to corporate philanthropy and providing opportunities for employees to volunteer in their community while still "on the clock" with their employer. Some organizations also commit to supporting and participating in cause-related campaigns through organizational endorsement, financial support, and marketing assistance.

Aligning Corporate Social Responsibility with Other Stakeholder Expectations

Balancing the interests and expectations of more than one stakeholder group has always been a challenge for business leaders. Meeting the expectations of the three primary stakeholder groups of customers, employees, and owners can obviously be a challenging undertaking, given that actions taken to satisfy the expectations of one

stakeholder group may negatively impact an organization's ability to meet the expectations of the other stakeholder groups. Were an organization to focus solely on the "bottom line" and meeting the financial expectations of its owners, it might not have the required resources to offer the necessary compensation packages to successfully recruit and retain the employees required to ensure the business's continued success and growth. Conversely, were it to give lucrative rewards packages to employees in the interest of meeting their expectations, the organization would likely experience decreased financial performance affecting its ability to meet the expectations of owners. Likewise, any action to satisfy other stakeholder groups that would lessen the organization's ability to attract and retain customers would challenge the lifeblood of any organization.

As challenging as balancing the competing interests and expectations of these traditional stakeholder groups has typically been and continues to be, adding to the equation a concern for social conscience can further complicate the challenging, mission-critical decisions that business leaders are expected to render with both business acumen and compassion. An increasing number of organizations have embraced the importance and necessity of setting an organizational course that transcends the organization's economic, legal, and ethical responsibilities. Their leaders have prepared their organizations for success in the new corporate frontier of social responsibility. They have incorporated a commitment to social responsibility into not only the mission statement that articulates their strategic intention, but also into their operating philosophy and practices. Their commitment to corporate social responsibility is ingrained in their organizational culture and permeates all that the organization does.

While many organizations have ascribed to lofty platitudes in their mission statements including boasting of their commitment to stakeholders through providing a great organization for customers to do business with, a great place for employees to work, or a great financial opportunity for investors, there have been many instances where the promises advanced in a mission statement are not realized. It is also commonplace to read about quality and ethical behavior in organizational mission statements. Unfortunately, some of the organizations that boast about their commitment to business ethics have later been found to engage in illegal and unethical business practices.

An organization that makes and advances a commitment to corporate social responsibility must be prepared to honor that commitment through dedicated stewardship in all of its future business decisions, practices, and initiatives. While complying with its economic, legal, and ethical responsibilities should be a given for any contemporary organization, business leaders must recognize that making a real commitment to corporate social responsibility is a discretionary decision that will chart the future direction of their organization.

While an organization's senior leaders will ultimately make such an important mission-driven decision, the successful implementation of a comprehensive corporate social responsibility program can only be realized through the dedication and active involvement of an organization's entire management team and all of its employees. A successful corporate social responsibility program also requires the

support of an organization's owners who must be willing to recognize the impor-
tance of their organization stepping up and enacting its appropriate role in society.
In doing so, owners must realize that doing the right thing for society may nega-
tively impact the organization's ability to meet fully their parochial interests and
expectations as owners. An organization's ability to fully satisfy the traditional
expectations of its customers, for example in terms of offering low-priced products
sourced from certain countries with inhumane labor practices, may be offset by
those same customers respecting the socially responsible position of the company.

The successful design and implementation of a program of corporate social
responsibility must therefore consider how to appropriately balance or align the
expectations of an organization's primary stakeholders—customers, employees,
and owners—with the competing expectations of corporate social responsibility.
We will now turn our attention to the importance of stakeholder engagement in
corporate social responsibility and how an organization can engage various stake-
holder groups and gain their support for its corporate social responsibility
initiatives.

Importance of Stakeholder Engagement in Corporate Social Responsibility

The fact that a growing number of organizations have in recent years recognized
that they have a responsibility to give back to society, while commendable, tells
only part of the story. While in some organizations this recognition of their social
responsibility has resulted in comprehensive, effective corporate social responsibil-
ity programs, in others it has unfortunately failed to achieve its real potential for
various reasons including the fact that this commitment was made in a token fashion
because other companies were doing so and they felt the need to follow suit. Failing
to allocate necessary resources can also compromise an organization's social
responsibility program. Failing to gain the support of necessary organization per-
sonnel or to make any necessary changes to the organization's culture can likewise
compromise the success of a corporate social responsibility program.

While all of the aforementioned failures can challenge both the credibility and
success of a corporate social responsibility program, there is one additional mistake
that many organizations make as they plan and implement their social responsibility
initiatives. That unfortunate but all too common mistake is failing to recognize the
importance of engaging stakeholders and gaining their support for the organiza-
tion's overall commitment to corporate social responsibility, as well as specific
social initiatives that are driven by the organization's mission and commitment to
social responsibility.

Many organizations that have made a genuine commitment to corporate social
responsibility have developed, funded, and implemented commendable social initia-
tives, but have failed to inform and engage relevant stakeholders regarding these
laudable actions. Given the fact that these decisions and initiatives can have a real or
perceived impact on various stakeholders, it is a serious mistake to fail to recognize

the need to engage stakeholders, to decide not to keep them informed and engaged, or to inform them in a token way that does not keep them in the loop regarding an organization with which they have an exchange relationship whether as a customer, employee, owner, supplier, or community member.

Stakeholder engagement is a critical element of developing and implementing a successful corporate social responsibility program. Failing to involve and engage relevant stakeholders has the potential of not only resulting in their lack of support for these initiatives, but also their discontinuing their continued involvement and support that has contributed to the organization's success. No business can afford to alienate the continuing support of its stakeholders. It is, therefore, imperative to inform and engage relevant stakeholders as the organization plans, implements, and evaluates its various corporate social responsibility initiatives. Affording stakeholders the opportunity to "have a voice" through involvement and participation in these decisions usually results in their commitment to the resulting corporate social responsibility initiatives.

Engaging Stakeholders in Corporate Social Responsibility

Throughout this chapter, you have encountered the word "responsibility" a number of times. It has been used in reference to the various responsibilities or obligations that a contemporary organization has to society and the environment in which it operates. In considering stakeholder engagement, it is appropriate that we use the word "responsibility" once again. While we have focused on the expectations that various stakeholder groups have for an organization, it is important that we now consider that the organization likewise has a responsibility to inform and engage its stakeholders. A stakeholder engagement plan is thus an essential component of an organization's corporate social responsibility program.

This plan should incorporate two-directional communication strategies and techniques designed to provide information to relevant stakeholders and to solicit their feedback on the organization's social responsibility initiatives. Stakeholders expect and deserve to receive appropriate information disseminated from an organization with which they are engaged in an exchange relationship. They expect that the information that they receive will be accurate, comprehensive, credible, professional, and timely. They also expect that they will be afforded the opportunity to provide feedback to the organization regarding the information that they have received. This is an essential responsibility of an organization that requires the allocation of necessary organizational resources. Successful implementation of a stakeholder engagement plan requires dedicating the necessary personnel and budgetary resources to informing and engaging organizational stakeholders.

An effective stakeholder engagement plan begins with a commitment to inform and listen to all stakeholders who may be impacted by its present and any contemplated social responsibility initiatives. It incorporates information dissemination activities that correspond with the above-stated expectations for information that stakeholders receive from an organization. It involves a willingness to listen attentively and consider all

inquiries, comments, and concerns voiced by stakeholders and to appropriately utilize this information in related decisions regarding the organization's corporate social responsibility initiatives.

Stakeholder engagement, while once viewed as an optional business activity, is absolutely critical in the contemporary business world with all of its potential challenges and threats. A proactive stakeholder engagement plan, in addition to enabling an organization to develop and implement successfully a corporate social responsibility program that deserves and receives necessary support from organizational stakeholders, can also benefit an organization in numerous other ways, including contributing to stakeholder retention and organizational reputation.

A proactive stakeholder engagement plan must ensure that relevant stakeholders receive appropriate information, that stakeholders are afforded the opportunity to communicate and share their thoughts with the organization, and that the organization utilizes any and all insights gleaned from stakeholder communications in related decision-making activities. Stakeholder engagement requires proactive, two-way communication between an organization and its stakeholders. The simplicity of that statement can serve to understate the difficulty of ensuring accurate, comprehensive, credible, professional, and timely information sharing between an organization and its stakeholders.

The means through which an organization can communicate with its customers, employees, owners, and suppliers have radically changed in recent years. The distribution of hard copy documents, such as letters and publications, has been replaced through revolutionary technological advances that speed the dissemination of such organization-generated information. These technologies also enable organizational stakeholders to communicate with an organization in an effective and efficient manner.

Traditional information sources such as newspapers, radio, and television now share stories and information with their audiences with lighting speed through the Internet and social media. We now live in a 24/7 news cycle world. Social media surrounds us and we are frequently reminded that anyone with the appropriate technology can become a "reporter." While some information shared on social media will be accurate, comprehensive, credible, professional, and timely; other information may prove to be confusing, inaccurate, inconsistent, or misleading. It is therefore important that an organization adopt a proactive plan for information dissemination, particularly when that information relates to mission-critical activities, including an organization's corporate social responsibility initiatives.

A contemporary organization cannot afford not to pay attention to stakeholder communication in an age where anyone can disseminate information about the organization, its activities, or initiatives that could result in ineffective communication that is confusing, inaccurate, inconsistent, or misleading. Stakeholder engagement thus requires that the organization devote the necessary attention and resources to disseminating accurate, comprehensive, credible, professional, and timely information to its stakeholders. It is also beneficial for an organization to monitor constantly the Internet, social media, and traditional media outlets for any information about their organization that has been initiated and disseminated by others. This

allows the organization to engage in corrective information dissemination when appropriate. The most important advice that can be offered regarding communicating with organizational stakeholders is to make sure that they always receive any important information from your organization in a timely manner. Stakeholders who can count on receiving timely formal communication from an organization on a regular basis will be less inclined to believe disturbing things that they hear through other informational sources.

An organization committed to stakeholder engagement should also afford stakeholders the opportunity to communicate with the organization through written communication, the completion of surveys, and participation in focus groups. Affording these opportunities to primary stakeholders should be considered a responsibility of any contemporary organization and an essential component of a successful corporate social responsibility program. As stated earlier, affording stakeholders participation and involvement opportunities will usually lead to their commitment to an organization's decisions, programs, and initiatives. Stakeholder involvement can also contribute to better organizational decision-making, including in matters related to corporate social responsibility.

Case in Point

A Failure to Communicate

Several years ago, the leaders of a medium-sized apparel manufacturer engaged in a comprehensive strategic planning exercise that culminated in the adoption of a 5-year strategic plan. The organization contracted with an experienced strategic planning consultant who facilitated a comprehensive planning process that incorporated environmental scanning, strategy formulation, and strategy implementation activities.

The organization's senior management recognized the importance of involving the organization's various stakeholders in its strategic planning activities. Employees, owners, customers, and suppliers were afforded the opportunity to participate in planning activities through surveys and focus groups. The merit of involving the various stakeholder groups was apparent throughout the planning exercise and stakeholders were provided with access to the resulting plan.

The plan included a revised mission statement that for the first time articulated a commitment to corporate social responsibility. All of the involved organizational stakeholders were impressed by the Chief Operating Officer's passion to include a commitment to social responsibility in the organization's new mission statement. This new component of the mission statement was further evidenced in a number of goals articulated in the plan, including one that related to the sourcing of manufacturing to only those countries that engaged in the fair treatment of their employees. It was also clear that the organization planned to maintain its existing production plants in the United States, thus preserving the jobs of all those who worked there.

Since its development and implementation, the organization had disseminated accurate, credible, and timely information on the status of plan implementation to all interested stakeholders. The organization utilized various communication technologies and methods to ensure that, in addition to "pushing" informational updates to interested parties, stakeholders could also "pull" this information from the organization's website at their convenience. Stakeholders were pleased with the opportunity to receive these timely information updates regarding plan implementation.

During the past several months, the organization has been engaged in the launch of a new apparel line that was referenced in the strategic plan. This has been a massive undertaking that demanded an "all hands" effort on the part of the corporate employees, including those responsible for organizational communications and the timely strategic planning updates that were routinely disseminated quarterly and when major milestones of the strategic plan were achieved. The organization had planned to disseminate an informational update when the new product line was launched in several weeks.

About a week before the launch of the new apparel line, the organization began to receive inquiries, concerns, and complaints from various stakeholders regarding the organization's recent decision to outsource all production to an offshore producer known for its inhumane treatment of workers. Were this true, it would mean that the organization had violated several of its primary commitments as a socially responsible company. This was disturbing to many stakeholders who quickly decided that they would no longer be interested in dealing with this company.

In reality, nothing could have been further from the truth. The organization had no intention of outsourcing production and actually had plans to build a new US production facility. Further investigation revealed that the inaccurate story had been posted on social media by a disgruntled employee who had been terminated for employee theft and was trying to portray his departure from the organization as part of their production downsizing plan. That initial inaccurate post took on a life of its own in a short period of time when other individuals and a competitor further shared this misinformation through social media and the Internet.

Normally, the organization had an assigned individual who would engage in daily monitoring of social media and the Internet for any information related to the organization. Unfortunately, this monitoring had not happened given the push to implement the new line. While the organization promptly initiated corrective action upon discovery of the inaccurate information, its leaders and communication professionals learned a valuable lesson about the importance of stakeholder communication and engagement.

Chapter Takeaways

- The success of any organization is based on establishing and maintaining a positive working relationship with its stakeholders. The continuing support of these individuals, groups, or organizations is essential in determining an organization's success given the exchange relationship that exists between them and the organization.

- Organizations utilize a stakeholder analysis process to identify stakeholder groups, their interests, and resulting expectations for the organization, and to prioritize the expectations of the various stakeholder groups. Typically, an organization's customers, employees, and owners are considered the most important stakeholders. Given that various stakeholders have different and often conflicting expectations, organizational leaders face the challenging task of balancing the interests of the various stakeholder groups. This is further complicated when an organization adopts a commitment to corporate social responsibility.
- Corporate social responsibility transcends the traditional economic, legal, and ethical responsibilities of an organization. It is a discretionary, self-regulated commitment to engage in the right actions to benefit society and the environment. This commitment should be evident in what an organization proclaims in its mission statement, as well as what it practices through its actions and business decisions.
- The importance of engaging stakeholders in an organization's commitment to corporate social responsibility and related initiatives cannot be overstated. Stakeholders that are afforded the opportunity to be involved and participate in the planning of socially responsible initiatives typically become committed to the resulting initiatives. The key to successful stakeholder engagement is the proactive use of two-directional communication strategies and tools designed to ensure that organizational stakeholders receive information that is accurate, comprehensive, credible, professional, and timely; and are afforded the opportunity to contribute to the organization's decision-making process as it plans and implements new corporate social responsibility initiatives.

Reflection Questions

1. Discuss the role that stakeholders play in determining organizational success.
2. Discuss the expectations that customers, employees, and owners typically have for an organization.
3. Discuss how corporate social responsibility initiatives can align with other stakeholder expectations.
4. Discuss the importance of engaging organizational stakeholders in corporate social responsibility initiatives.
5. Discuss how an organization can engage its stakeholders in its corporate social responsibility initiatives.

CSR and Spiritual Performance

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Key Topics

- Perspectives on Corporate Social Responsibility
- Approaches/Theories to Corporate Social Responsibility
- Changing paradigms in Corporate Social Responsibility
- Corporate Social Responsibility, Religion, and Spiritual Performance
- Corporate Social Responsibility in Christian Religion

Introduction

The chapter is a novel attempt at bridging theory and practice in the field of CSR, as well as enriching the understanding of this concept in the context of CSR and Spiritual Performance. The concept of social responsibility is sometimes used to describe the firm's responsibility to its community and to the environment. However, it may also be used broadly to include the firm's responsibility to both its direct and indirect stakeholders. These include employees, customers, suppliers, creditors, competitors, and government agencies.

Corporate Social Responsibility (CSR) is generally defined as the obligation of an organization (Corporation) to not only serve its own interests but also those of society because the organization's actions directly affect the latter. CSR has two meanings. First, it is a general name for any theory of the corporation that emphasizes both the responsibility to pursue profits for the owners of capital and the responsibility to interact ethically with the organization's stakeholders. Second,

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CSR is also a specific conception of that responsibility to profit while playing a role in broader questions of community welfare (Raimi, 2017). Nowadays, CSR has moved to major concerns about the environment and the social economic realms.

Our concern here is CSR and Spiritual Performance. In Religious literature, Spiritual means matters of the spirit. The common view in religious circles is that a person's spirit is the vital principle or a motivating force traditionally believed to be the intangible, life-affirming inner force within all human beings. It is a state of intimate relationship with the inner self of higher values and morality as well as recognition of the truth of the inner nature of others. Generally speaking, in all religious faiths' persuasions, when a follower of a certain faith becomes mature in a spiritual sense, apart from connecting with deity, and one self, a connection is established with community and the person's destiny and purpose in life. All this results from total belief in a deity. In a religious sense, spiritual maturity is about total transformation, so that one's mind, body, and soul are totally controlled by the beliefs and values relating to one's particular religion, usually pegged on a deity. Spiritual Performance results are defined by high levels of morality in a person and by high productivity in terms of "good works" of an individual as defined by his/her religion and its belief system.

Perspectives on Corporate Social Responsibility (CSR)

Traditionally, the directors of companies have had a defined responsibility: guide the enterprise toward money. The best companies have been those generating the highest sales, gaining the most customers, and clearing the largest profits. The pursuit of profit largely neglected moral and ethical considerations, which have become the focus in regard to the issue of sustainable development.

CSR is popular as a concept and paradigm for most organizations and institutions, yet there are contrasting views about it that stimulate a lot of debate in academic and public policy circles. The two main views are the Classical view and the socioeconomic view (J. R. Schermerhorn, 2010: 107).

The **classical view of CSR** holds that the only responsibility of management in running a business is to maximize profits. In other words, business of business is to make profits for the shareholders and owners of the company. This view focuses on the bottom line. The idea is to make as much money as possible; otherwise, a business should not do business.

The arguments against CSR include fears that it is costly and its pursuit will erode the corporations' profit while giving the business too much social power.

The **socioeconomic view of CSR** holds that the management of any organization must also consider the broader social welfare as it pursues the profit motive. This is a broad perspective that is expected to include not only the financial performance but also social and environmental performance. The key arguments for CSR are that it will add long-run profits for business, improve public image, and help the corporations to avoid government regulations. Today, this is seen as the key driver to sustainable business operations.

Approaches and Theories

As a specific theory of the way corporations interact with the surrounding community and larger world, corporate social responsibility (CSR) is composed of four obligations:

The **economic responsibility** is focused on making money for the owners of capital. It is generally held that the profit motive and obligation to make money is the business version of the human survival instinct. Companies that do not make profits cannot survive and eventually perish. Nonprofit organizations make money too through their activities but pour it back into their work. Also, public/private hybrids, which sometimes pursue almost pure social goals, can operate without turning a profit. The bottom line is that all the different types of organizations and their orientations must act in socially acceptable ways.

The **legal responsibility** about adherence to established rules and regulations. However, some of the rules and obligations may not completely take care of the ills that may arise in the course of business operations. What the proponents of CSR argue is that this obligation must be understood as a proactive duty. Responsible organizations accept the legal obligations of social goods and through make good faith efforts try to obey not just the letter but also the spirit of the limits imposed by the rules and regulations. In this way, a business with a CSR vision will make reference to the societal welfare.

The **ethical responsibility** requires an organization to do what is right, even when not required by the letter or spirit of the law. Ethics is about what is right and wrong. An organization is supposed to develop a culture that engenders the view of a business as a citizen in society. A business is an entity and an artificial person in law and hence this resonates well with ethical responsibility role of business.

The **philanthropic responsibility** requires organizations to contribute to society's projects, even when they are independent of the particular business. Public acts of generosity represent a view that businesses, which are artificial persons, like human beings in the world, have some obligation to support the general welfare in ways determined by the needs of the surrounding community. This is morally right and should be given consideration by all persons for the sake of the society.

Changing Paradigms in CSR

Today, there is wide recognition that businesses hold a wide range of economic and civic responsibilities as part of their daily operations and that the impact of their operations on society, the economy, and the environment can no longer be ignored. Issues of morals and ethics in business conduct have become increasingly important. The corporate failures in Enron, Dotcom, and others have fuelled the fire about concerns on how the traditional view of CSR should be reviewed, meaning that today there are critical issues that need to be confronted and managed outside of, and independent of the struggle for profits. Corporate leaders must tabulate

bottom-line results not only in economic terms (costs versus revenue) but also in terms of company effects in the social realm, and with respect to the environment.

The issue of sustainability has become very important today. At the intersection of ethics and economics is the long-term maintenance of balance in regard to the economy, society, and the environment. This is indeed the key focus in the Sustainable Development Goals' (SDGs') agenda.

Social sustainability values balance in people's lives and the way we live. A world in which disparities are so well pronounced with company executives, top managers, and politicians everywhere, and especially in Africa, taking home huge pay and massive financial allowances while millions of people are living in abject poverty cannot be allowed to go on forever. As the imbalances grow, as the rich get richer and the poor get both poorer and more numerous, the chances of social upheavals are very high. In some countries, there are high chances of societies collapsing in anger. Governments and big business in particular must avoid revolution. If businesses are to be stable over the long term, opportunities and subsequently wealth need to be spread out to cover as many people as possible. This is where CSR today makes a lot of sense.

CSR, Religion, and Spiritual Performance

In religious jargon when performance is spiritual, it is said to have its basis in the heart or mind of the person who claims to be spiritual. That is the beliefs and values that direct the steps of the person. The beliefs and values originate from the religious affiliation of the person.

Buddhism is both a religion and a philosophy. Buddhism has a variety of perspectives, some hostile toward nature (Indian Buddhism) and others supportive of nature and preservation (Japanese Buddhism). However, generally Buddhists take personal responsibility and act altruistically toward others and the environment (Ewest & Weeks, 2018).

Buddhism was founded around the fifth century BC in India by Siddhartha Gautama, the Buddha. Buddhism teaches that someone who becomes enlightened without instruction is a Buddha. The primary goal of Buddhism is the liberation of the follower from samsara. Buddhists hold this to be the solution to the problem of suffering. Buddhism is based on the belief that Personal mortality is followed by reincarnations after better or worse "rebirths" depending upon merit attained in previous lives. The goal of Buddhism is the attainment of "Nirvana," a state where cravings, desires, and even "egos" cease and where, because of the associated merit, one can hope to be freed from the endless chain of rebirths into suffering lives. This state enables adherents to do good to humanity. In Buddhism, there is no "God" equivalent to the Christian God. However, there are millions of minor gods and goddesses (of mercy, love etc.). Buddha, the founder of Buddhism, is held highly as having been a remarkable human being who had attained the highest levels of enlightenment and who, out of boundless compassion, had sought to offer guidance to all human beings in order to save them from their sufferings.

Hinduism is another major world religion. In matters of spirituality, the key belief is that a follower's biggest achievement in this world is happiness but not the materialistic concerns. Like in the Christian religion, it is argued in the Hindu religion that physical or material things cannot bring fulfillment or happiness because a person will always want more by the very nature of human beings. To be happy, one has to transcend the materialistic and physical things and go for higher things (Spiritual) that really makes one happy. This provides the basis for helping others who are in need.

Christianity is a widespread religion. In the Christian faith, true religion occurs when a human being attains a personal relationship with God and practices God's law. According to the Bible (James 1: 26), true religion is to visit and support orphans and widows in their trouble. This means helping the needy. The attainment of eternal life with God is the ultimate goal in Christianity. Spiritual maturity is reflected in the behavior of a believer and service to others without the expectation of gifts on this earth. High performance occurs from spiritual maturity that is attained by living morally upright lives, serving humanity relentlessly and where possibilities occur, and helping others to grow spiritually while aiming at making them "disciples" of Jesus Christ. Under such circumstances, materialism is not to be the key obsession in one's Christian religious life but love for one another (John Stanko Monday Memo No. 897, jstanko@attglobal.net) (Stanko, 2019).

Islam is very much associated with charitable acts and especially giving of alms to the needy. According to the Islamic faith, Allah (God) has appointed the human soul as His Khalifah (vicegerent) in this world. He has invested it with a certain authority, and given it certain responsibilities and obligations for the fulfillment of which He has endowed it with the best and most suitable physical frame. The fulfillment pleases Allah and results in the person performing highly in religious matters. The body has been created with the sole object of allowing the soul to use it in the exercise of its authority and the fulfillment of its duties and responsibilities. Some key responsibilities relate to the care and provision of support (alms) to the poor in society. The body is the workshop or factory for good works such as supporting the needy whether they are adherents of the faith or not. The soul grows and develops through this workshop. Consequently, this world is not a place of punishment in which the human soul naturally finds itself, but a field in which God has sent it to work and do its duty toward Him. High performance of what is mandated by God results in spiritual maturity. A true follower of Islam should mature spiritually to the highest levels in faith and give the best account of himself as much as he can (performance). In every aspect and sphere of life including the home, the society, and places of work, the adherent is to strive to give the best of himself/herself. The Islamic religion rejects and strongly condemns the ascetic view of life, and demands high levels of spiritual development of man in this world as he/she prepares for the world to come. Thus, spiritual maturity and high performance should occur in this chaotic life and not in solitary places of spiritual hibernation as is the case in some religions.

Jainism is the religion of the followers of Mahavira, the 24th Tirthankara, or the 24th in a line of teachers espousing Jain principles. Jains reject the Vedas and

highlight the practice of austerity. Jain philosophy states that the jiva, or soul, can escape the cycle of rebirth and death through strict ethical behavior. When nothing remains but the purity of the jiva, that person is called a *jina*, or winner, and demonstrates high spiritual maturity. Jina is the origin of the term Jain. Karma is viewed as an accumulation that burdens the soul, causing attachment and suffering. Ahimsa, or nonviolence, is central to Jain faith, philosophy, and practice. It is interpreted very strictly as prohibiting all forms of harm to other living beings. This presupposes the protection of the environment where living things reside. Due to this, Jainism requires a strict vegetarian lifestyle, avoiding hurting animals, birds, and other organisms if used for food. *Ahimsa* also applies to speaking, as one's words can cause harm and suffering. This implies maintaining a good relationship with members of the community.

Sikhism is a religion that began in Punjab in Northern India. It is founded on the teachings of Guru Nanak Dev and the nine human gurus that followed. The Founder received a vision (just like Prophet Mohammad in Islam) to preach the way to enlightenment. His views rejected the traditional worships and caste of the Hindu faith. Sikhs (like Muslims and Christians) believe in one God. Sikhs believe that there is one universal God who is the ultimate creator, sustainer, and destroyer. The Gurū Granth Sāhib are the central scriptures intended to preserve hymns and the teachings of the Sikh Gurus and other saints from Hindu and Sufi traditions. The tenets of Sikhism give us an idea of spiritual maturity. The tenets include achievement of honest living (and earning as well), tithing, and giving alms to the needy and chanting on God, the giver of life. When a follower practices the above, he/she is said to be mature spiritually and has a high level of spiritual maturity.

East Asian religions or philosophies are many and they share the concept of Tao. The Taoic faiths claim more than 500 million followers worldwide. Taoism, also known as Daoism, comprises a variety of related religious and philosophical traditions. Categorization of Taoist sects and movements is very controversial. Taoist propriety and ethics places an emphasis on love, moderation, and humility. These qualities lead followers to practice charity and acts of mercy.

One can deduce from what has been written above about different religions is that spiritual maturity and performance relate to the matters of the heart, mind, and character of a person. Heart is sometimes used to mean the place where your deepest and strongest feelings and emotions are. Heart can also be used to refer to someone's character and attitudes that they have about life, people, and the world at large for that matter. Character is about a person's personality and especially in regard to honesty and a good relationship orientation toward other people. It is apparent that spirituality as expressed in different religions is the strongest basis for human goodness and ethical conduct in society. High levels of spiritual maturity lead to high performance.

CSR and the Christian Religion

Our focus in this section is Christian religion looked at in the context of CSR. The key focus in Christian religion or the center piece is Jesus Christ, the son of God. Spiritual Performance therefore involves acting in the manner God intents for the followers of Jesus Christ at the highest levels of performance possible. It is a thread we can identify from the first book of the Christian Bible, Genesis, to the last book, Revelation. It is ideally achieving God's purpose for human beings in every sphere of life with a focus on love. Loving one another by doing well to one another is the greatest commandment from God to Christians. This is summarized very well in John 15. In John 15, Jesus talked to His disciples about His expectations for their lives, to bear fruit or to do good works. "My command is this (verse 12) love each other as I have loved you. Greater love has no one than this: to lay down one's life for one's friends. You are my friends if you do what I command." John 15: 8–17 gives a good summary of this commandment, bearing fruit through showing love to others. Showing love to others means helping those who are in need through charitable works.

Some key aspects of Christian religion at any given time are Church, Religion, and Spiritual works. CSR is not common in church activities per se. The equivalent is "***Integral Mission***." The basic principle behind this is that emphasis on spiritual aspects alone in church will not work well in connecting people to God (Rev. Canon Dr. Nzinga, 2019). Jesus healed, fed, and brought others to life. He assured His disciples that they would do even greater things for as long as they were connected to Him through the Holy Spirit. The end result was to get people to ultimately connect with Him and God the Father. The key issue is connecting with community or people not just the followers or adherents of a given religion. This is probably the reason that can be advanced to explain why nearly all religions will have community services to everyone within their reach; even for those who are not followers of a particular church.

To show the love of Christ, there has to be a personal (individual) and a communal touch. CSR can be directed to individuals or communities. For example, in our case study on the African Brotherhood Church (ABC) there is a fund set up by the church to specifically help the needy. The second case study on Nairobi Chapel (NC) shows how the church has encouraged the formation of ecclesia groups (home churches, cells, small groups) that help individuals who are needy among them. The NC also has frontline ministries that specifically address the spiritual needs of people in several sectors as a channel for reaching out to needy people. The sector leaders mobilize groups to reach out to people with the gospel. In a way we can argue that like in the secular world the church can use CSR to market itself and show various stakeholders that it cares for the community.

All religions are looking for the true God. Christian religion claims to have found God in Jesus Christ. Other religions do not agree but Jesus is acknowledged in the Islamic faith. The search for the true God is spiritual and the more and more one grows in the faith of the religion the more the person's Spiritual Performance; doing

the things that a higher deity requires; serving others, the needy; caring for the environment; animals; birds; children; women; the elderly, etc. The Christian religion has bible references on this. Islam has a well-established tradition of giving alms. Nearly all the other religions support the needy through charitable works.

Case Studies

Featured Case 1: Africa Brotherhood Church

The Africa Brotherhood Church (ABC) is an indigenous African church that was started in Kenya during the colonial times in the 1940s. It has branches in Kenya and in some other countries in East, Central, and South Africa. There are plans to open branches in some other countries in Africa. ABC started as an association of Kamba Christian men. In Kenya in 1942, a practice arose of forming associations such as the Akamba union, Kikuyu Association Union, North Kavirondo in South Nyanza, and so on to address political concerns. The association that later on birthed ABC was, however, different and unique because most of the unions set up at the time were self-help groups addressing social, economic, and political problems but the Akamba Christian Union was admitting Christians only. The association was inter-denominational bringing together Christians from various denominations such as African Inland Mission (AIM), Baptist, Salvation Army, Catholic, Anglican, and others.

The vision of the ABC is to take the good news or to evangelize the whole world as per the demands of the Christian Great Commission (Mathew 28: 19–20). The church was started specifically to help address spiritual and social problems which the founders thought were not well handled by the mainstream churches at the time. The Founders also wished to address differences among the different denominations existing at the time as the belief was that they served the same God. Big churches then included the Catholic Church, Baptist Missions, Anglican Church, and Africa Inland Mission (AIM) among others. The focus was on social problems such as illiteracy and disease. The church started schools, hospitals including health centers. Initially because of lack of funds, involvement in Integral Mission or Corporate Social Responsibility engagements was controlled. According to the 91-year-old Rev. John L. Ndolo of ABC Masue, a branch of the ABC, any attempts to engage in

other CSR activities other than investments in hospitals and schools before the 1980s were opposed vehemently by the then Bishop Rt. Rev. Nathan Kamolo Ngala and his close confidants, the Committee of Trustees, and other committees of the church because the church was poor (Rev. John L. Ndolo, 2019). In subsequent years when the church became better endowed with resources, it began to mobilize resources more persistently and consistently to serve the society better as per the motto and the words in the logo of the church. The church over time started some NGOs and each branch (Pastorate) or individual church was encouraged to establish welfare support mechanisms for the poor as per the requirements in 1 Timothy 5. The church has gone ahead to establish SACCOs and Insurance schemes for the members and runs several businesses including a Printing Press. It is among religious organizations affiliated to the National Council of Churches in Kenya (NCCK) that has the largest share in a Small and Micro Enterprise Program (SMEP). This program that has spread in most Kenyan churches and various denominations aims at supporting Christians to start businesses, grow businesses, and in so doing improve their welfare and those of the communities around them. What did the church wish to achieve? Sort out social issues out of concern for the poor in order to reach people's hearts and souls. Hungry, sick, poor, and needy people cannot appreciate the clarion call for the Christian good news. According to Rev. Dr. Canon Nzinga, the Director of the Pan African Christian (PAC) University's Nairobi Campus, going into all the world as commanded by Jesus Christ in Mathew 28: 19 means starting with the world (communities) and only after establishing rapport with them sharing the good news. The church is so much committed to this belief that Mathew 28: 19 is written on its logo "***Go ye into all the world***."

Featured Case 2: Nairobi Chapel

Growing D.E.E.P to Reach W.I.D.E

The Nairobi Chapel (NC) in Kenya is one of the fastest growing churches in the world today. It has established branches in the major towns of Africa (Gateway cities) and has partnered with other churches in the world to start branches in the USA, England, Australia, New Zealand, and Germany. Anecdotal evidence suggests that the church has achieved spiral growth and international reputation because of the transparent way in which it is governed and because of effectively achieving its vision; especially in regard to social justice.

The **Mission** of the Nairobi Chapel is to grow D.E.E.P to reach W.I.D.E. This literally means making people mature spiritually and then releasing them to go to all the corners of the earth and to communities preaching the good news and helping those in need. In other words, each person is encouraged to grow spiritually in order to live a life of purpose. The church has clearly expressed in many documents and

papers its commitment to CSR (Nairobi Chapel Vision 2014). Its vision and mission capture several principles that are taught to congregants in a 14-week training course known as MIZIZI (Basics).

Growing **D.E.E.P** captures the following aspects of the Mission of Nairobi Chapel.

"**D**" is for Daily devotions. This involves encouraging people to read the word of God in order to achieve personal spiritual growth (maturity).

"**E**" is for EGROUPS. Small groups or ecclesia (church in Greek) are encouraged in order to motivate and support the members in serving each other's needs and in reaching out to community.

"**E**" is engagement. The church encourages each member to exercise his/her spiritual gift in service to God and community.

"**P**" is Pulpit which is about encouraging Sunday gatherings where members meet for spiritual nourishment and growth.

The Vision of Nairobi Chapel is captured in **W.I.D.E.**

"**W**" is Witness where the church and its followers engage in different avenues, media, crusades, or whatever means possible to reach out to communities in need.

"**I**" is Impact and its focus is changing the lives of people, especially the poor and needy, in significant ways. This is aimed at bringing about social impact.

"**D**" is Discipleship. The church aims to disciple (teach) people outside the church into spiritual. The aim is to make disciple leaders to the tune of 100,000 people outside the chapel by 2020.

"**E**" is establish and plant 300 churches by 2020.

The vision of the church is laid out in four main areas. The first area is **Global Church Planting**, which indicates that the church is trusting God to plant 300 churches around the world by the year 2020. According to the NCC Strategic Plan (2014), the church planting mission started in 2011 with an already existing total of 29 churches. The estimated numbers in church growth are captured in Table 20.1.

The second area is **Aggressive Evangelism** with a target of leading one million people for Jesus Christ by the year 2020, as well as **Personal Transformation**, which will see at least 100,000 people grow to be faithful disciples (Leaders). There

Table 20.1 Estimated church growth numbers

By end of	Kenya	East Africa	Africa	International	Total/year	Total by end of:
2012	11	1	1	0	13	13
2013	9	2	3	0	14	27
2014	13	2	5	0	20	47
2015	14	3	6	2	25	72
2016	18	4	6	2	30	102
2017	20	4	7	4	35	137
2018	24	4	8	7	43	180
2019	30	5	10	7	52	232
2020	41	5	14	8	68	300

Source: Nairobi Chapel Strategic Plan (2014)

is also **Missions Impact** whose aim is to lead the church to be a mission's catalyst church by training and raising up leaders specifically for international ministries.

Before 2008, Nairobi Chapel concentrated on the traditional role of the church according to Mathew 28: 19. This role was played in Kenya only. But something happened in the political arena that changed everything. After the general elections in 2007, there was postelection violence never seen before in Kenya. At the beginning of 2008, so many people had been displaced and removed from their homes. The election violence pitted tribe against tribe or some tribes against others. There were Internally Displaced People (IDPs) everywhere. There was so much suffering and it took a long time before the violence reduced and came to a stop. The violence was an awakening call to Nairobi Chapel and indeed all other churches and religious organizations to intervene more aggressively in the welfare of the people. Many displaced people sought refuge in churches. Many people in Nairobi city, especially those from the slum areas of Mathare and Kibera, sought refuge and help from the Nairobi Chapel (Rev. Nick Korir, 2019). NC borders Kibera, the largest slum in Africa, inhabited by all peoples of Kenya. Many other IDPs sought refuge in other churches. The top administration of NC moved with speed to minister to the IDPs on its compound but also in other parts of Kenya.

The Church escalated its CSR activities in earnest and even organized a caravan for peace. It ended up settling many IDPs in many places. The first and the most famous place to settle IDPs was Mahi Mahihu in Nakuru county of Kenya. The church built homes for the IDPs, built schools, dispensaries, and provided water, electricity, and other amenities. Many ecclesia groups (small groups, home churches, or cells) in the church began social ministries in different parts of Kenya as a result. Some of the groups helped plant churches in different parts of Kenya. NC is obviously very visible as a result of its CSR activities. CSR activities in Nairobi Chapel have their basis on certain deeply entrenched beliefs in the DNA of the church.

God is to be honored because He is the creator of the heavens and the earth. He is the true owner of the earth and all resources therein (He owns everything/He owns the cattle on a thousand hills). Christians in the church are taught that they are expected to exercise stewardship in different contexts of involvement such as in business, politics, economy, and society. Christians are required to love Him with all their heart, soul, strength, and mind. They also need to love their neighbors as themselves.

Honoring neighbors (human beings) is an important principle pursued in NC. The Christians shall rightfully consider the interests of the Owner (God) as well as their own (steward) when they are acting on God's behalf as occupiers of property that belongs to Him. Christianity instead asks for genuine servanthood, the Christ's model of humility. The "Good Samaritan" story in The Bible (John Chapter 4) emphasizes the need to do good to all people including those who are not close to us. Christians are expected to stand steadfast and always give themselves, as stewards, fully in serving their God, through their social responsibility.

Honoring creation is another important principle taught in the church in general and in NC in particular. Creation includes human beings, land, forest, oil, river, and the sea and whatever it has in it. Christians recognize that they are given the

privilege of being stewards of God's creation. Thus, environmental concerns are at the forefront of NC engagements and are expected to be at the forefront of every Christian religion.

The NC story shows that Churches and philanthropists in general have a powerful role to play in society and that they must shape more powerful and relevant messages about their role and impact and develop deeper, long-term relationships with key stakeholders.

Studies on CSR focused traditionally on nonreligious actors, especially in developing countries. There has been lack of studies on the role of religious organizations in CSR. The Nairobi Chapel story is an attempt to show that churches have an important role to play in CSR.

In summary, the Christians are interacting with wider political and societal sectors. As discussed above, there are several thrusts that govern their day-to-day daily interactions with communities and responsibilities toward others. They acknowledge God's sovereignty as the creator of the heavens and the earth and owner of everything therein. They are just stewards and custodians of God's creation. God by His very nature cares and shows compassion to the entire creation. The Christians demonstrate this kind of care through their CSR activities. This is consistent with the great commissions given by their everlasting God in Mathew 28: 19.

Chapter Takeaways

- Religious organizations have obligations that go beyond generating money and these include the larger society.
- Corporate social responsibility as a specific theory affirms that Religious organizations are entities with social, economic, ethical, and philanthropic obligations.
- The Christian religion has its basis in the work of Jesus Christ, which was based on love for others
- The Great Commission in the Christian Faith is CSR in essence
- Spiritual maturity and performance result from the transformation of a person to the extent of realizing that he/she is only a steward acting on behalf of God and practicing the various mandates of a steward.

Reflection Questions

1. What is the meaning and scope of CSR and Spiritual growth in a religious sense?
2. What is common among the various religions of the world in terms of CSR?
3. What are the key aspects of CSR in Religious Orientations?
4. What does Spiritual Performance in the Christian religion entail?
5. What are the key theories applicable to CSR in Religious organizations? What are the key differences between them?

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Creating Environment-Inclusive Organizations: An Integrative Ecopreneurial Approach

21

Parag Rastogi and Radha R. Sharma

Key Topics

- Inclusive organization
- Environment
- Ecopreneur
- Intrapreneur
- Bricolage

Introduction

The United Nations Intergovernmental Panel on Climate Change (2014) (IPCC-AR5) has highlighted that warming of climate is unequivocal and there has been unprecedented increase in concentrations of carbon dioxide, methane, and nitrous oxide. The Panel also said that human influence on the climate system is clear and has been the cause of global warming between 1951 and 2010. Events like unprecedented cold wave/warm weather, monstrous storms, shrinkage of the Polar ice cap, and scarcity of drinking water have started impacting the daily lives across the globe.

Despite these warnings by various global organizations and think-tanks, these climate issues have been on an increase. The roles of large companies and their impact on environment have been controversial (for example, oil spillages and allegations of overuse of local resources). There is a growing demand for the companies to be more transparent in their impact on the environment (Jackson 2009; Milne and Gray 2013).

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Porter and Kramer (2006) have suggested that as the global environmental concerns have escalated, there has been a concomitant increase in the research on the significance of business and society working together. This suggestion is in line with the approach of Gibbs (2000) who describes *ecological modernisation* as "a process of the progressive modernisation of the institutions of modern society, the basic argument is that the central institutions of modern society can be transformed in order to avoid ecological crisis."

We argue that an inclusive organization should address these environmental concerns. Inclusion goes beyond diversity, as the key objective in inclusion is to create an organization where each person identifies himself or herself closely with the organization and helps it to achieve its strategic objectives. Shore et al. (2011) have defined inclusion as "the degree to which an employee perceives that he or she is an esteemed member of the work group through experiencing treatment that satisfies his or her needs for belongingness and uniqueness." The current approach in studying inclusion is scoped within the workplace activities. There have been several parameters that have been studied as part of the inclusive organizations.

Currently organizational efforts in making itself inclusive is focused on establishing discrete processes like diversity training, management interventions, and recruitment policies. Why should inclusivity be defined within the workplace boundaries only? Further, there is a dearth of normative organizational frameworks of inclusion that focus on managerial accountability for integrating businesses and social environment.

Environment-inclusive approach deals with how individuals in an organization feel, think, and work together to improve the environment in which the society lives and the organization services. It has been found that the employee conduct showed the strongest and most positive influence on the green innovation practices (Weng, Chen, & Chen, 2015). Bansal and Roth (2000) have shown that a firm's "ecological response is directly related to the ecological, inter organizational and individual levels of analysis."

Given the innovative potential of ecopreneurs to exploit the opportunities within environmental concerns, the key question is how we harness this potential and if the organizations can catalyze such efforts. The chapter endeavors to extend the scope of the inclusive organization by proposing the creation of environment-inclusive organizations which are based on bricolage practices. The objective is to conceptualize the managerial accountability toward environment and build the sensitivity and competence for managing environmental aspects. The chapter proposes that the organizations look beyond the workplace boundaries and create an environment-inclusive organization by using the intra-ecopreneurial bricolage construct.

Environmental Concerns and Challenges for Organizations

Given the increasing business references to the economic, social, and environmental issues and the use of corporate sustainability, the concern lies in whether these issues are or can be fundamental to the business ventures. Should the businesses

consider environmental concerns as a business goal or a rhetorical diversion or an aspect of corporate citizenship?

There has been an increase in the pressure on organizations by various stakeholders like governments, local communities, media, and activists to become more environmentally responsible. There have been several and diverse efforts in highlighting that ecological sustainability could become the central responsibility challenge for businesses and even proposed environment taxes (Stern, 2006).

Porter and Kramer (2006) have pointed out that companies increasingly are being urged to design their corporate strategies to achieve a higher integration between their own and society's strategic needs. Elkington (1997) and Savitz and Weber (2006) have proposed that firms need to achieve success on a broader and more balanced array of outcomes as defined by the "triple bottom line" of people, planet, and profits. However, there is a debate on the motivations of doing so. According to Marcus and Fremuth (2009), firms should address world's social and environmental challenges, as it is the right thing to do. On the other hand, Siegel (2009) has posited that firms should do so only when it makes good strategic sense and pays off. However, according to Siegel (2009), the financial and econometric studies examining the relationship between sustainability investments and firm performance show that such investments often improve and almost never detract from performance.

The Quest for an Environment-Inclusive Organization

Diversity management is the dominant paradigm in the public administration discourse (Choi & Rainey, 2010; Roberson, 2006). Roberson's (2006) empirical study demonstrated that diversity and inclusion are two distinct but overlapping concepts. Diversity management can be conceptualized as the first step toward creating inclusive organizations. Inclusion goes beyond diversity, as the key objective in inclusion is to create an organization where each person identifies himself or herself closely with the organization and helps it to achieve its strategic objectives. In contrast, diversity targets at the management of differences in individual employees like age, gender, demography, and tasks itself to maintain appropriate diversity in the organization.

The current approach in studying inclusion is scoped within the workplace activities. There have been several parameters that have been studied as part of the inclusive organizations. Parameters like minority membership status (Shore et al., 2011), contribution (Roberson, 2006), belongingness (Lirio, Lee, Williams, Haugen, & Kossek, 2008), participation in decision-making process (Mor Barak, 2013), voicing minority members' opinion (Bell, Özbilgin, Beauregard, & Sürgevill, 2011), and integrating differences (Nishii, 2013) are all demarcated within the workplace. All these studies are useful to create organizations that value the contribution of minority members and facilitate in decision-making process. Consequently, organizational efforts in making itself inclusive is focused on establishing discrete processes like diversity training, management interventions, and recruitment policies.

The definition of inclusivity restricting it on its boundaries raises a few questions. Why should inclusivity be defined within the workplace only? Do any stakeholders outside the workplace get impacted positively or negatively because of the inclusivity approach followed by the organization? As there have been very few studies that have been conducted to understand the community context in which the business operates (DiTomaso, Post, & Parks-Yancy, 2007), this remains a knowledge gap. Further, there is a dearth of normative organizational frameworks of inclusion that focus on managerial accountability for integrating businesses and social environment.

This approach is distinct from the Corporate Social Responsibility (CSR) perspective, which deals with corporate citizenship, business ethics, etc. (Matten & Moon, 2008). Environment-inclusive approach rather deals with how individuals in an organization feel, think, and work together to improve the environment in which the society lives and the organization services. Weng et al. (2015), in an empirical study, analyzed competitors, government, customers, suppliers, and employees to understand which factor impacted environment practices the most. They found that the employee conduct showed the strongest and most positive influence on the green innovation practices. Bansal and Roth (2000) have shown that a firm's "ecological response is directly related to the ecological, inter organizational and individual levels of analysis." Orlitzky, Siegel, and Waldman (2011) have lamented that existing research on social responsibility and sustainability is focused only on organizational level of analysis, while ignoring individuals or groups. This supports the premise that individual managers have a distinct role to play in environment-inclusive organizations and delineated from the CSR practices of the firm. It also highlights a gap in our current understanding of the individual's role in environment-inclusive strategy of a firm.

Personal empowerment entails development of positive identity, energy, and control within an individual's life. Personal empowerment is the goal for an inclusive organization. Empowerment can include organizational processes that leverage positive aspects of community situations to improve both organizational and community processes (Zimmerman, 2000).

Roberson (2006) has posited that research on inclusion in organizations is emergent. Shore et al. (2011) have defined inclusion as "the degree to which an employee perceives that he or she is an esteemed member of the work group through experiencing treatment that satisfies his or her needs for belongingness and uniqueness."

We propose to extend the scope of the inclusive organization by proposing the creation of environment-inclusive organizations which are based on bricolage practices. Our objective is to conceptualize the managerial accountability toward environment and build the sensitivity and competence for managing environmental aspects. This chapter proposes that the organizations look beyond the workplace boundaries and create an environment-inclusive organization.

Corporate approaches to the management of environmental issues have gravitated around two strategies: (1) Merely complying with environmental laws and regulations, and (2) moving from beyond compliance to a more proactive approach (Aragón-Correa, 1998; Sharma & Vredenburg, 1998). While intervention choices in

the former are often driven by environmental regulations that prescribe specific technologies and processes, the latter involve firm initiatives based on managerial discretion and the interpretation of environmental issues as opportunities (Aragón-Correa & Sharma, 2003).

The following paragraphs present two approaches for creating inclusive organizations.

Environmental and Social Responsibility (ESR) Approach

Environmental and Social Responsibility (ESR) as a concept was proposed by McWilliams and Siegel (2001). The genesis of ESR is the work done by Penrose (1959), Wernerfelt (1984), and Barney (1991). Barney (1991) has suggested that organizations have bundles of heterogeneous resources and capabilities which are imperfectly mobile across firms.

Siegel (2009) has discussed the issue of how firms allocate resources to strategic ESR. Further, Siegel (2009) has suggested that there are several issues to be considered in assessing the strategic use of ESR. These include "quantifying the demand for ESR, product differentiation and the role of information asymmetry, the impact of ESR on industry structure and entry barriers, the relationship between ESR and governmental regulation, and the role of CEOs" (Siegel, 2009). The starting point of an economic analysis of ESR is the realization that such activities are a response to the "perception or existence of a market failure—that is, instances where there is a divergence between the private and social costs of a firm's actions" (Siegel, 2009).

Strike, Gao, and Bansal (2006) showed that responsible and irresponsible social behaviors require separate measurement and that each has a distinct correlation to financial performance. Researchers have developed various models for conceptualizing the corporate environmental performance (CEP) construct. CEP can be defined as the result of a firm's environmental commitment, for example, pollution prevention, reduction of water and energy consumption and recycling (Habler & Reinhard, 2000).

Several meta-analytic reviews have confirmed the connection between investment choices linked to responsible environmental and social aims and above-average returns, suggesting that firms indeed can "do well by doing good" (Margolis & Walsh, 2003; Orlitzky, Schmidt, & Rynes, 2003).

Bansal and Roth (2000) define corporate *ecological responsiveness* as "a set of corporate initiatives aimed at mitigating a firm's impact on the natural environment." Bansal and Roth (2000), in their model, have suggested four drivers—legislation, stakeholder pressure, economic opportunities, and ethical motives as the drivers for corporate ecological responsiveness. Siegel (2009) has suggested that the key factors driving the sustainability–performance association are complex and include factors like degree of industry maturity, market structure, customer demand, institutional intermediation, and type of business strategy. Further, Basu and Palazzo (2008) have suggested that sustainability decision-making is likely to be influenced by three types of drivers: performance drivers, stakeholder drivers, and motivation

drivers. Performance drivers can use social or environmental investments to boost performance; stakeholder drivers could be meeting certain demands of external stakeholders and institutions; and motivation drivers can be external like legal sanctions or intrinsic like ethics. Eichholtz, Kok, and Quigley (2010) did an empirical study to confirm that economic advantage and institutional pressure are important determinants for the ecological responsiveness of firms.

Fairfield, Harmon, and Behson (2011) posit that the way organizations can best execute sustainability strategies are not well developed as yet. Fairfield et al. (2011) have suggested that one set of practices relate to creating a sustainable workplace and another set relates to practices outside the conventional boundaries of the organization (e.g., improving eco-efficiency, renewable energy sources, local sourcing, and reduction of pollutants).

The consideration of resource management—identification, assembly, deployment, and development—has been of great interest in strategic management research. Resources are presumed to have a major impact on the organizational performance. Taking a resource-based view of the firm, McWilliams and Siegel (2001) have proposed that sustainability constitutes a valuable, innovative, and unique resource that can give a firm a strategic competitive advantage. This is in tandem with the perspective of Porter's (1998) industry and competitive advantage structure. Benefits can accrue from the advantage effect that sustainability can provide on market structure. These advantages can be of several types including degree of industry consolidation, entry/exit barriers, competition dynamics, and first entrant advantages (Porter & Van der Linde, 1995).

Penrose (1959) and Barney (1991) have supported this argument that firms can and should gain advantage through managing their resources. Resource-based view is usually thought of to include physical capital and knowledge, organizational capabilities, intellectual and property rights, and alliances/partnerships. This view assumes that organizations can harness resources that are of value and this allows a firm to gain competitive advantage. A logistics and distribution system that can reach a dispersed rural geography could be such a resource. This can be a kind of an inclusive innovation giving the firm a significant advantage over others.

Absence or presence of slack resources also has implications for low-cost, inclusive innovation. Nohria and Gulati (1996) have empirically evidenced that presence of some slack in resources used for day-to-day operations is optimal for innovation in resource-advantaged environments. However, this paradigm does not hold in situations where low-cost innovation emerges with constrained resources. The resource-based approaches are resource-optimization theories.

Stakeholder Engagement Approach

Theories of Stakeholder Engagement are an alternative to shareholder value maximization as the principal objective of the firm (Freeman, 1984). The stakeholder approach focuses on the claims of within the workplace members like employees and outside the workplace members like customers and community members in

areas of corporate activity. In a "stakeholder corporation" (Wheeler & Silampää, 1997), leaders must be sensitive to the world in which they operate. Further, they should assess the impact of business decisions on the social and natural environment.

Current research in this area is emergent and there are various approaches to understand the impact of stakeholders. Matten and Moon (2008) have suggested that stakeholders put normative claims on the firm as a community citizen and hold the firm accountable and responsible to the community. Porter and Kramer (2006) have proposed the approach that focused on the unsustainable long-term consequences of choices that can be optimal for maximization of short-term profitability. The neoclassical economic theories (e.g. Pareto optimality) deal with profitability as the primary consideration in the theory of the firm. Sustainability research, in contrast, focuses on distributive consequences of resource allocation.

Emerging markets like India have limited resources and hence provide a ready context for testing stakeholder interests. This context also helps to understand the prioritization of certain stakeholders' interests over others. Such decisions have implications on firm performance, value creation, and distribution consequences.

From a stakeholder perspective, the potential of sustainable benefits can be looked at from the lens of various stakeholders like customers, investors, suppliers, governmental and non-governmental organizations, and activists (Clarkson, 1995). Institutional theory (Scott, 1995) can explain the potential legitimation benefits of conformance to sustainability-oriented normative social rules and belief systems in the environment.

Monsanto (Hart & Sharma, 2004) had its genetically engineered foods program derailed by European Union. This was a result of a highly effective campaign among European consumer groups and farmers in developing countries. Hart and Sharma (2004) have suggested that Monsanto could have avoided this predicament if it had built bridges to these seemingly "fringe" stakeholders.

Whole Foods has developed networks of local growers to supply produce to its stores that aids the local economies in a socially responsible way. The company takes pride in its programs that claim to reduce the cost of inbound shipping and greenhouse gas emissions from long-distance transportation. However, it still needed to reassure its vendor base that they continue to support the local communities in the post-Amazon scenario. In a similar vein, Porter and Kramer (2006) have urged firms to focus on the societal issues instrumental to their own value chains.

The stakeholder theory has been adopted for several environmental studies. There are various dimensions of corporate environmental performance as identified by various researchers which are based on target stakeholder groups. Hillman and Keim (2001) focused on financial consequences of social actions which can be differentiated between actions aimed at primary (e.g. employees and customers) versus secondary stakeholders, for example, those associated with social issues not directly related to the organization. They demonstrated that only the former are associated with profitability. Bansal and Roth (2000) have argued that stakeholders have been instrumental in influencing corporate ecological responsiveness. Buysse and Verbeke (2003) have proposed that stakeholders influence environmental

strategies. The results of these studies have been mixed. Kassinis and Vafeas (2002) have found that the corporate board of a large firm is the core decision-making unit in forming corporate environmental policies. This is in comparison to the small family business where the decisions are made by the owners (Huang, Ding, & Kao, 2009).

Responsible Leadership

Do organizations know how to move beyond compliance to a more proactive approach toward environment issues? Can business leaders contribute to building a sustainable business and the overall good of the society? How can organizations execute their environmental strategy? Can individual employees influence environmental practices of an organization?

Baron (2001) has suggested that business managers must become adept at integrating their organization's market and nonmarket strategies. Pless, Maak, and Waldman (2012) have studied the concept of responsible leadership that links corporate social responsibility and performance to actions on the part of leaders.

Responsible leadership has been explained as a multilevel response to deficiencies in existing leadership frameworks and theories; to high-profile scandals on individual, organizational, and systemic levels; and to new and emerging social, ethical, and environmental challenges in an increasingly connected world (Maak & Pless, 2006; Pless & Maak, 2011). The rationale for responsible leadership is not just limited to ethical issues; it also follows from the new demands of business contexts. For example, stakeholders may demand that businesses take active roles in fostering responsible behavior within and outside the organization. This could be done by pursuing triple bottom line (Maak, 2007).

Weng et al. (2015) have developed a green innovation model that includes five primary constructs: external stakeholders, internal stakeholders, green innovation practices, environmental performance, and orientation toward innovation. They have found that among the five main stakeholders (external stakeholders: competitors, government; internal stakeholders: customers, suppliers, and employees) are all considered, employee conduct and pressure from competitors and the government were associated with positive and significant effects on the green innovation practices. Importantly, as the study showed, employee conduct showed the strongest influence.

Hence, corporate leaders need to incorporate environmental issues when setting their strategies, organization structures, and providing training courses. It is very important for the companies to provide clear guidelines and feedback for employees to follow (Weng et al., 2015). Managers must be able to determine how their organizations can become ecologically and socially responsible and be competitive (Fig. 21.1). However, there is no agreed model which can explain how managers can perform this function and how organizations can operationalize environment-centric approach in their strategy.
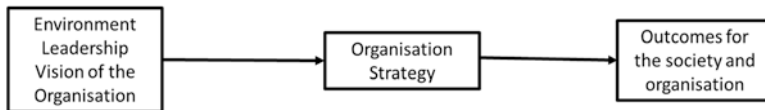
Fig. 21.1 Conceptualization model of environment-focused strategy of an organization

The Knowledge Gap and an Environment Inclusive Approach

The foregoing discussion leads to the following questions:

1. Do organizations know how to move beyond compliance to a more proactive approach toward environment issues?
2. Can managers contribute to building a sustainable business and to the overall good of the society?
3. How can organizations execute their environmental strategy? Can individual employees influence environmental practices of an organization?

Business managers are required to be adept at integrating their organization's market and nonmarket strategies (Baron, 2001) including environmental concerns. We present an environment-inclusive approach which addresses the above questions and incorporates business and environmental concerns.

Ecopreneurship, Intrapreneurship, and Bricoleur Ecopreneurship: An Integrative Approach

Ecopreneurship

The term "ecopreneurship" is a combination of two words, "ecological" ("eco") and "entrepreneurship." Ecopreneurship can thus be roughly defined as "entrepreneurship through an environmental lens." Schaltegger and Wagner (2011) have posited that "ecopreneurs can be classified according to two criteria: (1) their desire to change the world and improve the quality of the environment and life; and (2) their desire to make money and grow as a business venture."

According to Isaak (2002), there are two kinds of environmentally responsible businesses: "green businesses" and "green-green businesses." A "green-green business" is conceptualized as green in its processes and products from its inception and it is intended to transform the sector in which it operates toward a model of sustainable development. In contrast, a "green business" can start in a conventional way and once established, the managers discover the advantages (like cost, innovation, competitive advantages, and ethics). Most companies start with basic compliance with environmental regulations and then move to environmental management beyond compliance.

In the Kirznerian tradition, Cohen and Winn (2007) have proposed that "ecopreneurs have the potential to resolve our environmental problems and to gradually improve the earth's ecosystem." Tilley and Young (2009) have accordingly delineated the two types of environmental entrepreneurs. One type of environmental entrepreneur is a conscious entrepreneur who recognizes the potential for business activities in which the environmental interests are used as means toward the economic ends of the activity. The second type of environmental entrepreneur is perceived as more radical and for such an entrepreneur, environmental interests are at the core of the business and get priority over the economic interests of the business.

Ecopreneurship is also associated with innovations. According to Klimova and Zitek (2011), eco-innovations will be the future competitive advantage of companies. Klimova and Zitek (2011) further argue that companies and countries cannot rely on lower costs as competitive advantage; it is rather the innovative environmental technologies that are the source of competitive advantage.

Ecopreneurship gets a positive impetus from the world resource requirements. As consumption goes up because of population growth and alleviating poverty, the finite natural resources are under stress. The negative externalities of increased production like pollution seriously impact the ecosystem (Volery, 2002). For sustaining the natural resources, ecopreneurship, which emphasizes processes like recycling, is important. Ecopreneurship is also an important pathway to develop new technologies to protect the environment and to ensure that there are enough resources to fill the requirements of growing population (Volery, 2002). Given the need for environmental sustainability, there is need for a new kind of entrepreneur who will incorporate environmental concerns into the consideration of their bottom line (Volery, 2002).

Ecopreneurs have the potential to be a major force in the transition toward a more sustainable business paradigm (Schaper, 2002). Post and Altman (1994) have identified three main drivers of ecopreneurship:

(a) Compliance-based, which emerges as an outcome of government regulation and legislation.
(b) Market-driven, with environmentally beneficial behavior coming as a result of profit seeking.
(c) Value-driven, with environmental change coming in response to end-user demands.

Ecopreneurs do not operate in isolation and "will be influenced by the evolving economic and social structures around them and, in turn, are influencing those structures" (Walley & Taylor, 2002).

Schlange (2009) has suggested that "ecologically driven entrepreneurship has *sustainability* as a key element to *motivate* its basic approach." Ecopreneurs combine environmental awareness with business activities to shift the basis of economic development to a more environmental basis (Dean & McMullen, 2007).

Entrepreneurship/Intrapreneurship

Entrepreneurial action is created at the nexus of two phenomena: "the presence of enterprising individuals and the presence of lucrative opportunities" (Shane & Venkatarman, 2000). Ecopreneurs are the enterprising individuals and as discussed above, some are motivated by profit and start businesses that happen to be green, while others have a sustainability orientation and are motivated by environmental needs. Ecopreneurs build their businesses on the principle of sustainability and they seek to combine environmental awareness with conventional entrepreneurship.

Ecological Modernization Theory (EMT) also provides the theoretical foundation for environmental entrepreneurship (Gibbs, 2009; Mol, Sonnenfeld, & Spaargaren, 2009). According to Murphy (2000), "the environmental problems facing the world today, act as a driving force for future industrial activity and economic development." According to EMT, "green capitalist" traditions extend modernization theory into environmental sociology. As an implication of EMT, it is possible to promote economic growth while giving the higher priority to the environment. It is not necessary to trade off economic growth for environmental concerns. The (green) capitalist system can be seen as having the space to develop sustainable solutions to environmental problems. The capitalist drive for innovation can be used to have a positive impact on the environment (Beveridge & Guy, 2005). Entrepreneurs can be the agents of change in that process of transformation to avoid an ecological crisis (Gibbs, 2009; Tilley & Young, 2009). Anderson (1998) has suggested that entrepreneurial action can be the best solution to our environmental problems.

According to Schumpeter (1942), entrepreneurs are the innovators and as society's needs evolve, the entrepreneur provides the innovation or "creative destruction" that gives society a new way of addressing problems. Schumpeter (1942) further argued that "environmental problems are inherently calls for innovation, as most of them are caused by the outdated applications of old, polluting and inefficient technology." This type of an ecopreneur is close to Schaltegger's (2002) suggestion that "ecopreneurs destroy existing conventional production methods, products, market structures and consumption patterns and replace them with superior environmental products and services."

According to Shane (2003), the nexus is the place where the entrepreneur interacts with the environment, for example, environmental degradation, to identify opportunities and it is proposed that lucrative entrepreneurial opportunities exist within the environmental problems.

Intrapreneurship is consistently positioned as entrepreneurship within organizations (Antoncic & Hisrich, 2001). The essence of intrapreneurship is to obtain innovation in every aspect which then leads to their transformation into business value (Ping, Naiqiu, Jie, & Zhengzhong, 2010). Intrapreneurship has been considered to be a characteristic of successful organizations (Antoncic, 2007). Organizational complexities can, therefore, be addressed substantially by creating a proper route for innovation development and progression which come from intrapreneurial initiatives (Baruah & Ward, 2014).

Intrapreneurship can be defined in broad terms as entrepreneurship within an existing organization. Intrapreneurship includes entrepreneurial behaviors and orientations of existing organizations and it exists in the firm when it acts entrepreneurially in pursuing new opportunities (Antoncic & Hisrich, 2003. Antoncic and Hisrich (2003) further espouse that intrapreneurs make risky decisions using their own resources and work in organizations that have their policies, procedures, and bureaucracy.

Mohanty (2006) observes that the concept of intrapreneurship has essentially become an approach that can be systematically adopted to define specific strategies and action plans that can help in order to incorporate significant employee contributions. Antoncic and Hisrich (2001, 2003) then gave significant evidence to demonstrate that intrapreneurship has substantial impact on organizational and economic development regardless of the size of an enterprise. For any organization, they believe that intrapreneurship should be viewed essentially as an activity-based or activity-oriented concept that takes the organizational products and services, technologies, structures, or operations into new directions.

Entrepreneurship and intrapreneurship can be excellent tools for breaking out of the trend through innovation and by bringing something new to the market. Nicolaidis and Kosta (2011) recommend adopting intrapreneurship as it comes across as the unique competitive advantage. Among recent developments, Gündoğdu (2012) has offered some new insights into these fields by proposing a new metamorphosed term called "innopreneurship." This is more of prototype concept that harmonizes its predecessors: entrepreneurship, intrapreneurship, and innovation through an integrative perspective. However, Baruah and Ward (2014) emphasize that innopreneurial concept is at a very preliminary stage of practicality.

Bricolage

The concept of bricolage has been introduced to the entrepreneurial field as a construct that describes how individuals improvise by recombining existing, but individually less useful, resources to create value through creative reconstruction (Baker & Nelson, 2005). The notion of bricolage has been invoked in a wide range of social science disciplines (Duymedjian & Rüling, 2010). In organization and management literature, bricolage has been studied in a variety of theoretical fields, including innovation studies (Garud & Karnoe, 2003), social psychology (Weick, 1993), entrepreneurship (Baker, 2007), and social entrepreneurship (DiDomenico, Haugh, & Tracey, 2010). DiDomenico et al. (2010) found that means at hand extend to stakeholders beyond immediate networks, and that stakeholder persuasion is a common tactic for resource mobilization. While most studies of bricolage in organizational settings focus on bricolage as resource mobilization and integration, Duymedjian and Rüling (2010) have argued that bricolage depends on a particular worldview, nature, and organization of knowledge.

Bricoleur Ecopreneurship

Rastogi and Sharma (2018) studied three entrepreneurial cases in detail from the architecture/construction industry in India. The study showed that bricoleur ecopreneurship exists as a phenomenon in the building architecture industry, not typically known for innovation. Ecopreneurs exist in the industry who play an important role in catalyzing the sustainable designs. Rastogi and Sharma (2018) labeled this type of an ecopreneur as a bricoleur ecopreneur.

The research (Rastogi & Sharma, 2018) showed that ecopreneurs have good understanding of long-term sustainability and create an innovative architecture motivated by values and concern for environment (Sharma, 2018). They adapt to customer's preferences and lifestyles. This requires a lot of effort and risk taking, but bricoleur ecopreneurs, who participated in the study, have been successful in their ventures and plan to scale these up. Some of them were concerned about customization of designs to suit customer needs ("we then look at how we can strive to make the designs a lot more appealing"). However, there are customers who do not change their mind for the design style ("I do not need to convince them; they come to me").

Due to uniqueness of the entrepreneurs, multiple case-study method was adopted. This whole pattern of bricoleur ecopreneurship has been mapped on CAMB competency model of PRME for sustainable development evolved by Sharma (2015a, b and Sharma et al., 2017). The analysis of the three case studies is summarized in Table 21.1.

Table 21.1 Analysis of bricoleur ecopreneurs on CAMB (cognitive affective, moral and behavioral) model of sustainable development

Cognitive competencies	Affective competencies	Moral competencies	Behavioral competencies
Understanding of implications of long-term use of non-sustainable designs	Developing designs to address environmental issues	– Environmental concerns vs. customer choice – Ethical values vs. weak institutional support (vendors/marketing, government incentives)	No innovation is small ("Small is beautiful")
Understanding of latest technology and innovation	Addressing growing demand for a variety of sustainable designs	Innovations do not work as desired Quality vs. cost Scaling up vs. customization	Slow rate of adoption is expected ("Millimetres make a metre and metres make a kilometre")
	Bricolage	Lifestyle needs of customers a deterrent	
		End of pipe risks	

Proposed Model for Environment-Inclusive Organization

The concepts of intrapreneur, ecopreneur, and bricoleur are mutually inclusive. There is evidence that an entrepreneurial ecopreneur who practices bricolage exists. We propose that the ecopreneur in an organization (intra-ecopreneur) who practices bricolage be termed as intra-ecopreneur bricoleur (IEB). An IEB-inclusive model is a proposed model for creating an environment-inclusive organization.

Our study develops on the normative theory around the creation of inclusive organizations which can be used to evaluate managerial accountabilities for environmental inclusion. This highlights a new thinking in the theory, moving away from one-sided organizational perspective of inclusion as being organization-led activities toward an all-surrounding perspective of inclusion that connects the organization to the environment for a long-term benefit to the entire society.

The proposed model (Fig. 21.2) bridges the gap in the organization's plans and operationalization using the intra-ecopreneur bricoleur as the change agent. Long-term orientation, sensitivity toward environmental issues, and motivation to act on these issues are the prerequisites for an intra-ecopreneur bricoleur. The ecopreneur in the organization needs to be familiar with the bricolage processes and adept in designing the products and services which are environmentally sustainable. Stakeholder groups (internal as well as external) must be aware of the risks and benefits so that there is a buy-in from them. The outcome would result in an environment-inclusive organization.

Given the environmental imperatives, what can the organizations do to adopt the IEB model? Some of the suggestions are discussed below.
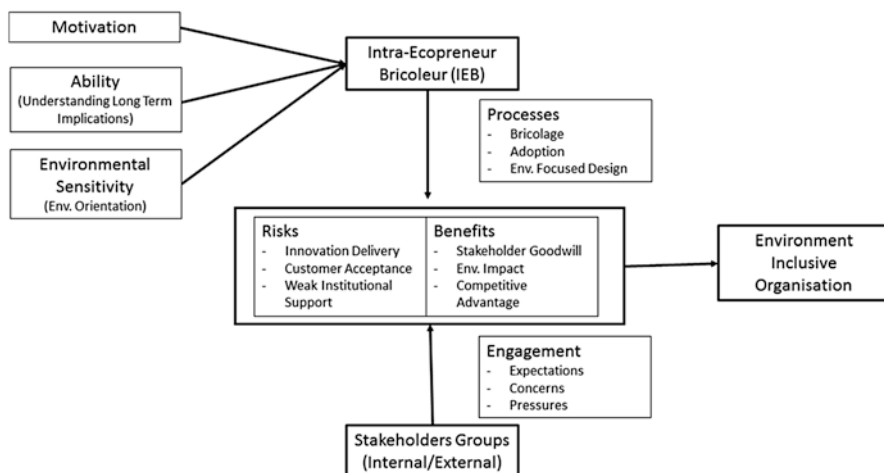
Fig. 21.2 Operational model of an environment-inclusive organization

1. Getting the highly motivated ecopreneurs within the organization
2. Providing information to ecopreneur for him to identify opportunities
3. Facilitating engagement and networking between ecopreneur and the stakeholders for a better appreciation of concerns and expectations
4. Developing and incentivizing the processes like bricolage and adoption of environmentally friendly technologies and designs
5. Providing information and incentives to customers to adopt environ-based products
6. Articulating the organizational strategy to gain competitive advantage
7. Providing strong institutional support to make transition to environmentally strong organization

Chapter Take-Aways

- This chapter questions the existing models of implementing triple bottom line in the context of environment or ecological objectives.
- The theoretical model is then developed into an operational model using the experiences of ecopreneur-bricoleurs in an intrapreneurial context. This model is a theoretical model.
- We do not know if any organization has explored this model.
- It can further be researched and experimented by organizations who want to implement ecologically focused strategy.

Reflection Questions

1. Should an organization have ecological/environment strategy as a core part of the business objectives? What are the pros and cons of the approach?
2. What kind of industries can be the most appropriate for implementing this model?
3. What are the possible ways in which the talent acquisition be aligned to the environment-focused strategy?
4. What are the possible risks of implementation in an organization?
5. How can employees become more sensitized to ecological requirements? What kinds of trainings can be imparted to them for them to develop products/services which are environment-focused?

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Corporate Social Responsibility, Education, and Job Training

22

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Key Topics

- Management strategy
- CSR
- Business citizenship
- Social commitment
- Community entrepreneurship

Introduction

A sophisticated and relevant workforce is recognized as one of the major drivers of the economy. It is essential to address the question of how skills formation is organized in order to ensure the relevance and quality of competence among the workforce. The main objective of this chapter is to discuss the way corporate social responsibility and social commitment form engagements in vocational education and training (VET). In doing so, we address the motivations, strategies, and performance of private and public enterprises with respect to their involvement in apprenticeships.

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We address the questions of why and how companies are involved in apprenticeships, as well as the regional conditions and implications of this form of company engagement. Theoretically, the basis for our discussion is an institutional management perspective that involves different geographical scales, with particular focus on the apprenticeship operations taking place at a regional and/or local level (Aras & Crowther, 2010; Busemeyer & Trampusch, 2012; Hodgson, 2006; Montello, 2015; Rusten & Hermelin, 2017).

Education and skills formation and the way they are organized are shaped by political and institutional systems. VET depends on cooperation between the state and companies, which in the Scandinavian context is based on a tripartite agreement between the state, employers' organizations, and labor unions (Cedefop, 2018). Through various initiatives and goals, these parties also ensure that VET training meets the labor market's skills needs (Busemeyer & Trampusch, 2012; Persson & Hermelin, 2018). Policy initiatives for Norway include increasing the number of apprenticeships and reducing the high dropout rates.

The empirical evidence is based on a recent study of workplaces' VET engagement in cooperation with the three senior high schools in the Nordhordland region (Hordaland County) in Western Norway (Rusten, Eriksen, & Grimsrud, 2019). The region lies within commuting distance of Norway's second largest city, Bergen, and has 46,000 inhabitants (Statistics Norway Statistikkbanken, 2019a). Furthermore, the biggest industries in the region are engineering and technical services within the petroleum sector, fish farming, mechanical industries, trade, and services.

The data collection, conducted in 2018, was based on a mixed-methods approach. It combined register data on occupation, education, and apprenticeships with primary data from 93 qualitative interviews with a selection of representatives of companies and public sector institutions. In addition, nine focus group interviews with representatives of schools, regional stakeholders, and local/regional administrative offices were conducted (Rusten et al., 2019). The sampling of interviews was based on industrial structure, size, and location, and included both companies that hosted apprentices (51 out of 77 private companies) and some that did not, as well as public services managed by the nine municipalities in the region.

The chapter starts with a brief overview of the VET system in Norway. This is followed by a section in which we give a theoretical presentation of CSR and related concepts and how they can be used to explain the relationship between companies and society. Next, our empirical findings are presented and discussed in two parts. First, reflecting on the existing composition of industries and businesses in the region, we have constructed four ideal cases of companies: the CSR large company, the business citizenship, the public eldercare service, and the detached job market case. In a management perspective, their structural characteristics, strategies, and performance regarding apprenticeships are presented respectively (Bengtsson & Hertting, 2014). Second, focusing on the regional context, we elaborate the way systems of established formal and informal rules concerning commitment for companies to contribute as well as performance concerning apprenticeships are played out in the study area. This section includes two different dimensions. First, it

explains the way regional geographical context forms management strategies and actual performance and, second, how institutional arrangements, individual actions, and collective initiatives shape VET education and training.

Vocational Training in the Norwegian School System

Education in Norway begins with elementary school and junior high school which children from the age of 6–15 years are required to attend. This is followed by the right to attend senior high school (students 16–19 years), which normally consists of 3 years of general education or 4 years of VET. The former course qualifies for university and college admission certification, whereas students who take a VET course receive a certificate of completed apprenticeship and can later opt to build on it to gain a university or college admission certificate.

The most common organizational arrangement for VET is 2 years of vocational training in school, followed by 2 years of practical workplace training (apprenticeship). There are also other models, such as an intensive 4-year integrated general studies and VET program, which gives students both certificates, as well as several workplace-based models. In the workplace-based models, adult employees can be awarded a certificate of completed apprenticeship by taking a theoretical and a practical exam, either after 5 years of regular work or 2 years of supervised work combined with theory courses (Cedefop, 2018). Formally, the apprentice is not a student but a paid employee of the company he/she works for.

VET is commonly referred to as the "dual approach" which refers to:

1. *Both* the theoretical and the practical content of the curriculum.
2. The possibility of being awarded *two* certificates, both for completed apprenticeship and for admission to universities, either directly or by taking additional bridging courses in core subjects for admission to university.
3. The arranged alternations between *both* classroom training and workplace training (Cedefop, 2017; Euler, 2013; Rusten et al., 2019).

Statistical figures for Norwegian senior high school education for 2017 show an enrolment rate of 92% and a relatively stable 50:50 share between the two types of educational programs (Statistics Norway, 2019b). However, many students never apply for an apprenticeship and instead choose to study for a university admission certificate. Of those who applied, 30% failed to secure an apprenticeship position (Norwegian Directorate for Education and Training, 2017). Still, in 2018, there were 46,000 apprentices in Norway as a whole, of which 4900 were in the region of the county of Hordaland in Western Norway (see Fig. 22.1).

The inclusion of apprenticeships in education may ensure an education system that provides relevant and updated skills that lead to employment, but it is dependent on extensive commitment from industry and the public sector.

Number of apprentices 2006-2018
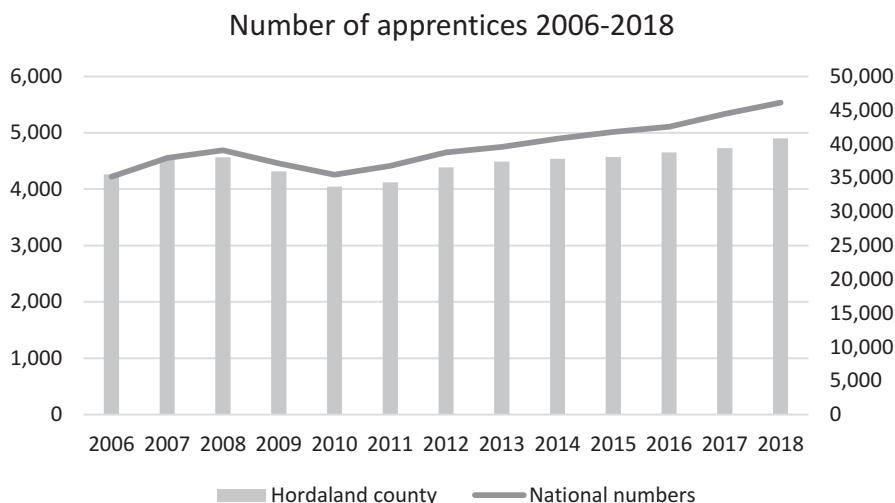
Fig. 22.1 Number of apprentices in Hordaland County and in Norway as a whole in the period 2006–2018. Source: Statistics Norway (2019b)

Vocational Training in the Tripartite Agreement

All Norwegian education, including senior high school VET, is based on national regulations and financing. The county authorities are responsible for the provision of general education and VET. The county distributes the money for VET from the state and ensures apprenticeship placement, approves the education and training facilities at schools and workplaces, and organizes exams (Cedefop, 2017). A company involved in providing apprenticeships is committed to following the official curriculum and established training standards. Practical support in the day-to-day organization of education and training has mainly been delegated to semipublic bodies such as VET offices that are part of chambers of industry.

The apprenticeship model forms a social partnership whereby parties that represent the public sector and private sector collaborate. A national social contract for more apprenticeships (2012–2015) included a commitment by companies to take responsibility for their share in all relevant sectors (Cedefop, 2017). A new social contract was adopted for the period 2016–2020, which aims to ensure an apprenticeship for all qualified applicants.

Corporate Social Responsibility, Education, and Job Training: A Theoretical Approach

Porter and Kramer (2011) highlight the value of active engagement in environmental, social, and educational projects as a tool for developing a positive reputation, brand, goodwill, and strong competitive position. Such engagement may involve

parties in the local community and target other locations that are linked to the companies' task environment (based on where they have their business or markets).

The somewhat recent trend in highlighting corporate social responsibility (CSR) as a form of *management guidance* has involved standards of reporting practices as part of their annual reports for these activities. The focus on CSR is seen as a strategic turn in management guidance (Shaw & De Bruin, 2013). However, these forms of engagements have long traditions in some industrial communities, in which major companies provided affordable housing and various forms of services to ensure recruitment and a decent standard of living for their labor force (Rusten, 2013). With the development of the welfare state, some of the provisions and services became a public responsibility, while others have mainly been covered by commercial actors.

From a management perspective, the CSR debate does not properly take into account the aspect of *citizenship*. Citizenship can be understood as a general commitment to pay back to society, act as a responsible inhabitant, and do something that will benefit society as a whole, in contrast to the mainly strategic focus in management. In this respect, *inhabitant* can be understood both in the way a company as an entity is embedded in society and in terms of the interests of the individuals that form them. Both moral and strategic engagement involve rights and duties for the community, which can involve spatial scopes operating on different levels, ranging from local to global (Wood & Logsdon, 2002).

Thus, companies' involvement in apprenticeship programs can be seen either as a strategic business decision or as a way of giving back to their community; it may often be a combination of the two. For example, using apprenticeships as a test ground to identify which apprentices seem to be promising future workers may be seen as part of a strategic recruitment strategy. From the viewpoint of the company, the period of training will also be a way of establishing goodwill, trust, and reciprocity. This will strengthen its business, network ties, duties, and involvement as a member of the local community. The influence of these mentioned factors supports Wood and Logsdon's argument for the use of the term *business citizenship* (Wood & Logsdon, 2002).

Companies do not operate in isolation, but are inspired and hindered by, as well as competing and collaborating with, others on various arenas. For example, in our study region, company managers, stakeholder organizations, the local chamber of commerce, and other business community networks work with the educational and political institutions and sometimes join forces to initiate new projects or to develop skills to meet future needs. Whether or not a company employs apprentices could depend on both their own experiences and others' experiences of the aforementioned initiatives, its ability to attract the best candidates, or even its ability to find someone to fill vacancies. All of these factors are influenced by the company's interactions with other actors in the region. In this chapter, we therefore highlight the *collective social contribution* of firms in a region.

Cases of Corporate Social Responsibility and VET Engagement

Vocational education with apprenticeship programs depends on companies offering training vacancies. The following four ideal cases refer to various forms of management practices derived from our data.

The CSR Large Company Case

The case is based on three companies pertaining to major industrial sectors in the region: petroleum production, energy infrastructure services, and marine R&D and management. One of the companies is fully state owned, whereas the other two can be characterized as a form of hybrid public/private entity but operating under commercial conditions. All three companies share the commonalities of being multisite organizations. One company mainly has its operations within the region; the second has units several places along the coast and operates in Norwegian waters as well as abroad, whereas the third is a larger multinational corporation. For all three companies, the recruitment of apprentices, the institutional responsibilities, and the practical arrangements are placed in one unit that functions as a type of center of excellence for VET on behalf of the company as a whole.

Following an introduction course, the students are sent to the different locations in which the company operates. Some of the units have boarding facilities, whereas other units solve the logistics by recruiting students that live within a reasonable commuting distance.

Shifting the focus of attention from structure to strategy brings us to the question of why a company becomes involved in an apprenticeship program. The responses given during the interviews revealed both commonalities and distinct differences. All three companies communicated a form of CSR-motivated strategy in which decisions are based on not only social commitment and expectations from their owners but also the more general expectations from the public about offering apprenticeship positions. The companies themselves and others considered the form of the initiatives was a means of paying back to society that corresponded to the amount of commercial value that had been created by their implementation.

Furthermore, many companies require skills that few others can provide. In interviews, the company representatives expressed the absolute necessity to be involved in apprenticeship programs to ensure that their future workers would acquire relevant and updated skills. However, they also acknowledged that the company provided training that would be relevant for jobs in other companies, if apprentices chose to work elsewhere after obtaining their certificates.

The three companies' engagement further facilitates access to advanced technology and costly equipment that the schools could not otherwise afford to keep (Rusten & Hermelin, 2017). Furthermore, the apprenticeship training involves social workplace skills. The companies also use the training period (usually 2 years) as an opportunity to promote their own career opportunities and workplaces, thus enabling them to identify potential candidates for future jobs.

The Business Citizenship Case

The second case represents the large majority of the companies in the Nordhordland region. Some are branch plants of larger companies with ownership elsewhere in Norway or abroad and operating within manufacturing or technical services, whereas others are regionally and locally owned, including those with only a local regional customer base and those that have a wider market range in Norway or abroad. Most of these companies are small and medium enterprises (SMEs), and they cover many different sectors, from manufacturing and industry services to trades and general services.

The companies' *geography of ownership* does not seem to make much difference with regard to their decision about providing apprenticeships. Regardless of whether their formal ownership is external or internal, the representative of most of the companies argued that since the majority of their management and key staff are from the region and they are dependent on the local market, it is important for them to be involved in local apprenticeship programs. Interestingly, their decisions to take on apprentices often depend on whether there are available candidates nearby. Being part of a recruitment strategy and/or a contribution to ensure that education and training of the labor force acquire relevant and updated skills seems to be among the most important arguments for involvement in apprenticeships.

According to the interviewees, many of the companies see being part of a collective social commitment that corresponds to the standards of involvement that are practiced by others as important for their decision about whether to be involved. To do something for youths in the region was often mentioned as an important contribution to the community. However, the level of ambition regarding education and training engagements varies considerably, ranging from those that will mainly host apprentices merely for recruitment reasons to those willing to employ apprentices even if they will not have jobs available for them after the completion of the apprenticeship period. Lastly, both limited internal capacity and demand for training vacancies meant that several of the companies could only offer apprenticeships from time to time.

Most companies gain some production value from the apprenticeship period and a return of their investment in the form of recruitment. In addition to skills formation, the period of training will in some cases foster an enterprise attachment that increases the apprentice's chances of employment. However, there are cases when the candidates are not found suitable or motivated for a further career in the company. Some of the candidates will try to further their education or find a different place to work.

The Formal Social Commitment Case: Public Health Care

The health-care sector is a field of predominantly public employment, in which VET for health-care workers was developed in close connection with the expansion of the welfare state in the postwar period. It was driven by a combination of political

aims to improve the quality of public health-care service and to provide further education for all (i.e., beyond the compulsory period of education). A further aim was to increasing the degree of respect for health-care work. The municipal health-care sector is a cornerstone of the welfare state, and all nine municipalities, however small and/or remote, are under obligation to provide basic health-care services to their population. Thus, social responsibility is an integral part of the sector and its engagement in VET.

The logic of students' applications for apprenticeships in the municipal care for the elderly sector is different from that in the private sector. Whereas private sector enterprises very often use the VET scheme to recruit new staff to a specific company entity, public institutions that provide care for the elderly are allocated apprentices every year by their central administration, regardless of their staffing needs. In our study, most institutions for the elderly indicated a preference to employ adult staff, whom they encouraged to take courses and certification exams privately while working almost full time as nursing assistants. This finding was similar to findings reported from elsewhere in Norway (Høst & Larsen, 2018). In 2018, more than half of all health-care worker certificates were awarded to adult students (www.udir.no). Nevertheless, taking on vocational students is desirable for institutions responsible for providing care for the elderly. First, the apprentices follow normal shifts, and by representing "extra hands," they ease the everyday work situation for permanent staff. Second, the institutions' staff regard training students as a meaningful activity and that the students contribute to the maintenance of high-quality care services.

Local politicians govern the number of apprentices in the municipal health-care sector, and therefore the numbers are partly subject to the municipalities' economic situation. Currently, there is a political will in the region to accommodate as many apprentices as possible. This is particularly the case for the care for the elderly sector, as municipal authorities expect a shortage of certified care workers in the future, due to a projected rise in the number of elderly people. Furthermore, the recommended norm set for the municipalities by their own organization Norwegian Association of Local and Regional Authorities (in Norwegian: Kommunenes Sentralforbund, KS) is two apprentices per 1000 inhabitants. The institutions' participation in VET programs is seen as a sign of professionalism. One of the smallest municipalities in the region is very proud of its high-quality training scheme and claims that this is the reason why, despite its remote location, it has not had any problems with recruiting professional and certified health-care personnel.

Interestingly, local authorities are motivated to support as many apprenticeships as possible in order to encourage local youths to remain in the region. The remote municipalities in the region have seen substantial numbers of young people moving to the cities to gain an education. Hence, the most important task for these municipalities is to reduce out-migration and attract in-migrants, and their willingness to take on more apprentices than they need to staff their own institutions should be seen in light of this situation. When local youths want to apply for occupational training locally, the municipal authorities are willing to stretch far to accommodate them. However, the municipalities may have to enroll nonlocal students to fill the available apprenticeship positions.

The Detached Job Market Case

Some of the studied companies do not participate in the apprenticeship system. These "detached" companies are characterized by a lack of ties to the apprenticeship system and the local community of workers in three ways:

1. Lack of an educational program
2. Lack of skilled local workers
3. Lack of nearby companies where employees have transferable skills

The lack of educational program is perhaps most apparent in the textile industry. This industry includes vocations within industrial textiles, craft production, knitting, and many other types of textile-related industries. None of the schools locally, in the county, or even in adjacent counties have education programs in the textile industries. Consequently, no students can apply for apprenticeships in these vocations in the region, which leads to a lack of knowledge among young people about what the vocations entail and what career opportunities exist, as well as a lack of apprentices in the companies. In turn, this means the companies have to train their own workers, which usually involves both in-house training and letting workers take the theoretical and practical exams in order to obtain a certificate of completed apprenticeship after 5 years of full-time work instead of 2 years as for regular apprentices.

The textile industry, along with vocations such as scaffolding and the fish processing industries, needs workers with specialized skills and is therefore affected by the fact that the region has a very limited pool of locally available skilled workers and workers with transferable skills based on training and careers from other companies. Moreover, there are few local persons wanting to work in the professions in the detached companies due to the low salary levels compared with the salaries paid in other jobs in the region, despite in-house training and certification.

The abovementioned factors combined mean that the companies are detached from the educational and regular apprenticeship system and often from the local workforce. Many company representatives stated that they would like to employ local workers, but their experience was that few locals wanted the jobs. These companies therefore largely depend on migrant workers to fill their needs. Some of the migrant workers have experience in the field, but most are unskilled and go through in-house training, and after 5 years, they are awarded certificates.

External Conditions, Management Strategies, and Practice in a Regional Context

Official statistics show that three quarters of all VET-accredited companies have apprenticeships. The criteria that have to be met for approval are that the company has at least three employees, can offer relevant training tasks in accordance to the requirements of the curriculum, and has an appointed member of the staff who will

have responsibility for the training. Some regions with a higher than average share of smaller companies and companies within sectors that are facing turbulent market conditions sometimes fall below this average. A downturn in the economy may lead to fewer applicants, who may see their prospects for a future job as less promising. Furthermore, the company's level of performance will have to be balanced against the number of potential candidates for apprenticeships. In this way, the performance is dependent on both the decisions of the companies and the students.

The general trend in the studied region is that many young people follow traditions by receiving a vocational education and then either directly taking a practical job in the relevant industry or receiving higher education in order to become engineers or project managers. Over the years, the employment rate has remained very high, partly due to a high number of activities within the petroleum sector and other sectors related to the market. A number of companies will become engaged in large offshore contracts in the coming years, but they are also seeking new markets as a strategy to become more diversified.

Examples from the manufacturing industry include the development of a whole new generation of vessels that are more energy efficient and based on green energy sources rather than fossil fuels, as well as technologies for offshore wind and for fish farming. Examples from the health-care sector include the use of various kinds of welfare technologies. In sum, the findings contribute to an impression of a region with a promising and robust economy in the years to come. The senior high schools in the region are no exception to the active participation in these developments (Rusten et al., 2019).

The regional characteristics of Nordhordland affect the way companies recruit apprentices. One aspect concerns the fact that parts of region are remote and sparsely populated, with poor public transport services. This affects teenagers' commuter mobility (the minimum age to obtain a driver's license in Norway is 18 years). Due to these restrictions, many companies prefer to recruit partly from the local community. In practical terms, it is therefore also essential that the distances travelled to and from the workplace are reasonable; otherwise accommodation has to be provided.

A combination of geographical and social proximity in rather small villages makes it easier for companies and potential apprentices to be aware of each other. Such proximity also makes it possible for companies to judge whether the applicants have the right attitude and social qualifications before they are offered a vacant apprenticeship.

A number of the interviewed company representatives emphasized that local recruitment increased the chances of payback with future permanent employment. One of the members of staff responsible for training in a company said, "Geography is essential. Having candidates coming all the way from the city of Bergen more than likely means that these will never want to stay with us after their training" (our translation).

Geography affects the availability of potential apprentices. We identified several cases in which small companies only offered apprenticeships if they had relevant candidates in the local community. They did not spend resources on advertising a

vacant apprenticeship position. In a few cases in very remote villages, there were companies with board decisions to recruit only local candidates. The argument was that it would increase the chances that the investment in training would eventually be rewarded with a permanent engagement in the company. Some companies, both locally/regional owned and regional subsidiaries of larger corporations, felt a sense of social commitment to "do their share." For both categories, the strategy seemed to have been formed by a mix of deed and need, or social commitment and management strategy.

Additionally, in some cases, engagement is formalized through external institutional agreements. One example is when larger Norwegian public construction projects require the use of apprentices in order to place bids on contracts. Another example is when local municipalities have a standard for the recommended minimum number of apprentices employed across all municipally owned public sector institutions. The number of inhabitants in the nine municipalities determines the recommended number of apprentices (see synthetic case 3).

Ownership and how it forms management strategies can be linked to the ambitions of a company's board (internal strategies), but ownership may also influence what others expect of them, as in the case of publically owned companies. A large company or a company partly or fully public owned will often be faced with expectations that they do their part and will probably be criticized if they fail in that respect.

The cases presented in the preceding section demonstrated motivation and strategies that formed companies' apprenticeship involvement based on different arguments. The fulfillment of their demand for human capital depended partly on a well-functioning infrastructure with three components. The following discussion demonstrates the way this demand is influenced by factors on different geographical scales and with a particular focus on how it is played out on a regional/local level.

Institutions

Institutions are the rules of the society that shapes human action (Hodgson, 2006). Companies and organizations can be seen as actors that form these institutions. At the same time, management motivations and strategies are also shaped by society. With regard to education and specifically to VET, this reciprocity can also be found on the national scale, where the tripartite agreement, as well as political, financial, legal, and organizational arrangements, forms the basis for achieving the mutual goals of ensuring a VET system with high standard of apprenticeships in senior high schools across the country. At the local/regional level, this involves the cooperation of schools, intermediate supporting services and industries, and other organizations that host apprentices in accordance with formalized standards. Jointly, these bodies make up the educational infrastructure on the regional level, which shapes the availability, content, and quality of education and training of the future workforce.

A second component to ensure success regarding the ability to offer a high-quality VET program is competent and committed engagement by the schools,

based on long-term resources dedicated to the VET training task. The engagement concerns procedures to ensure that the content and quality of the program meet the standards set by the education authorities (i.e., the national standard). It also involves communication and collaboration with the workplaces to ensure a well-functioning team effort. For example, school mentors follow up the students, and every 2–3 weeks, they meet the staff who are dealing with the apprenticeships. These meetings are also seen as an important information platform for the identification of potential new companies that can become involved in the provision of apprenticeships.

A third crucial component is the predictable conditions that support long-term coordinated collaboration between companies and schools in their mutual skills formation initiatives. The stability of this component is important to ensure a sufficient supply of human capital in the long term. Establishing and developing a business network of collaborating parties are dependent on stable financial and policy conditions being provided by public authorities. Financial security implies the need for school budgets, administrative arrangements, and practical administrative arrangement in order for the whole process to function, from admission to examination of candidates, as well as sufficient funds to secure salaries for the apprentices. In Hordaland, the county administration approves the budget for apprentices on behalf of the central government, based on a national negotiated rate. The companies themselves cover the additional costs of social insurance and labor taxes, but these costs are seen as reasonable when measured against the added value that the apprenticeships contribute in form of production. Yet other forms of institutional instruments include the declared standards for the share of jobs covered by apprentices in the public sector (mainly related to health-care wards and kindergartens) or larger public contract bids within building and construction.

Our study of VET performance in the Nordhordland region has revealed some crucial conditions. First, the ability for companies to be engaged in apprenticeship does not rest on the shoulders of an individual company but on a collective of companies to do their part in the collaboration with the senior high schools. It is essential that the number of workplaces corresponds with the diversity of skills and number of qualified applicants, which seems to be the case in this region.

Additionally, the robustness of the portfolio of potentially committed companies is important in order to secure the operation of apprentices' training by transferring students to another workplace in cases where companies experience an economic downturn that forces them to close. In cases of staff cutbacks, companies will normally protect the apprentices from dismissal, but in such situations, they will not be able to take in new applicants. It should be mentioned that in cases of company closure, a network of companies together with supporting institutions such as the regional chamber of commerce and its training service office will mobilize a search for a new host company for an immediate transfer to ensure that the training of any apprentices is not adversely affected.

In our study, we also found capacity constraints in cases of economic upturn, namely, a large expansion in staff numbers within a rather short period. This situation is not uncommon since part of the industry in the region is oriented toward the

petroleum and maritime sectors, in which a major part of the market is composed of a procurement system based on parties dimensioning their capacity in relation to their success in winning contracts. Fast staff upscaling and the provision of sufficient introduction training to new members of staff will often mean that there is hardly any capacity for engagement in long-term apprenticeship training.

Finally, there are cases of small companies that from time to time will experience that they are not able to offer an apprenticeship position. Not least, their motivation will be limited when they are in a position of not needing new recruitment in the foreseeable future. A certain number of companies will also represent a valuable source for cross-company learning and a resource base for discussing new training initiatives and activities. Examples are participation in education and training exhibitions, giving presentations at conferences, and representing the interests of the industry in meetings with the authorities and other stakeholders (Rusten et al., 2019).

Social Capital and Cultures of Practice

The final dimension in our discussion involves the culture and practice of being involved in local/regional community initiatives. In this respect, collaboration conditions depend on the social capital basis—the shared understanding of social commitment/control, trust, and reciprocity.

The four cases presented in this chapter demonstrate different ways of being socially responsible, and they differ in the extent and scope of their local involvement with the VET system. Many of the larger companies have outlined social responsibility goals in their strategy documents: In the pursuit of variety, they are obliged to strive for gender equality, the inclusion of minorities, and the accommodation of people with disabilities or special needs. Their recruitment processes are formalized and professional, and their recruitment base is not restricted to the local area. The companies strive to recruit the formally best qualified candidates. Thus, their commitment to the local community is not primarily to recruit local candidates to their apprenticeships. Instead, they directly support the local schools by, for example, providing costly equipment or sharing their expertise on special issues, such as by exchanging personnel with the schools.

Many of the smaller companies engage in CSR in a less formalized way. While the main reasons for their cooperation with local schools may be related to their own recruitment needs and promotion of their own business, our interviews revealed a strong sense of care for their local communities. Particularly in rural districts, we found that local companies as well as municipal organizations took on local candidates even when they did not need extra staff. They felt obliged to give the daughter or son of someone they knew a chance to complete their education. In addition, as businesses in a small community, some of them felt morally obliged to do their share in encouraging local youths to settle down in the region. The strong ties between the companies and the local communities also meant that academically weaker candidates or candidates with special needs, who would otherwise have

been last in the queue and not likely to have been offered an apprenticeship, were granted a place to train in order to complete their education.

Conclusion

The interviewed representatives of most companies argued that VET engagement was seen as a long-term investment that was crucial for the development of future competence, skills, and work capacity, which in turn would be beneficial for their business, industry, local community, and the economy in general, and hence a natural part of their CSR portfolio. Such engagements were sometimes an integrated part of their recruitment strategy and skills renewal. Investment in education and job training can be seen as part of a long-term recruitment plan and directly linked to the organization's specific needs for labor in the future.

In addition, they can be seen as a general local community contribution that ensures a stock of qualified labor that will benefit the local economy in the form of advanced skills. Access to skilled labor is seen as significant for the competitive position of companies and for the socioeconomic development of the region of which they are a part.

Engagement in education and job training can also be linked to classical CSR motives such as reputation and branding. Furthermore, the engagements may be seen as a response to general institutional commitments to support education, as formalized and linked to national policy and the economic framework. This includes the tripartite agreement, the collective bargaining agreement between the state, trade unions, and employers' organizations concerning the Norwegian labor market. These well-developed and well-accepted systems include regulative details about involvement in education and training for commercial industry as well as the workplaces linked to the public sector.

The social commitment is dependent on the nature of the companies in terms of their ownership, sector, and business. Also, individuals, as employers and inhabitants, may have some self-interest in playing a positive leading role in the community, thereby making a social contribution to an accepted, recognized position. Finally, the form of engagement is based on the social capital and collective skills and initiative that takes place among the various players in the region. An overview of the management strategies used by companies involved in providing apprenticeships as well as other forms of VET-related initiatives is given in Fig. 22.2, which reveals the complexities of factors at play. In reality, as demonstrated by our cases, numerous combinations of factors will be in play, in chronologically different sequences that are difficult to capture in a stylistic model.

The survey results identified a number of factors, often in combination, that explain why companies take part in vocational training. The factors explaining motivations for engagement in the provision of apprenticeships found in our study can be summarized as shown in Table 22.1.

There are also challenges associated with the way VET is organized with workplace-based training. We have already mentioned the need for robustness
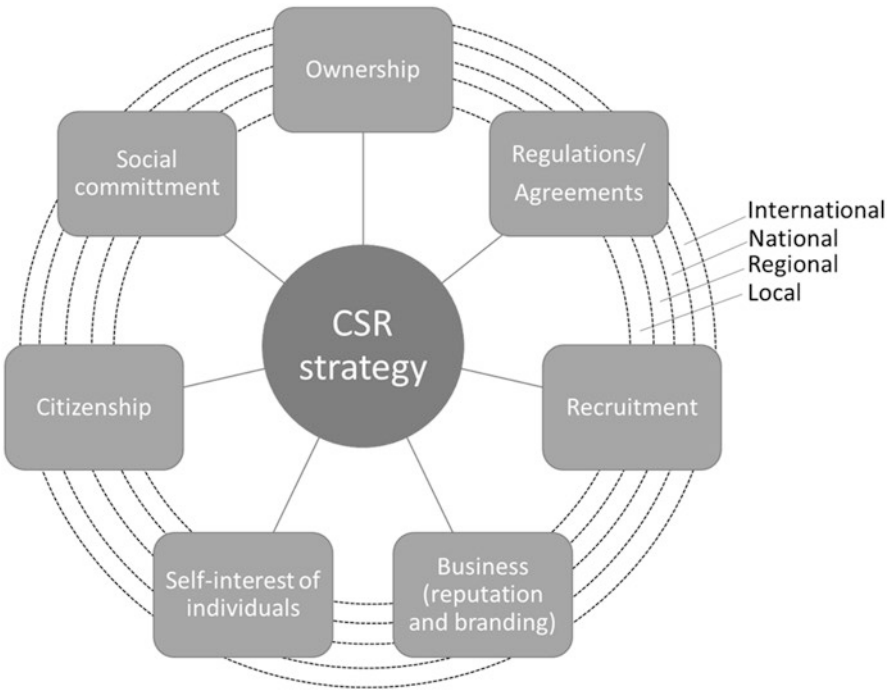
Fig. 22.2 Factors forming CSR apprenticeship initiatives

Table 22.1 Factors of relevance for the company's involvement in apprenticeships

Reasons for participation	
Main motivations	Additional motivations
• Apprenticeship is part of the recruitment strategy of the company • Social commitment • Local community engagement • Social expectations, regulative requirements	• The opportunity to have an influence on the content of the education program • The practical training is an integrated part of the value creation

Reasons why companies do not participate	
Internal conditions	External conditions
• Participation in training schemes is not seen as priority for the company • Lack of previous training experience and hence reluctant to use resources on the task • Lack of internal capacity for the task due to major structural changes (decline in business or difficulties resulting from rapid expansion)	• Weak linkages with the local/regional job market (e.g., mostly low-paid employment recruited from abroad) • The field of expertise that represents the backbone of the business is not included in any of the education programs in the local schools • Lack of potential candidates for local apprenticeships

regarding the supply of a sufficient number of apprenticeship hosts in cases of unstable market situations. A further challenge concerns the ability to ensure that the content of the training provided to apprentices is not too specialized to the specific needs of one hosting company, but general enough to qualify the candidate for jobs elsewhere. A related aspect is to ensure that the content of education and training is not technologically outdated but will be relevant for the years to come. This also raises the question of who places the "order" for training that is relevant for industries and types of job that perhaps do not yet exist. The argument brings the attention back to the question of ensuring a sufficient public financial basis supporting the education and training programs. Some of our interviewees reported a lack of sufficient risk-taking and patience in public investments when initiating new programs. This represents a challenge for new innovations. Both students and potential hosts of workplaces for apprentices will need some time to be fully convinced that it is worth becoming involved in a specific educational program for skills formation.

In this chapter, we have also addressed the ways in which the management of engagements is shaped and affected by the geographical context in which the engagements take place. From a regional perspective, we found some common visions, in particular that it is important to ensure that the education system provides skills delivered from the engagement by the companies that are not too specialized but can be transferred to various workplaces. It is also timely to present some reflections on the way apprenticeships are organized and their capability to adapt the fact that the composition of firms and technologies will change dramatically in the future. Not least, this is an important question for a regional and national economy, which in Norway is heavily dependent on petroleum-related activities. A planned green transition in the years to come will require altogether new forms of management strategies and forms of skills, targeting a broad spectrum of existing and new business initiatives. In addition, there are prospects of seeing increasing demand in other categories of jobs. We will also experience more and new forms of skills within the service sector. The demographic composition in the nation as a whole and for the Nordhordland region in particular indicates a projected rise in the number of elderly people. This will require more jobs in the health-care sector as well as the acquisition of skills and jobs dealing with welfare technology services in the region in the years to come.

Reflection Questions

1. To what extent do CSR with a focus on apprenticeship represent performance models that can be transferred to other regions with a weaker industrial cluster?
2. Would it be possible to transfer this form of training model from a national political institutional arrangement based on tripartite engagement and a high degree of public engagement to a more liberalized political context characterized by low degree of public commitment?
3. What factors may explain a company's capacity constraints and reluctance to be involved in CSR as hosts for apprenticeship?

4. How can one ensure models of training that will encompass all students and not only the most talented?
5. How can company-based apprenticeship arrangements be robust enough to meet the future demand for skills across different businesses and industries?

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Love as the Fulfillment of Life: Transforming India at Amrita SeRVe

23

Ayesha Sengupta

Key Topics

- Spirituality & Social Entrepreneurship
- Women's Spirituality
- Women's Leadership
- Love & Service

> "Love will swallow you up. It will eat you up completely until there is no 'you,' and there is only Love."
>   —Mata Amritanandamayi

What does it mean to be consumed by love? Love can be subjectively defined and experienced in different ways and at various levels. According to Kahane (2011), "Love as the drive to unite the separated is manifested in a focus on relationship and connection." This "relationship and connection" need not be restricted to our immediate surroundings which was one of the most important learnings of my life while working at Amrita SeRVe under the guidance of Mata Amritanandamayi, commonly known as Amma. She says, "Love is our true essence. Love has no limitations of caste, religion, race, or nationality. We are all beads strung together on the same thread of love. To awaken this unity and to spread to others the love that is our inherent nature, is the true goal of human life."

Born in a remote village in Kerala, India, in 1953, Mata Amritanandamayi attracted spiritual seekers with hours of deep meditation on the seashore and composition of devotional songs with remarkable wisdom and depth. Growing up in poverty herself, she was confronted with its greater intensity and suffering in her

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community and beyond. Overcome by the unbearable desire to help, she began bringing her neighbors food and clothing from her own home despite being punished by her family for doing so. At the same time, she began embracing people spontaneously in order to comfort them in their sorrow. As a response to her profound selfless care, they began calling her Amma (Mother). Today, on an average, she hugs for around 22 h without interruption and has embraced over 34 million people across the world so far (Fig. 23.1).

In the past 20 years, Amma's charitable organizations are now based in more than 40 different countries around the world dedicated to providing food, shelter, education, health care, and livelihood to the world's poor. Additionally, various non-profit organizations under her leadership are devoted to empowering women, disaster relief, care homes for children, green initiatives, and much more. Amma says, "The essence of motherhood is not restricted to women who have given birth; it is a principle inherent in both women and men. It is an attitude of the mind. It is love – and that love is the very breath of life. For those in whom motherhood is awakened, love and compassion towards everyone is as much part of their being as breathing" (*108 Quotes on Love*, 2014).

Amrita SeRVe is one such social entrepreneurship organization under Amma's leadership. Founded in September 2013, Amrita SeRVe is now active in 29 villages of India, has touched the lives of nearly 48,000 people. From 2013 to present, they have been able to create 66 self-help groups for women with over 750 members, initiate 1400 kitchen gardens to contribute to better nutrition, provide biweekly free health care to the villagers with special emphasis on pregnant women and nursing mothers, engage over 126 farmers to cultivate organic crops, distribute over 15,000 saplings since 2016 to the villagers, construct over 400 toilets with the help of AMMACHI Labs (another nonprofit organization under the umbrella of Amma's initiatives) and 39 houses in 8 states, establish education centers in each village with yoga and meditation incorporated into the curriculum, and so much more. Their

Fig. 23.1 Mata Amritanandamayi (Amma). [Source: *Amma is Coming to Chicago*, 2018]

focus areas include health, water and sanitation, education, agriculture, income generation, eco-friendly infrastructure, and self-empowerment (J. Heyne, personal communication, February 20, 2019).

Now, Rindova, Barry, and Ketchen (2009) describe entrepreneurship as initiatives attempted to bring new economic, social, institutional, and cultural environments through the efforts of an individual or a group of individuals. Entrepreneurship as a concept has been keenly researched by many academicians from numerous perspectives and categorized into three main streams, namely, institutional entrepreneurship, commercial entrepreneurship, and social entrepreneurship.

Institutional entrepreneurship refers to deploying the resources available to form and empower institutions (Dacin, Goodstein, & Scott, 2002). Commercial entrepreneurship is designed to provide motivation and momentum to the economy through the creation of organizations focused on economic profits, through opportunities, through the process of modernization and adaptation, and through risk-taking initiatives despite limited resources (Schumpeter, 1911/2002). Now, while commercial entrepreneurship is focused on amplifying private profits, social entrepreneurship is designed to drive the fulfillment of a social mission by viewing economic and market crises as chances to provide meaningful service to society and, therefore, primarily focused on social benefit (Dees, 2010). Initiatives under social entrepreneurship are focused on driving the social structure towards greater progress by the creation and sustainment of social value. Social entrepreneurship has been explored from three different approaches (Mair & Marti, 2006). The first approach views social entrepreneurship only as nonprofit organizations. The second approach highlights that social entrepreneurships can function through a profit mechanism. The final approach involves scholars viewing the possibility of social entrepreneurships impacting social change.

Spirituality can provide essential insight and understanding into the deeper values that drive entrepreneurs in various directions to create initiatives at an institutional, commercial, or social level (Raco & Tanod, 2014). By reviewing nearly 30 articles exploring the influences of spirituality and religiosity in the field of entrepreneurship, Balog, Baker, and Walker (2014) revealed that positive effects of spirituality/religiosity on entrepreneurship comprise higher degrees of life satisfaction (Bellu & Fiume, 2004), an approach to work/life (Jackson & Konz, 2006), higher growth in sales, productivity, and hiring (Ibrahim & Angelidis, 2005), reduced stress through the practice of transcendental meditation (Herriott, Schmidt-Wilk, & Heaton, 2009), and decision making (Fernando & Jackson, 2006).

Ashmos and Duchon (2000) describe spirituality as a "recognition of an inner life that nourishes and is nourished by purpose and meaningful work that takes place in the context of a community.

Working at Amrita SeRVe, an organization diligently focused on making a difference in the lives of people in need, was one of my most fulfilling experiences. The work environment included deeply humble individuals who in recognition of their inner life were dedicated to serve the community through meaningful work and did not participate for monetary or other benefits. The rewards were mostly intrinsic. Despite the simplicity of living conditions, everyone seemed to gain immense

contentment through their work. The eagerness to help made the responsibility to delegate tasks absolutely easy. This dedication and fulfillment, in my experience, not only came from the nature of the job, the lives we influenced, and the improvements we brought upon but also, above all, the guidance we received from Amma, who always led by example.

My experience with Amma inspired my interest in researching female leaders who express their work as being grounded in spiritual practice and spiritual principles. In my PhD studies at Maharishi University of Management, I conducted pilot qualitative research on this topic. I have had the good fortune of receiving the Most Promising Dissertation Award from the Management, Spirituality, and Religion Interest Group of the Academy of Management for the most promising dissertation in 2018. This chapter expresses my continuing exploration of spiritual, feminine leadership.

What role does spirituality play in shaping the life of an empowered woman leader? How does the leadership of a spiritual woman impact the work environment? In the section below, we explore the answers to these questions informed by literature in the light of a conceptual model. Spirituality is "an awareness of a being or force that transcends the material aspects of life and gives a deep sense of wholeness or connectedness to the universe" (Myers, Sweeney, & Witmer, 2000, pp. 251–260). Is this experience of deep sense of wholeness or connectedness to the universe different with women?

Women's spirituality involves a deep sense of love, and through the experiences of mothering, social justice, and caring for self and others, many women feel the divine presence (Traitler, 2008). Briggs and Dixon (2013) identify the following themes of women's spirituality that signifies the concept and experience of spirituality by women:

- Justice and equity: Being devalued in a patriarchal system can give rise to a feeling of injustice and inequity in women. Though unjust, this feeling of inequity can be a powerful motivator and facilitate the journey to find a spiritual source of love and strength, which is authentic to who they are.
- Relational: The psychological development, well-being, and decision-making processes of women are centered around relationships. Unlike men who may view their spiritual journey as more of a destination, women are likely to perceive their spirituality as "interconnected with the relational aspects of their lives" (Briggs & Dixon, 2013).
- Circular versus linear process: "Women's spirituality tends to move in circles of ascent and descent rather than in a linear, goal-oriented pattern" (Briggs & Dixon, 2013). Since women regard their spirituality as more of a journey than a destination, it comes naturally to them to participate in a more relational, circular journey with usual ebbs and flows. Briggs, Staton, and Gilligan (2009) further elaborate that, while men find comfort and a sense of achievement in hierarchal approaches, most women are likely to engage in sharing experiences, leadership, and responsibilities.
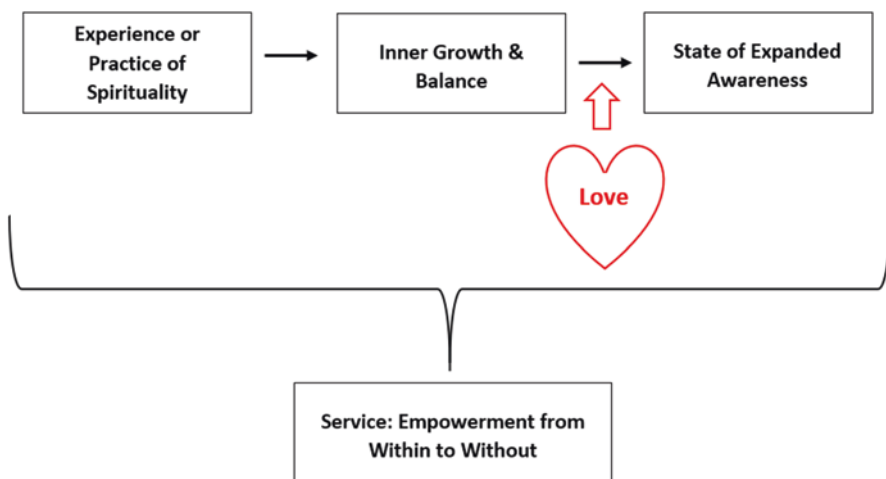
Fig. 23.2 Conceptual model highlighting the themes of women's journey to empowerment through spirituality

- Intuitive: Philosopher Ken Wilber (1999), in his book, *The Marriage of Sense and Soul*, emphasized the historical partnership of empirically attained scientific knowledge and experientially acquired intuitive knowledge. Kidd (1995) emphasized that women should follow their intuitive wisdom to embrace the Sacred Feminine to unfold their inner underlying voice, strength, and power.
- Below the surface experiences: Women's spiritual development is a spiral process, involving stages of nothingness, awakening, insight, and new naming. "As women travel through these stages, going into the darkness is just as important as emerging into a state of higher awareness or enlightenment" (Briggs & Dixon, 2013). O'Hare-Lavin (2000) points out that women are able to steer through their darkness better and often develop a "lower, deeper" sense of power than a "higher power." "This difficult journey can promote spiritual healing, growth, and empowerment" (Briggs & Dixon, 2013).

The uniqueness of a woman's experience of spirituality greatly informs the conceptual background of my research. The qualitative pilot study conducted included women as interviewees who identified themselves as having a spiritual approach to their leadership roles and may have spiritual practices to record their understanding of "spirituality" and "empowerment." The analysis of the data collected through the interviews, revealed a conceptual model highlighting the themes of their journey through spirituality to their experience of empowerment and how it influenced their immediate surroundings (see Fig. 23.2).

The themes presented in the conceptual model are: experience or practice of spirituality, inner growth and balance, state of expanded awareness, love, and service: empowerment from within to without. In this section, the themes will be elaborated and supported by quotes of the interview.

The Experience or Practice of Spirituality: Since women leaders who participated in the study identified themselves as having a spiritual approach to their leadership roles and/or a spiritual practice, the first guiding theme in the model is the experience or practice of spirituality. this involved different types of meditation, various forms of prayer, yoga, visualization, practicing silence, and so on.

Inner Growth & Balance: The interviews revealed that the spiritual element in the lives of these women cultivated a drive for inner growth and balance. One of the participants described their inner growth through spirituality as follows:

> To me, spirituality or my commitment to my spiritual path always meant refining and purifying myself and becoming the best I could be.

> While talking about inner balance, another participant elaborated:

> By balance I mean an internal stability and physical energy and vitality, mental clarity, these are all the things we need to function in the world. And also, to be in tune with that intuitive quality of yourself that allows you to just kind of see what you need to learn, see everything as a learning experience, and opportunity for growth, rather than challenges. I think 'balance' for me has a lot to do with a whole perception of how you see the world and that anything can come at you but when those pieces are aligned, when you're feeling strong in yourself and you have the energy and vitality to live your life every day. I'm thinking clearly and make clear decisions and couple that with purity of your heart, the tenderness of your heart, the fluidity of being able to just deal with challenges as they come along and not be overshadowed.

State of Expanded Awareness: The inner growth and balance brought a state of expanded awareness characterized by "a sense of connectedness to everything around [me]." One of the participants further explained that, "…part of being empowered is also not taking anything for granted and acknowledging your own strengths, acknowledging the support you have around you in the environment and where you need to maneuver in the environment to change it."

Their experience of empowerment through spirituality always meant uplifting another individual as an outcome, as a realization of the "connectedness" and as an expression of their own true nature of love and compassion.

"Empowerment is not based on me, but based on others, what I give, how I parent, the actions that benefit the other person, all these things make a significant difference. I am able to look globally when I have the power within and make a difference in people's lives. What actions to take, what to do—everything globally. It is about being true to who you are. Ethical, honest, and authentic," emphasized a participant.

Amma says, "It is not what we receive but what we are able to give that determines the value of our life" (*108 Quotes on Love*, 2014).

Service the ultimate outcome of empowerment for all the women I interviewed revealed to be "service." One of them pointed out, "I see my personal role, my purpose in life as service to humanity and I think when you have a very clear and strong purpose, that is bigger than just your own survival needs, or just all about 'me,' and

you're not overshadowed by extraneous things but there is this connection to the universe itself."

Throughout this experience, love plays a critical mediating role. One of the participants said, "Love and compassion come naturally as we are not self-centered anymore. You give and live for others."

Adam Kahane (2011) cites Jungian psychologist, Robert Johnson, "Love is the one power that awakens the ego to the existence of something outside itself."

> "The difficulty is not in expressing love, but in letting go of the ego. Love is our true nature. It is already present within us, but we are held back by our individual boundaries. We have to outgrow our individuality in order to merge into universal love. The ego stands in the way of love. Once it is removed, we will flow like a river" says Amma (*108 Quotes on Love*, 2014).

Now, Kahane (2011) emphasizes, "In working on social change, love without power manifests in a feel-good connection that is impotent: it does not and cannot produce real change. Otto Sharmer points out [in his model Theory U] that the practice of what he calls 'downloading' of reenacting the status quo by saying what we always say and doing what we always do, produces a polite, conflict-avoiding, counterfeit wholeness. We may believe that we have transcended our self when we are united with others or with our higher self, but often we are experiencing only a counterfeit projection of our smaller self. Hidden beneath the surface of counterfeit love without power is a self-deceiving and self-serving power without love."

He adds, "Our love is generative when it empowers us and others; when it helps us, individually and collectively, to complete ourselves and grow."

Love Several academic researchers have incorporated the concept of love in one form or another in their proposed theories and suggested its incoporation into the core principles that govern organizations and individuals to create others-oriented work environments. Altruistic love is an important component in the Spiritual Leadership Model proposed by Fry and Nisiewicz (2013). According to this theory, one's inner life or spiritual practice is the fundamental source of insight and inspiration and positively influences development of (a) hope/faith in a transcendent vision of service to key stakeholders and (b) the values of altruistic love. He elaborates that "spiritual leaders who have an inner life or spiritual practice will be more likely to have, or want to develop, the other-centered values of altruistic love and a transcendent vision of service to key stakeholders and the hope/faith to 'do what it takes' through to achieve the vision. To implement spiritual leadership leaders, through their attitudes and behavior, model the values of altruistic love as they jointly develop a common vision with followers" (Fry et al., 2010; Fry & Nisiewicz, 2013).

Similarly, the interviews revealed that from the perspective of the women leaders, in their journey to empowerment through spirituality, a drive love was not merely an emotion; instead, it was an important connecting factor facilitating the realization of their true inner power in connection to their surroundings. Their expanded awareness effortlessly allowed them to view themselves not in isolation but in union with all aspects of the universe. This facilitated their spontaneous

efforts in bringing about change at a social level, and this outcome was "service: empowerment from within to without."

Amma says, "When you see others as you see yourself, there is no individuality. Compassion is the language the blind can see and the deaf can hear. Lending a helping hand to a neglected soul, feeding the hungry, giving the sad and dejected a compassionate glance—this is the language of love" (*108 Quotes on Love*, 2014).

Now, how can love drive social change in a power-driven world? Kahane (2011), after 20 years of experience in resolving social challenges across the world, developed his "power" and "love" model. Many researchers and philosophers have defined power in various contexts and connections. In the light of the theme and spirit of the chapter, Tillich (1954) defines power as "the drive of everything living to realize itself, with increasing intensity and extensity." He described love as "the drive towards the unity of the separated." According to the power and love model by Kahane (2011), "love is what makes power generative instead of degenerative. Power is what makes love generative instead of degenerative. Power and love are therefore exactly complementary."

Kahane (2011) proposes that power has two sides, namely, the generative side called "power-to," which is described by Tillich (1954) as the drive to self-actualization, and the degenerative side called "power-over," which is the "stealing or suppression of the self-realization of another" (Kahane, 2011). For both power and love to be effective and truly represent the concepts, their coexistence and balance are essential.

In the conceptual model revealed through the pilot qualitative study, "empowerment from within to without" is a similar expression as "power-to." When the women leaders experienced empowerment in their lives, their deep realization of love brought a balanced generative sense of power in their lives in connection to their surroundings.

At Amrita SeRVe, under Amma's leadership and guidance, there was a great deal of focus on humility and a similar sense of "power to." Amma says, "The ego can only be broken through the pain of love. Just as a seedling can only emerge when the outer shell of the seed breaks open, so too, the Self unfolds when the ego breaks open and disappears" (*108 Quotes on Love*, 2014).

Even though the antiquated premise of leadership has been conceived in stereotypically masculine terms (Eagly & Karau, 2002), my experience working under a spiritual woman's leadership was deeply holistic. A meta-analysis of 69 leadership studies by Eagly and Karau (2002) revealed that women are often viewed as communal, collegiate, and nurturing and, therefore, are less likely to be chosen to play leadership roles (Eagly & Carli, 2007). On the contrary, in my experience, those qualities in a woman are what make her leadership integrative.

Leadership by women has been characterized by a democratic leadership style (Eagly & Johnson, 1990), collaboration and consultation (Chesterman, Ross-Smith, & Peters, 2003), transformational leadership style, and better conflict resolution skills (Eagly, Johannesen-Schmidt, & Van Engen, 2003). Women are more likely to adopt servant leadership, defined as an individual's desire to serve others. It is needs-focused and other-oriented with emphasis on listening, empathizing, healing, and practicing stewardship (Greenleaf & Spears, 2002). This is also illustrated in

the conceptual model where "service" is the conclusive outcome of the process. Amma says, "it is pure love and selfless service that sustain this universe" (*108 Quotes on Love*, 2014). Under her leadership, there is a great deal of emphasis on "serving".

> As you help those in need, selfishness will fall away, and without even noticing you will find your own fulfillment, says Amma (Prana, 2015).

> Everything is extremely successful in Amma's organization because grace and selflessness form the foundation behind the creation and growth of everything connected to it; Selfless service is the easiest way to forget who we think we are. It helps us to discover the Divinity inside of ourselves and inside of others as well (Prana, 2015).

This continued focus on selflessly serving the people in need throughout the world permeates any organization's culture under Amma's leadership. No matter how big or small one's contribution is, it is recognized with utmost respect and love. During my employment at Amrita SeRVe, I learned to question if what I am doing is making a difference in another's life or if I am able to contribute and help even one person in need through my work. I began to see myself not in isolation but as a part of the entire creation and how the only way I felt I could serve selflessly was by forgetting myself. This did not mean I did not attend to my own basic needs, but I learned to put other's needs before my wants and create an others-oriented approach to my own life. I had the blessing of working under Swami Jnanamritananda Puri, Amma's disciple, who is the Director of Amrita SeRVe. Amma's guidance and grace flowed through his leadership and turned out to be one the most transformative experiences of my life while I witnessed Amrita SeRVe transform the lives of thousands of people in the villages of India.

This metamorphosis made me realize that the common aspect of Amma's leadership and the leadership of participants in my pilot study was simply "a deep sense of love and concern for others."

What will be the impact on organizations and employees if love is reflected in its core principles instead of mere profit maximization? Can love be the rebalancing force that brings a sense of empowerment and wholeness to organizations and the employees?

Chapter Takeaways

- Women's spirituality involves a deep sense of love and "lower, deeper" sense of power. It is a circular process and can be characterized by justice, equity, and intuition in context of relationships.
- The qualitative pilot research revealed an intriguing process of empowerment experienced by women leaders in which spirituality drove their experience of empowerment, a deep sense of love was not only an important realization but also a mediating factor, and the ultimate outcome was to facilitate the experience of empowerment for another individual through "service."

• Love is not merely an emotion but contains the capacity to unite the separate. When there is a harmonious balance between power and love in the fundamental principles of the structure of an organization, it creates an almost perfect recipe for a social change through their initiatives.
• We're all a union of the feminine and masculine aspects of nature. Cultivating the qualities stereotypically considered feminine, such as communal, collegiate, nurturing, collaborative, and a desire to serve others, can facilitate a holistic leadership style to create other-oriented work environments where employees feel genuinely cared for.
• A holistic work environment can cultivate increased self-awareness in organizations creating effective social entrepreneurships for transformation at a societal level.

Reflection Questions

1. Within the control of the organization, can the "concern for others" approach govern or determine its functioning to create homogenous and balanced work environments? If yes, how?
2. The chapter cites five themes of women's spirituality that signify the concepts and spirituality by women. Select a theme that you consider compelling, and explain in your own words why you consider this important.
3. According to the author, her interviews revealed that the spiritual element in the lives of these women cultivated a drive for inner growth and balance. Engaging in some self-reflection, how do you think you could nurture the spiritual element in your own life?
4. One of the chapter takeaways states that a holistic work environment can cultivate increased self-awareness in organizations creating effective social entrepreneurships for transformation at a societal level. How do you think work environments can become more holistic in your community?
5. Please visit the Amrita SeRVe website and provide some updates on the organization's activities.

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CSR Case Studies of Selected Blue Chip Companies in Kenya

24

Peter M. Lewa

Key Topics

- Meaning of CSR
- Approaches to CSR
- Arguments for and against CSR
- Case studies of blue chip companies in Kenya

Introduction

Generally speaking, the term "corporate social responsibility," abbreviated as CSR, has two meanings. First, it's a general name for any theory of the corporation that emphasizes both the responsibility of business to make money and the responsibility to interact ethically with stakeholders or communities. Second, CSR is also a specific conception of that responsibility to profit while playing a role in the broader questions of the welfare of communities.

Companies have always engaged community welfare in Africa since the early days of the Dutch East India Company and other companies before and during the colonial period. However, from time immemorial, many businesses operated with a singular goal in mind: to make money for the shareholders and only taking some care on some social issues that directly interfered with their operations. Through the payment of taxes, utilization of local resources whenever possible, creating jobs, and addressing problems arising out of their activities that had negative social consequences (e.g., pollution), companies, in a historical sense, were deemed to have fulfilled their responsibility to society. However, many questions arise in the discourse on corporate social responsibility (CSR) about whether the involvement

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of companies in CSR has always been without ulterior motives and whether the social responsibility as traditionally envisaged met the changing needs of society and was sustainable (Pohl & Tolhurst, 2006). Changes in the social, economic, and environmental sectors have increasingly required companies to change their modus operandi. Sustainability has become a clarion call today. The idea is that whatever organizations do, long-term concerns for society's welfare must be taken into account. Anecdotal evidence in Kenya and elsewhere appears to suggest that the issue about what motivates organizations to engage in CSR may need to be examined critically in order to have a clear understanding of the trends and to find out if there could be ulterior motives in their engagement in addressing societal issues. In many quarters in Africa in general and in Kenya in particular, there is a view that ulterior motives may be significant in terms of why and where most companies engage in CSR activities. This becomes important when looked at from the political lenses in any country. One top manager in the power sector operating in East Africa claimed in an interview that his organization carries out CSR activities because it is a good thing to do but also that politicians and technocrats have a lot of influence in terms of the localities where CSR activities will be carried out by the company.

The case studies on CSR in this chapter are based on the activities of some blue chip companies in Kenya that also have operations in the rest of Africa and especially in the greater East Africa region. They all have a global reach as well.

Meaning of CSR

CSR, like most concepts and fads in the social and management sciences, has a problem of definition. As such, there have emerged numerous definitions of CSR. CSR has been generally taken to mean the aspect of business that addresses social issues with a focus on sustainability. There are those who argue that CSR is a model of business that explains the behavior of companies outside their traditional role of the profit motive. In this regard, CSR is guided by ethical rather than commercial considerations. Other arguments relate to development matters. From a developmental perspective, it is often argued that through CSR activities, companies contribute their share to the advancement of society. Other quarters argue that CSR conveys the idea of a legal responsibility or "liability" or "charitable contribution."

The meaning and scope of CSR as well as its governance role of business in Africa and in Kenya in particular are highly contested in the CSR debate. For example, historically many companies in the extractive industries, in forestry, and in agriculture have taken on the roles of government such as in the provision of health services, water, sanitation, roads, telecommunications, power supply, and housing. Many towns in Africa over time became de facto company towns.

Social problems have increased in the world today, and the society has become more enlightened and is making demands on companies to help in alleviating the

problems. Consumers and the public in general have responded well to CSR. There is now concern for sustainable development. The Sustainable Development Goals (SDPs) have given impetus to companies to pay more attention to CSR. Moreover, Western CSR and ethical consumerism have promoted a business case for CSR in Africa. There is also a global NGO movement focusing on ethical practices. The UN and the Africa Union, with growing importance of FDIs and also CSR through the New Partnership for Africa's Development (NEPAD), have promoted ideas on CSR. The WB and the IFC have immense interest on social and environmental impacts of project and programs. There has also been growing importance of indigenous CSR and related initiatives. The Supply Chain Codes of Conduct encourages fair trade initiatives as an important aspect of social responsibility. There has also been small but growing driver of socially responsible investment (SRI). In simplest terms, CSR is geared toward showing that though the business of business is profit, there is also a realization that part of the profits should be invested back into the social and physical environment that sustains and ensures that business continues as usual. It is a model that encourages responsible business practices by firms seen as important in sustainability (Crane & Matten, 2007).

Many studies on CSR, despite the absence of what its full meaning and scope is, suggest that it is a significant part of company operations and it is advantageous to pursue CSR activities. Evidence today suggests that CSR leads to generation of profits and creation of competitive advantage. Some studies have concluded that the alignment of the CSR with the corporate strategy boosts the reputation of companies (McWilliams, Siegel, & Wright, 2006; Porter & Kramer, 2006, 2011). Do the above conclusions relate to companies that are engaged in CSR in Kenya? This is the key concern in this chapter.

It is important to find out what happens in developing or emerging countries in regard to CSR activities. Today there is increased attention to CSR everywhere and especially in emerging markets. This study on CSR in Kenya therefore is a welcome addition and contribution to the discourse.

It is a well-known fact that CSR practices of companies in emerging markets lag behind their counterparts in the developed countries and are influenced by the type of industry and that the manufacturing sector in the developing countries is the most affected in regard to social pressure to regulate matters related to aspects as employees' safety, product quality, and environment pollution. Manufacturing firms in BRIC countries are guided by the philosophy to act responsibly on safety, quality, and environment matters. No wonder BRIC countries have been on the growth trajectory for some time now.

Approaches to CSR

There are three important aspects to consider in CSR. These are motives for CSR activities, CSR processes, and stakeholder concerns (Maignan & Ralston, 2002).

Some firms are value driven to act responsibly toward the stakeholders regardless of the external pressures even though such pressures can be overwhelming at times.

However, the utilitarian approach considers that firms implement CSR initiatives because their managers who are performance driven realize that there is a positive relationship between the CSR and the financial performance of their companies. Some scholars have argued that CSR has significantly demonstrated its capacity to enhance corporate reputation (Branco & Rodrigues, 2007).

The shareholder/agency, stakeholder, legitimacy, instrumental, social contract, conflict, green, and communication theories have so far been identified as the eight dominant theories of CSR. Whatever theoretical persuasion is considered in nearly all business operations, moral dilemmas arise in company operations such as what obligations organizations have to ensure that individuals seeking employment or promotion are treated fairly, how conflicts of interest in operations should be handled, what kind of advertising strategy and communications strategy should be pursued, and indeed what philosophy or orientation should be pursued in the operations of a company in today's highly globalized world (Hennigfeld, Pohl, & Tolhurst, 2006; Visser, Matten, Pohl, & Tolhurst, 2007).

There are three sets of issues that need to be considered and managed outside of, and independent of, the pursuit of the profit motive. Broadly, there are three theoretical approaches to these new responsibilities: They are:

1. Corporate social responsibility (CSR)
2. The philanthropic responsibility
3. Stakeholder theory

As a specific theory of the way corporations interact with the surrounding community and larger world, **corporate social responsibility (CSR)** is composed of several obligations. These are the economic responsibility to make money, the legal responsibility to adhere to rules and regulations, and the ethical responsibility to do what's right even when not required by the letter or spirit of the law (Garriga & Melé, 2004).

The **philanthropic responsibility** is about how corporations ought to contribute to the society's issues, problems, and projects even when they're independent of the particular business. Such involvement signifies public acts of generosity and represents a view that businesses, like everyone in the world, have some obligation to support the general welfare in ways determined by the needs of the surrounding community.

Stakeholder theory is generally seen to be the mirror image of corporate social responsibility. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. In essence, stakeholder theory looks at the obligation of a company to its stakeholders, those with an interest in a company, or are touched by the company's activities. In short, this theory asserts that those whose lives are touched by a corporation hold a right and obligation to participate in directing it.

Arguments for and Against CSR

There is a trend among businesses around the world to engage in practices of corporate social responsibility (CSR), also known as "corporate citizenship," "sustainable responsible business," and "corporate social performance." An increasing number of businesses are attempting to achieve ethical business standards, as well as display more transparency through reports on their achievements. There are both arguments for and against CSR outlined by F. N. Kibera (2012) and many other contributors to the CSR debate. These are outlined below.

Arguments for Social Responsibility

- Changing public needs and expectations—Businesses have to address these to narrow the gap between changing expectations and what they have always done as CSR activities.
- Moral obligation—CSR is ethical.
- Limited resources—Use of scarce resources wisely and conserve resources.
- Better social environment—By helping solve difficult social problems, companies can make society better.
- Sustainability—A more socially responsible company tends to have more secure long-run profits.
- Social power—A business should be more socially responsible as a balance to the large amount of social power it enjoys.
- Complex interrelationships—Modern business operates in a complex system of interrelationships with other agencies. Activities by companies have influence on other organizations, and therefore companies should operate in a socially responsible manner so that the impact of their activities on other organizations can be positive.
- Social problems—Businesses contribute to social problems, and so they should contribute to addressing them through CSR.
- Positive image—Businesses want a positive public image and CSR helps to bring this about.
- Prevention—Through CSR, companies can prevent some social problems, and this is better than waiting for them to occur and then try to solve them. This would be expensive. Prevention is better than cure.

Arguments Against Social Responsibility

- Businesses have the key motive of making profit. By maximizing profits through cost control and good pricing, the society benefits.
- Pursuing economic as well as social goals, business executives can be confused and ineffective.
- SCR is costly and this reduces profit margins.

- Businesses already have a lot of power. Doing CSR is likely to make them so powerful to the detriment of the society.
- Many CEOs lack the social skills to make CSR work effectively for their organizations.
- Businesses do not have direct lines of social responsibility to the people, and so it is unwise to allow business activities in areas where business is not accountable.
- Inability to make moral choices—Only individuals or persons can make moral choices not organizations or businesses. It is a waste of time talking about business social responsibility.

Case Studies of Selected Blue Chip Companies in Kenya

The country of Kenya is in the eastern part of Africa. It is one of the main economies of East Africa and a key player in the economic life of the greater East Africa region. Kenya gained independence from Britain in 1963. It is a regional hub for trade and finance, with a population of approximately 46.2 million and an area of approximately 582.646 km². Kenya's gross domestic product (GDP) is approximately USD 22.78 billion, with an annual growth of 5.8%. Kenya was recently declared low-middle-income status country. It has a fairly good infrastructural facilities and a service sector growing well. Agriculture contributes about 19% of GDP, industry 18%, and services 62.6%. The country is the world's third largest exporter of tea. Other important foreign exchange earners include coffee, horticulture, tourism, and mining. Thus, Kenya has unique economic, political, social, cultural, and regulatory conditions relevant to CSR.

After independence in 1963, the government, through Sessional Paper Number 10 of 1965, declared war on poverty, disease, and illiteracy. Since then, the life span of Kenyans has increased, fertility and infant mortality have been cut by half, and school attendance has more than doubled; GDP per capita has increased eightfold, and the financial sector is now the third largest in sub-Saharan Africa, after South Africa and Nigeria.

Kenya remains one of the most blessed countries in Africa in terms of unexploited minerals, resilient population, and central location in the continent of Africa but unfortunately also represents one of the most pathetic in terms of poverty, disease, corruption, poor institutions, inequalities, violent conflicts, working conditions, human rights abuses, health and safety problems, HIV/AIDS and malaria, lack of trust in companies, environmental degradation, corruption, negative impact of climate change, water usage and impacts on scarcity, and related problems.

What follows below is a presentation of some selected blue chip companies in Kenya that helps shed some light in regard to their involvement in CSR.

Kenya Commercial Bank (KCB) Group

KCB Group, a major commercial bank in East Africa, has the largest branch network in the region with over 260 branches, 962 ATMS, and 11,948 agents offering banking services on a 24/7 basis in Kenya, Tanzania, Uganda, Rwanda, South Sudan, and Burundi with a correspondent unit in Ethiopia. With 120 years of experience, KCB is one of the largest banks in East Africa, investing more than USD 1 billion (KShs 100 Billion) in socioeconomic developments across the region. KCB has partnered with various different organizations to meet these socioeconomic development goals in the areas of agriculture and innovations for farmers, enterprise development, and social welfare programs.

The KCB Group started the KCB Foundation in 2007 to implement the KCB Bank Group's CSR programs and as a sign of commitment to sustainable development to alleviate poverty and enhance well-being. As a good corporate citizen, the KCB Bank Group is committed to sustainable development, prosperity, and poverty reduction to address the hardship, high poverty levels, and interconnected challenges that affect communities in East Africa.

To date, the KCB Foundation has invested heavily in community programs in Kenya, South Sudan, Rwanda, Tanzania, Uganda, and Burundi. The KCB Foundation programs are designed to address issues of relevance specifically within the thematic areas of education, enterprise development, health, environment, and humanitarian intervention. The programs are customized in each of the KCB countries to ensure that they are addressing relevant development priorities.

The **mission** is stated as "Building Communities to Bank on Themselves." The **vision** has been stated as "To transform Lives to Enable Progress." Its key **values** are inspiring, simple, and friendly. The mission, vision, and values of the KCB Foundation are grounded on the society. The KCB Foundation is guided by three pillars that have reference to the sustainable transformation of communities (aid, environmental programs, humanitarian aid, education, health, and skills development leading to creation of employment in different sectors). To accomplish its CSR purposes and in order to address issues of the common good, the KCB Group (on behalf of the Foundation) has entered into partnerships with other organizations, international NGOs, communities, and even its competitors. In 2019, for example, it entered into a USD 30 million effort with the Mastercard Foundation to offer financial inclusion to two million farmers in Kenya and Rwanda. KCB will offer an extension of financial services to farmers in dairy, crop, and livestock farming via mobile phones via M-Kulima (mobile platform to support to farmers).

The KCB Foundation has sponsored 340 students who have joined Form One in schools across the country with 47 slots in 2019 reserved for students with physical, visual, and hearing disabilities. Through this scholarship, the KCB seeks to enable bright students from needy backgrounds to pursue education and hence contribute toward increasing the transition rates between primary and secondary school. Part of the KCB scholarship also includes a series of life skills training sessions aimed at equipping beneficiaries of the program with relevant marketplace skills and in order to prepare them to take charge of their livelihoods. This year's beneficiaries

will bring to 1899 the number of students who have so far benefited from the KCB scholarships since 2007. The program has been marked by a completion rate of 99% from year to year.

The KCB Foundation has launched recruitment of beneficiaries for *2jiajiri* program. *2jiajiri* is a flagship program of the KCB Foundation that seeks to create jobs and wealth through targeted skills development in the informal sector especially among the youth.

In 2019, the KCB Foundation and various partners have committed themselves to recruit 10,000 beneficiaries in agribusiness, automotive engineering, beauty and personal care, building and construction, and domestic services at various technical training institutions in Nairobi, Embu, Murang'a, Nakuru, Kilifi, Marsabit, Kajiado, Machakos, Siaya, Kiambu, Busia, and Kakamega counties. The recruitment is open for scholarships under *2jiajiri* as well as the *Skills and Enterprise Development* project implemented in partnership with the German Agency for International Cooperation (GIZ).

The KCB Foundation has extended its operations to other countries in East Africa. For example, toward the end of 2018, it graduated 100 beneficiaries of the inaugural class of "KCB Igire," its flagship youth wealth and job creation program in Rwanda. KCB Rwanda through KCB Foundation and the Rwanda National Youth Council launched a partnership in April 2018 to support 100 youth for 6 months to equip them with vocational skills to enable them fit into self-employment. The graduands underwent training majorly in three disciplines: information and communications technology, culinary art, and domestic electrical installation.

The Foundation and GIZ in 2018 graduated 350 program beneficiaries who successfully completed a 3-month training in the innovative hydroponic farming that targeted youth initially in the central region of Kenya (Kikuyu in Kiambu county). This is part of a 6-month training course consisting of 3-month classroom training with practical exercises and 3 months on construction of units and actual group production of the agricultural produce. The hydroponic farming training that was conducted at Miramar International College (MIC) in Kikuyu is a soilless farming method, and a subset of hydroculture, where plants are grown using only a mineral nutrient solution in a water solvent. The technology utilizes less space and water, and crops mature within a short time. The graduates have been equipped with hydroponic techniques of producing vegetables, tomatoes, strawberries, and livestock fodder, among other food crops. The program seeks to empower 10,000 youth every year to start small businesses that will employ at least five people each. This translates to 50,000 jobs for young people directly created through this program by the end of the 5 years.

On March 4, 2019, the KCB Foundation and PZ Cussons East Africa graduated the first batch of trainees under the on-the-job skills training program dubbed "Venus Nywele Ni Mali" that seeks to train and equip 1000 salon professionals in the next 5 years. At the event, 25 graduates were handed capital and starter packs to enable them to set up their own businesses.

This case shows that the KCB Group through its foundation has targeted the critical areas in society that need serious attention. The top managers in the

foundation claimed in interviews that they have involved themselves in society because of pressure from the community, realization that the profit motive only is not sustainable, and realization that the dynamics have changed to sustainability as promoted through the Sustainable Development Goals (SDGs), among other reasons.

Equity Group Holdings Limited

Equity Group Holdings Limited popularly referred to as Equity Bank was started in 1984, as a building society in Murang'a, in the Central Kenya region, with a focus on the mortgage and tea sectors. Its expansion necessitated the conversion to a bank in December 2004. Equity Bank is one of the biggest indigenous local banks, a status it has managed to achieve in just a space of 25 years. Its initial target market was Murang'a tea zones, in the central region of Kenya. The tea zones were an easy target, as they had no powerful cooperatives offering banking services. The bank has been focusing on small-scale farmers, individual customers, and small- and medium-scale businesses. The bank has now moved to other segments like corporate banking, mortgages, and investment banking.

The bank has continued to consolidate its position in Kenya, as at the end of February 2019 the bank had three million customers and 106 branches. It believes in partnerships and expansion of branch networks. Building a branch network has enabled the bank to favorably compete due to increased proximity and resulting convenience. Equity branch expansion has been duplicated by other banks like Barclays, Cooperative Bank, Ecobank, Bank of Africa, and Family Bank. The bank has also aggressively expanded to the Great Lakes region, where it intends to replicate its Kenyan model.

Equity Group Holdings Limited is one of the large financial services conglomerate in East Africa whose stock is listed on the Nairobi and Uganda Securities Exchanges. The companies that comprise the Equity Group Holdings Limited are spread all over the region, Kenya, Rwanda, South Sudan, Tanzania, Kampala, and Democratic Republic of Congo, and include Equity Consulting Group Limited and Equity Insurance Agency Limited in Nairobi, Kenya; Equity Nominees Limited in Nairobi, Kenya; Equity Investment Services Limited in Nairobi, Kenya; Finserve Africa Limited in Nairobi, Kenya; and Equity Group Foundation (EGF) in Nairobi, Kenya.

Equity Group Foundation (EGF) was established in 2008 to serve as the social impact arm of Equity Group. It is a not-for-profit implementing foundation based in Nairobi, Kenya, that champions the social and economic transformation of the people of Africa. Born out of Equity Bank's commitment to servicing the poor as part of its core business model and through its long-standing corporate social responsibility initiatives, EGF designs and delivers high-impact social development programs across six strategic pillars: education and leadership development, financial education and inclusion, entrepreneurship, agriculture, health, and energy and

environment. Since its founding, EGF's programs have helped over six million Kenyans advance on journeys to more secure and productive futures.

EGF has demonstrated social impact across Kenya by leveraging Equity Bank's extensive infrastructure and through strategic partnerships with government as well as local and international actors. In the coming years, EGF looks forward to expanding its programs and each pillar's reach to Equity Bank's other markets in different countries of Africa. According to the CEO of the EGF, the Foundation is committed to impacting the lives of 100 million Africans by 2024.

The main aim of Equity Group Foundation is ideally to enhance the social and economic prosperity of people in the African region. This is through creating opportunities for people living at the bottom of the pyramid, thus incorporating them into the modern economy. Since its inception in 2006, the Foundation has significantly enhanced the coordination of CSR interventions for Equity Group Holdings Limited. Through their *Wings to Fly* program, Equity Group Foundation was able to award 2000 students with extended high school scholarships in the year 2015. This program is co-funded by The MasterCard Foundation to a tune of USD 41 million over a 9-year period.

By leveraging the group's infrastructure and resources, EGF is able to keep overhead costs low while effectively and efficiently scaling high-impact social programs. EGF, therefore, offers funding partners a particularly good value for program execution.

Discussion with some top managers in Equity Bank and from published information gives the following as the main reasons why the bank went big into CSR activities: focused group CEO, growth of the bank and the good returns so engendered was a motivator, pressure from communities and especially the press, issues of profit and morality, and need to enhance the reputation of the bank and to create a competitive edge over its competitors.

Safaricom PLC

In June 2000, Vodafone (the largest shareholder in Safaricom PLC) brought Michael Joseph to Kenya from Hungary to become the first CEO at Safaricom. The task before the CEO and his management team was twofold; one, to transform Safaricom's culture, which had been largely a public sector setup, into an efficient and profitable business and, two, to build the necessary infrastructure for a modern wireless telephone network. The task involved upgrading the already existing system and installation of base transceiver stations, switches, servers, generators, and other equipment and communication software for wireless communication.

Safaricom PLC inherited old dilapidated equipment, limited office space, and a workforce of 50 employees. Vodafone had seconded from its subsidiaries abroad a core team of technical experts, among them Hugh Herschel, sales and marketing manager; Les Baillie, finance manager; and other experts in the various roles that were needed to run a wireless telecom company. Together, they started working hard and smart, it can be argued, to get the recently privatized Safaricom up and

running. The team really got into an organization where everything was lackluster by all possible descriptions. The new Safaricom management immediately embarked on developing a strategic plan to revamp the company. Team effort guided by a very well-thought-out strategic plan resulted in great success in a few years down the line.

In early 2000, Safaricom PLC launched the Safaricom Foundation to help it achieve its mission.

The **vision** of the Foundation is "a thriving and prosperous Kenya," while the **mission** is "to transform lives through partnering for impactful community investments."

The Foundation's **values** are move with speed, simplify the way the Foundation does business, and build relationships with all partners based on trust.

The first strategic plan for the Foundation (2014–2017) was formulated in 2013. Its three areas of focus are health, education, and economic empowerment. These are aligned to the 17 United Nations SDGs. The CEO of Safaricom PLC (Mr. Bob Collymore) observes in the new strategic plan (2018–2021) that the company "had integrated 9 of the 17 (of the SDGs) into our business strategy in order to drive out impact and relevance to society. The Foundation's SDG alignment as well as our focus on protecting and promoting the rights of children are particularly important elements our transforming Lives agenda." Safaricom PLC has thus pegged the SDGs on its operating strategy because it sees this as the way of ensuring sustainability (Safaricom PLC n.d, 2019).

Mr. Joseph Ogutu, chairman of Safaricom Foundation, makes a similar observation as the CEO of the parent company. He says "Fifteen years ago Safaricom Foundation embarked on a transforming Lives journey that has created one of the largest footprints of its kind in Kenya." He goes on to say "we recognize that we will continue to need support of the development community, partners and Kenyan communities as we embark on what for us is a marked change in the way we have usually done business" (Safaricom Foundation n.d, 2019: Strategic Plan 2014–2021). The formulators of the strategic plan paid attention to "the changing philanthropic landscape and how best to contribute more meaningfully to the Total Societal Impact (TSI) of Safaricom PLC" according to the current strategic plan.

Safaricom Foundation is guided by the following operating principles:

Globally engaged—alignment with the SDPs.
Catalytic and sustainable—provide support to generate long-term sustainable results.
Leveraging Safaricom business expertise, knowledge, and assets—in order to deliver high-value and scalable investments.
Integrated—promote the integration of the interventions the Foundation supports in order to maximize the impact of our investments.
Environmentally aware—reduce and mitigate any negative impact of the Foundation's investments on the environment.
Gender sensitive—ensure that the investments the Foundation makes provide equal enjoyment by women, men, girls, and boys of rights, opportunities, and rewards.

Rights based—ensure that the ultimate aim of the Foundation's investments is the realization of the rights of women, men, girls and boys, as articulated in the constitution of the Republic of Kenya as well as regional and international conventions and declarations.

Evidence based and results focused—ensure that the Foundation only invests in programs and activities that are based on evidence and achieve measurable results.

Twaweza (**we can**)—collaborate and partner with internal and external stakeholders when making investments.

Safaricom PLC through the Safaricom Foundation has been able to embrace changes in regard to philanthropy and has reported high profitability on a sustainable basis. The company has reported the role it has played in creation of jobs, environmental protection, promotion of skills, and interventions in regard to universal health initiatives. The company has entered into partnerships in order to assist it pursue its goals. It has been one of the most successful companies in Africa in terms of sustainable operations.

Safaricom PLC, which has been awarded the Brand of the Year in the past, is the perfect case study for corporate social responsibility. Since 2012, the company has been releasing an annual sustainability report as an embodiment of the CEO's mantra, **know, show, and grow**, a dedication to constantly doing better.

Safaricom's main focus is to align the company's social and environmental activities with its business purpose and value. Safaricom's dedication to CSR can be seen by looking at its operations in the area of philanthropy. Safaricom Foundation demonstrates this through the M-Pesa Foundation Academy through which full scholarships are given to learners from disadvantaged backgrounds in order to give them an opportunity to study. The Foundation also partners with some high schools to sponsor some of the learners. Other ways in which its philanthropy is shown are through donation to causes such as the Heart Run held yearly.

Safaricom PLC is signed to the United Nations Global Compact which focuses on urging companies to align their operations with universal principles on human rights, labor, environment, and anti-corruption. For example, Safaricom in one of its reports in 2017 indicated that their workplace gender balance was evenly split at 51% men to 49% women and that environmental responsibility had been given priority.

Safaricom has come up with new models of business that contribute not only to revenue but also to social goals. In this regard, Safaricom's accomplishments are admirable. There are many instances of its partnerships and even financing of great business ideas that are socially conscious. For example, there is the WEEE Centre which collects e-waste for recycling and preoperative disposal; M-Tiba, a platform that uses e-wallets to enable poor people to set aside money for healthcare; Eneza Education which grants access to revision material for students, teachers, and parents; and Ocean Sole that helps clean up beaches at the Indian ocean coast and make decorative art using the waste.

Homegrown (K) Ltd

Homegrown (K) Ltd was established in Kenya in 1982 to export fresh vegetable produce to the United Kingdom. Initially the vegetables were grown on leased land. However, in 1988, Homegrown purchased its first farm, Flamingo Farm, near Lake Naivasha which covered 80 hectares. It was on this farm that Homegrown first started growing English runner beans under lights and later in 1990 constructed the first metal greenhouse structure in Kenya to grow roses. In 2000, Homegrown became a subsidiary company of Flamingo Holdings which subsequently established two distribution companies in Britain, namely, Flamingo UK and Flower Plus, to market and distribute prepacked vegetables and cut flowers to blue chip supermarkets in the United Kingdom including Marks & Spencer, Safeway, Sainsburys, and Tesco.

Between 2000 and 2003, Homegrown continued with its acquisition strategy by acquiring additional farms in Naivasha and Mount Kenya regions to expand its vegetable and flower production. In late 2002, Flamingo Holdings made two landmark acquisitions including Zwetsloot, a cut flower supplier to the supermarkets in the United Kingdom, and Sulmac, a farm in Naivasha covering 256 hectares that would create a land bank for all of Homegrown's foreseeable expansions. In 2003, Sunbird Flowers in South Africa was acquired by the Group to enhance its vertically integrated supply base.

By late 2003, Homegrown had grown to be one of the largest flower and vegetable growers and exporters in Kenya with an annual turnover of KShs 5770 million (USD 74 million) and over 7500 employees in its three regional centers: Lake Naivasha, Mt. Kenya, and Jomo Kenyatta International Airport. Under the umbrella of Flamingo Holdings, the company has extended its operations to other countries in Africa, Europe, Latin America, and Asia. It had a worldwide supply base including Kenya, Zimbabwe, South Africa, Guatemala, Peru, Thailand, Holland, and the United Kingdom.

Some events in mid-2003 triggered the company's focus to actively engage in CSR activities. Mr. Richard Fox, the managing director of Homegrown Kenya Limited, and his team had to act quickly to avert bad press but to show the world that the company cared about CSR. Newspaper headlines at the time became relentless in criticizing the company in its failure to respect the welfare of the workers and to control pollution especially obnoxious gases emanating from the flower farms, sexual abuse of female workers by male colleagues and especially the managers, use of banned chemicals in the flower farms, poor wages, and poor living conditions for the employees. One newspaper headline was titled "The Kenyan Horticultural Industry under Fire." The opening paragraph of the article revealed that many concerned NGOs had formed a coalition of nongovernmental organizations (NGOs) led by the Kenya Human Rights Commission (KHRC) that had come up with plans to conduct national campaigns against flower growing and exporting companies in Kenya that were perceived to be practicing exploitative labor policies with respect to working conditions, workers' welfare, sexual harassment, and exposure to harmful pesticides. Mr. Richard Fox and his top managers could obviously see that the

publicity had adversely tarnished the image and reputation of the horticultural industry in Kenya as a whole but that of the Homegrown (K) Ltd.

The management began a campaign in newspapers and in press briefings to show that corporate social responsibility (CSR) had been at the core of the company's business since the 1990s. The company assured the public and concerned agencies including the government that it had always valued its employees, was concerned about the environment, and would strengthen its CSR activities to show the world that it was serious. As a consequence, a CSR department was created with board-level representation to address issues related to customer requirements, standards, workers' welfare, the environment, and working conditions.

Lessons on CSR from Kenya's Blue Chip Companies

Kenyan businesses appear to appreciate that their business decisions and actions can greatly harm people and the environment. More businesses are acknowledging stakeholders, instead of just focusing on share prices.

The companies considered here contend that involvement in corporate social responsibility is beneficial not only to society but also to their success in their business operations. They believe that engagement in CSR has created good publicity.

Corporate social responsibility can also help create positive work environments that build a sense of community that leads to better support to employees as the case of Homegrown (K) Ltd shows. The company was forced by communities to focus more sharply on CSR activities.

The experiences of our case study companies show that profitability can be enhanced through CSR and that connecting CSR activities to the company strategy can lead to better success as the case of Safaricom PLC shows. The cases show that companies that place an emphasis on corporate social responsibility typically have an easier experience when dealing with different stakeholders such as the press, the politicians, and government regulators. Businesses can also avoid negative public campaigns that nongovernmental organizations and the press mount by taking action on the complaints.

Conclusion

CSR is the principle by which companies integrate social and environmental factors into their operations and overall interactions with customers and stakeholders. CSR is part of what's called the "triple bottom line" approach, how a company achieves success by its social, economic, and environmental goals. This is the focus on what really matters in terms of sustainable business today.

Key issues in CSR include environmental responsibility and management, stakeholder engagement, working conditions and standards, community relations, social equity, gender equity, human rights, governance, and anti-corruption policies.

The companies presented here have all reported positive reputation, improved customer loyalty, and more acceptance by different stakeholders as a result of their CSR activities.

Chapter Takeaways

- Activities of companies today have obligations that go beyond generating profits and include the larger society.
- Corporate social responsibility as a specific theory affirms that corporations are entities with economic, legal, ethical, and philanthropic obligations.
- Corporations today increasingly seek sustainability in the economic, social, and environmental realms.
- Corporate ethics is practiced by companies that are guided by the provisions of the stakeholder theory that encourages actors to seek to involve all those affected by the organization in its decision-making process.

Reflection Questions

1. What key lessons have you learned with Kenya's case studies on CSR?
2. What appears to be the key considerations for getting involved in CSR today? Attempt to draw a matrix to show comparisons as we learn from the Kenyan companies.
3. For corporate advocates of the specific CSR theory, what are the responsibilities the corporation holds? Do you see possible conflicts in the responsibilities?
4. Who are the stakeholders in CSR circles?
5. What basic elements do the different approaches in CSR have in common?

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Corporate Social Responsibility Through Women Empowerment in India as Inspired by Swami Vivekananda's Teachings

25

Moitreyee Paul

Key Topics

- Swami Vivekananda
- Human values
- Women empowerment
- Corporate social responsibility
- Self-Help Groups

Introduction

We want education by which character is formed, the strength of mind is increased, the intellect is expanded, and by which one can stand on one's own feet (—Swami Vivekananda).

Through his inspiring words, Swami Vivekananda enthused youth and touched the soul of every human being dwelling in our society. Following his footsteps, we must strive toward educating our children and youth as they are the future of our nation. According to the *Education for All Global Monitoring Report* (2000–2015), there were major inequalities in the education domain as only fewer quantifiable EFA goals could be accomplished. Some of the prominent shortcomings reflected in the report were *learning gaps* among the benefitted and underprivileged children, and most of the women were deficient in *basic literacy skills* (Benavot, 2015). From this, we can understand how necessary it is to educate the children and women and take proper measures for their upliftment so that they can sustain in our society. The primary objective of sustainable development is to find solutions to the troubles

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faced by common man and accordingly take suitable measures. Financial expansion and wealth creation have condensed international poverty tariffs, but susceptibility, disparity, ostracism, and aggression have augmented within societies worldwide. In spite of the global effort to improve the conditions of women, atrocities against women are prevailing in domestic as well as in professional life. Glass ceiling and sexual harassment at workplaces are the leading problems in professional front. Hostility and brutality against women and children, especially girls, continue to destabilize their rights. Swami Vivekananda was an innovator of moral values and an embodiment of strength. He poured his mind and soul into identifying the obstacles encountered by the common man and tirelessly worked toward the upliftment of women's education and their empowerment in society.

The various objectives of this chapter are to (a) reflect upon Swami Vivekananda's teachings on the need for women's education and empowerment in India, (b) throw light on the position of women's education and empowerment in India, (c) understand how women empowerment acts as a road map for corporate social responsibility (CSR) in India, and (d) recognize the various schemes that have been implemented by our Government, Self-Help Groups (SHGs), and companies (both public and private sector) for the promotion of women empowerment as a part of CSR activity in India.

Swami Vivekananda: An Epitome of Strength and Crusader of Human Values

Swami Vivekananda was a source of inspiration to mankind. His words motivate and encourage the weaker souls, while his teachings bring hope to the sinking nation. He understood the problems of the common masses, and his selfless service toward humanity is a lesson for today's youth and every individual on this planet. He was an epitome of strength and a trendsetter of human values. His multifaceted personality and visionary ideas made him unique in every sphere of life. He was far-sighted and could sense problems much ahead of his time. He was a social reformer, an educationalist, and management specialist. His prime concern was to uplift mankind and conquer challenging milieus and situations. He poured his mind and soul into identifying the obstacles encountered by the common man and solving them diligently. These unique and versatile qualities made him popular and he became a leader of a supreme kind. He believed in the notion that women are the fulcrum of the society; hence, they must be provided with the best education. Nowadays, we speak about globalization, but he expressed his views on globalization much earlier. He felt the need of education for all irrespective of gender for the progress of a nation. He said, "*The men and the women are the two wheels of the society. If one of the two falls defective, the society cannot make progress. Hence we need education for the females as we need for the males*" (Kanoria, 2017). In this chapter, an attempt has been made to give only a glimpse of this magnificent personality and to portray a complete picture of that mighty soul within a small compass. Swami Vivekananda looked at things not just from outside but from deep within his

inner self. He undoubtedly pointed out that, "If we have to be true to the genius of the race, if we have to appeal to the soul of the nation, we have to drink deep of the fountain of the past and then proceed to build the future."

Swami Vivekananda's Teachings on Women's Education

Swami Vivekananda rightly said, "*Education is the manifestation of perfection already in man*" (Vivekananda, 1966). "Manifestation" means a natural expansion provided that the barriers are removed, while "perfection" indicates the aim of achieving the maximum capability. For him, education is not just the gathering of useful information. He felt the necessity of education in a nation for forming moral character, attaining life skills, and developing the personality of an individual. He stated emphatically that education is the root cause of the progress of a nation, and everyone, irrespective of their gender, caste, and creed, must be educated as they are the constituents of the society. He believed that women are the torchbearers of the society, and hence, they must be provided education. The upliftment of women's education received highest significance and preference during his time. Swami Vivekananda said, "*Educate your women first and leave them to themselves; then they will tell you what reforms are necessary for them. In matters concerning them, who are you?*" (Kanoria, 2017). Swami Vivekananda reinforced women in the society. He strongly held the belief that the women should be educated and that any decision regarding the welfare of widows and women should be in the hands of the women themselves. It was not that Vivekananda was not worried about women's well-being and wanted to disrupt any initiative for reformation. He desired women to have full liberty to understand their own morals and their problems and to propose solutions for their own advancement. He strongly believed that women could utilize their competencies if they are properly educated. He believed in the self-respect and self-dignity of women and wanted no man to tread on it, be it in the facade of protection or in the pretext of reformation. In his words, "*There is no chance of the welfare of the world unless the condition of women is improved. It is not possible for a bird to fly on one wing.*" In view of the divine saga city, education is the path toward realizing the ability, proclivity, and aptitude of an individual to become conscious of his own impeccable character. While from a secular perspective, it is the practice of uprooting the capability, the proclivity, and the potential of self-improvement with an aim to be self-contained with an inborn zeal for compassion and valor. Swami Vivekananda felt the need to enhance the conditions of its women as it is indispensable to regain India's reputation. Therefore, unless the gap between male and female literacy is abridged, it is very tough to navigate and boost national development. The ancient scriptures of Vedanta declare that "*one and the same conscious self is present in all beings.*" He urged that he wanted education by which "*character is formed, the strength of mind is increased, intellect is expanded and one stands on one's own feet.*" Swami Vivekananda tirelessly worked toward women seeking education in universities. He lay emphasis on women pursuing vocational training along with worship and meditation because he believed that

Table 25.1 List of women's universities in India

Name of the university	Year of establishment
SNDT Women's University	1916
Sri Padmavati Mahila Vishwavidyalaya	1983
Banasthali Vidyapeeth (1935)	1983
Mother Teresa Women's University	1984
Avinashilingam University for Women	1988
Karnataka State Women's University	2003
BPS Mahila Vishwavidyalaya (1936)	2006

women should be imparted training to emphasize skill enhancement. Thus, his intention and focus were on vocational skills and training, the dynamics of which changes with time and technology and also a way of living. He said, "*Ideal characters must always be presented before the girls to imbue them with a devotion to principles of selflessness.*" Table 25.1 summarizes the list of women universities established in India for imparting women's education.

Swami Vivekananda's Views on Women Empowerment

"Empowerment" of a person or community means the practice of bestowing authority and position in a particular situation (Collin's Dictionary). The World Bank says empowerment is "the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes." Women empowerment refers to escalating the divine, biased, societal, learning, gender, or financial power of persons and population of women. Thus, women empowerment is basically comprised of the five techniques: (a) women's *self-esteem*; (b) their power to decide upon various options; (c) their right to *explore different prospects and possessions*; (d) their authority to have self-control over their personal and professional lives; and, lastly, (e) their *aptitude to have social and monetary control* worldwide. Throughout his entire life, Swami Vivekananda strived to uplift the plight of women, particularly Indian women. He said, "Woman has suffered for eons, and that has given her infinite patience and infinite perseverance." Swami Vivekananda held the notion that the "the hand that rocks the cradle rules the world." In fact, in our Indian civilization, mother nurturing children is regarded as a manifestation of God. Unlike the Western countries where women are treated as wives, in eastern regions, women are placed on the highest pedestal and given the honor of a mother. Through his efforts, he tried to create a demarcation between avarice and spiritualism while dealing with women. But sadly, in the modern times, women are shown disrespect, exploited selfishly and found weeping seeing the plight of undernourished children and ire of her modesty. Swami Vivekananda rightly said that a nation cannot make progress without improving the

conditions of women. Swami Vivekananda firmly believed that women should be given the authority to resolve problems in their own manner. Now, globally, the well-being of people was greatly dependent on improving the conditions of women. He persistently said that India was suffering chiefly due to atrocities on women. Right from the Upanishad's age, the efforts of women visionaries were greatly subdued due to the foreign endowment. In unison with the ideas of Swami Vivekananda, the mid-nineteenth-century India witnessed women merely as "child-producing machines." He strongly protested against the tradition of early nuptials, which he held responsible for the prevalence of so many widows and the rise of children begging on streets. He questioned himself frequently and discovered that education is the sole path to women empowerment. He was a pioneer to support and worked tirelessly to attain the right to liberty and equality for women as he realized the relevance of women at home and also outside. His vision was to cartel the ideals and inborn spirit of dynamism, creativity, and self-reliance of Western women with eastern especially Indian graveness and transparency in woman's life. Sister Nivedita, one of Swami Vivekananda's closest disciples, was greatly influenced by his thoughts and actions and played a key role in ratifying the standards of rural women. Following the footsteps of Swami Vivekananda, she opened a school for girls (currently renamed as *Ramakrishna Sarada Mission Sister Nivedita Girls' School*) with an aim to impart the basic primary education. Thus, in a nutshell, Swami Vivekananda portrayed women in the highest pedestal and firmly believed that unless and untill the conditions of women are not uplifted a soceity cannot progress.

Current Status of Women's Education and Women Empowerment in India

Women are the fulcrum of an entire development process, be it individual, family, society, or an entire nation. The current position of Indian women has been subjected to inordinate changes. Throughout our country's tumultuous history, women have suffered so much, yet she strives to regain her qualities that make her unique. Women have preserved the rich cultural heritage of our country India through her service to religion by retaining age-old traditions, worshipping idols in our home by offering puja, and wearing the traditional Indian attire "saree," whereas men have imitated and embraced the Western culture and attire. History has revealed the deteriorated conditions of women. It is very sad to see the plight of women living in remote villages in India. They are a regular subject of domestic violence, exploited mercilessly, deprived of education, treated as sex workers, and forced into prostitution. In rural areas, they have not bestowed the right to logical decision making, mobility and social interaction, education, employment, and media communication and face a lot of troubles in gaining access to proper health care and nutrition for their children. In the urban areas, also, many shocking facts have come up to the surface:

- According to 2013 UNDP report on Human Development Indicators, Afghanistan has the lowest rank in terms of women safety compared to other South Asian countries.
- There is a wide gap in mortality rates of Indian girl child and boys.
- Women are victims of heinous crimes like rape, physical and mental abuse, and sexual harassment.
- Only 26% of women can officially gain access to credit.
- Due to social stigma, only 66% of the female workforce in rural areas is unused.
- There is a wider disparity between earnings of women contributing to the agricultural sector and men.
- Among the global population, the percentage of women living in poverty outnumbers those of men.

All these are great barriers and hindrances to the progress of a nation. The companies, therefore, need to empower the rural women by initiating corporate social responsibility (CSR) activities. Organizations have a vital role in ensuring that women are able to regain their self-respect in the society.

The different avenues for women empowerment are as follows:

- Changes in to right to freedom of movement of women and increasing social interaction.
- Changes in women's labor patterns.
- Giving the right to freedom of expression and control over logical decision making and resources.
- Promotion of Self-Help Groups (SHGs).
- Providing fundamental needs of food, clothing, and shelter along with proper health and hygiene and education.
- Society should change their outlook toward women.
- Cheering women to utilize their potential in those fields they are good at to niche out a career.

Women Empowerment as the Route Toward Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is a decent social activity through which organizations have scope for ensuring a development in the position of Indian women. The key objective of this study is to elucidate ways to facilitate CSR activities in organizations through women empowerment. This chapter also identifies the derelictions that worsen the status of women in the society and also shares the role of Self-Help Groups (SHGs) in establishing women empowerment. The Department of Public Enterprises (DPE) in India has come up with certain rules and regulations pertaining to corporate social responsibility in March 2010 for the proper functioning of Central Public Sector companies in India for checking the CSR activities. CSR normally includes "*beyond law*" commitments and activities pertaining to

women empowerment, suitable hygiene and nutrition, human rights, sustainable development, occupational safety, working environment, giving due respect to diverse cultures and people, involvement in charitable services, implementing anti-corruption measures, transparency in documentation of reports, customer satisfaction, and lastly good employee relations. Many non-governmental organizations (NGOs) and the Government has played a major role in implementing measures as a part of CSR activities for women empowerment for the unprivileged women in our country.

Role of the Government for Women Empowerment

The Government of India has taken certain measures for improving gender equality, socioeconomic position, and betterment of conditions of women in society. According to the *National Sample Survey Report (2011–2012)*, worker participation rates of women are quite low compared to men. Percentage of females involved in the non-agricultural sector was increasingly higher than men. The *Government* has implemented the following schemes for improving the socioeconomic status of women:

- **Support for Training and Employment Program (STEP) for Women:** scheme launched to provide viable support for service and earnings for weaker sections of women across the country.
- **Swam-Shakti Project:** centrally funded scheme sanctioned in October 1998 for implementation in mostly northwestern states.
- **Swadhar** and **Short Stay Home** schemes were launched in 2001–2002 to help the suffering women.
- **Hostels for working women** to ensure their safety.
- **Rashtriya Mahila Kosh (RMK):** scheme to provide microfinance services to poor women.
- **National Mission for Empowerment of Women (NMEW)** to reinforce the all-round development of women.
- **Rajiv Gandhi National Creche Scheme for Children of Working Mothers (including the single mother)** to provide day care facilities to small children of working mothers having a monthly income of less than Rs. 12,000.
- **One Stop Centre** to offer united support and aid to victims of domestic violence.
- **Universalization of Women Helpline** scheme to provide immediate 24-h assistance in emergency situations.
- **Sabla Scheme** for complete development of teenage girls.
- **Capacity-building measures** to facilitate gender budgeting for the officials of the State Governments by organizing training programs or workshops regularly.
- **Indira Gandhi Matritva Sahyog Yojana (IGMSY) Scheme** has been implemented to provide conditional maternity benefit to pregnant and lactating women for the betterment of their health care and nutrition so as to partly reimburse wage loss both pre- and postdelivery.

Role of Self-Help Group (SHG) in Women Empowerment

Women are the face of social transformation and occupy a dominant position in the entire development process. Self-Help Group (SHG) is a charitable community of poor people, who meet with a common purpose of finding solutions to their problems on their own and by helping one another. The SHG encourages its members to open a bank savings account. This common fund is named as SHG. Some of the stellar examples of SHG are the Grameen Bank that is entirely based on lending fund only to women, all-women SHG at ICICI Bank, and even the *Shakti ammas* at Hindustan Lever Ltd. Few noted examples of India's SHGs are as follows:

Sri Mahila Griha Udyog Lijjat Papad. The *Sri Mahila Griha Udyog Lijjat Papad* company was set up in 1959 by seven semiliterate women from Gujarat who borrowed Rs. 80 to initiate a papad business. The membership has now expanded from 7 sisters under one building to over 43,000 sisters all over India (Shaik & Shafeequr, 2012). *Lijjat* has an annual revenue of around Rs. 6.50 billion with Rs. 290 million in exports. Jaywantiben Popat, one of the women involved with this phenomenal spirit, was honored at the Economic Times Awards with **Global Economic Award** for her exceptional accomplishments, and Lijjat also bagged the **Mahila Vikas Award in 2016–2017** (Mahila Vikas Award, 2017). In February 2017, President of Lijjat Papad Smt. Swati R. Paradkar was awarded the "Wockhardt Foundation Social Development Popular Award" for her contribution toward society (Wockhardt Foundation Social Development Popular Award, 2017).

Mann Deshi Mahila Sahakari Bank (MDMSB). Mann Deshi Foundation led by Chetna Sinha started a cooperative bank in 1997 in Maharashtra for and by rural women, which now serves over 200,000 women. Recently, she represented Mann Deshi Foundation at the World Economic Forum (WEF) held at Davos, Switzerland, and cochaired an all-women members' panel. Their key mission is rural economic empowerment, by providing capital and other financial services to impoverished women. In collaboration with HSBC, MDMSB established the Udyogini B-School in 2007. In 2015, MDMSB was awarded the "Best Bank Award" by Maharashtra Cooperative Banks Federation (Women's Empowerment, 2018).

Self-Employed Women's Association (SEWA). The **Self-Employed Women's Association (SEWA)** was created by Ela Bhatt in 1972 as a trade union of self-employed women. In 1977, she was honored with the famous **Ramon Magsaysay Award**, which brought laurels to SEWA. SEWA has contributed in innumerable ways by providing support in matters related to financial credit, health care, and nutrition, improving the physical and mental health of children, assurance, legal aid, capacity-building, and communication services for poor women. Recently, Shree Rachaita Bandhkam Mahila Sewa Sahakari Mandli Ltd. was established for upgrading the skills of women construction workers and achieiving the capacity to secure work for themselves in the conventional market (Shree Rachaita Bandhkam Mahila Sewa Sahakari Mandli Ltd, 2018).

Role of Companies (Both Public Sector Undertakings and Private) as a Part of CSR for Women Empowerment

Singareni Collieries Company Limited (SCCL). A charitable association named **Singareni Seva Samithi (SSS)** was formed by SCCL for providing community development activities (Empowering people, 2018). The basic philosophy was to provide training to unemployed youth and educate the families of workmen on the need to channelize their energies toward constructive activities. SCCL has been helping them to acquire requisite skills in applied crafts and also facilitating them to set up their own enterprises. It also launched a literacy campaign to empower dependent women. The Samithi's remarkable and dedicated efforts have yielded exemplary results.

Indian Tobacco Company (ITC). ITC's Women Empowerment Program was developed with the sole objective of providing them with sustainable economic livelihood opportunities through financial assistance and microcredit as well as through skills training. SHGs have recently started farm mechanization equipment hire centers and tree sapling nurseries. ITC succors women with productive income-generating assets as well as imparting on-job assistance, training, and local-level facilitation with the primary aim of bringing them into the financial mainstream. These courses of action act as a powerful catalyst for advancement and supporting social inclusion (Transforming lives and landscapes, 2018).

Steel Authority of India Limited (SAIL). SAIL has commenced Mahila Samaj Performance of community welfare programs, which includes the manufacture of products and services for SAIL employees (Sustainability Report 2015–2016, 2018).

TATA Group of Companies. Tata Group of Companies in an effort to promote women empowerment have initiated a group of CSR programs called Tata STRIVE for imparting skill-based training (TATA Corporate brochure 2017, 2018). A larger proportion of the female employees of Tata Group have initiated income generation programs with an intention of making their families economically viable. The resettlement team of Tata Steel is continually imparting capacity-building training and computer-based literacy programs in selected sectors.

Conclusion

The main aim of CSR activities is not merely brand appreciation but to have a powerful impact in the modern society. Women are the torchbearers of society, and therefore, they must be provided with equal opportunities as their male counterparts; otherwise, the entire society will be destined to underperform. The foremost challenge is to instigate a perpetual change of attitude toward women. The Government of India is striving hard toward the success of women empowerment through the implementation of various schemes, rules, and regulations, but still, the efforts are inadequate and the process of empowering women has a long way to go.

The best way is to increase social awareness through proper understanding and stringent action. It has become a necessity to educate our children and youth, orient the teachers, revise and reexamine the school curriculum, improvise on advanced teaching aids, and ensure that our future generation is equipped with moral values that enlighten their inner-self to serve the society. Various measures have been taken for improving the conditions of women. They are: a) Introducing spirituality and meditation courses in school and college curriculums, b) imparting vocational training and financial literacy to women for increasing their income generating potential, c) providing better access to educational resources, d) making changes in the legal frameworks and political decision making structures, e) promoting girl's agencies to create a sense of self-efficacy etc. Apart from these, enhancing access to existing Government support programs, promoting co-ordination with ministries and departments, introducing referral systems are also necessary for spreading awareness among women and the common masses.

Chapter Takeaways

- Swami Vivekananda was a social reformer, an educationalist, and management specialist. His prime concern was to uplift mankind and conquer challenging milieus and situations. He poured his mind and soul into identifying the obstacles encountered by the common man and solving them diligently. He believed that women are the torchbearers of society, and hence, they must be provided education. The upliftment of women's education received highest significance and preference during his time.
- The current position of Indian women has been subjected to inordinate changes. History has revealed the deteriorated conditions of women. It is very sad to see the plight of women living in remote villages in India. They are a regular subject of domestic violence, exploited mercilessly, deprived of education, treated as sex workers, and forced into prostitution. Some disturbing facts are as follows: there is a wide gap in mortality rates of Indian girl child and boys; women are victims of heinous crimes like rape, physical and mental abuse, and sexual harassment; only 26% of women can officially gain access to credit; only 66% of the female workforce in rural areas is unused; there is a wider disparity between earnings of women contributing to the agricultural sector than men; and the percentage of women living in poverty outnumbers those of men.
- Women empowerment is comprised of the five techniques: (a) women's self-esteem; (b) their power to decide upon various options; (c) their right to explore different prospects and possessions; (d) their authority to have self-control over their personal and professional lives; and, lastly, (e) their aptitude to have social and monetary control worldwide.
- The Government of India has taken certain measures for improving gender equality, socioeconomic position, and betterment of conditions of women in society.
- Self-Help Group (SHG) is a charitable community of poor people, who meet with a common purpose of finding solutions to their problems on their own and

by helping one another. Some of the stellar examples of SHG are the Grameen Bank that is entirely based on lending fund only to women, all-women SHG at ICICI bank, and even the Shakti ammas at Hindustan Lever Ltd.

Reflection Questions

1. The chapter points out the necessity of educating children and women and takes proper measures for their upliftment so that they can sustain in our society. How is this related to CSR, in your opinion?
2. Swami Vivekananda held the notion that the "the hand that rocks the cradle rules the world." What is your interpretation of this statement, and how could it be linked to CSR?
3. The chapter reviews several initiatives from the Indian Government and Self-Help Groups to advance the position of women in India. Select one of these initiatives, engage in some online research on the topic, and elaborate in your words how this project or initiative is faring today?
4. The chapter mentioned the Indian Tobacco Company (ITC) as one of the companies that empowers the women CSR process. Do you perceive any moral conflict between the purpose of this company and CSR? Please explain your opinion?
5. The foremost challenge is to instigate a perpetual change of attitude toward women. The chapter mentions increased awareness as a critical path toward instigating this change. Could you consider three possible strategies on how this awareness could be instilled?

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Brand Purpose as a Cultural Entity Between Business and Society

26

Silvia Biraghi, Rossella C. Gambetti, and Steve Quigley

Key Topics

- Brand Purpose
- Societal corporate branding
- Corporate citizenship
- Consumer culture
- Social media
- Clicktivism

Introduction

Amidst time of liquidity and technology, we might expect such words as algorithms, blockchains, social bots, and voice speakers to be the landmark of our age. Instead the Association of National Advertisers (ANA) has voted "Brand Purpose" as the marketing word of the year for 2018.

Considering that ANA's membership includes more than 1700 companies with 25,000 brands that engage almost 150,000 industry professionals and collectively spend or support more than $400 billion in marketing and advertising annually, their selection definitely says something about the current mindset of top markers: as

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stated in ANA's website,[1] verbatim comments from those who voted for Brand Purpose included:

> *It drives a brand.*
>
> *"Purpose" takes the word "brand" to a whole new level. It creates a greater partnership between consumers and marketers to be responsible to each other and shifts the focus from selling to engaging.*
>
> *Brand purpose represents an opportunity to ground ourselves in being relevant to customers. You need a reason or purpose to be in front of them, one that speaks directly to a customer need or a problem you will solve at a specific moment in time. We can't be successful just by shouting the benefits of our brand and why they should buy. The bar is now higher.*
>
> *My company has been reorganizing around a brand purpose, and I've seen other big brands doing the same. Consumers are aligning loyalty and wallets behind brands with purpose.*
>
> *In the polarizing world we are living in, many brands have stepped up and taken a risk and stance this year. Nike is a good example, and more recently TOMS (for pledging $5 million to organizations across the country committed to ending gun violence).*
>
> *Purpose-driven marketing is exemplified by Procter & Gamble's "Love Over Bias." The commercial depicts the impact of bias on peoples' lives through the lens of a wide range of mothers who are shown encouraging and supporting their child athletes in a world that isn't always accepting of them. The commercial was awarded Best in Show in the 2018 ANA Multicultural Excellence Awards competition.*

Besides the selection of Brand Purpose as word of the year, ANA has also established the ANA Center for Brand Purpose to help marketers create purpose-driven solutions for their products and services. In creating the Center, the ANA defined "purpose" in the context of marketing as "a brand's reason to exist beyond turning a profit." In ANA's words, "Purpose is a long-term business strategy tied to a societal benefit that guides every decision and action, from product development and customer/employee engagement to marketing and hiring."

Starting from this premise, we delve into the significance of Brand Purpose in current marketing and branding actions. In this chapter, we delineate Brand Purpose as a cultural entity whose inherent meanings morph across different consumer groups. To do that, we first define Brand Purpose as an asset co-constructed "in-between" business and society thanks to the contribution of consumers and more broadly people. We then chart how consumers' actions can affect the trajectories of Brand Purpose. In particular, we see the technomediated environment of digital and mobile platforms as the key arena where the co-construction of Brand Purpose is currently taking place and magnified through social conversations. To support our take on Brand Purpose, we share and discuss recent compelling cases that show how Brand Purpose in action is shaped and negotiated according to ethical and civic commitments. Finally, we also reflect on how conversations and technomediated platforms can host not only Brand Purpose construction but also Brand Purpose deconstruction actions.

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[1] https://www.ana.net/content/show/id/51684

Brand Purpose

Literally, "purpose" can be defined as the reason why something exists. It deals with those motivations that deep inside give life to something. These reasons and motivations set out the journey of our existence: they establish why we came to life, how we see life, how we walk through the path of life, and what are the ultimate and true goals. Simply purpose is the foundation of existence and experience. Therefore for a brand, purpose reveals its essence: why the brand has been launched, why it is relevant and necessary for consumers, and how it should improve society for the better.

According to Accenture Strategy's annual Global Consumer Pulse Research survey, "To Affinity and Beyond: From Me to We, the Rise of the Purpose-Led brand,"[2] nearly two-thirds of consumers expect companies to create products and services that "take a stand" on issues that they feel passionate about. More specifically, the survey that involves about 30,000 consumers in 35 countries found that 62% of them want companies to take a stand on issues such as sustainability, transparency, and fair employment practices. Consumers are asking brand to align with their personal values and commitments. Brands that are not doing that are paying the price with consumers being disappointed and complaining or even walking away from uncommitted brands for good. According to the results of the survey, 47% walk away in frustration, with 17% not coming back. This evidence shows that consumers not only share their disagreement in social conversations but also walk the talk by dropping the brands that are not transparent enough or not aligned with their value system. On the contrary, companies that have been able to build and express a strong purpose have profited from it. As the report points out, Unilever's more sustainability-branded units including Knorr, Dove, and Lipton are growing 50% faster than the rest of its offerings. They're also more than half of the company's total growth. The snack bar maker Kind has grown to become the third largest player in its category by focusing on literally transparent packaging and health-focused recipes and ingredient lists. Patagonia recently donating its $10 million in federal tax cuts to environmental groups obviously aligns with the outdoor apparel company's conservation mindset. At the same time, strategies like furniture maker Ikea hiring refugees at its Jordan facility show how adaptable this ethos can be in times of crisis.[3]

"Purpose" has been pointed at as the key to twenty-first-century success also by the Harvard Business Review[4]: when doing well and doing good are woven into a company's operational fabric, then brands can achieve superior performance, so the new way to acquire differentiation is competing on purpose. For example, finding the real represented the antidote to HP crisis. "In the last few years, HP has re-established its purpose, starting with a commitment by the CEO and senior

[2] https://www.accenture.com/us-en/insights/strategy/Brand-purpose?c=strat_competitiveagilnovalue_10437227&n=mrl_1118

[3] https://www.fastcompany.com/90293137/brand-purpose-is-a-lie

[4] https://hbr.org/2018/06/how-marketers-can-connect-profit-and-purpose

management to be a purpose-led brand. The vision "to create technology that makes life better for everyone everywhere" and a mission to "engineer experiences that amaze" have become a filter against which everything is measured and a catalyst to shift both culture and business process."

On the one hand, purpose appears as the key factor of success in the competition to win the goodwill of society; on the other hand, it represents a hard quest. Achieving a strong purpose meant for the company setting off a long journey. Purpose cannot be found in isolation inside corporate headquarters. It must be generated in and with society. It cannot be written in the stone once and for all. It must be discussed and lived by daily. It is in other words a profound co-construction effort. We name this approach societal corporate branding (Biraghi, Gambetti, & Schultz, 2017).

Co-constructing the Purpose

Societal corporate branding refers to the humanistic tension of a company to use the corporate brand as an enabler of social discourses and actions through which the company carries out quasi-governmental interventions in favor of society (Biraghi et al., 2017, p. 208). In this frame, Brand Purpose does not emanate solely from the company; rather, it emerges from ongoing exchange between business and society jointly shaping purposes, rights, and duties (Bhattacharya, Korschun, & Sen, 2009) in a metaphorical sense. Doing so, corporations take on a role as sociopolitical citizens thanks to their efforts to get engaged in the community and to actively contribute to the common good (Aßländer & Curbach, 2014). A brand that acts like a citizen finds then its raison d'etre in a strong community focus that translates into participating in the discourses generated in the social arena by assuming the role of a sociopolitical citizen to actively contribute to the common good embedding it in the brand value proposition and purpose (Biraghi & Gambetti, 2017).

While searching for their purpose, companies are acting as competent agenda setters in society by using their power of influence as visible socioeconomic actors "to do good" and to somehow educate communities and social groups who are touched by and/or touch back the companies. At the same time, they are fully assuming their duties of citizens whose great powers of influence come with great responsibilities (Biraghi et al., 2017). Thus, through their societal commitment, companies are expanding their role of cultural laborers (Carah, 2014). That role is based on a humanistic and cultural process of society-and-brand sense-making in which the meanings and the commitments generated are capable of connecting business and society and expressed in the Brand Purpose.

In the next paragraph, we illustrate how Brand Purpose comes to be co-constructed in context of cultural labor carried out by the agendas of the groups and individuals that may touch a brand.

The Spectrum of the Co-construction Work: From Productive Consumption to Consumers' Boycotts

What do we mean when we say that purpose is socially constructed through cultural labor?

That can be understood thanks to recent symbolic actions undertaken in the sport business that brought together individual gestures, civic engagements and agendas, political parties and representatives, brands, and society (Fig. 26.1).

The "taking a knee" phenomenon can represent the prototypical co-construction process of a common purpose through the symbolic significance of shared gestures. San Francisco 49ers quarterback Colin Kaepernick started the phenomenon taking to his knee for the national anthem, "The Star-Spangled Banner," during the 2016/2017 NFL preseason. This gesture sparked huge debate and controversy. By choosing to kneel while everybody else in the stadium gets to their feet to honor their nation, Colin Kaepernick and soon other sports stars stand out as they protest against a widespread problem in their society. Thanks to the visibility of their gesture and its symbolic value, they were raising awareness and fueling the debate about inequality and unfair treatment based on racial and skin-color prejudices. According to the BBC, 1152 people were killed by the police in the USA in 2015. Thirty percent of them were African American, while only 13% of the population of the USA is African American. Movements such as Black Lives Matter have been at the center of the unrest in wake of such incidents. Kaepernick raised a huge amount of awareness, and many of his fellow American Football stars joined him in similar kneeling protests over the weeks and months of the 2016/2017 season. They made a stand and brought the issue into the public eye and into the mainstream. As role models for many Americans of any creed or skin color, they sent an important and

Fig. 26.1 The "taking a knee phenomenon". (Source: https://www.washingtonpost.com/news/sports/wp/2017/08/30/how-tv-networks-will-handle-nfl-national-anthem-protests-a-year-after-colin-kaepernick/?utm_term=.ed4f4f617047)

difficult message of reflection on society around them, highlighting to the new and older generation that racial oppression still persists. As Kaepernick said "The national anthem is and always will be a special part of the pregame ceremony. It is an opportunity to honor our country and reflect on the great liberties we are afforded as its citizens. In respecting such American principles as freedom of religion and freedom of expression, we recognize the right of an individual to choose and participate, or not, in our celebration of the national anthem." Yet, Kaepernick is currently out of a job. He was unable to find a contract with any NFL team before the 2017/2018 season, and it would be hard to correlate any reason for this without associating his protest and connection to the Black Lives Matter. Some claimed he turned down contract opportunities to try to further his cause in a form of self-protest, while others have claimed he has been marginalized and quietly ousted from the sport. However, his absence did not stop the #takeaknee movement, and kneeling protests continued during the 2017/2018 preseason. The President of the United States of America, Donald Trump, weighed in on the issue with a public condemnation of any NFL players involved in protesting and disrespecting the anthem and the flag. He suggested it would be a great thing if some of these players were fired. Then in the occasion of a traditional and customary ceremony with the President, he publicly announced that an invitation to Stephen Curry, who was part of the 2017 Golden State Warriors NBA winning team, to come to the White House was revoked. This tweet alone received over 200,000 likes, while he provoked responses from some other well-known NBA players like LeBron James and Kobe Bryant.

The #takeaknee movement crossed over into other sports, starting with NFL and spreading to NBA and the Major League Baseball (MLB). Many other sports stars have participated, especially in the basketball world, with its biggest stars heavily involved. The protest spread on the international level, too. German football club "Hertha Berlin" took the decision of getting involved in this issue. The players and officials of the club took a knee before kickoff of their "Bundesliga" home game.

> **Hertha Berlin** ✓
> @HerthaBSC_EN
>
> Hertha BSC stands for tolerance and responsibility! For a tolerant Berlin and an open-minded world, now and forevermore! #TakeAKnee #hahohe
>
> 6:35 AM - 14 Oct 2017
>
> 16,704 Retweets 33,305 Likes
>
> 💬 1.2K   🔁 17K   ♡ 33K   ✉

Also Nike decided to take a stand in the controversy by running an advertising campaign featuring Kaepernick, an outcast American football player and civil rights activist. The ad shows a black and white close-up of Kaepernick's face overlaid with the caption "Believe in something. Even if it means sacrificing everything."

Kaepernick said "this is bigger than football"; likewise, Nike's decision to select him in the 30th anniversary celebrations of "Just Do It" campaign had a similarly divisive effect on Americans.[5] Since its launch, Nike's share price fell by 2% on Tuesday as the response ranged from people burning trainers and cutting the Nike logo from their socks to threatening a complete boycott of the brand. The #NikeBoycott and #JustBurnIt hashtags are trending on Twitter with people sharing images of themselves destroying Nike products and others ridiculing such behavior.[6] However, online Nike sales are up 31%,[7] and Colin Kaepernick is by many considered one of the most inspirational athletes of our times, who—as Nike's

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[5] https://www.theguardian.com/sport/2018/sep/04/nike-controversial-colin-kaepernick-campaign-divisive

[6] http://www.ethicalcorp.com/why-nike-was-right-feature-colin-kaepernick-its-controversial-new-ad

[7] https://www.theguardian.com/sport/2018/sep/04/nike-controversial-colin-kaepernick-campaign-divisive

Fig. 26.2 The Nike campaign "Believe in something" and consumers' boycott. (Source: https://www.businessinsider.com/nike-advert-with-colin-kaepernick-has-people-burning-products-2018-9?IR=T)

vice-president of brand said—has leveraged the power of sport to help move the world forward (Fig. 26.2).

In sum, the #takeaknee movement can be considered as representative of co-construction process of purpose and specifically Brand Purpose as a cultural labor effort. In this case, this is a cogent societal and civic issue that is experienced by society and at the heart of society. People stand up to do something good to tackle with this issue (i.e., the movement Black Lives Matter), and then cultural icons such as athletes make a strong statement through their gestures (#takeaknee). Actions and conversations spread, and they polarized and created controversies, also in the political arena. Nike sees in these controversies an opportunity to take a stand and to state their (brand and cultural) positioning by steering global conversations and offering further energy and visibility to the #takeaknee movement. As we have seen, the social construction of the Brand Purpose opens the brand to society, it positions the brand inside it, and at the very center of the controversies therefore, Nike can become either one of the inspiring beacon of the fight against racial injustice or the target of boycotts and value destruction (i.e., #JustBurnIt).

Is it right or not for Nike to take a stand on critical topics and to take the risk to face boycotts?

As we will discuss in the next paragraph, the technomediated context created by social media platforms is hard pushing companies and brands toward relevance, which is also meant as taking a position and living up to what they are promising their consumers, stakeholders, and society in its whole.

Brand Purpose as a Cultural Entity Between Technomediated Environment and Clicktivist Engagement

The co-construction work of Brand Purpose has been dramatically magnified by the increasing availability and flexibility of digital platforms. Social media have been claimed to be the "curators of public discourse" (Gillespie, 2010, p. 347), generating, propagating, and altering practices, conversations, and collective action dynamics. Van Dijck (2013, p. 57) points at their role as "producers of sociality, enabling connections as well as forging them." The massive connective energy liberated by technomediated narratives that are currently individually or collectively performed in social media platforms has gradually shifted the exercise of consent and dissent culturally shaping Brand Purpose discourse from the interpersonal domain to the digital realm. The locus of collective praise and protest is redistributed (Latour, 2005) from the "occupy camp to the phones and platforms where these come to life and are disseminated" (Milan, 2015, p. 1). Capturing images and footage, liking or disliking, commenting and rejoining, posting and reposting, sharing, tagging, and twitting and retwitting have all become institutionalized cultural acts of social approval and disapproval whereby consumers, citizens, and stakeholders socially construct, sustain, or oppose Brand Purpose. But how did we come to this?

Scholars have associated technomediated discourse generated in social media to the emergence of technocapitalism, a new form of capitalism that is heavily grounded on the corporate power and its exploitation of technological creativity (Suarez-Villa, 2009, p. 3) that is embedded in the cultural labor generated and channeled in social media conversations. Technocapitalist forces are held responsible for mobilizing new social configurations of consumer collectives, which have been variously termed "individualized networking" (Wellman, 2001), "networked collective action" (Rainie & Wellman, 2014), "crowds of individuals" (Juris, 2012), "connective action" (Bennett & Segerberg, 2013), and "brand publics" (Arvidsson & Caliandro, 2016). Arvidsson and Caliandro (2016) noted how on social media like Facebook and Twitter, as well as on blogs, relations among consumers or admirers of brands are less structured and communitarian while being more fleeting and ephemeral. These relations are not based on sustained forms of interactions or a consistent collective identity; rather, they are oriented by momentary interests and desire for self-publicity actualized through participatory actions that assert social status and amplify visibility and personal reputation among a collective of peers.

Current fleeting and temporary forms of networked collectives have also transformed consumer activism into "clicktivism" that can either enhance and glorify in a utopian fashion the corporate beliefs and actions embedded in Brand Purpose or impoverish and condemn them (Kozinets, 2019). How does that work? Clicktivism has been defined as the widespread societal disposition toward feel-good, "easy" activism (Halupka, 2014) that has been popularized in social media platforms where people can easily and quickly express and withdraw their ideas and opinions in sociopolitical discourse with a simple "click" of their mouse and little more. Seen as a lower-quality and less effective form of social mobilization (Shulman, 2009), clicktivism is characterized by low-commitment social media acts of political

participation. Networked consumer collectives today increasingly engage in click-tivist practices of social and political mobilization to react to or even to explicitly provoke brand actions. In so doing, these collectives propagate and perpetuate cultural value in social media loops of conversations, which relentlessly energize the connective force of the network itself to keep it alive (Kozinets, Patterson, & Ashman, 2017). Cultural value may include supportive social discourse generated around Brand Purpose practices that amplify the acts of civic engagement of companies which are perceived as authentically committed to taking a stance on cogent societal issues. But it may also include fierce and questionable public protest when consumers claim that Brand Purpose betrays the brand promise.

One of the most prominent cases that became a hot topic of media conversations worldwide, literally sending the Internet into meltdown, is the recent advertising campaign that Gillette by Procter & Gamble released, explicitly addressing Brand Purpose to fight against the widespread stereotype of "toxic masculinity." Engaging with the #MeToo movement, Gillette's campaign entitled "We Believe: The Best Men Can Be" plays on its 30-year tagline "the best a man can get," replacing it with "the best men can be" (Fig. 26.3).

The company shows a Brand Purpose that takes a clear distance from a type of male customer that expresses his masculinity through showing off muscles, arrogance, and physical superiority as a way to abuse others. The message of the Gillette ad is hardly subtle in identifying a crisis of masculinity. Young boys bully, chasing each other or taunting "freak" in cyberspace. Adult men harass and demean. They leer at women at parties and on street corners. Interspersed with these scenes are

Fig. 26.3 Gillette's campaign "We believe: The Best Men Can Be". (Source: https://www.the-guardian.com/global/video/2019/jan/15/new-gillette-ad-tackling-toxic-masculinity-receives-harsh-backlash-video)

images from popular culture—reality TV, music videos, and cartoons—that appear to normalize bad behavior, justified by the mantra "boys will be boys".[8]

The Brand Purpose underlying this Gillette's commercial addresses issues of sexual harassment, toxic masculinity, bullying, and abusive behavior, calling for men to hold themselves and others accountable for their actions. The film immediately went viral with more than four million views on YouTube in 48 h and generated both lavish praise and angry criticism.[9] Among the supporters, Bernice King, daughter of the late civil rights legend Martin Luther King, claimed that "This commercial isn't anti-male. It's pro-humanity, and it demonstrates that character can step up to change conditions." Duncan Fisher, head of policy and innovation for the Family Initiative, welcomed Gillette's revolutionary shift in messaging and said their Brand Purpose effectively played into a new narrative about positive masculinity. "There are a lot of men who want to stand up for a different type of masculinity"—he said—"but for many there has not been a way for men to express that; we

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[8] https://www.washingtonpost.com/nation/2019/01/15/gillette-takes-toxic-masculinity-new-ad-rebranding-metoo-era-inviting-backlash/?noredirect=on&utm_term=.5da644e828e3

[9] https://www.theguardian.com/world/2019/jan/15/gillette-metoo-ad-on-toxic-masculinity-cuts-deep-with-mens-rights-activists

just need to give them a voice." On the opponent side, The Emmy Award-winning actor and prominent Donald Trump supporter James Woods accused Gillette of "jumping on the 'men are horrible' campaign" and pledged to boycott its products. Likewise, far-right magazine The New American attacked the message of the commercial arguing that it "reflects many false suppositions" and adding that "Men are the wilder sex, which accounts for their dangerousness – but also their dynamism."

On the consumer side, Gillette has been bombarded with both praise and abuse. The supporters recognized the positivity of the message and felt stimulated to make the values of masculinity evolve toward a more balanced and testosterone-free model of mankind, even standing up to openly defend the company against haters and detractors.[10]

Zactopus
@Zactopus

Imagine feeling "alienated" as a consumer by a company asking you NOT to harass people... So you admit that you harass people and want to do so without consequences? #Gillette

♡ 44   1:25 PM - Jan 15, 2019

💬 21 people are talking about this

Haters gonna hate
@ViveLaReziztanz

Wow, so some men are going to boycott a company for calling them in decades of really garbage behavior? 🤦 Good job @Gillette. I loved your new advertisement.

♡ 2   3:01 PM - Jan 15, 2019

See Haters gonna hate's other Tweets

But despite the company's Brand Purpose showed in the campaign seemingly portrays a message of respect and togetherness, the ad received almost 250,000 dislikes on YouTube. Moreover, the brand faced backlash from thousands of men's right activists across social media who vowed to the hashtag #BoycottGillette. These people expressed their clicktivist dissent by harshly criticizing the ad claiming it is offensive and betraying the brand promise to consumers.

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[10] https://memeburn.com/2019/01/gillette-toxic-masculinity-metoo-ad/

Downtown
@DowntownUTK

@Gillette I've been buying your products for 18 years. Will never spend another dime after your "white men are evil" commercial. What the fuck are you trying to accomplish with this dogshit rhetoric?

♡ 1   3:02 PM - Jan 15, 2019   ℹ

& See Downtown's other Tweets   >

Belfast Die Hornisse
@DieHornisse44

Well done @Gillette
You GLORIOUSLY fucked yourself over backstabbing your own customers
I'll go to @DollarShaveClub
To Shave myself now thanks. youtu.be/J_TQI9IwRrU

♡ 1   3:02 PM - Jan 15, 2019

& See Belfast Die Hornisse's other Tweets   >

Dave Wilson
@BidDaddyCLT

Gillette just lost a 30+ year customer. Why does my razor company want to lecture me? Political correctness run amok. #Gillette

♡ 3   3:01 PM - Jan 15, 2019   ℹ

& See Dave Wilson's other Tweets   >

The Gillette case is a clear example of effective contemporary cultural branding. Even if the reputational risk of taking a direct stance on hot-button, divisive moral issues is high, today forward-thinking companies smartly leverage on their Brand Purpose as a cultural entity to dictate the sociopolitical agenda and occupy the void institutional space left by political, religious, family, and educational agencies whose solidity and credibility—as Bauman (2000) argued—are progressively melting down. Beyond social approval and dissent, it is the cultural relevance of the brand and its capability to get at the center of public discourse that win.

The next paragraph will provide further anecdotal evidence that delves deeper in the dynamics that underlie the social construction and destruction of Brand Purpose to spotlight the nuances that actualize this phenomenon in social media platforms.

Purpose in Action

The twentieth century gave rise to the powerful intersection of mass production, mass media, and mass marketing. Top-down, one-size-fits-all products and mass marketing built most of the iconic brands of today. As Brian Halligan, the co-founder of HubSpot, likes to say, "What mattered in traditional marketing was the width of your wallet."

Is it possible that we are entering a new "bottom-up" era where large "legacy brands" may find their size and power stifling in a disintermediated global marketplace where every brand and every consumer is a media company? Does a new generation of consumers expect and demand to have a say—and to be heard? Who's in control of today's brands?

Jim Stengel, former global marketing officer at Procter & Gamble, offered this insight in an AdAge interview, "Legacy brands are adept at building products around which they wrap a brand; brand management then kicks in to drive awareness, trial, and loyalty."[11] Stengel goes on to suggest that d-to-c brands (direct to consumer) are unburdened by a tradition of controlled messaging and customer expectations. Instead he argues, "insurgent brands" are free to build from the ground up through intense connection and immersion with their community of customers. Unfettered by a tradition of control, these brands "assemble a tribe, united in their belief in how the product or service connects them to their individual lives and to their communities."[12]

Glossier: Trust Us, We're You

Emily Weiss the founder and CEO of 5-year-old Glossier, an insurgent beauty brand that garnered more than $100 million in annual sales in 2018, epitomizes the ethos of community-driven purpose brands. She rejects the notion that big brands know what's best for their customers. Rather, she asserts, "We reinforce the idea that we're all experts who benefit from the shared relationship of a community of experts."[13]

The company's website spells out Weiss' bottom-up, shared purpose philosophy in no uncertain terms, *Glossier was founded on the fact that beauty isn't made in a boardroom—it happens when the individual is celebrated*. Weiss envisions her organization as an ecosystem animated and guided by its inhabitants whose

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[11] https://adage.com/article/cmo-strategy/soul-branding/317182

[12] https://adage.com/article/cmo-strategy/soul-branding/317182

[13] https://adage.com/article/cmo-strategy/soul-branding/317182

conversations and comments fuel the brand. The company's stated purpose is insep-
arable from its customer connections—*democratize beauty*.[14]

How did this cultlike brand reach the $100 million revenue benchmark and an
estimated of $1.2 billion valuation in just 5 years? By building a passionate com-
munity first and a brand second. It all began with Weiss' blog, Into The Gloss, which
she launched well before the business. Today, her define-your-own-beauty blog
serves as the hub for Glossier's passionate and far-reaching community of fans
eager to hear from each other—and to be heard. Today, Glossier celebrates and is
inspired by over two million loyal Instagram followers. While Instagram remains
the logical social platform for this millennial-inspired brand, Glossier's content is
widely shared by its community on Facebook, Twitter, Pinterest, YouTube, and, of
course where it all began, their Into The Gloss blog. The blog and social media com-
munity have become the company's focus group. "The most innovative thing we
do," say Weiss, "is listen to our customers."[15]

Rather than offering expertise and answers, Glossier celebrates and empowers
customers as individual beauty champions. At Glossier, "you're the beauty editor."
"Her customer-focused approach to beauty resonated strongly with women who felt
their voices had been ignored by beauty's legacy brands."[16]

While legacy beauty brands turned to social media as a less expensive version of
one-way TV/beauty magazines for instantly pushing "must-have" products, Weiss
deeply understood social media as platform for listening, learning, connecting, and
community building. "Weiss didn't use content to promote her brand—content was
the brand."[17]

Forbes Magazine sums up Glossier's remarkable 5-year unicorn status with five
Cs: consumers, content, co-creation, conversations, and community. One of the
company's most vital digital assets is its customer feedback forum. Through non-
stop listening and conversation, Glossier taps into their tribes' needs, passions, and
lives. Two-way conversation takes the guessing out of product development and
marketing. By the time Glossier launches a new product, it has been vetted—and
even co-created—by thousands of experts, their loyal community.

Glossier offers more than beauty. The company's five Cs provide voice, auton-
omy, inclusion, power, and individuality. And in return, the company earns trust,
authenticity, and cultlike loyalty. Unlike so many legacy brands, Glossier was all
about community from day one. By respecting and empowering customers, the
brand gives voice and validation to those who have quietly resented being defined
by others. The company's website says it best: "Personal choice is the most impor-
tant decision a brand can never make" (Fig. 26.4).[18]

Connection, community, and conversation are deep in Glossier's DNA. The
company recently launched their first brick-and-mortar outlet in New York City,

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[14] https://www.glossier.com

[15] https://www.cnbc.com/2019/03/20/how-emily-weiss-took-glossier-from-beauty-

[16] https://producthabits.com/how-glossier-turned-into-a-400-million-business-in-four-years/

[17] https://producthabits.com/how-glossier-turned-into-a-400-million-business-in-four-years/

[18] https://www.glossier.com/about

Fig. 26.4 Glossier's brick-and-mortar retail outlet. (Source: Glossier.com)

which feels more like a living room or lounge for friends to hang out as much as a retail outlet. That feeling, of course, is not accidental. Following the store launch, Weiss explained, "We would rather people come and actually stay than people come buy something and leave."[19] Connection drives the brand. As their website exclaims, "This is a group effort."

Lego: Children Are Our Role Models

There's no height or age requirement when it comes to finding social purpose through stakeholders. For Lego, a child's innate curiosity, imagination, and resilience fuel their purpose. Lego is both inspired by children and committed to inspiring children.

Lego's purpose transcends product co-creation and marketing. It inspires and informs the company's mission, values, philosophy, and decisions—including its corporate social responsibility. The relationship between Lego and children is symbiotic and founded on genuine respect for their feelings, ideas, and dreams and a relentless investment in listening and learning from them.

In 2004, the company was on the brink of bankruptcy. Ten years later, Lego recorded record profits and unseated Ferrari being named by global consultancy, Brand Finance, as the most powerful brand in the world.[20] Turns out the inspiration for the Lego turnaround was right under their nose from the very beginning:

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[19] https://producthabits.com/how-glossier-turned-into-a-400-million-business-in-four-years/

[20] https://www.iris.xyz/sell/brand-strategy/how-legos-purpose-made-it-the-most-powerful-brand-in-the-world

inspiring and developing the builders of tomorrow.[21] Purpose was pursued over profit, and the company was reorganized to ensure that every aspect of the company was aligned with its purpose.[22]

Lego listens to and learns from children on matters well beyond plastic bricks. The company's commitment to children and social responsibility run so deep it is nearly impossible to discern where "business" ends and CSR begins. Genuine commitment to children naturally begets commitment to children's lives and the issues and challenges that impact them today—and will impact them tomorrow.

True to their purpose, Lego goes beyond supporting top-down corporate initiatives designed to improve the lives of children. Their initiatives are informed and guided by children's fears and hopes and dreams. The company recognizes what purpose consultant, Carol Cone, advocates: stakeholder participation and co-creation of purpose. *Consumers have long expected companies to do good for society. Today, they want to be active participants in a brand's do-good work: empowered to make the lives of others better as well as their own*.[23]

In classic Lego fashion, they describe children as the builders of tomorrow and maintain that understanding the issues that matter to them is critical. Their 2018 Responsibility Annual Report states, "…We believe understanding the issues that matter to them is critical if together, we are to build a more sustainable planet. That's why we've undertaken research with children around the world asking them to express their worries, hopes and dreams using Lego bricks. We were surprised and inspired by what they shared and you'll see their answers throughout this report" (Fig. 26.5).[24]

In the company's 2018 Responsibility Report, CEO Thomas Kirk Kristiansen advocates for giving today's young people a voice on the key social, environmental, and community issues of our—their—time (Fig. 26.6).[25]

Jennifer DuBuisson, senior manager, environmental sustainability at LEGO, elaborates, "A few years ago we got this letter from a 9-year-old that read, 'When I grow up, I want my kids to grow up in a healthy world.' They (children) are our No. 1 stakeholder and we need to ensure that we are working to meet their expectations of our products and our company."[26]

A year ago, the LEGO Group announced an ambitious goal to use sustainable materials in all of its core products by 2030. This child-inspired ambition is supported by numerous Lego teams and $150 million in investments according to DuBuisson. CEO Kristiansen portrays Lego's far-reaching CSR efforts as a natural extension of their symbiotic relationship with children, emphasizing that they want to ensure they meet children's expectations of both the company's products and the

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[21] https://www.lego.com/en-us/aboutus/lego-group/mission-and-vision

[22] https://www.iris.xyz/sell/brand-strategy/how-legos-purpose-made-it-the-most-powerful-brand-in-the-world

[23] http://purposecollaborative.com/redefining-purpose-in-the-activist-era/

[24] https://www.lego.com/en-us/aboutus/responsibility/

[25] https://www.lego.com/en-us/aboutus/responsibility/

[26] https://www.forbes.com/sites/simonmainwaring/2016/08/11/how-lego-rebuilt-itself-as-a-purposeful-and-sustainable-brand/#bd956576f3c4

Fig. 26.5 Lego's initiatives are informed by children. (Source: The Lego Group's 2018 Responsibility Report)

Fig. 26.6 Lego describes children as their number one stakeholder. (Source: The Lego Group's 2018 Responsibility Report)

company itself. As of 2015, the company child-centered CSR effort reaches over 100 million children in 140 countries.[27]

In 2007, the company launched their Build the Change program in collaboration with museums and local partners around the world. The program gives kids a platform for using Lego's iconic bricks to articulate their vision for a better world.[28]

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[27] https://www.lego.com/en-us/aboutus/responsibility/

[28] https://www.greenbiz.com/article/lego-builds-change-through-its-youngest-stakeholders

Fig. 26.7 Southwest relies on employees to give their Brand Purpose life. (Source: Human Synergistics)

Author and president of EarthPeople Media Anna Clark turns the term "pester power" on its head when describing Lego's Build the Change program. "Pester-power is that relentless energy that marketers love to ignite in children in order to influence their parents' buying behavior. In an effort to transform pester-power into a force for good, LEGO marketers are giving kids a platform for using the beloved bricks to express their vision for a better world…. They're so much more than a mess on the floor—they're also tools to teach my kids about designing a better world."[29]

Southwest Airlines: Employees First

Southwest Airlines' purpose statement sounds as noble and empty as that of every other airlines: *To connect people to what's important in their lives through friendly, reliable, and low-cost air travel*. Yet somehow, their purpose statement lives and breathes because it resides in the hearts of their employees—not just on the corporate headquarters wall. Purpose at Southwest is real because it's "owned" by their 35,000 employees who bring it to life (Fig. 26.7).

Southwest regards frontline employees as the experts who bring purpose to life. The company's "upside-down" informal structure celebrates and empowers customer-facing staff. In the midst of United Airlines' passenger "reaccommodate" embarrassment, marketer Steve Yaeger posted on LinkedIn, "Would this have happened on Southwest?" and suggested the answer is no. The reason? By putting employees at the center of customer service and decision-making, Southwest empowers employees to use their judgment and "warrior spirit" to do what it takes to care for customers. To live the Brand Purpose through individual actions guided

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[29] https://www.greenbiz.com/article/lego-builds-change-through-its-youngest-stakeholders

by overarching values. Yaeger concluded, "And that's what this PR disaster for United really is: a failure of empowerment."[30]

At Southwest frontline staff play a major role in annual business planning and budgeting. This bottom-up planning model stems from co-founder Herb Kelleher's decentralized management model and iconic "crusade" philosophy: "Hire for attitude. Train for skill." By providing clear business "guardrails" and trusting employees to live company purpose in their own way, Kelleher eschewed hierarchy and top-down instructions, trusting employees to interpret shared values without the constraints imposed by most corporations.[31]

According to Harvard Business Review, Southwest receives job applications every 2 s and screens out 98% of applicants for attitude fit. The three attitudes that serve as the company's holy grail are anything but secret: warrior spirit, servant's heart, and fun-loving attitude (HBR). Performance reviews rate the degree to which individuals live the three attitudes, and promotions are driven by "walking the talk." Southwest's exceptional customer service ratings start with hiring and live at every level of the company. Eighty-six percent of employees report being proud to work for the company, and 75% describe their work as "a calling"—not just a job.[32]

In addition to preaching the Southwest gospel from the top-down, the company employs a system that encourages peer-to-peer praise. Employees award points to their colleagues who embody purpose, and those points can be redeemed to purchase items featured in a company catalog. And when the airlines needed new uniforms for their flight attendants, rather than turning to corporate fashion designers, Southwest trusted their flight attendants. (see Footnote 32).

Not surprisingly, more than 7000 Southwest customers per month turn to social media to praise the spirit/heart/attitude of frontline employees. Those compliments are in turn forwarded to both the employee and his/her supervisor. (see Footnote 32).

How does a company bring purpose to life? By aligning the hands, heads, and hearts of its employees. And how do you do that? According to Herb Kelleher with more than a paycheck:

"They can buy all the physical things. The things you can't buy are dedication, devotion, loyalty—the feeling that you are participating in a crusade," Kelleher said.[33]

Chapter Takeaways

• Brand Purpose, previously envisioned as being articulated and controlled by the enterprise, is presented as being socially co-constructed by corporate executives and consumer groups.

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[30] https://www.linkedin.com/pulse/why-did-happen-united-steve-yaeger

[31] http://www.advancebusinessconsulting.com/advance!/strategic-alignment/strategic-alignment-business-cases/the-rise-of-southwest-airlines.aspx

[32] https://www.humansynergistics.com/blog/culture-university/details/culture-university/2018/05/29/southwest-airlines-reveals-5-culture-lessons

[33] https://www.forbes.com/sites/carminegallo/2014/01/21/southwest-airlines-motivates-its-employees-with-a-purpose-bigger-than-a-paycheck/#2d24c1cf5376

- Digital and mobile platforms are the key arena where the co-construction and deconstruction of Brand Purpose are currently taking place and being magnified through social conversations.
- The alignment—or misalignment—between brand promise and Brand Purpose is increasingly influenced by social dynamics as illustrated by Gillette's decision to update its brand promise from "the best a man can get" to "the best men can be."
- Today, forward-thinking companies smartly leverage their Brand Purpose as a cultural entity to dictate the sociopolitical agenda and occupy the void institutional space left by political, religious, family, and educational agencies whose solidity and credibility are progressively melting down.

Reflection Questions

1. How much control should companies exercise in building and protecting their Brand Purpose?
2. What are the benefits and risks associated with ceding degrees of control of Brand Purpose to consumers?
3. Are we entering a new "bottom-up" era where large "legacy brands" may find their size and power stifling in a disintermediated global marketplace where every brand and every consumer is a media company?
4. To what extent are today's corporations fostering the illusion that they are ceding control of Brand Purpose to consumers as opposed to genuinely committing to co-creation?
5. How should brands navigate competing pressures when consumers, employees, and investors offer competing interpretations of Brand Purpose?
6. Given the power and influence today's consumers exercise via digital and mobile media, do "insurgent" brands such as Glossier enjoy a competitive advantage over established "legacy" brands such as Procter & Gamble?

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Corporate Social Responsibility Practices in the Extractive Sector in Tanzania: Is It a Transition from a Voluntary to Legislative Approach?

27

Lemayon L. Melyoki

Key Topics

- Corporate social responsibility
- CSR practices
- Tanzania
- Legislating CRS
- Mining sector

Introduction

It is surprising that the corporate social responsibility (CSR) issues that occurred in the past have not resulted in lessons and actions that could cause corporate organizations to avoid similar eventualities in the future. An incident similar to the one that occurred in 2010 involving British Petroleum (BP) where it was accused of gross negligence over safety violations that caused the death of 11 workers and leaked oil in the Gulf of Mexico for 87 days occurred in Tanzania recently. In this BP case, a US Government Commission found that BP and its partners had made a series of cost-cutting decisions that together contributed to the oil spill that wreaked havoc on the Gulf of Mexico coast (The Telegraph, 2019). This time around, it is a mining company that is involved in a similar incident in African state. The story briefly runs as follows:

> Acacia Mining had been fined Tsh5.6 billion ($2.4 million) for alleged pollution at its North Mara mine, Tanzania's mining minister said on Monday. … The Tanzania's National Environment Management Council (NEMC) has issued an environmental protection order

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(EPO) relating to alleged pollution from North Mara's tailings dam, mining Minister Doto Biteko said. "The North Mara gold mine has been given two weeks to pay the fine and three weeks to rectify the problem at its tailings storage facility," Biteko told Reuters. "If the mine fails to comply to the order, tougher measures will be taken against it". (https://www.thee-astafrican.co.ke/business/, 2019).

The incident described above highlights a challenging society-business relationship but also supports the view that business is a part of the society, owes its existence to the society, and should function under the overall control and discipline of the society in the performance of its obligations (Neelam Jhawar & Gupta, 2017). CSR is therefore an important phenomenon. A socially responsible organization is one that tends to influence the process of developing and advocating socially responsible business practices, which benefit not only the organization and its employees but also the greater community, the economy, and the world environment (Neelam Jhawar & Gupta, 2017). Considering the BP and Acacia cases, one may be tempted to conclude that these companies may not be socially responsible. In other words, they have not lived up to the society's expectations as evidenced by the fines on them.

CSR is based on some philosophical foundations (Neelam Jhawar & Gupta, 2017). Dempsey (see Neelam Jhawar & Gupta, 2017) argued that the responsibilities of businessmen arise from four concepts of justice: exchange justice (i.e., the trust underlying exchanges in the market), distributive justice (i.e., the just relation between the government and individuals), general justice (i.e., acceptance of legal frameworks and ethical obligations), and especially social or contributive justice (i.e., the obligation to contribute to the well-being and progress of individuals and society) (Neelam Jhawar & Gupta, 2017).

Attempts have been made to show the relationship between CSR and financial performance. However, research has not come up with conclusive results. This is because some researchers found no relationship between CSR and financial performance, others came with positive relationship, and yet others found a negative relationship (McWilliams & Siegel, 2000; Waddock & Graves, 1997; Wright & Ferris, 1997, all cited by McWilliams & Donald Siegel, 2001). Despite this, literature shows that CSR can also be pursued by managers whose interest is to maximize shareholder wealth as part of this strategy (McWilliams & Donald Siegel, 2001). For example, managers may ensure that their companies produce products of high quality as part of the strategy, in which case customers will tend to buy their product because of associating it with reliability. Also, companies may identify themselves as supporters of CSR, and by doing so, customers buy their product as they consider themselves part of the CSR initiatives. In this regard, pursuing CSR becomes beneficial to both the company and the beneficiaries of the CSR initiative. Indeed, Carroll (2008) points out the difficulty of determining when an organization performs actions that are purely related to its mission of profit maximization and when it does them for social purposes per se, that is, making the workers more productive (business reasons) versus helping employees to fulfill their needs and make them better and more contributing members of society. A related question might be

whether the motivation for engaging in CSR makes a difference in the final outcome.

CSR has been researched and debated widely. Yet, the literature on CSR lacks international coverage (Pisani, Kourula, Kolk, & Meijer, 2017). For example, Egri and Ralston (2008) and Kolk and Van Tulder (2010) have found through a systematic review that journals in international business have paid limited attention to CSR practices in developing countries. Egri and Ralston (2008, p. 325) state that:

> It is particularly troubling that there has been relatively little on-the-ground corporate responsibility research in countries where the need for corporate responsibility is most pressing due to greater poverty, environmental degradation, and institutional governance issues. There is the "urgent need to widen the geographic and cultural scope of international management research on corporate responsibility" (Egri & Ralston, 2008, p. 325).

Thus, it is important to investigate CSR practices in developing countries because of the pervasive institutional voids that characterize these settings (Egri & Ralston, 2008). Indeed, scholars have stressed the need to focus on such voids when assessing firms' operations in developing regions in general (e.g., Mol, Stadler, & Ariño, 2017; Parmigiani & Rivera-Santos, 2015) and concerning their CSR practices in particular (e.g., Kolk, 2016). Research has revealed the potential role of CSR in bridging institutional voids in conflict-affected regions (Kolk & Lenfant, 2015).

Responding to the need to conduct more research on CSR in developing countries, this chapter explores the CSR practices in the extractive sector in Tanzania. It highlights the recent development in Tanzania involving legislation of CSR. By doing so, the chapter contributes to the literature on CSR by providing insights about this phenomenon in Tanzanian, a developing country. Focusing on the extractive sector in Tanzania is important for Tanzania for at least two reasons. First, it is one of leading countries in the world with significant extractive resources (minerals and natural gas). Secondly, there are indications that significant CSR challenges exist in this country's sector that in-depth insights would be helpful in informing discourse and policy formulation.

The Concept of CSR and Its Nature

Although CSR has a long history, its precise meaning is still a matter of debate (Carroll, 2008; Chaffee, 2017; Deegan & Shelly, 2014). Sheehy (2012) characterizes CSR as being anything from a philanthropic program, internal management systems, a code, and a form of regulation and consisting of anything from a minor charitable donation to spending of major sums of money to mitigate environmental and other impacts beyond the level required by the law. Along the same lines, McWilliams and Donald Siegel (2001, p. 1) define CRS as follows:

> actions that appear to further some social good, beyond the interests of the firm and that which is required by law.

According McWilliams and Donald Siegel (2001) and Sheehy (2012), CSR entails going beyond obeying the law, implying, for example, that a company that avoids discriminating against women and minorities is not engaging in a socially responsible act but merely abiding by the law. In their view, examples of CSR activities go beyond legal requirements, for example, in adopting progressive human resource management programs, developing nonanimal testing procedures, recycling, abating pollution, supporting local businesses, and embodying products with social attributes or characteristics. Yet, other authors suggest that what companies do beyond their legal requirement is only a small part of CSR. CSR is seen as encompassing concerns for the triple bottom line, that is, people (the social bottom line), planet (the ecological bottom line), and profit (the economic bottom line) (Neelam Jhawar & Gupta, 2017). Similarly, the World Business Council for Sustainable Development (WBCSD) (2019) views CSR as follows:

> … the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. (www.gaea.bg/about-GAEA/corporate-social-responsibility.html, 2019).

Chaffee (2017) argues that the origins of CSR go back many years to the days when corporations were first established. He shows that corporations were always social entities as their establishment was for purposes of promoting the welfare of society through such activities as building canals, undertaking burials, and many others, which promoted society's well-being. Chafee argues that it was around 1800 that separation of roles between profit-seeking corporations and entities that pursued purely social goals occurred. Despite this separation of roles, profit-seeking corporations have continued to perform activities that promoted the welfare of society even as justifications for doing so continue to be hotly debated. Thus, there are managers who eschew attempts to satisfy demand for CSR, because they believe that such efforts are inconsistent with profit maximization and the interests of shareholders, whom they perceive to be the most important stakeholders (McWilliams & Donald Siegel, 2001). This category of managers therefore acts in a way the upholds the views expressed by Friedman (Hemphill, 1997) when he argued that the social responsibility of the corporation is to make as much money for its shareholders within the framework of the prevailing laws and ethics. However, stakeholder perspectives tend to argue the view that corporations are responsible for both social and economic outcomes and that some balance is needed in pursuance of these roles (Deegan & Shelly, 2014).

Carroll's (1979) conceptualization of the responsibilities of firms has remained a consistently accepted approach, particularly with respect to empirical studies. He argues that firms have four responsibilities, namely, (1) economic responsibility (e.g., generate profits, provide jobs, create products that consumers want); (2) legal responsibility (e.g., complying with local, state, federal, and relevant international laws); (3) ethical responsibility (e.g., meeting other social expectations, not written

as law, such as avoiding harm or social injury, respecting people's moral rights, doing what is right and just); and (4) discretionary responsibility (e.g., meeting additional behaviors and activities that society finds desirable, such as contributing resources to various kinds of social or cultural enterprises, providing employee benefits such as training and industry-leading salaries).

Wood (1991) states that early writers of CSR were worried that, within the field of business and society, the responsibility of business was so little despite having so much power, a matter that motivated scholars of those days to direct their efforts at searching and defining the social responsibility of the corporation. This was especially the case in the 1960s and 1970s. For example, Carroll (1979) observed that the social responsibility of the corporation consisted of economic, legal, ethical, and expectations that society had for organizations at a given time. Similarly, Frederick (1986, p. 4) contents that:

> the fundamental idea of corporate social responsibility is to that business corporations have an obligation to work for the betterment of society.

Davis (1973) views corporate social responsibility as corporate pursuance of social benefits alongside the economic gains the firm seeks. As Wood (1991) posits, the basic idea of corporate social responsibility is that business and society are interwoven rather that distinct entities, with the consequence that society has certain expectations for appropriate business behavior and outcomes. This perspective of CSR is similar to the one expressed by the Commission of European Communities (2001, p. 6), which defines CSR as follows:

> … concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Being social responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment and the relations with stakeholders.

The above discussions suggest that CSR has two predominant views, that is, the narrow one that views CSR maximizing shareholder value and the broad one where CSR is considered to include the fulfillment of the reason for establishing companies (i.e., the economic role), compliance with laws, and going beyond these by engaging in other socially desirable activities such as philanthropic ones. As can be seen, the central issue in CSR is the question of what the responsibilities of corporations are or should be in society. Indeed, this debate continues and there are arguments on the side of the divide. However, for the purpose of this chapter, we adopt the broad view of CSR as we regard it as involving improving the welfare of society through pursuance of economic activities, complying with laws and other social norms that create the framework within which to carrying out economic activities, and engaging in actions that enhance the welfare of society.

Principles of CSR

Based on the broad view of CSR, Wood (1991) proposes a set of principles of corporate social responsibility that operate at three distinct levels, that is, society, organization, and the individual. These principles are legitimacy, public responsibility, and principle of managerial discretion. According to Wood, the principle of legitimacy was proposed by Davis (1973) and expresses legitimacy as a concept that operates at the societal level and describes the responsibility of business as a social institution that must avoid abusing its power regardless of circumstances. According to Wood (1991), the theory is based on functional theory articulated by Preston and Post in 1975, stakeholder theory by Freeman in 1984, and the roots laissez-faire capitalist economic theory in utilitarian philosophy debated by various scholars.

The principle of public responsibility operates at the organizational level and is based on the premise that businesses are not responsible for solving all social problems but are responsible for solving problems they have caused and for helping to solve problems and social issues related to their business operations (see Preston and Post, 1975; Votaw, 1973, cited by Wood, 1991). According to this principle, social responsibilities should be relevant to the firm's interests, operations, and actions. Notwithstanding this, the principle leaves room for managerial discretion in determining what social problems and issues are relevant and how to address them (Wood, 1991).

The third principle of managerial discretion posits that managers are moral actors who have discretionary powers within different areas of social responsibilities, which they can exercise toward socially responsible outcomes. It is founded on the following ideas: (1) managers exist in an organizational and societal environment that is full of choices; (2) managers' actions are not totally prescribed by corporate procedures, formal job definitions, resource availabilities, or technologies; and (3) managers are moral actors on the job as well as in other domains of their lives (Wood, 1991). Wood (1991) warns that these principles should not be treated as absolute standards but as analytical forms to fill in with content determined by value preferences existing in a cultural or organizational context.

The principles of CSR summarized in Table 27.1 play important roles in influencing the CSR performance of companies. For example, Wood (1991) argues that according to the principle of legitimacy, society has the right to enforce a balance of power among its institutions including defining its legitimate functions. According to him, this principle is proscriptive and structural focusing on the business's obligations as a social institution. This also implies that society may deploy sanctions at its disposal to ensure that these obligations are met. The principle of public responsibility on the other hand is a relational one and implies that it is the organization's duty to act affirmatively for social well-being. It means that the content of CSR will vary from company to company because each firm is responsible for solving the problems it has caused and solving social problems that affect it. Wood (1991) goes on to argue that this principle removes CSR from the domain of capricious decisions or definitional ambiguities and demand that firms examine their unique environment to ascertain their social responsibilities. The principle of managerial discretion

Table 27.1 Principles of corporate social responsibility

Principle	Level of application	Focus	Value	Author
Legitimacy: Society grants legitimacy and power to business. In the long run, those who do not use the power in a manner society considers responsible will lose it.	Institutional, based on firm's generic obligations as a business organization	Obligations and sanctions	Defines the institutional relationship between business and society and specifies what is expected of any business	Davis (1973)
Responsibility: Businesses are responsible for outcomes related to their primary and secondary areas of involvement in society.	Organizational, based on firm's specific circumstances and relationships to the environment	Behavioral parameters for the organization	Confines a business responsibility to those problems related to the firm's activities and interests, without specifying too narrow a domain	Preston and Post (1975)
Discretion: Managers are moral actors. Within every domain of corporate social responsibility, they are obliged to exercise such discretion as is available to them, toward socially responsible outcomes.	Individual, based on people as actor within organizations	Choice, opportunity, personal responsibility	Defines manager's responsibility to be moral actors and to perceive and exercise choice in the service of social responsibility	Carroll (1979), Wood (1991)

Source: Wood (1991)

suggests that the individual's right and responsibility to decide and act are affirmed within the bounds of economic, legal, and ethical constraints. It is based on the human choice and will and focuses on the possibilities available to individual actors within their environment within the organizations and outside them. Indeed, Wood points out that there are other principles that may motivate managers to act in certain ways beyond the CSR ones pointed out above.

CSR in the Extractive Sector in Tanzania

The extractive sector in Tanzania consists of mining and petroleum subsectors. The mining sector involves extractive activities/processes of valuable minerals from underground, while the petroleum sector involves similar activities carried for the oil and gas. Tanzania has a many and different types of minerals, and large quantities of petroleum resources (i.e., natural gas) have been discovered in recent years. Indeed, Tanzania is one of largest producers of gold in Africa (Curtis & Lissu, 2008;

TEC, BAKWATA, & CCT, 2017) and has large and commercial quantities of natural gas (United Republic of Tanzania, 2013). Historically, mining activities go back many years to the colonial times where the first commercial mining of gold occurred in the 1890s around Lake Victoria (Tanzania Chamber of Mining, 2018). These activities were undertaken by large companies from developed countries, but the sector came under state management during the socialist years (i.e., between 1967 and 1985) and reverted back to the private sector in the late in 1990s when a market-oriented economy was reintroduced through a series of reforms (URT, 2015).

Currently, companies operating in the mining sector are Acacia, which operates three mines (Buzwagi, Bulyanhulu, and North Mara Gold Mines), and Ashanti gold mine, which operates the Geita Gold Mine. Other companies are Petra, which operates Mwadui diamond mine, and El Hilal, which operate a mine near Mwadui gold mine. The state-owned company, STAMICO, also operates a number of mines in the country either alone or in collaboration with other companies. Tanzanite, which Tanzania is the only supplier in the world, is mined by Tanzania One. There are other smaller companies and individuals (artisanal miners) who are involved in mining activities in different parts of the country.

In the petroleum sector, more than ten international oil companies were active by 2019 (TPDC, 2019). However, companies that had implemented CSR activities presented in this chapter were Pan Africa Energy (PAE), Wentworth (formerly M&P), and BG (which has now been replaced by Shell). PAE and Wentworth are producing some natural gas, while BG and Statoil have discovered massive quantities of natural gas for which production is yet to start. Negotiations with the government are continuing to agree on production contracts. The remaining companies out of the ten are still exploring for gas. Table 27.2 shows the list of companies active in the two subsectors in the country.

Until recently, implementation of CRS activities in the extractive sector depended on the companies' internal planning. In other words, companies planned and decide on the type of CSR activities they wished to implement even if the activities they implemented did not address the needs of the community in which such activities were carried on. As Lange and Kolstad (2012, p. 9) state:

> There seems to be the typical emphasis on physical infrastructure, on roads and pipelines, on new buildings, on visible and tangible output that looks good on a corporate website but need not reflect the most pressing needs of the communities in which these companies operate. It is therefore more than possible that these activities reflect corporate rather than local community priorities.

As companies decided internally on the type of activities to implement through their CSR program, this approach was voluntary in nature operated largely as a philanthropic activity as companies were not compelled to do it. This is consistent with the approach to CSR in many countries around the world including the USA and Australia (Hemphill, 1997; Deegan & Shelly, 2014). Alongside this arrangement, companies implemented a wide range of programs covering the education, health, infrastructure, and youth empowerment. These activities were implemented in the areas surrounding the extraction sites of the companies or regions in which

Table 27.2 Some of the social-economic CSR projects implemented by companies

Social-economic CSR projects	Company/project Code								
	1	2	3	4	5	6	7	8	9
Education									
Supply of power to schools, construction materials for labs, hostels, desks, etc.	✓	✓	✓	✓		✓	✓	✓	✓
Supporting Other educational institutions (e.g VETA)	✓								
Health									
Construction of health centre, dispensary and related items including, houses, supply of equipment etc.			✓			✓		✓	
Support surgical missions							✓		
Utilities (water, power)									
Supply piped water, construction of borehole etc.		✓		✓				✓	✓
Supplying electricity			✓						
Economic sectors									
Initiatives to integrate local business with companies							✓		✓
Supporting youths employment activities (training on entrepreneurship, brick making, agriculture, bee keeping, fishing etc.)	✓		✓				✓		✓
Set up/supporting community level economic institutions (VICOBA, SACCOS etc.)	✓			✓		✓			
Infrastructure							✓		
Construction of office village/Ward office				✓				✓	✓
Support to marginalized or poor families (sponsoring children to school, paying school fees, etc)	✓					✓	✓		
Others									
Provide means of transport to village level leaders				✓			□		

Source: Melyoki & Kessy (2019).

Key: *(a) ✓ means that the company is perceived by the community to have implemented known CSR activity (ies) at community level (b) the shaded cell(box) means that the company is not perceived by the community to have implemented known CSR activity (ies) at community level, (c) 1= BG, 2= Wentworth, 3= PAE, 4= Mwadui(Petra), 5= Mwadui (El-Hilal), 6= Acacia at Bulyanhulu Gold Mine, 7= Acacia at Buzwagi Gold Mine,, 8= Acacia at North Mara Gold Mine,, 9= Ashanti- Geita Gold Mine,*

the companies operated. Melyoki and Kessy (2020) provided a categorization of the projects funded by companies as part of the CSR program. This is shown in Table 27.2.

As may be expected, communities, where the CSR programs were implemented, were appreciative of the initiatives, which in turn influenced how they perceived the companies. Indeed, some research that has been conducted in extractive sector in Tanzania shows that various aspects of CSR are perceived to have a positive relationship with corporate image of the organizations. For example, Nyanga (2018) found through interviews that people perceived positively the companies that implemented CSR activities. The CSR activities that were valued include forestation, construction of special wells to avoid contaminating water sources, and observing air pollution management practices. Also, implementation of programs in the social sectors of education and health including construction of infrastructure (classrooms, students' hostel, health facilities and hospitals, dispensaries and health centers, medical equipment) as well as facilitating youth empowerment through entrepreneurship education and sponsorship to students all had impact on the image of the company.

Surprisingly, despite implementation of a wide range of activities under the CSR programs, communities living near the extractive sites had continued to complain about the lack of correspondence between projects implemented by companies and the benefits obtained by companies as communities perceived them. Melyoki and Kessy (2020) found that the litany of complaints by the communities suggested that the communities preferred to not have the companies carry out activities in their midst. In other words, most of the companies listed in Table 27.2 (except PAE) did not have the social license to operate among the communities. Part of the reason for the continuing complaints has been the concern expressed by communities that extractive companies had done more damage to the lives of the communities that could be compensated for by the CSR projects, which were largely philanthropic. For example, one member of the community who was part of the focus group discussion held at a village around the Bulyanhulu Gold Mine said that:

> I have been part of the Village Government since 2014 but I have not been paid any compensations. In 1995, I had a house where the mine is located, but I was evicted from my house/land along with others in 1996. In 2007, there was a huge land dispute involving various people. Efforts on reconciliation failed. The 1997 boundary has been shifting.

Legislation of CSR in the Mining Subsector

Legislating CSR is not a new phenomenon in the world. India was the first country to introduce legislation in its companies, Act that requires companies to meet specified thresholds[1] to spend at least 2% of their average profits in the preceding 3 years on CSR programs (Sing & Verma, 2014). The Indian law also created structures for

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[1] Companies must have an annual turnover of at least $166 million or at least a net worth of $83 million or a net profit of at least $833,333.

implementing the requirements of the law including requiring companies to establish CSR committees of the board in which there should be an independent director. The board committee is responsible for recommending CSR activities to the board, which the law requires to consider the proposals. Companies to which this law applies are required to comply or explain why they do not comply with the law (Sing & Verma, 2014).

Tanzania has now joined India including CSR requirements in its law. The recently introduced legislation requires companies operating in the mining subsector to engage in CSR activities (United Republic of Tanzania, 2017). Although companies will still be the ones preparing a CRS program, or plan, such plans will now need to be approved by the government before the companies can implement it. Indeed, the requirements through the amendment of the mining Act (i.e., Written Laws (Miscellaneous Amendments) Act, of 2017) require companies to submit their CSR plans to the governments for approval. The plan is monitored by both the local authority in which the company operates and the Mining Commission (see sections 22 (u) and 105 (4)a. Although the law is yet to be operationalized as regulations are being awaited, it is interesting to consider the key requirement of this law that pertains to CSR. Section 105 (1) of the Act states that:

> A mineral right holder shall on annual basis, prepare a credible corporate social responsibility plan jointly agreed by the relevant local government authority or local government authorities in consultation with the Minister responsible for local government authorities and the Minister responsible for finance.

As this section of the law compels companies to prepare a credible CSR plan, one of key issues that would require clarity is the word "credible." However, this might be clarified through the regulations to make the section operationalizable. This is because companies may have a different understanding of a credible plan from that of the government, which is then likely to lead to frictions between the government and the mining companies. There other issue is the assignment of the responsibility for approval of the plan to three different government institutions: local government as well as minister for local government and ministry of finance.

Although the law says that the mineral right holder (i.e., holder of the mining license) may agree with the local government, by keeping the option that this plan may be approved through a consultative proves that involves higher levels of government (minister for local government and that for finance), the more likely situation is that all these institutions will be involved. Considering Tanzanians' culture, which is characterized by higher power distance (Hofstede, 2015), the preference for people to defer decision-making role to those in higher positions of power would mean that local governments are likely to defer the decision to the mentioned national ministries. There is therefore the risk of approval being bogged down in the bureaucratic process especially where there is no commonly shared understanding of a credible plan. Besides, each level of government will need to undertake its own due diligence process to be sure that it is approving a plan that is indeed credible. The consultative process will require efficient systems for sharing information

among the different levels of government involved as well as companies in order to have a common understanding of issues and prevent the issues from becoming politicized.

It is also interesting to note that the CSR plan is required to address the triple bottom line issues. The other relevant provisions of the Act are as follows:

> (2) The plan prepared under subsection (1) shall take into account environmental, social, economic and cultural activities based on local government authority priorities of host community. (3) The corporate social responsibility plan referred to under subsection (1) shall be submitted by a mineral right holder to a local government authority for consideration and approval. (4) Subject to the provision of this section, every local government authority shall- (a) prepare guidelines for corporate social responsibility within their localities; (b) oversee the implementation of corporate social responsibility action plan; and (c) provide awareness to the public on projects in their areas. (5) In this section "host communities" means inhabitants of the local area in which mining operations activities take place.

As shown, the law also requires local governments to guide the process of preparing the plan and oversee its implementation. In reality, this will require that local governments have the competence to articulate the guidelines needed to guide CSR activities of the companies as well as enforce them. In addition to all these, perhaps the most complicating issue may be the determination of the resources to be committed or spent on CSR. Some of the questions that may arise during CSR plan preparation may relate to the amount of resources that a company is willing or able to apply in the CSR plan. This issue of creativity in the implementation of the CSR may also arise. For example, what is the mechanism for encouraging companies to pursue the most creative CSR program that may be beneficial for the community?

Discussion

The introduction of legislation to require companies to prepare a CSR plan and having approved by government before they can implement it is a new development in the CSR practice in Tanzania. The motivation for introducing such legislation remains unclear; however, it can be speculated that the complaints expressed by communities over the inadequacy of the current CSR projects (Melyoki & Kessy, 2020) could have motivated the government to introduce the legislation. If these complaints motivated the action of the government, it might be justified by the principle of legitimacy discussed earlier as proposed by Wood (1991) where society may decide to take action to prevent extractive companies from continuing to abuse communities by neglecting the real needs of the communities. According to this principle, companies are considered members of society with some defined role, but society can take action to balance the power of companies in order to ensure that the expectations of society from the companies are fulfilled (Neelam Jhawar & Gupta, 2017).

While balancing the power among players is necessary to ensure that society's expectations are met, implementation of the new legislation should take into account

the potential unexpected negative outcomes such as the tendency by companies to set themselves low CSR targets than they would otherwise set if there was no legislation due to fair that making higher commitments may lead to penalties if not attained. Also, the mechanisms need to be found to still encourage companies to be innovative in their way of implementing CSR. A consideration of market-oriented incentives that would motivate companies to compete in the provision of CSR would be helpful including public recognition of companies that invests significantly in CSR activities.

Conclusion

Companies have been implementing CSR on voluntary basis in Tanzania as in many other countries. However, the landscape for CSR in mining subsector has changed from a traditional voluntary approach to a publicly regulated one. The recently introduced local content and CSR law needs to be clarified more to ensure that they implement it with respect to CSR without leading to unnecessary frictions between players in the mining subsector. It remains to be seen how this legislation works out in practice when it goes into implementation. A consideration of approaches that encourage competition in the area of CSR by companies may also be helpful. Future research should examine the effect of the new legislation on CSR practices of companies in the mining subsector.

Chapter Takeaways

- The history of CSR goes back many years and connects with the question of why corporate entities were first founded.
- Research suggests that CSR is underpinned by some key principles.
- Companies have traditionally implemented CSR initiatives on voluntary basis.
- Some developing countries including Tanzanian have attempted to introduce legislation on CSR. However, this is a recent development, and the effect of this approach is yet to be determined.
- Legislating CSR is related to concerns that society is not benefiting enough from the economic activities of the companies, hence using legislation to encourage companies to allocate resource toward CSR activities.

Reflection Questions

1. Do you agree that companies should have the responsibility to contribute to society beyond the profit-making role?
2. What do you consider to be the advantages and disadvantages of voluntary CSR initiatives?

3. Do you support the idea that the government should introduce legislations on CRS as a strategy to encourage companies to contribute more to the communities in which they operate? What are the pros and cons of this strategy?
4. What advice would you give to the governments in terms of how to encourage companies to contribute more toward neighboring communities?
5. Discuss the relationship between social license to operate and CSR.

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Organizational Culture Change: Growth Mindset, Positive Psychology, and Empowerment

28

Eugene Allevato

Key Topics

- Cultural change
- Growth mindset
- Positive psychology
- Social values
- Spirituality

Introduction

Organizational changes occurring in today's workplace are very emotional events. A useful way of viewing change and stability is to recognize that while organizations need to adapt and change, they also need to identify and maintain the stable components of their cultures that have positive values (Leana & Barry, 2000).

The organization's effectiveness is challenged by a world where problems arise and change faster than their answers and where uncertainty is escalating. Change is unavoidable and essential for survival within the innovations of the twenty-first century. It is imperative for organizations to develop a cohesive environment of unity in diversity without uniformity. This diversity without fragmentation, where adaptation and a culture of growth mindset become the norm, is important within the organization. Cultural diversity is vital to allow for the amicable cross-fertilization of ideas and perceptions to secure prosperity.

The greatest fortune of an organization is to embrace the concept of a growth mindset to sustain performance. The key strategy for success during a culture

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change is based on a simple concept: the distance the arrow travels depends on how far it is pulled back. Similarly, the organization's ability to change depends on how far the organization allows its identity to stretch through the process of transformation and adaptation without violating individual employees' identities. It is important to understand that individual employees in an organization are like dough on your hands. If you squeeze it too much, it spills out of your hands and is wasted. Happiness cannot be found without suffering first, this implies a mutual responsiveness between the organization and the individual employee toward pains and rewards. There has to be a sense of sharing losses and victories.

Transformative Culture

The transformative culture encompasses daunting and intangible elements involving trust, ideas, values, beliefs, and attitudes. It is important to recognize that each organization has its own cultural peculiarities and may require different lenses to comprehend its core. Comparably, the organization is like a human organ, while the individual within the organization is like a cell. Although groups of different types of cells make up the organ, all cells work together to maintain the organ. In this sense, individuals of the organization have to embrace some sort of unity toward an essential goal to form a healthy organization. But that doesn't mean that there should be no preservation of the cultural identity or characteristics of each individual. In fact, the ability to perform independent thinking is crucial to maintain a de facto unity composed by contrasts. Figuratively, it is not appropriate to say that the "ideal organization" should look like a melting pot or a monoculture. More accurately, we should refer to it as a unique harmonious conglomerate of heterogeneous elements. In the pursuit of originality, innovation, and effectiveness, a healthy organization has to accommodate individuals that are simultaneously team players and individual thinkers.

The Need for Identity and Image Preservation

A model for organizational culture has to include several facets regarding how the individual identity influences the organizational dynamics across different contexts. It is important to point out that culture is the result of a sum of what various individuals share between themselves and with whom they also share common identities. However, at an individual level, their culture is partly organized around different identity spheres and personal cognitive traits based on their own experiences and perceptions of influential factors. For example, individuals of a common identity may settle by sharing cultural knowledge and social norms including trust, ideas, values, beliefs, attitudes, and awareness.

   Martin (1992) emphasizes that there are three important frameworks in the organization culture consisting of integration, differentiation, and fragmentation. Adopting them independently is not appropriate because it demonstrates weakness

in the organization's cultural analysis. The integration perspective considers a consensus of all organization members, failing to include ambiguity. In this case, ambiguity is part of the reality of the organization and has to be considered in the culture change process. The other perspective includes the differentiation which focuses on the fact that conflict is unescapable, but it fails to account for the ambiguities related to the organization's existence. For this reason, the fragmentation perspective focuses on ambiguity, complexity of relationships, and the diversity of interpretations.

Culture change implies challenging issues for the organization's culture that includes a mix of physiological, cognitive, emotional, social, relational, and spiritual dimensions. Fundamentally, these challenging dimensions are all related and intertwine with identity spheres as described in Fig. 28.1. Of particular interest for the organization undergoing cultural change is the study of how we can develop an organizational culture of independent thinking, a community where cultural change is a continuous evolving process that is change ready and adaptive.

Dutton and Dukerich (1991) pictured an organization's image and identity that motivates individuals to present their own interpretation and identity as they participate in the organizations' activities. It is expected that these interpretations and
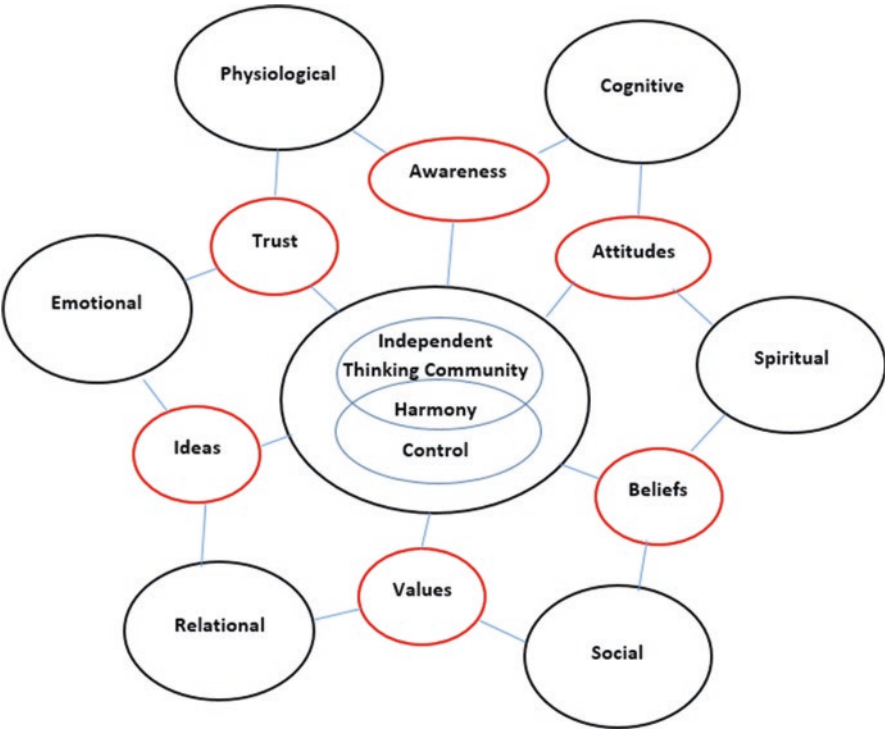
Fig. 28.1 Concept map showing the relationship between organizational culture change, challenging dimensions, and individual identity spheres

identities affect the organization's performance in the short and long term. The organizations' identity and employees' beliefs are crucial to define the character of an organization's actions and activities to deliver expected goals. When individual's sense of self is connected to the organization, any instance that may damage the organization's image drives individuals to react and take action. However, in a process of continuous transformation within the organization, identity is gradually affected by the interaction of different interpretations and existing identity limitations.

Perceptions of Emotional and Spiritual Dimensions

Culture change involves emotional and psychic pain. Neuroscience research indicates that pain pathways are tightly linked with and influenced by emotions (Goldenberg, 2010). Similarly, psychology and social research indicate that emotional awareness and interpersonal factors contribute to the modulation of negative emotions influencing pain (Lumley et al., 2011). Eisenberger, Jarcho, Lieberman, and Naliboff (2006) suggest that social estrangement increases the experience of both distress and pain. The coping process of pain and stress is a function of each one's life experience, creating a disconnected or broken chain in our personal sense of unity and holiness. Consequently, this creates a spiritual void that needs to be amended in order to overcome the threat generated by the perception of culture change within an organization.

The spiritual dimension is important because it has the potential to impact health and enhances effectiveness to cope with stress by promoting meaning-making and a sense of personal competence, resulting in effective coping and positive mental health outcomes (Day, 2010; Puchalski, Blatt, & Kogan, 2014). This is crucial during a culture change process. In order to understand the organization's culture, you have to adopt a kaleidoscope approach; every time you see something, shake the kaleidoscope, and again you are going to see something different. However, all is going to be part of a larger picture of response to stimulus that constitutes the way people react and cope to challenging events.

Concepts such as spirituality and identity are all perceptions of an individual or group that help define an organization's culture and ability to change. So, within an organization, the spiritual dimension may be found in a complex interplay of emotions and associated with a broken chain representing a failure in the concept of unity. This failure is not disconnected from belief but from faith. In this context, faith is the ingredient of the catalytic reaction affecting the power of people to embrace culture change, hopes, expectations, self-discovery, curiosity, and development. Also, faith is the capacity to formulate a dual endeavor of being shaped by others while also being willing to shape those around you.

The organization is pretty much a modern phenomenon, and it has to do with the dislocation of the individual from the personal milieu. When people are disconnected from themselves, their family, their personal identity, their society, and their home, the organization experience will be a priori negatively perceived. With this in

mind, ideally the organization's initiatives should be sensitive to this reality and redesign the perception of this disconnect to reach a settlement that is a win-win situation. The culture change scenario has to transpire the hearts and minds of the community involved. However, the mind is never completely independent and genuine because the behavior is not determined just by the conscious mind. The mind has evasive approaches which can undermine adverse situations.

Psychological Forces and the Unconscious Mind

Sigmund Freud (1915) realized that events that were painful, embarrassing, stressful, and uncomfortable for patients to acknowledge consciously were hidden in the unconscious mind through a process of repression. Freud (1924) suggested that human behavior is shaped by a complex interaction of psychological forces based on three different levels of awareness: the conscious, preconscious, and unconscious. The conscious is our mental processing that we can think and talk about rationally. The preconscious is something with the potential to become conscious. And the unconscious involves most of the contents that are unacceptable or unpleasant, such as feelings of pain, anxiety, or conflict.

According to Levi-Strauss, the unconscious activity of the mind is more important than the conscious in order to understand social phenomena where the unconscious mind is composed of psychological and physical aspects. In his perspective, culture is a projection of the mind's unconscious infrastructure or a structuralism where everything depends on the level of communication and relationship. It is a view of culture formed from projections of the mind's universal unconscious infrastructure. These projections share cognitions and beliefs influencing how to perceive phenomena, events, behaviors, and emotions created in the human mind by a finite number of rules. The concept of value only makes sense in relation to something else, so in order to understand a particular element, we need to understand the whole system of relationships. The only thing that can be studied is not the particular elements but relationships within the organization. Indeed, the understanding can only happen if differences can be observed. As an example, the concept of hot has no meaning if we have not experienced the concept of cold (Levi-Strauss, 1963).

There is no sense of happiness without experiencing sadness, and there is no growth without conflict. Consequently, a conducive environment that praises differentiation and independent thinking is essential in an organization, in order to develop values to bridge the conscious and unconscious mind. Without the perception and understanding of values and meaning, culture change is not feasible.

Relationship Between Leadership and Followership

On the other hand, in the context of leadership and followership, it is important to emphasize that the concept of unity within an organization does not imply followership; otherwise the concepts of differentiation and independent thinking would be

compromised. It has been stated that there is no leadership without followers (Uhl-Bien et al., 2014). However, the role of the followers is often underestimated. There are a lot of theories and research on leaders and leadership, but followers and followership theory have been somewhat ignored. As proposed by Thomas Carlyle (1840), the idea that great leaders are born based on the great man theory of leadership is in contrast to the idea as suggested by sociologist Herbert Spencer (1873) that leaders were the product of the social environment where they lived. Spencer said that "you must admit that the genesis of a great man depends on the long series of complex influences which have produced the race in which he appears and the social state into which that race has slowly grown…. Before he can make his society, his society must make him." In this respect, there is a complex relationship of exchanging knowledge that helps construct the culture castle where each block is indispensable to the structural integrity of the organization, independent thinking, and differentiation. Before the organization culture can influence its members, the organizations' members must participate in the development of the organization's culture.

Recently the significance of the followers and followership has been addressed with the majority of leadership studies considering a leader-centric approach (Uhl-Bien, Riggio, Lowe, & Carsten, 2014). Many conceptualizations of leadership perceive leaders as the motivating engine that drives and controls followers to act in pursuit of the organization's goals as subordinates (Bass, 2008). Shamir, Pillai, Bligh, and Uhl-Bien (2007) and Kelley (1992) have indicated that followers are perceived as receivers and moderators. This seems to be a misrepresentation according to biological evidence in relation to humans' needs and the perception of control as an essential element to the individual's well-being; "we are born to choose." It has been suggested that the perception of control seems to act as a buffer in response to environmental stress (Leotti, Iyengar, & Ochsner, 2010). In addition, as stated in a recent review by Lord, Diefendorff, Schmidt, and Hall (2010), self-regulation is important in the workplace. Increasing emphasis on personal initiative and empowerment and, consequently, taking control of activities is of great importance because it enhances individual growth and development, greater well-being, and satisfaction.

Kelley also recognizes that there are effective followers that think for themselves and carry out their assignments with determination and energy because they are self-starters, independent problem solvers, and critical thinkers. In these circumstances, the organization may be leaderless, and followership can be a positive part of their lives as a source of pride and fulfilment. But this requires an organization that encourages effective followership behavior by allowing everyone to have some control. "Groups with many leaders can be chaos. Groups with none can be very productive" (Kelley, 1992).

Results of a qualitative study by Carsten, Uhl-Bien, West, Patera, and McGregor (2010) on followership suggest that while some individuals socially construct definitions around passivity, admiration, and obedience, others emphasize the importance of constructive questioning and challenging their leaders. On a study across different groups of followers in regard to personal qualities that are thought to make

followers effective, it was found that major themes such as obedience, expressing opinions, and taking initiative were the most incongruent. Results also revealed that circumstantial factors may affect both followership constructions and behaviors in the follower role (Carsten et al., 2010).

Kark, Shamir, and Chen (2003) argue that personal identification with leader and social identification can result in a follower's state of dependence or empowerment. Dependence is related to the transformational behavior of leaders and followers, implying that the follower is limited to proceed with work and unable to make decisions without the leader's approval, while empowerment is mediated by followers with the work group implying independence and the ability to self-regulate. This has a profound psychological impact on a follower's motivation and self-esteem since they depend on a leader's recognition and approval. On the other hand, a person that is empowered is self-motivated and believes in their ability to cope with challenges and can be successful.

Shamir, House, and Arthur's (1993) motivational theory of charismatic leadership suggested that the influence of charismatic and transformational leaders is based on their success in connecting to the followers' self-concept, to the mission of the organization, and to the group. This is in part related to the individual's own version of the interpretation of the organization's mission.

Yiing and Bin Ahmad (2009) on a study on the relationship between leadership behavior and job performance found that supportive leadership shows concern for the followers well-being and allows followers to participate in the decision-making process. This had strong positive effects on job satisfaction. It seems that when the individual is allowed to utilize their independent thinking skills and control as part of the culture core, the organization will benefit and achieve harmony. Building a harmonious organization culture means that the culture is continuously shaped and nurtured by the interaction between the individuals' identity and the organization's identity. There is a need to feel that the individual has contributed to something, even if that is obfuscating their identity.

A relationship that tries to achieve goals by controlling the situation promotes dishonesty and lack of trust. An organization where we are supposed to be passive and serene all the time is nothing more than repression. Unconditional alignment is a deterrent of creativity and innovation because alignment funnels any deviant ideas.

The Influence of Identity on Culture Change

The study of culture change is a question of understanding of how the individual and the organizational identity influence each other. Most believe that identity alignment with the organizational culture is a precondition for secure employment and success in achieving the organization's goals, but we must be better at asking ourselves how much of the individual identity has been compromised in order to adjust to the organization's identity and how much this has jeopardized the organization's performance. It is imperative to contextualize a model to describe categories of

identity in order to reveal the organization's inherent changing nature and its implications for performance and innovation. Consequently, identity becomes a construct with diverse meanings as it conveys many relationships between the self and the organization. These relationships are the source of the germination of ideas generated from different perspectives as well as the cultivation of an environment that encourages the diversity of identities. Misalignment of the organization's culture may in fact be a positive construct to the innovative development and success of the organization.

Positive Psychology and Culture Growth Mindset

It seems that in all areas of life and thought, there is evidence that difficulties and negative situations receive more attention than positive and good ones. This is understandable since negative situations may require vigilance and preparation to overcome. A preferential attention to negatives may have biological roots as they are necessary for survival (Palmer & Braud, 2002). In this perspective, cultural change may have a negative connotation and subsequently create a crisis that impedes the organization by resisting change. In order to improve the organization culture change process, recently there has been greater attention given to subjective well-being, optimism, happiness, self-determination, exceptional performance, creativity, excellence, and wisdom (Seligman & Csikszentmihalyi, 2000).

Froman (2010) identifies meaningful connections between concepts of positive psychology and the workplace. Organizations bring out the best in their members by focusing on such positive psychological concepts as strengths, hope, optimism, self-confidence, self-motivation, resilience, joy, and gratitude to create conditions for their members to thrive and flourish in ways that bridge economic and human development.

The role of positive psychology in the context of organizational behavior, innovation, and change can be viewed from the perspective that much of human behavior within organizations can be explained by individual factors such as personality traits, attitudes, abilities, and motivation. Studies by Judge, Thoresen, Pucik, and Welbourne (1999) indicate that personality constructs relevant to positive psychology can help explain differential responses to organizational change. These personality traits include positive self-concept and risk tolerance, personal resilience, job satisfaction, proactive problem-solving, and job change self-efficacy (Cunningham et al., 2002). A key issue suggested by these studies relates to the role of learning, development, and change.

Even though the importance of a positive attitude has been emphasized for a long time, only recently has it become a focus in psychology to understand organizational behavior, in respect to how positive emotions affect employee's performance. At the individual level, building a positive organizational behavior includes keeping the employees engaged, a sense of importance, personal needs, recognition, equality, humbleness, and participation in the decision-making process (Gayathri & Karthikeyan, 2014).

Losada (Losada, 1999; Losada & Heaphy, 2004; Fredrickson & Losada, 2005) showed scientifically and empirically that the rate between positive and negate attitudes is a determining factor for the performance of the entire organization. According to the analysis of hundreds of teams, those with high performance had a 2.901 rate or, rather, three positive feedbacks to one negative feedback.

Results show that the defenders of positive attitude are right when they defend positive emotions as beneficial to learning and organizational results. However, they also show that pure positive attitude is not enough. A certain rate of negativity which makes organizational systems coexist with a certain degree of polarity is also required. This fact will make them establish conflict dynamics within several dimensions of interpersonal relationships and between people and organizations. In this way, results are not only the consequences of the dominant factors but also the consequences of congruency, contamination, complicity, connivance, understanding, and consent.

According to Sarwar (2017), the organization culture has the potential to affect the psychology of employees either positively or negatively where profitability is a consequence of positive organization psychology. In the opposite case where there is no positive psychology, employees experience negative emotions leading to a situation of employee dissatisfaction and a condition of less or no profitability.

In order for cultural change to be successful, one requires to have a positive mindset toward change. Studies of exceptional human experiences seem to indicate that they are vital to the development of a transformative mindset regardless of challenges and identity background (Brown & White, 1997; Dowdall, 1998). It was observed by Allevato (2017) that an exceptional transformative experience was responsible for the mindset change in respect to the environment in order for people to change their attitude toward sustainability to act and engage intrinsically within an organization. Exceptional human experience may have a profound impact on the mindset and lives of those that experience them because the person will have to reflect on the experience leading to a process of transformation.

Rodríguez-Carvajal, Moreno-Jiménez, de Rivas-Hermosilla, Álvarez-Bejarano, and Sanz Vergel (2010) study results depict the importance of mutual gains, in today's increasingly complex work scene demanding more resources from the organizations as well as from the employees. The idea of mutual gains suggests that the organization should consider the abundance approach to embrace and enable the highest potential of both the organization and its people with the prevalence of human growth and betterment instead of dysfunctional behavior and negative conflict.

Cultural change success has to be inclusive based on a mindset of building as well as being built. This process is described in neuroscience research, indicating that habit creates a biological connection in the brain. Martiros, Burgess, and Graybiel (2018) suggested that individual brain patterns help the formation of habits as it is possible to identify neurons that fire at the beginning and end of a behavior when it becomes a habit. Consequently, the possibility to replace bad habits with positive ones suggests that the organization should create an environment to enhance a mindset of outstanding people's behavior.

The concept of a growth mindset, initially applied in education, was introduced by the Stanford psychologist Carol Dweck (2007). The main idea is based on students changing their attitude toward a positive mindset to appreciate academic challenges, by perceiving that a lack of knowledge could be remediated and become a learning experience instead of a source of negativity, anxiety, and low self-esteem. In the workplace, the paradigm of a growth mindset has similar effectiveness, to embrace cultural change and respond to challenges and setbacks. If the organization's environment provides strategies and fosters a culture that promotes beliefs about individual growth and the nature of personal attributes like intelligence, talents, and abilities, then it will positively influence people's success in their lives as well as at work (Romero, 2017). This is based on the idea that people's talents are not fixed at birth, but instead allow people to believe that their engagement at the organization is pertinent and constantly evolving.

Growth mindsets catalyze transformation. While change can cause people to have a negative response that prevents the learning process, people with a growth mindset are more adaptable and persistent, recovering from mistakes and trying again. They understand that mistakes are part of the learning process. In addition, people with a growth mindset believe that intelligence can evolve through effort, so they use their mistakes to adjust their behavior and improve performance (Derler, 2018).

One study showed that people who endorsed a growth mindset had electrical activity in areas of the brain believed to be related to the awareness of mistakes and how to adjust to them (Moser, Schroder, Heeter, Moran, & Lee, 2011). Organizations that adopted the growth mindset culture are better at adapting to change in their workforce by fomenting the belief of continuous learning and development, in an environment where mistakes are part of the learning process. It is important to mention that a culture should have a consistent set of values, beliefs, and symbols, but the more deep-rooted a culture is, the more difficult it is to change. In this respect, a culture of growth is unique as it is itself a culture that praises change and adaptation as part of its essence and core.

In addition to the cultural growth mindset, the concept of resilience composed of perseverance and passion for long-term goals is also important. Aristotle once said, "As it is not one swallow or a fine day that makes a spring, so it is not one day or a short time that makes a man blessed and happy." Aristotle also said, "these virtues are formed in man by his doing the right actions." He writes "Virtue, then, being of two kinds, intellectual and moral, intellectual virtue in the main owns both its birth and its growth to teaching (for which reason it requires experience and time), while moral virtue comes about as a result of habit" (Aristotle, 340 BC).

Impact of Identity on Culture Change

Aspects of the organization that nurture the value of identity and unity occur in different forms and phases. It involves the founders' influence, the stories they narrate consolidating the organization's history, and the rituals they emphasize

strengthening essential values. These symbols are important because they reveal values and beliefs in a specific language shared by their members that denotes a unique identity and unity, directing the behavior of the organization and all its members (Deal & Kennedy, 1982).

Social change can be defined as the difference between the social system standing of one specific moment in time in comparison with a later time. The change in this context means a transformation of one system into another. Another point to consider is that changes may be viewed as separate stages or chains of incremental changes that are intertwined. These changes include different spheres and dimensions from an individual perspective and organization perspective.

Furthermore, identity transformation is related to a loss of the previous social world and a disruption of the subjective reality of an individual. This is equivalent to the separation of a previous life and the immersion in a new life or dimension. The process of transformation of a system of identity frequently results in an identity crisis triggered by negative experiences and feeling of incompatibility with sociocultural interrelation. This transformation is also accompanied by adaptation techniques to reduce tension and stress, as well as the elimination from a previous social system (Golczyńska-Grondas, 2013).

Social identity as described by Tajfel and Turner (1979) is a person's sense of who they are considering their background or group of people that they identify with each other. Identity for the group or members includes social class, family sports activities, and ethnicity that constitutes a sort of pride and self-esteem and gives sense of belonging. If an organization is capable of mimicking the state of mind at an individual level, the organization cultural change will minimize adverse effects. The interaction of different identities within the organization has to be a convergence caused by synergy instead of dispersion. In other words, a convergence that praises harmony in the uniqueness of each element.

According to Tajfel, the first step in the identification process is the categorization. We categorize people (including ourselves) in order to understand the social environment. The second step is social identification, consisting of adopting the identity of the group we have categorized ourselves as belonging to. The final step is social comparison where once the categorization and identification are done, there is a tendency to compare with others. The comparison needs to be favorable in order to maintain self-esteem. This is critical to the understanding of crisis once they identify competing identities. In addition, there will be an emotional significance inherent to the identification with a group and self-esteem characteristic of the group membership.

It is crucial to remember that social identity is not a foreign element attached to the person, but in reality, it is a true and vital part of the person. The organization's identity may be viewed as an organism made up of many individual interdependent parts arrayed in a hierarchy of importance with the implication that even though some are differentiated by being higher than others, all are important and essential in their way (McLeod, 2008).

This concept may be understood similarly to the diffraction of light, as shown in Fig. 28.2. The prism acts as the soul of the organization, the source and the driver of
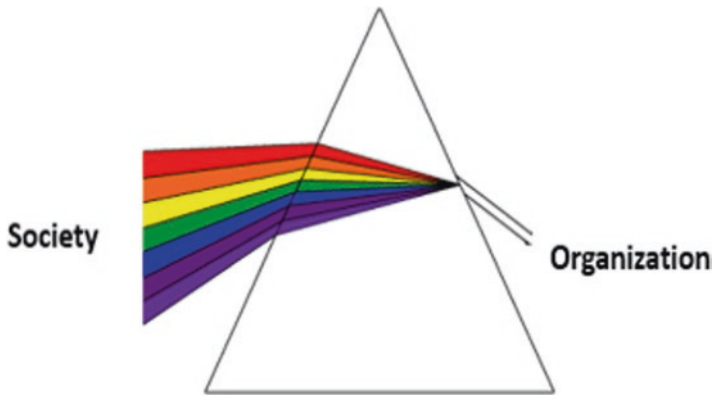
Fig. 28.2 Diffraction of light analogically describing the individual identities and the organization identity

the converging power of independent identities into an organization identity. The social rainbow structure signifies the individuals' unique identities collapsing into one light, which is the starting point of an organization: a group of people working together to achieve the same goal with a common vision, by sharing trust and responsibilities. It is important to highlight that differentiation needs to be preserved because differentiation is the essence of the organization, the same way as the different colors together produce the white light.

Fiol (1991) and Fiol, Hatch, and Golden-Biddle (1998) suggest that an organization's identity is the process of making sense of a system of rules defining a social system. In this context, identity provides the understanding of those rules that govern people's understanding of themselves in relation to the existing larger social system.

Rindova and Fombrun (1998) point out the perspective of the organization's identity as the study of social psychology with a focus on the individual identity and the relationship of the collective identities. Similarly, Scott and Lane (2000) seem to suggest that individual and organization identities are closely linked on a reciprocal relationship. The organization identities influence individual behaviors and vice-versa (Pratt & Foreman, 2000). The identification with an organization emerges as the result of an overlap between organizational and individual attributes (Albert, Ashforth, & Dutton, 2000).

Some view identity within an organization as an ideological congruence consisting of an identity that is beyond their products, technological breakthroughs, and management fads. This idea of a core ideological congruence or link does not change with time while business strategies and practices adapt (Collins & Porras, 1996). In terms of the organization's outcomes, Kogut and Zander (1996) suggested that the identity is the source of powerful motivation for cooperation leading to improved coordination and communication by which information and solutions are discovered. The disadvantage is that identity may cause additional costs and inhibit alternative ways to organize and exploit new development.

Summary, Conclusions, and Recommendation

In summary, it can be said that it is crucial that the organization, in order to develop a culture of change, has to embrace an authentic friendly environment allowing aspects of forgiveness and recognition to create a family perception and reassure the emotional and spiritual well-being of the individuals. An environment of mindfulness is the foundation of positive psychology, a growth mindset, and independent thinking. If we cannot build a habit of strong, authentic social connections and a sense of control and self-regulation for the individuals in the workplace, we will continue to splinter apart, compromising people's identities and motivations. Mistreatment most likely creates resentment and negative attitudes. The lack of recognition makes it difficult for people to savor positive experiences and cope with stressful circumstances, strengthening relationships and affecting self-esteem.

Chapter Takeaways

- Cultural change is unavoidable and essential for survival because it is a continuous evolving process that is change ready and adaptive.
- The organization has to embrace an authentic friendly environment in order to successfully overcome cultural change challenges.
- In order for cultural change to be successful, one requires a positive mindset toward change.
- Exceptional human experience may have a profound impact on the mindset and lives of those that experience them because the person will have to reflect on the experience leading to a process of transformation.
- An environment of mindfulness is the foundation of positive psychology, a growth mindset, and independent thinking.

Reflection Questions

1. Why is cultural diversity important for an organization?
2. Why is fostering a growth mindset in an organization important?
3. What is the implication of the analogy of the organization acting as a human organ while the individual within the organization is a cell?
4. What is the impact of employee empowerment in cultural change within an organization?
5. Why is spirituality important in a workplace undergoing cultural change?

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The Future Fit Leadership Academy

29

Giles Hutchins

Key Topics

- Leadership
- Living systems
- Systems thinking
- Regenerative Leadership
- Consciousness
- Life-affirming business
- Systemic awareness

Introduction

We are living in a time of great upheaval and change, when the breakdown of global systems has become impossible to ignore. The biosphere on which we all depend is being changed in profound ways: through global water shortages, rapid soil erosion, unprecedented biodiversity loss, the imminent collapse of many marine and insect species, the rapid melting of Arctic sea ice, and the threat of catastrophic climate change. Leaders—the political class as well as business leaders—are having to cope with stress in the work place, unpredictable and frequent disruptive innovations, rampant social inequality, competition for top talent, increasing volatility and changing stakeholder expectations, rapid digitization and globalization, mass migrations of peoples, fragile supply chains, increasing social tensions, political extremism, endemic violence, Brexit, Trump, and rising sovereign and consumer debt levels the world over.

For any aware leader, there is much to be concerned about, for we are in the midst of a *metamorphic* period of changes unlike anything the world has seen since

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the Late Middle Ages. The word implies that the challenges of our time are radical *changes in form* to which human institutions and organizations must in turn respond. And for this to happen, there will need to be a transformation in how leaders think and operate.

Just like the metamorphosis of the caterpillar to the butterfly, the breaking down of old ways forms a necessary ingredient in the breakthrough of a new leadership consciousness. According to adult developmental psychologist Clare Graves, "It is not merely a transition to a new level of existence, but the start of a new movement in the symphony of human identity" (Beck, 2018, p. 107). This "new movement" seeks harmony with all life. Along with sustainability specialist, Laura Storm, I have been road testing a powerful *Regenerative DNA* model for Regenerative Leaders to apply in their organizations. Its three components relate to three levels of learning from nature: living systems *design*, living systems *culture*, and living systems *being*. In our book *Regenerative Leadership*, all three are unpacked and illustrated with business examples and cases, backed up with tools and practices (Hutchins & Storm, 2019). This article conveys the essence of why Regenerative Leadership is needed now and what this next stage of leadership consciousness means for you, the leader.

The Complexity Gap

The old ideal of an efficient "organization-as-machine" was a by-product of the Scientific Revolution. The model has lasted well into the late twentieth century, but it is simply no-longer fit-for-purpose in the faster-moving world of the twenty-first century.

Yet, as ample leadership research reveals, many leaders are stuck in this old way of thinking. Consequently, there is now a woeful gap in current leadership capacity to deal with today's complexity and volatility. Leaders' struggle with today's complexity all spawn from the same root problem, yet today's leadership literature and development practices usually overlook the common cause of their bewilderment, which in 2019 demands nothing less than a root-and-branch transformation in the consciousness of our leaders.

> *IBM's research in 2014 engaged more than 1500 CEOs in 60 countries, and 79% of these leaders described their biggest challenge as leading in complexity.*
> *Deloitte's 2018 survey of over 14,000 CEOs across 23 industries found a clear "complexity gap" in leadership consciousness—leaders simply unable to apply old ways to today's complexity.*

A Churchill Twenty-First Century Statesmanship Global Leaders Program recently conducted 60 in-depth interviews at the highest level across business and government showing an "executive myopia": short-termism; reactive aversion and systemic fear; internalized focus on cost-cutting rather than out-of-the-box thinking, with cognitive overload and dissonance; and top-level reluctance blended with anxiety, frailties, and fatigue. All of this contributes to a woeful "complexity gap" in today's leadership consciousness.

Yesterday's Logic

In times of turmoil, the danger lies not in the turmoil but in facing it with yesterday's logic.
Peter Drucker, management specialist (Hutchins, 2016, p. 3)

Einstein's over-quoted truism that "we can't solve our problems with the same level of consciousness that created them." So we will have to consider the obsolete logic carefully, ask ourselves what is wrong with it, and reflect on what the new logic might look like.

First off, the foundational ways of thinking that have built the modern world and its organizational logic are rooted in a worldview of *separation*. The roots of this unexamined assumption of separateness go way back in history, but they came to the fore during the sixteenth and seventeenth century at the time we call the Scientific Revolution. Its technological advances enabled great strides in knowledge and material betterment, but they depended on and prioritized a mechanistic worldview whose increasing domination heightened a growing sense of *separateness*. As the outer objective world became separated from and more real than our inner subjective world, it became ever more the norm to experience self as separate from other, humans as separate from nature, mind as separate from matter, male as separate from female, and masculine qualities superior to the feminine.

Mechanistic logic prioritizes....

Mechanistic over systemic

Rational analytic over intuitive

Left-brain hemispheric attention over right-brain hemispheric attention

Head thinking over embodied knowing

Masculine qualities over feminine qualities

Outer objectification over inner subjectivity

Human over Nature

Matter over mind

Mechanistic logic is a useful tool: it enables us to compartmentalize reality into neat-and-tidy cause-and-effect mechanisms that we can run experiments on. The early-twentieth-century idea of "organization-as-machine" reflected a worldview that held the universe itself to be machinelike. This way of "understanding" organizations lasted well into the late twentieth century, long after science—as it grappled with relativity and quantum theory—had outgrown the mechanics of Newton and Descartes.

> *Any company designed for success in the 20th century is doomed to failure in the 21st century*. David S. Rose, serial entrepreneur (Chernikov & Hutchins, 2015, p. 12)

This old logic assumes organizations to be like machines that can be controlled, monitored, and reduced to neat-and-tidy distinct and siloed structures. It imagined that change can be "managed" through top-down, linear, cause-and-effect dynamics. It viewed individual components of organizations—its people and its inputs and outputs—as aspects of a machine to be controlled. However, in the light of the twenty-first-century living systems theory, this way of thinking and doing is no longer fit-for-purpose. Consequently, the vast majority of organizational change programs, mired as they are in this out-of-date way of thinking, fail to deliver, because their assumptions are, to put it bluntly, *unnatural*, which is why, though they might achieve short-term efficiency gains, in the process, they create soul-sapping stressed-out cultures that ultimately harm the people and the fabric of society they ought be serving.

A New Logic

Human organizations are not machinelike. They are far more like organisms or natural ecosystems whose complex adaptive processes involve messy human relations in a rich mix of dynamics within whose flux and turbulence individuals, teams, and the organization as a whole must adapt to internal as well as culture-wide external changes. An organization's "agility"—its capacity to adapt well (in other words, its health)—will depend on how well these "bottom-up" and "side to side" relationships can be made lively and sensitive. Top-down management can play its part, but overreliance on mechanistic controls will undermine organizational vitality. This means that if an organization is to adapt and thrive amid volatility, bottom-up emergence must interact creatively with top-down governance.

The psychologically informed leader must embody this shift from separateness to interconnectedness, from seeing things reductively to sensing systemically. This personal and cultural shift requires a process of maturation that opens up a more soulful, relational, interconnected way of engaging with life.

> *We are at that very point in time when a 400-year-old age is dying and another is struggling to be born – a shifting of culture, science, society, and institutions enormously larger than the world has ever experienced. Ahead, the possibility of the regeneration of individuality, liberty, community, and ethics such as the world has never known, and a harmony with nature, one another, and with the divine intelligence such as the world has never dreamed.* Dee Hock, founder of Visa (Hock, 1999, p. 310)

In order to move from separateness (mechanistic logic) to interconnectedness (living systems logic), leaders on this path must make significant shifts in consciousness. Two core leadership qualities aiding this shift in consciousness are self-awareness and systemic awareness.

Self-Awareness

When the 75 members of the Stanford Graduate School of Business's Advisory Council were asked to recommend the most important capability for leaders to develop, their answer was nearly unanimous: self-awareness (Elworthy, 2014, p. 197).

Individual self-awareness is first-and-foremost about learning to observe one's thoughts and feelings as they arise, and be more conscious of ego-masks, and recognize their fear-based habits, unconscious bias, and reactive patterns of behavior. To achieve this, one has to get free of mental chatter and become more present, coherent, and connected. Yet most of us spend our lives caught up in an illusion of separateness that encourages the small ego-mind to run the whole show. As a deeper self-awareness develops, we may become aware of how our individual consciousness is interrelated with a wider field of consciousness that pervades all that lives.

Lately, neuroscientists are actively considering the possibility of non-located consciousness and that there may exist a universal unifying field of information. These notions are aspects of an emerging paradigm that implies an essentially interconnected universe, in which mind is not separate from matter. They imply too that, because mind and nature are a necessary unity, we can learn to inhabit a larger sense of self.

When we do this, we are shifting our experience of life from a narrow small-self left-brain hemispheric rational-analytic ego-awareness to the right brain's big picture of contextual way of knowing. With this more balanced left-right hemispheric ego-soul awareness, we become more authentic, because we are more in touch with our deeper essence and in tune with the living systems logic of all that lives.

Integration of mechanistic & living-systems logic

Mechanistic & systemic

Rational analytic & intuitive

Left-brain hemispheric attention & right-brain hemispheric attention

Head thinking & embodied knowing

Masculine qualities & feminine qualities

Outer objectification & inner subjectivity

Human & nature

Matter & mind

As this bigger self-awareness grows, we become more systemically aware of the dynamics all around and within us. And so, we more consciously sense habits, repetitive behaviors, social acculturations, and blind spots in the systems we are part of. This change in a leader's awareness can result in a shift away from the separate ego-perspective to a sensing of interrelational dynamic patterns that connect what were formerly disparate siloed components of the system.

Systemic Awareness

If self-awareness is the number 1 important leadership skill, then systemic awareness runs a close second. This natural capacity—for, potentially, all human beings have it—has been effectively dulled by the filters of the mechanistic worldview. Yet if a leader is to thrive in these turbulent times, the ability to sense into organizational systems—and beyond, into wider relational ecosystems, family and friends, local community, and ecology—is the capacity that's most needed. Everywhere, systems are nested within systems, so we must cultivate this natural human capacity for sensing into ever-changing relational fields the unseen patterns connecting the biological, psychological, sociological, economic, and ecological systems we are embedded in.

> *Learn how to see. Realize everything connects with everything else*. Leonardo Da Vinci, polymath (Reti, 1974, p. 292)

A leader with a felt sense of system dynamics will embrace a continuous sensing-and-responding to emerging nonlinear feedback loops and may nudge the system toward coherence. The job then becomes one of facilitating *system health* so that without having to control its parts the organization can adapt and evolve. Leaders then act not as managers or controllers but as system physicians, healers, and facilitators. For the vital generative dialogue to happen between diverse people who have divergent perspectives, the leader must create and "hold space" in a way that will provide a psychologically safe container.

> **Business Insight**: *Pukka provides herbal teas and supplements across the globe. It's a fast-growing mission-driven business with a complex supply chain operating in a difficult market. While advising Pukka, I facilitated "Heart of Pukka" circles where key systemic facilitators from across the business come together for open-hearted generative dialogue. Care is taken to ensure the space is safely held, so people share their truth about what they sense from their unique perspectives about the system dynamics. The participants listen in to the system and share perspectives through deep listening around the circle, so that a holistic gestalt of the organizational living system can be perceived by the group. This provides insight into how the system responses to change and how best to nurture its fuller potential.*

When we draw upon self-awareness and systemic awareness, we step in to Regenerative Leadership Consciousness.

The Path of Regenerative Leadership Consciousness seeks authenticity, thinks systemically, designs for complexity, understands living systems, works with tensions, and wishes to see all of life on Earth flourish.

This new species of leader will seek ways of taming and training their ego and of gaining perspective on shadow aspects and habitual behaviors. They will need to sense the inner rightness or wrongness of things. So, by embracing life as a learning journey and dealing gracefully with adversity while building on existing strengths, they may discover wisdom beyond rationality by embracing the intuitive, complex, ambiguous, nonlinear nature of reality. They will need to become comfortable with the uncomfortable and to learn not always to ask a question and seek a solution that can fix "the problem." Instead, they will develop a more embodied knowing and *live into* a question and sense the synchronicities so that the universe may respond to their lived question. This way of knowing can transform "either-or thinking" into a "both-and emergent thinking." This striving for wholeness cultivates the masculine and feminine aspects within us all, so that through a deepening relationship with life and nature, we may tap into the "field" out of which insights into living systems arise.

Speaking of this state of awareness, the embodied cognition scientist Francisco Varela said, "This state is available to us all, and yet it is the greatest of all human treasures. This state – where we connect deeply with others and doors open – is there waiting for us. It is like an optical illusion. All we have to do is squint and see that it has been there all along, waiting for us. All we have to do is to see the oneness that we are" (Senge, Scharmer, Jaworski, & Flowers, 2004, p. 4).

> *The greatest voyage of our lifetimes is not in the seeking of new landscapes but in the seeing with new eyes*. Marcel Proust, philosopher (Hutchins & Storm, 2019, p. 50)

The step change from Mechanistic to Regenerative Leadership Consciousness is not just a transition from one level of leadership consciousness to the next; it is a complete metamorphosis, an epochal change in worldview that affects us at biological, psychological, socioeconomic, and ecological levels. We trigger different neurological pathways and draw upon different ways of knowing within inside ourselves and relate to the world outside us quite differently. We operate by a different system of values.

Just like the metamorphosis of the caterpillar to the butterfly, the breaking down of old ways forms a necessary ingredient in the breakthrough of a new paradigm. "It is not merely a transition to a new level of existence, but the start of a new movement in the symphony of human identity," notes the adult developmental psychologist Clare Graves (Beck, 2018, p. 108).

For catalyzing this necessary shift in leadership consciousness and human identity, I have facilitated numerous nature immersions for leaders, where leaders from across the system convene around the campfire in nature, tapping into the wisdom of nature while explore next-stage leadership consciousness for themselves and their organizations. These workshops create the much needed space for diving deep into core values, behaviors, personal and organizational purpose, and systemic

challenges. This sharing cultivates deep empathy for each other's perspectives and cultivates the foundational soil for systemic learning and development. A deep-dive 1-day immersion workshop (or better still a 2- or 3-day immersion) provides for far richer systemic perspectives to emerge than a series of 1-h meetings in the office can ever do justice to. Sometimes, we need to step away, create deep space, pause, and open up in ways that we simply can't do while in the thick-of-it. Such off-site workshops help enrich our self-awareness and systemic awareness, so we can better enliven the systemic dynamics of the organization.

This new movement or "new norm" is no longer singularly at odds with life, instead it draws on the logic of life. Laura Storm and I have developed a tried and tested Regenerative DNA model that draws on the logic of life for Regenerative Leaders to apply in their organizations. This DNA has three main components, which relate to three levels of learning from nature: living systems design, living systems culture, and living systems being. These are explored in detail in our latest book *Regenerative Leadership*—please visit www.regenerativeleadership.co for more information (Hutchins & Storm, 2019).

Here is a high-level coverage of the three DNA components throughout which Regenerative Leadership Consciousness flows:

Living systems design explores nature-inspired design methods such as biomimicry, circular economy, cradle to cradle, permaculture, and biophilic design. Living systems design is made up of five DNA strands:

1. **Waste equals food**: See all resources as valuable nutrients to be recycled, upcycled, reused, and reintegrated into the value chain.
2. **Clever shapes and forms**: Seek inspiration from nature's time-tested shapes, forms, and structures.
3. **Regenerative materials**: Use regenerative materials and products in all designs and purchases.
4. **Biophilic design**: Design in ways that allow people to reconnect to the nature within and around them and therefore enhance well-being.
5. **Ecosystemic design thinking**: Facilitate the flow of life through the stakeholder network and think holistically at every step of the design process, sensing the entire evolutionary dynamics at play.

Living systems culture explores living systems thinking applied to organizations and communities. While drawing on nature's wisdom applied through a living systems lens, this DNA component also incorporates tangential schools of thought relevant to exploring the organization-as-living system, such as systems thinking, holism, complexity theory, complex adaptive systems, adult developmental psychology and integral psychology, deliberately developmental organizations, evolutionary/teal organizations, theory U, conscious capitalism, systemic leadership, and conscious leadership. Living systems culture is made up of six DNA strands:

1. **Mission and movement**: A clear mission and purposeful way of doing business galvanizes the diverse perspectives across the organization. Profit flows from this purpose, not the other way round.

2. **Developmental and respectful**: At the heart of Regenerative Business is a rich learning culture, a way of working that encourages the unique developmental journeys of each and everyone involved, assisting all employees to become more authentic, more alive, more whole.
3. **Diversity and inclusion**: Valuing and including diverse backgrounds and perspectives of people across the organisation increases the resilience and agility of the organisation.
4. **Self-organizing and locally attuning**: A shift away from top-down power-based hierarchies of control and domination to experimenting with self-organizing ways of working through flatter hierarchies or rather "heterarchies."
5. **Survival and thrival**: Being liquid enough to pay the bills on time and invest in operational and cultural initiatives is vital for business viability amid turbulent times. While we need to focus on viability, we also need to ensure the right abundant mind-set enables us to reach beyond survival, scarcity, and fear, into an abundant mind-set to unlock life-affirming value, learning, and growth for all involved.
6. **Ecosystemic transformation and dialogue**: Sensing opportunities for systemic transformation across the ecosystem of stakeholders and unleashing ecosystemic transformation.

DNA component 3 focuses on **Living systems being** and explores our physiological, emotional, and psychological nature and the qualities and practices we need as leaders to adapt, develop, and flourish amid fast-paced business climes while tending toward harmony with nature within and around us. Living systems being is made up of six DNA strands:

1. **Presence**: Being fully present in this moment invites aliveness into our mind and body.
2. **Coherence**: Learning to discern when we are incoherent, off-center, unbalanced, and consciously regaining coherence.
3. **Patience**: Holding space for the receptivity we need to sense in to ourselves and the system.
4. **Abundance**: A frame of mind that opens us up to life's rich possibilities, keeping us curious, creative, and compassionate.
5. **Silence**: Replenishing and renewing ourselves by tuning in to silence.
6. **Dance**: Opening to the dance of life and its overflowing playfulness, change, seasonality, tension, creativity, and emergence.

By embracing all three DNA components (and the qualities within them), we enable our leadership and organizational consciousness to become regenerative—creating conditions conducive for life to flourish within the organization and beyond it.

The word "regenerative" means creating the conditions conducive for life to continuously renew itself, to transcend into new forms, and to flourish amid ever-changing life conditions. This primary principle underpins life-affirming leadership

and organizational development, where our organizations help rather than hinder the evolutionary dynamic of life. This goes beyond traditional CSR initiatives and sustainability as it is not primarily aimed at reducing negative impacts created by the current mind-set; rather, it is a move into an entirely new mind-set, a "new way" of being and doing in business and beyond.

With this regenerative logic, externalities become opportunities for additional value creation; waste of one output becomes food for another; stakeholders become partners to engage with through authentic communications and reciprocating relations; linear thinking is replaced with systemic thinking and circular economics; resources are not simply managed and controlled for short-term gain but perceived holistically in the wider context of the interrelational matrix of life; and, rather than exploitation through manipulation, we open up into "right relationship" with all around us. Differing needs and perspectives, conflicting views, and emotional dissonance are not avoided but given the space for something to be revealed through the tension into right relation. This is all about learning to become more human while also focusing on the day-to-day reality of a profitable vibrant business.

It is this Regenerative Leadership Consciousness that we now need in all our organizations so that our organizations do not just survive but truly thrive in the volatile time ahead while working with the logic of life on Earth.

Regenerative Business enriches life. It enriches ourselves, our customers, and the wider stakeholder ecosystem. To materially benefit our customers while damaging the fabric of life is a hallmark of the old logic we are moving away from. Such short-termism is no longer a viable business proposition for organizations wishing to thrive in the years ahead.

This is a radical change in the perception of business and its work ethic—from it being a means to an end and a vehicle for paying the bills and acquiring power, control, and material wealth to dedicating our time, resources, and creativity to initiatives that serve life. Regenerative Business transforms our role and purpose, from an essentially acquisitive "what's-in-it-for-me" approach to a mind-set of collaboration, co-creativity, and contribution. Regenerative Leaders bring vitality and well-being to all our living systems for ourselves, our local neighbors, our global citizens, our children, and our more-than-human kinship. In doing so, we wake up to what it really means to be fully human.

To summarize, our species (and therefore all species) is undergoing a necessary metamorphosis. Profound shifts are affecting the way we work, how and why we do things, and the purpose and meaning we bring to our organizations, our systems, and our wider civilization.

As the business futurist, John Naisbitt, says, "The greatest breakthroughs of the 21st century will not occur because of technology, they will occur because of an expanding concept of what it means to be human" (Laloux, 2014, p. 43).

The task is to help *Homo sapiens* live up to its name by becoming wise beings in our deeply wise and interconnected world. The next stage of leadership will call us to live and lead according to this expanding felt sense of what it means to be fully human.

Chapter Takeaways

- We are in the midst of a *metamorphic* period of changes unlike anything the world has seen since the Late Middle Ages. This implies that the challenges of our time are radical *changes in form* to which human institutions and organizations must in turn respond. And for this to happen, there will need to be a transformation in how leaders think and operate.
- Many leaders are stuck in an outdated way of thinking. Consequently, there is now a woeful gap in current leadership capacity to deal with today's complexity and volatility.
- Several major corporations, such as IBM and Deloitte, have found that leaders are mostly challenged by the complexity of our times, resulting in a complexity gap.
- The foundational ways of thinking that have built the modern world and its organizational logic are rooted in a worldview of *separation*, dating back to the Scientific Revolution, when a mechanistic worldview was prioritized. Mechanistic logic assumes organizations to be like machines that can be controlled, monitored, and reduced to neat-and-tidy distinct and siloed structures.
- In the light of the twenty-first-century living systems theory, this way of thinking and doing is no longer fit-for-purpose. Human organizations are not machinelike but more like organisms or natural ecosystems whose complex adaptive processes involve messy human relations in a rich mix of dynamics within whose flux and turbulence individuals, teams, and the organization as a whole must adapt to internal as well as culture-wide external changes.
- In order to move from separateness (mechanistic logic) to interconnectedness (living systems logic), leaders must make significant shifts in consciousness, nurturing self-awareness and systemic awareness.
- Individual self-awareness is about learning to observe one's thoughts and feelings as they arise, be more conscious of ego-masks, and recognize their fear-based habits, unconscious bias, and reactive patterns of behavior.
- Systemic awareness entails sensing into ever-changing relational fields, the unseen patterns connecting the biological, psychological, sociological, economic, and ecological systems we are embedded in.
- Regenerative Leadership Consciousness seeks authenticity, thinks systemically, designs for complexity, understands living systems, works with tensions, and wishes to see all of life on Earth flourish.

Reflection Questions

1. Explain in your own words the notion of the complexity gap, as presented in this chapter.
2. Using the reasoning in the section "Yesterday's Logic," please share your take on the compelling statement, "Any company designed for success in the 20th century is doomed to failure in the 21st century."

3. Why did the worldview of separation work well in the Scientific Revolution, and why is it not working in today's world of performance?
4. The chapter suggests that, in order to move from mechanistic logic to living systems logic, leaders must make significant shifts in consciousness. What recommendations does the chapter provide for this to happen?
5. Explain in your own words the importance of self-awareness and systemic awareness as qualities for today's leaders to have.

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Postlude on Social Entrepreneurship and Corporate Social Responsibility

Bringing together the authors of this dynamic literary buffet was an exhilarating and time-consuming process, and we, the editors, can only hope that each chapter served the purpose it was contributed for: to enhance awareness on the pro-active, individually instigated activity of social entrepreneurship and the more reactive, organization-based trajectory of corporate social responsibility (CSR).

We are aware that a book of this magnitude can reach a wide range of readers: students in higher education, members of the working environment, leaders in a variety of settings, and even policy-makers. We therefore hope that there was satisfactory content for each reader cluster, and that this unique book has been able to make a positive difference in both the personal and the organizational professional realm.

Planet Earth, inhabited by more than 7.5 billion people, needs an empathetic approach if we aim to sustain the 1.3 million living species identified so far. This can only happen if we increase our sensitivity toward our environment and stop taking our resources for granted. The great news is that millennials have demonstrated major interest for making a positive difference, due to the fact that they have generally lived a life of relative abundance, where sharing became a sign of admirable generosity rather than a must (Zrnic, 2017). As the cards reveal themselves now, Generation Z will deliver even more social entrepreneurs than their predecessors! Surveys have shown that more than 70% of high school students and about 65% of college students aspire to be entrepreneurs, but want to focus more on collaborative actions than competitive ones.

These are all hopeful trends that fuel the contents of this collective work and make the efforts of its authors worthwhile. The new definition of success is all about giving back to the community (Zrnic, 2017). More than ever before, we are living in times of multitier exposure. We learn about the good and bad deeds of others through social and conventional media and realize that this is destined to be part of everyone from here onward. The massive trend of exposure has an awakening effect on everyone and forces us to rethink our motives and actions in greater detail. Tendencies such as regenerative, prosocial leadership, and increased mindfulness, as repeatedly presented in this book, are no longer ethereal qualities for a precious few: they should be our day-to-day reality!

Important in all of this is a trend that members of Generation Z already understand: collaboration. The current world of social entrepreneurs is crowded with loners, who think that their actions are isolated, and oftentimes get discouraged, because they fail to seek out networking opportunities with others like them. Social entrepreneurs have to unite in order to become a stronger global cohort with a more powerful voice. This is how they can learn across borders and help steer political and social decisions in sustainable directions, while also changing the entire narrative of business and its purpose.

In regard to this changing narrative, it is becoming clear that millennials and Gen Z-ers have a different idea about professional performance. There is a redefinition occurring from "companies" to "institutions," where terms such as inclusive growth, citizenship and social impact, and employee well-being are embedded in the fabric of existing entities, and where C-suite executives are expected to be more inclusive, data management is handled with more care, employee development is made more personalized and appealing, well-being and connection are critical focus points, rewards are holistic, and society is a primary focus (Bersin, 2018).

In response to the above, CSR has also revealed an upward trend in recent decades, as corporate leaders become aware of the need to show their stakeholders that their intentions are no longer driven by profit maximization, but by societal well-being. Organizations engaging in CSR are finding that there are internal and external shifts to consider if they want to remain on top of their sustainable focus: reporting formats will become more environmental friendly, employees will be encouraged to get more formal education on developing CSR strategies and implementing CSR practices, entire supply chains will be scrutinized to ensure ethical components at every level, production processes will be reassessed to ensure greater social responsibility, the reactive approach of assisting in relief when disasters occur will be replaced by a more proactive approach of helping to avoid disasters where possible, transportation modes will increasingly focus on lowering the carbon footprint, and increasing numbers of millennials and Gen Z-ers will rise up to the reins of existing corporations and make CSR an intrinsic part of performance (McClimon, 2019; 7 CSR Trends…, 2019). The proof is in the pudding: as an increasing number of companies gravitate toward expanding their CSR policies and practices, stakeholders' calls for better defined and stronger adhered values are becoming more prominent. As members of a planet that has suffered tremendous destruction and depletion, especially in the last two centuries, there is a massive awareness on the rise for more inclusion, empathy, and environmental preservation. Investors are increasingly using environmental, social, and governance (ESG) factors as determining data toward their involvement, which they refer to as ethical funds, so companies have an increasing stake at ensuring that these factors are clearly addressed. Companies are expected to respond to these investor demands by revealing their increasing alignments between CSR, investor relations, and corporate governance teams (McPherson, 2019).

Learning from each other in a shrinking world is a requirement we all owe to ourselves, and the authors of this book *Social Entrepreneurship and Corporate Social Responsibility* hope that this exhilarating work will serve as an instigator to

more innovative and constructive socially focused endeavors, aimed at the well-being of all the living beings, and with the old adage in mind that we did not inherit the earth from our ancestors, but have it in loan from our children.

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