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## **Ambivalence and ambiguity in social enterprise; narratives about values in reconciling purpose and practices**

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### **Abstract**

Social enterprises are unusual change organizations; typically their purpose is to bring about change to improve social well-being. Yet they do so in unusual ways. Traditional entrepreneurs generate social value as a by-product of economic value; whereas for social entrepreneurs the reverse is true. This brings about an ambiguity in integrating business and social well being, most manifest in identity and in managing the enterprise. Moreover, the values which drive social enterprise are “different”. Consequently, we examine how values shape practices and how they give direction and purpose to what social enterprises do and how this shapes identity over time. Using the social organisation as the unit of analysis, we collected the narratives about tensions and how these were reconciled. We contribute by improving our understanding of social enterprise by showing how values are worked, used and deployed to give direction in reconciling ambiguity. Moreover, these ambiguities provide a unique identity and purpose for social enterprise.

**Keywords:** Social enterprise; narratives; values; purpose; practices

### **Introduction**

Social enterprises are change organizations; typically their purpose is to bring about change to improve social well-being. Indeed, social entrepreneurs have become highly visible agents of change in developed economies, where they have applied innovative and cost-effective methods to address social problems that have defied traditional solutions (Zahra et al, 2009). Yet they are unique organizations in terms of purpose and methods. Hytti (2005) suggests that traditional entrepreneurs generate social value as a by-product of economic value; whereas for social entrepreneurs the reverse is true (Venkataraman, 1997). Mair and Marti (2006), explaining the typical view of social entrepreneurship, suggest that it differs from entrepreneurship in the business sector in that the latter is associated with the profit motive, whereas social entrepreneurship is an expression of altruism. But this rather neat view of the relationship between business and social well being may mask a number of tensions.

Indeed social entrepreneurship organizations are “strange”, in that they employ an economic means, enterprise, to achieve social ends. Of course, all businesses are bound up in the social (Drakopoulou Dodd and Anderson, 2007; Chell, 2007), but the social is the key characteristic and focus of social enterprises. As such, conventional models of enterprise are not well suited to explaining social enterprise.

Moreover, the concept of social entrepreneurship is poorly defined and its boundaries to other fields of study remain fuzzy (Tan et al, 2005). Zahra et al (2009) see social entrepreneurship as a vague and poorly understood concept (Martin and Osberg, 2007). Social entrepreneurship has an uncomfortable conceptual position lying somewhere between, but including elements of, entrepreneurship and social benefit. Construed as achieving social benefits through the mechanisms of enterprise; in its several forms, social enterprise may be focused on the social, where the rational is social benefits, but the medium for delivery is treated as a business. Accordingly the explanations of conventional entrepreneurship may be less useful when applied to social enterprise. This results in both conceptual and practical difficulties in identifying and distinguishing processes and outcomes as well as ends and means (Diochon and Anderson, 2009). Moreover, this is not merely an arcane academic debate; we contend that this ambiguity and uncertainty may also be manifest in the practices of social enterprise. Interestingly, Zahra et al (2009) propose that these issues reflect the unique values that social entrepreneurs hold.

It is these values and the ensuing culture that are the focus of this work. We explore what values social enterprises employ to justify, to rationalise and to explain what they do. We examine any contradictions of values and purpose that may inhere in social enterprise and establish if this ambivalence shapes how social enterprises operate. Our underpinning argument is that values, manifest as culture (Hechavarria and Reynolds, 2009), shape how things are done. Deal (1985) summarises values and practices rather well as - the way we do things around here (Schein, 1992). There is however, a healthy scepticism about *measuring* culture (Denison and Mishra, 1995; Morgan, 1997), so we adopt a phenomenological approach, tapping into the values that are presented in narratives. Exploring the values within two organizations provides a unique window to gain insight into the impact of culture. The narrative accounts of decisions and actions of our respondents reflect on decades of practice, thus enabling us to discern the values employed as guiding principles for those decisions and actions. Smith and Anderson (2004) argue that narratives explain and communicate culture. Gergen (2001:7) explains narratives function both to reflect and to create cultural values. *“In establishing a given endpoint and endowing it with value, and in populating the narrative with certain actors and certain facts as opposed to others, the narrator enters the world of moral and political evaluation. Value is placed on certain goals (e.g. winning, as opposed to non-competition) certain individuals (heroes and villains as opposed to communities) and particular modes of description...the culture’s ontology and sense of values is affirmed and sustained”*.

Accordingly we approached our research problem, “do values shape practices in social entrepreneurship”, within a phenomenological framework; as Gadamer (1976) has argued, meanings are embedded in practices. We collected respondents’ stories about how the social firms emerged, how they coped and about the values that underpinned actions. Narratives are particularly useful as sense making and sense

giving devices because they relate actions to the life world of the respondents. In making sense they illuminate the values and cultures that shape that life world. In this way we hope to build a more complete picture, a better understanding of how social enterprise works. Our unit of analysis is the organization; although social enterprises are social organizations, surprisingly few studies have used the organization as the unit for analysis. Instead, the focus of research largely has been on the individual social entrepreneur (e.g., Seelos and Mair, 2005; Vega and Kidwell, 2007). The organization, rather than the individual, provides a longer time span for examining change. Moreover, organizational narratives present both continuity and change and may endure beyond individual accounts. Thus we listened to how they made sense of organizational practices and we try to give sense to these activities. The themes we identified in the narratives help explain the reconciliation of the tensions between the social and business. Thus we try to explain how culture, shaped by values, frames and underpins actions.

We make two contributions. The first is practical in that it provides an explanatory framework for understanding the operation of social enterprises. In showing how uncertainties are dealt with, we are able to help explain how strategies, tactics and practices are developed to deal with the conflicting influences. The second is more conceptual, in that we show how “values” are worked, used and deployed to create a sense of purpose and identity within the social enterprise. In this way we see how purpose enables both ends and means.

### **The (contested) nature of social enterprises**

Bull (2008) argues that a distinct image of what constitutes a social enterprise is hard to capture and this ambiguity echoes throughout the social enterprise literature. The literature is described as fragmented, lacking definitional consensus (Chell, 2007), and void of a conceptual understanding (Austin, Stevenson and Wei-Skillern, 2006; Mair and Martí, 2006). Although the literature had first centred on definitional issues and moved towards typologies, there is still considerable debate about the nature of social enterprises. Neither the entrepreneurship literature, nor the not for profit, literature can embrace the whole reality of the social enterprise (Defourney, 2001). Bull concludes that the amalgamation of social and enterprise remains problematic. Moreover, the “simple” version of a business with a social purpose is challenged. Bull’s (2008) critique suggests the synergy of the terms “social” and “enterprise” are not easily reconcilable in practice. Goerke (2003) also rejects this conceptualisation, arguing that business decisions are influenced by a different agenda in the private and public sectors. Thus the complexity of social enterprise is more than simply an extra dimension to business. Moreover, the conceptualisation issue represents a challenge for theoretical development, highlighting a lack of empirical understanding of the organisations in this sector.

Seanor, Bull and Ridley-Duff (2007) suggest the debates within the literature are evident in the confused identity of social enterprise (Defourney, 2001). This “confusion” is also evident in Seanor and Meaton’s (2008) analysis of overlapping boundaries. Because social enterprise emerges as a diverse and heterogeneous movement located at the boundaries of public, private and voluntary sectors, confusion arises at the overlap. At each boundary, different constitutional forms and practices are seen. They see ambiguity as a consequence of the several and different

interpretations of the nature of social enterprise that may simultaneously co-exist. Thus for Seanor and Meaton, ambiguity is the lack of a clear message for social actors to follow.

Chell (2007) sees ambiguities in the values attributed to social enterprise. She explains that “enterprise” stands for the values of individualism, personal achievement, ambition, striving for excellence, effort, hard work and the assumption of personal responsibility for actions. But “culture” refers to attitudes and values that are socially derived, usually associated with a particular society or civilization. This “ambiguity” exposes a paradox between individual and collective action. Entrepreneurs have been characterized as highly individualistic and highly independent whilst the culture and ethos of the social enterprise are based on principles of voluntarism, ethical behaviour and a mission with a social cause. As Anderson and Smith (2007) point out, the self interest of entrepreneurs may be contrary to the interest of society. Nonetheless, they argue that entrepreneurial boundary spanning between the private and public is the moral space of entrepreneurship. In a similar vein, Ridley-Duff (2008) employs the concepts of social and economic rationality to explore the nature of social enterprise. He proposes that the idea of describing social enterprises as merely “not-for profit” has been replaced by the notion of more-than-profit. Thus he circumscribes one of the debates in social enterprise, the idea of profit per se. Moreover, this also deals with the distribution of profit. This is useful because as he points out, the “not-for-profit” characterisation of social enterprise obscures a complex set of philosophical and moral commitments regarding who can profit from its operation and how these profits can be used.

According to a review by Martins and Terblanche (2003), the values that encourage innovation –arguably the hallmark of social enterprises - include flexibility, freedom, cooperation, risk-taking, experimentation, continuous learning, change, and tolerance of conflict whereas those with the opposite effect include rigidity, control, predictability, stability and order (Arad et al., 1997). However, the dominant values found among service organizations - loyalty, teamwork, and interpersonal cohesion (Cameron and Quinn, 1999) are not ones consistent with those typically associated with innovation (Obendhain and Johnson 2004). Despite this evidence of ambiguity, Seanor and Meaton (2008) suggest that there are two diametrically opposed views of the nature and extent of tensions in social enterprise. One view contends there is no tension in balancing social and economic aims (Dees, 1998; Evers, 2001; Emerson, 2003) but in opposition, Russell and Scott (2007) argue that describing the development of social enterprise without reference to inherent conflicts is self-delusory and unhelpful. We follow the latter view and present Table 1 to illustrate the extent and nature of tensions in the social enterprise discourse.

Table 1. Social enterprise discourse; agendas and rationales

	<b>Political</b>	<b>Social</b>	<b>Economic</b>	<b>Entrepreneurial</b>
<b>What</b>	Social improvements	Social well being	Economic means to social ends	Social outcomes but also social processes
<b>How</b>	Private means	Public	Business models	Innovation

	to social ends	engagement		
<b>Why</b>	Self energising and self sustaining, thus better	Interdependency between the economic and social realms	Cost efficiency	Independence which focuses on doing
<b>Profit or benefit</b>	3 <sup>rd</sup> sector logic of benefits; not for profit	More than profit	Use of a broad conceptualisation of “profit”	Social benefits using “profits”
<b>Rhetoric of Legitimacy</b>	Ideology of a third way	Social need; Social rationality	Economic means; Economic rationality	Action orientation
<b>Identified with</b>	Combines private and public	Force for good	Efficiency	Effectiveness
<b>Implied underpinning logic?</b>	Supported by government but not government	Social justice	Economic efficiency	Entrepreneurial effectiveness in problem solving
<b>Identified as</b>	Not clear-Community?	Social movement	Not clear-not important	Entrepreneurial agency

It is clear from our table that social enterprise is endowed with a range of expectations from different stakeholders. In turn, these different expectations are shaped by different underlying values (Anderson et al, 2000). Indeed these different values help to explain some of the ambiguity inherent in understanding social enterprises. Thus we argue, following Chell (2007), that any detailed consideration of social entrepreneurship should include an explicit recognition of the practitioner and political agendas that potentially influence cognitions about the nature of socio-economic enterprise behaviour and how such influence may operate in subtle and paradoxical ways.

One key aspect of the cognitions of social enterprise is the values that stakeholders employ. This is because values shape practices (Anderson, 2000). Values, defined as “evaluative standards that help us define what is right or wrong, or good or bad...” (McShane, 2004;14), have long been recognized as having a key influence on decisions and actions. Whereas “norms” are behavioral expectations, “values” are guiding principles for activities and outcomes, which are neither situation-specific nor function-specific (Karabati and Say, 2005). Hofstede et al (1990) similarly argue that organizational culture is a collection of values, beliefs and norms shared by members and reflected in organizational practices and goals, emphasising how “culture” embodies practices.

The more organizational experiences that are shared, the greater the extent to which common values develop which in turn influence future activities (Vecchio, 1991). Shared values have an impact on organizational behaviour (Agle and Cadewell, 1999; Schwartz, 2001; Cambra-Fierro, Polo-Redondo and Wilson, 2008). Indeed,

organizational values are not created in isolation but are influenced by individual as well as societal values (Cambra-Fierro et al., 2008, 159; Drakopoulou Dodd and Anderson, 2001; Anderson et al, 2009). Values at different levels (individual, organizational, societal) can be positive or negative; congruent or conflicting (Liedtka, 1989); instrumental (process oriented) or terminal (outcome oriented). Cambra-Fierro et al. (2008) suggested that where there is undesirable value conflict, this can lead to negative outcomes such as dissatisfaction or ethical contradictions. Moreover, they suggest that consistency between value systems contributes to positive outcomes, such as efficiency and job satisfaction.

Ridley-Duff (2008) argues that the social enterprise sector does not reveal widespread commitment to shared values and is characterised by even more heterogeneity and diversity than is found in the private/public sectors (Wallace, 2005; Haugh, 2005; Allen, 2005). Notwithstanding this, we suggest that this apparent diversity may be a consequence of the ambiguities of social enterprise. For example, Emerson (2003) talks about “blended” values; whilst Alter (2006) discusses dual values. Clearly values have a key role to play in shaping practices. Thus our research objective of an exploration of practices takes account of the values that stakeholders employ in their own conceptual framing of social enterprises.

We collected the data within case studies of social enterprises. This allowed us to see activities in their context, as well as providing the narratives that the respondents used to explain the nature of their business; how they make sense of the social enterprise. Thus our data was respondents’ narratives about what it meant to them to be involved in the social enterprise and how they went about that work. Hytti (2005) explains that such stories are tools for life-management, arenas for identity work, where one deals with the relation of the past to the present, searches for the already been and experienced in order to understand and structure the present. Moreover, she notes how stories move towards understanding entrepreneurship as a social and spatial practice that gains new meanings in the different times and places.

## **Methodology**

Gaining an understanding of the nature of the values in an organization requires methods that allow research participants to talk about their experiences and what they mean to them (Gartner et al., 1992). Accordingly we employed an interpretive approach based upon a qualitative research methodology. In seeing the social world as being created in and through the meanings that people use to make sense of the world this approach is well suited to acquire knowledge about human phenomena, generally (Hughes 1993), and the role of values, in particular.

Indeed, qualitative research is committed to contextualism, whereby the meanings that people ascribe to their own and others’ behavior are set in the context of the prevailing values, practices, multiple perceptions and underlying structures (Miles and Huberman 1994). Specifically, we adopted a social constructionist approach that emphasizes the relationality between people and their context (Fletcher, 2006). In utilizing this data driven analysis method, the domain of discourse relates to the organization’s decisions and actions taken in pursuing social purpose(s).

As part of a larger comparative study of social entrepreneurship in Scotland and Canada, a “purposeful sample” (Lincoln & Guba, 1985) of 10 organizations currently engaged in social enterprise within two similar sized urban locations in each country was selected. This selection was based on recommendations from various local professionals that provide business and other advisory services. Because prior knowledge is required to select cases meeting a range of criteria (such as ‘operating multiple businesses’ and being innovative) these professionals were deemed to have the most reliable organizational knowledge.

Initial contact was made with the founder(s), executive director, president or CEO of each social enterprise organization to explain the purpose of the research and to extend an invitation to participate. Notably, all invitations were accepted. Data were collected through tape-recorded interviews with these key informants, using the “long interview” technique (McCracken 1988). This technique allows research participants to reflect upon the domain of discourse in a relatively unbiased and free-flowing way. It involves asking two main types of questions: “grand tour” [general and non-directive, such as ‘Could you tell me about how (name the ORGANIZATION) got started?'] and “planned prompts” [allows the researcher to delve into specific subjects. For example, ‘Were there specific criteria that needed to be met?’ (this prompt was in relation to ideas for a business venture)]. On average the interviews lasted about an hour and a half. We augmented these data with other sources such as web sites and available records.

For this article, two Canadian organizations were selected for their capacity to provide key insight into the nature of values and practices. Currently, these two organizations operate 25 businesses (17 and 8 respectively) within the same geographic area, thereby having a common economic, social, political, and cultural context. Moreover, they were both identified by local experts as being very innovative in capitalizing on opportunities or solving problems. What makes these cases unique is neither the number of businesses they operate nor their longevity - one has been in existence for 25 years, and the other for 32 years – but the fact that the individual interviewed in each case [the president of one organization (referred to as SE1) and the executive director in the other (SE2)] has been a member of the organization since its inception. Therefore, the perspectives and meanings imparted provide continuity and consistency to the accounts of the actions of both organizations over time. Institutionalized organizational memory of this nature is rare in small organizations where “oral history” and turnover tend to prevail. The revelatory nature of these cases (Yin, 2003) renders them particularly germane for increasing our knowledge of the values employed within social enterprises. To more fully understand values requires a study of action(s) over time. Access to first-hand knowledge of action(s) that spans the entire existence of two organizations operating within the same time and place is particularly useful.

Data gathered from these organizations were analyzed to identify emerging themes, first within specific interviews and then across interviews (Miles & Huberman, 1994). In so doing, our emphasis was on the social processes and, specifically, the values underpinning them. In analysing these data we identified three themes which illustrated different aspects of contradictions. We then relate these themes to practices. To maintain confidentiality, the identity of the interviewees, the organizations and the context are withheld.



## **The Cases and Context**

Our cases are located in a peripheral region that for decades, despite policy efforts to address the situation, has had some of the highest levels of unemployment and lowest incomes in Canada, (Polese, 1993; Economic Council of Canada, 1990). Both organizations operate in a city with a population of 102,250 (Statistics Canada, 2006). It is within this context that these not-for-profit organizations emerged during the late 70s and early 80s with a capacity-building mandate focusing on self-reliance. For both, the “social” is their *raison d’être* and characterizes the founders’ backgrounds.

One of the organizations (SE1) was formed with a commitment to dealing “intelligently and wisely with the challenges facing [the geographically-defined community], to liberate the creative energies of people, and to inspire them to work together for the common good.” Describing itself as both a business and a social development organization, SE1’s initiatives – ranging from dental clinics to halfway houses - have reflected that duality since its inception. With a mission to “engage the community to create and support the development of a culture of self-reliance”, this not-for-profit organization focuses on identifying and responding to community needs through the establishment of business ventures. Currently, it employs over 175 people and services 600 people daily through its companies and projects.

The second organization, SE2, was established with 8 staff members and 45 clients. At that time, the organization largely operated as a sheltered workshop that focused on keeping people with intellectual disabilities busy with activities such as arts and crafts. The organization’s orientation has now shifted so that people’s abilities as opposed to disabilities became the focus. Today the organization’s mandate is “to promote and enhance the independence, choice and integration of adults with mental and/or intellectual disabilities, who reside within the Municipality, through individualized training and instruction.” In fulfilling this mandate, the organization operates multiple businesses, for which it received the local Board of Trade’s “Excellence in Business” Award. Currently, it has a client base of over 200 and employs 26 full time staff.

Within the respondents’ narratives, understandings of events and experiences are socially situated and reflect how the organization/organizational members understand and relate to their context. Throughout, the data show how the informants’ understanding of their activity was in part shaped by their values. Indeed, we found strong evidence of how organizational values “establish the philosophy and way of understanding the organization’s activity” (Cambra-Fierro et al., 2008, 158; Broms and Gahmberg, 1983; Schein, 1985) and serve to motivate action (Hechter, 1993). We present our data as the themes and tensions explained by the respondents.

## **The Cases: Themes and Tensions**

Our findings are presented as three common, yet opposing, themes that emerged through the comparative analysis of the narratives about decision-making and actions

within the focal organizations. These themes represent three value tensions; social well-being vs. economic well-being; innovation vs. conformity; and independence vs. interdependence. As the data indicate, the presence and influence of these value tensions have endured throughout the history of both organizations, but over time there has been considerable rebalancing.

Theme 1      **Social well-being** ↔ **Economic well-being**

Both cases clearly signal a fundamental tensional theme in social entrepreneurship, the pressures arising from trying to achieve social development *and* trying to operate a business. Although social well-being took precedence, particularly as a driver for innovation in each organization, note how the respondents struggle to reconcile these positions in their accounts.

*We live and die for this community. We're not burdened with any other agenda...The community is suffering... there's always an issue, there's always a crisis... You're confronted all the time with a very severe set of conditions. It's been a real struggle not to be hijacked in terms of that agenda... (SE1)*

It is clear in this statement that the primary driver is the social well being of the community. Yet the next statement illustrates how different values intrude into practices.

*I would argue that most of what we've done starts off as an act of compassion and then we turn it into a business after that. It becomes such a business we'll forget why we got into it in the first place because you just become preoccupied with the numbers...and I think the struggle all the time is to make sure that both sides are equally supported because if one prevails... If the social element prevails we'll go to bankruptcy. If the business element prevails I think we'll lose our soul so it's this struggle to stay on track... there was a discomfort with taking too much... (SE1)*

This narrative emphasises the contradictions, almost a moral dilemma they face. Yet in this next statement we can see how these conflicting positions merge in a growing appreciation of how contradictory pressures can be managed by prioritising purpose.

*I think [SE1] is beginning to develop a broader understanding of what it means to be who we are and the more means we have, that just means that our capacity is widened and enlivened and can do more effectively... Sometimes the private sector looks very lovingly and simplistic in terms of .... Just making money is all you have to worry about. (SE1)*

These following statements seem to illustrate how SE2s version of innovation is employed to shape business objectives with social needs. Note how the “value” applied to “disability” is turned on its head to become an “ability”; but see how this is shunned as a competitive advantage.

*We had to find different ways to increase revenue in order to maintain the service that we were providing because of the government freeze ...the people with disabilities have abilities and we need to work more on the abilities than just addressing the disabilities... We're very careful to make sure that we don't draw attention to people*

*with disabilities in anything that we do there because again we don't want to use their name as a means to get business. We're really careful with that... when we look at a business venture, what we want to look at is what portion of the business can the participants that we're serving actually do or learn to do based on their learning challenges...(SE2)*

What is evident below is the struggle to maintain the social imperatives but to do so in a way that is also business-like but fair. Of course, this balancing of staff welfare and profits is common to all businesses. Yet in this instance, the idea of retaining “profit” is unthinkable. So in being business-like in one way, paying fair wages, they risk creating “business” problems in another area.

*We had a woodworking department... even though you are a social agency... So you'd have 14 clients down there - 2 staff, maybe 3 staff. You may generate \$100,000 worth of revenue. You replace it with a business that makes upwards of \$500,000 gross and it involves 40 people of all different levels of ability... when they work events they're paid minimum wage or more. That's actually one of the things we're recognized for in the province. We could take that and actually make it part of our profit for the organization but we don't... (SE2)*

Moreover this balancing of business and social values means that at times even potential social well being benefits are scorned, if they don't comply with their business ethic;

*In fact, there are times that we get calls from government saying “We have money available. Can you come up with a project to service youth or whatever?” ... I'm not just going to throw something together for the sake of getting money ... (SE2)*

## Theme 2      **Innovation** ←————→ **Conformity**

Another tension that we saw is that between identifying innovative ways to do more with less in responding to community needs, but at the same time, conforming to the perceived expectations within the professional community and among consumers. While those involved used their ingenuity in trying something new, their actions were constrained by expectations. This narrative explains how an opportunity was presented as a pressing social need but was beyond the capabilities and resources available. Yet by creatively changing the structure to a worker's co-op one problem was overcome. Innovative thinking thus changed the rules of the game, but also set in train a new constraint, the need to conform to the technical requirements that this new service required- a business constraint. Yet, the erratic nature of the training on offer created new problems. Again innovation kicked in and they started their own school.

*The reason we got into health care.... We were doing meals on wheels... so we kept running into these old people who were all by themselves and their kids were gone and there was a freeze on nursing home beds in the province... so the person managing the [SE1] Guest Home at the time came up with this idea... we should be delivering home services to these people... that was fairly new... there was nobody doing that at the time...there was no money... we had no money... We decided we'd do it as a worker's co-op... We got money to train 6 people to deliver the business*

*and be a cooperative and that was the way we started that course.... They'd cancel it and we wouldn't have workers so we decided "we'll put our own course on". Eventually, it took on a life of its own and it became a school. So it was... one thing would tend to integrate into the other thing. Like Drucker would say, it was like an onion. You'd peel back the onion and there would be another opportunity. (SE1)*

But expectations are not just conforming to regulations, social expectations matter too. This narrative explains how a social enterprise is expected to be ascetic and shun comfort such as hot coffee or heated halls but maintain a warm heart.

*And we tended to err on the side of modesty all the time to be who we were. Oftentimes social organizations feel they've got to meet in cold halls and drink cold coffee... On the one hand I think we were very sensitive to the criticisms we'd get from other social organizations who saw us as an organization that was preoccupied by money and business. (SE1)*

These expectations of conforming extend beyond frugality, they encompass how things should be done.

*Sometimes we've had instances where some representatives from that sector would come to our table and be just shocked at the amount of time we'd spend pouring over financial statements, rather than doing God's work. So... we don't want to seem too businesslike because we don't want to alienate people. Then business people, they saw us as social workers. We weren't real business people but no matter what we were doing... So I think we were all just trying to prove to the business guys that we were real men... (SE1)*

The statement also epitomizes the classic dilemma of how to reconcile social and business objectives. They have to conform to social expectations for one audience but also conform to business expectations for others. These expectations of conforming extend into expectations of the capabilities of the social firm and their staff.

*Maybe about 6...7 years ago we sat around the table and we said "I wonder who does our tax bill? Everybody gets a tax bill in the mail so we did a little research and we found out that they were being done in [capital city] and mailed out of [capital city] to here. So that really inspired us to find out what would we need to do to do it here? So we needed somebody who has computer experience and we needed equipment and again selling that idea to [economic development agency] and also selling it to the municipality at that time. We also had to change their perception of the abilities of the people we work with. So we finally got them to... Actually it was an election year and we talked to the mayor that was running at the time and he was intrigued by it and when he did get elected he contacted us and they gave us a try and we've been doing it ever since. We put out 58,000 tax bills twice a year, we also put out water bills almost every month.... (SE2)*

Here we see resourcefulness, indeed innovation, employed by using the capabilities, or rather developing the capability of the social organisation to address a business need. But this had to be done by changing the constraint of what potential customers thought about their ability. This problem of changing expectations to demonstrate capability was a common thread. This next example illustrates a rejection of

conformity, at least in the sense of inferior products, produced by the less-abled. The dilemma is not to trade on this view, but to conform to a more general business standard of product acceptability.

*It's not just your reputation or the organization's. How you relay that product also reflects on how people perceive the disability group that you're working with. So if they get a crappy product, you know there will be those who say "Oh, well, it was done by ...you know...it looks OK" That undermines the organization so much. We were recognized for the service that we provide in our business... so the quality of our products and services. And that was so paramount to me because that said to me that they weren't buying our products because they were made by people with mental disabilities, they were buying our product because it's a darned good product and it's quality. (SE2)*

### Theme 3 **Independence** **Interdependence**

Almost all of the narratives present the dilemma of wanting and needing the involvement of others, but of the need to remain the animator of the activity. The theme shows how this tension structures what they do. Ironically, for each organization, the more they used partnerships; the more independence they gained in terms of deciding the practices of the organization and in achieving their own objectives.

*"One of the more recent deals we did, that we're involved in, it's a partnership and we're a very small player in a very big project... That's a very different play than we would have done 20 years ago... we probably were more preoccupied with trying to own and develop and manage all our own stuff. I think partnerships were rather frightening. I think there's very little now we would do without the word partnership coming in. That's a radical change for us, eh... part of the scaling up is very much reaching like we've never quite reached before into the community in terms of a much broader coalition, OK. So in terms of what we look like, we sort of disappear in this coalition... we're in a much better position to reach out and embrace all of our other constituencies within the community which in terms of getting things done... better, quicker, faster. (SE1)*

This statement indicates a major change in attitudes about independence. It is no longer a priority to be independent and self sufficient. Instead, collaboration allows a degree of independence.

*"We used a lot of government contacts, we used a lot of friends... you know... to fund the capital equipment... We partnered with [X] who did the printing because a) we don't have the equipment to do that nor do we want to because that's too high a level of skill for our population to do. It would really be one staff doing it all, you know. That would defeat our purpose for being here but we partner with [X]. They print it, bring it up here and we do the mail out, distributing and everything like that." ... We have a lot of partnerships here. We secure funding both on a provincial level, on a municipal level, on a federal level... on as many possible levels as we can. (SE2)*

Here too we see how interdependence prevails. In order to achieve what they want to do, paradoxically they relinquish autonomy.

## **Discussion and Conclusion**

The evidence of the respondents' narratives shows that value tensions were instrumental in determining what the organizations were going to do and how they would achieve it.

Contrary to the proposition of Zahra et al (2009) that ambivalence and ambiguity reflect the unique values that social entrepreneurs hold, the evidence tells a different story. Indeed, during the start-up and early growth stage of the two focal organizations, ambivalence and ambiguity were manifest in the practices of social enterprise. For example, considerable ambivalence was expressed as to whether each social enterprise organization should be attempting to "fit in". As the CEO of SE1 commented, they weren't accepted by other social organizations as "one of them", because of their business involvement. Likewise, they were ostracized by the business community who saw them as social workers. A similar difficulty in gaining legitimacy was recounted by SE2 whose executive director described a need to prove that sales were based on a market for their goods and services not on charity.

Through the shared experiences and understandings in dealing with this struggle, the members of these social enterprise organizations created meaning, and in so doing, values were created. As a firmer notion of "who we are" and "how we do things" developed, it meant that the ambivalence that once characterized, and to some extent, incapacitated the organization in dealing with the uncertainties of their life world, gradually lessened. In "going it alone", a unique identity was carved out in relating to the broader culture and society to which they belonged. The fact that neither organization was accepted by other social or economic organizations or was able to identify with them, highlights the important role context plays in shaping identity. For example, in describing how new business ventures were brought to fruition, both informants drew on a history of relationships that were culturally, socially and politically situated. Indeed, the organizations' identity and goals emerged from the interaction among various stakeholders within and outside the organization, which in turn underscores the extent to which identity is a relational phenomenon.

Arguably, it was not simply the values, but rather the value tensions that shaped the organization's identity and generated the capacity for change and innovation in coping with the ambiguity and uncertainty in their life world. Indeed, this was reflected in many of the comments about trying to reconcile differences.

From the outside, value tensions might be perceived as a confused identity and an absence of clear guidelines to follow. In reality these tensions were enabling rather than constraining due to their orientation and nature. While social well-being served as a terminal value, economic well-being functioned as an instrumental value. Or put another way, the pursuit of economic activities provided the means for achieving social well-being. In practice this meant that individual development was achieved through meaningful work. In the same way, "innovation" was an instrumental value, providing the means by which social value was created. Arguably, conformity served

as a terminal value as both organizations indicated their desire to meet the expectations of the broader community and society whether that be the expectations of “business people”, “other social organizations” or the general public (with respect to product quality). Finally, while organizational independence was an important terminal value, this actually was achieved through interdependence (instrumental value).

It seems important to note how rebalancing of priorities over time highlights the dynamic nature of the social enterprise process. For example, when the survival of SE1 was in jeopardy due to insufficient financial resources, economic well-being went from being an instrumental value to being a terminal value. In being dynamic, the tensions enable adaptation and "fit" to changing circumstances, whereby this adaptation is neither purely social nor purely business.

Considered collectively, the evidence seems clear that values underpin the actions of these two social enterprise organizations. Moreover these values, and how they are enacted, are distinct and different from those identified in the literature as encouraging innovation as well as from those said to dominate service organizations.

Tracing the organizations' activities over time provides a rare insight into the interface between legitimacy and identity. While both organizations struggled to gain legitimacy in their early years, the legitimacy they later enjoyed was achieved through the unique identity that developed within each organization. For example in expressing an understanding of “who we are” as an organization, the CEO of SE1 describes an increased capacity for effectiveness which is attributed to a growing resource base. Ironically, it is through their uniqueness that each organization has gained legitimacy. This is illustrated by SE2's recollection of government phoning them up to offer money to develop new programs.

Social enterprise organizations, or at least these two social organizations, are indeed different and we should not expect them to behave as anything other than the unique organizations that they are.

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