

What makes social enterprises work so harmoniously with business?

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Social enterprises tackle large-scale social problems by attracting resources and legitimacy from businesses – but social enterprises and businesses have two often contradictory aims; market success and social impact.

According to new research from ESCP Business School and Cranfield University, social enterprises engage in four key practices of initiation, persuasion, conflict resolution and value creation in order to successfully manage their relationships with businesses.

When it comes to initiation, social enterprises identify and access potential business partners with which to form relationships. This is either driven by individuals, communities, beneficiaries or markets.

Persuasion is simply how social enterprises influence and encourage businesses to form relationships. These involve three practices—framing the potential benefits, shaping solidarity, and shaping the dialogue.

They then engage in five practices to address the conflicts that potentially exist in forming the relationships with businesses. For instance, avoiding conflicts of logic through working with like-minded organisations, or hybridising their logic of business by developing two often-conflicting forms of market and social logic in their respective organisations before engaging in the relationship.

Ultimately, social enterprises adopt three value creation practices— resource utilisation, joint resource utilisation, and replication— to achieve their objectives through the relationships formed with businesses.

According to Kamran Razmdoost, Professor of Marketing at ESCP Business School “There is a huge economic potential for social sector to tap into in working with private-sector businesses. Understanding the series of practices identified in our study is of particular importance for social enterprises who can better design their efforts in working with businesses. They can identify different ways in addressing challenges in business relationships. Next step is to see how government, sector associations and corporates can support social enterprises to be ready for large scale business relationships.”

The research included a review of 51 articles gathered from 15 peer-reviewed scholarly journals and one book chapter published between 2006 and 2020 was conducted. They limited the search to include those papers from highly regarded and world-leading journals identified by the Chartered Association of Business Schools (2018), which generated a sample of 620 articles.

The research has been published in Journal of Business Research Volume 136, November 2021.

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For more information, a copy of the research paper, or to speak with the researchers, contact Kate

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