

If not for profit,  
for what and how?

S O C I A L  
E N T E R P R I S E

# Social enterprise and corporate social responsibility: Towards a deeper understanding of the links and overlaps

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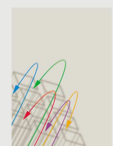
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## INTRODUCTION

Although often positioned at opposing ends of a spectrum, social enterprise (SE) and corporate social responsibility (CSR) share a similarly 'fuzzy' status in scholarship. These terms have both been presented in an array of (often ambiguous) definitions, which are frequently disputed; setting the scene for little consensus among scholars on agreed definitions (Brammer, Jackson, & Matten, 2012; Dart, 2004; Galera & Borzaga, 2009; Haugh, 2005; Jones & Keogh, 2006; Maignan & Ralston, 2002; Martin & Osberg, 2007; Matten & Moon, 2008; Sethi, 1975). Both concepts have also demonstrated differences in practice, influenced by geographic, social, political and economic factors (see for example Grant, 2008; Kerlin, 2006, 2013; Maignan & Ralston, 2002; Matten & Moon, 2008).

If we are to consider the rationale behind such divergence, we can identify similarities between the two concepts. Matten and Moon (2008) liken CSR to an 'umbrella concept', in this case encompassing society-business relations. The concept is acknowledged as being internally complex, and dynamic in nature (Matten & Moon 2008). Similarly, SE has often been presented in scholarship as an umbrella term, at times linked synonymously with 'social entrepreneurship (Peredo & McLean, 2006). The SE 'umbrella' can encompass a range of activities including not for profits engaging in market activity, co-operatives, social service organisations contracting with government to provide services to the community and social businesses (Grant, 2008; Teasdale, 2010; Thompson & Doherty, 2006).

Given the diversity of activities each concept may encompass, it is interesting to note that there has been minimal research to date considering the potential for overlap between these two concepts. There are numerous models and frameworks presented in scholarship to inform our understanding of SE and its relationship(s) with other organisation forms such as not-for-profit organisations and business. Similarly, there are numerous models proposed to encapsulate the relationships and motives of CSR. Examples of key models from both fields are described in the next section but what is important to note from the outset is how most scholarship focuses on SE as part of the Third sector, often developing from not-for-profit organisations. It is timely to now deepen our understanding of SE activity at the business end of the continuum. Harris (2012) identifies the potential for cross sector collaborations to blur the distinction between norms and working practices of the two sectors, whereby they might be conceptualised as nonprofit/business hybrids in their own right. Are these hybrids a form of SE and/or CSR? Sabeti (2011) describes the rise of 'for-benefit' enterprises – which are neither strictly for profit nor nonprofit. These organisations generate earned income but give top priority to an explicit social mission. Are such organisations the same as CSR initiatives? Are we considering hybrids as per Harris (2012) or does some form of distinct identity (i.e. SE or CSR) remain?

A work in progress, this paper provides us with an opportunity to explore literature across disciplines and through multiple lenses with a view to better understanding the potential areas of overlap between SE and CSR. In doing so we address calls from both fields for more cross disciplinary approaches to scholarship (Brammer, et al., 2012; Douglas, in press). Aguinis and Glavas (2012) note the fragmented nature of CSR literature, as scholars study CSR through different disciplinary and conceptual lenses. Similar critique could be levied at SE scholarship. This paper begins to address such fragmentation, with each author bringing their own specialised understanding, Suzanne to the field of SE, and Nitha to CSR.

At this stage in our research we draw on existing scholarship, taking an epistemological approach which encourages reflection on the theoretical lenses, discourse and practices which shape each concept (Åkerstøm 2003, as cited in Corry, 2010). For the purposes of this paper our focus is on the organisational level. We begin with brief reviews of models of social enterprise and CSR respectively. While noting each area has already been substantially reviewed in scholarship, a re-view of this nature is necessary to situate this current work with a view to identifying potential areas of overlap or

commonality. From here we consider the influence of theories in the development of each concept. Theories focus on relationships between phenomena (Haugh, 2012), and hence may provide further insight. Informed by the analysis presented, our discussion leads us to consider where we should next turn our attention.

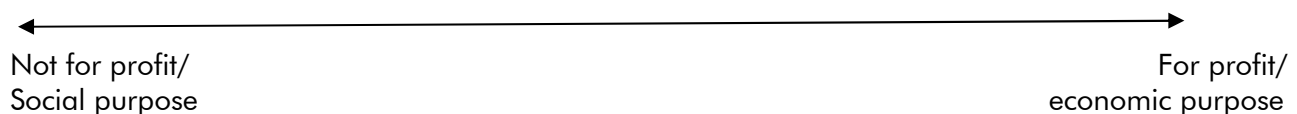
## MODELS/FRAMEWORKS

Scholarship presents a range of models which conceptualise SE and CSR respectively; a brief review of a selection of such models is presented below. For the purposes of this paper, we have chosen to limit our focus to three or four models for each concept. Our focus has been guided by the significance of each model implied through seminal articles and citation numbers. We begin with SE, considering continuum (Alter, 2006; Dees & Anderson, 2003, 2006; Young, 2001), three sector models (Ridley-Duff, 2008; Ridley-Duff & Bull, 2011; Wicks, 2009) and the Fair trade (triangle) model (Huybrechts & Defourny, 2008).

### Social enterprise models

Perhaps the most common SE model/framework is the depiction of a continuum (see for example Alter, 2006; Dees & Anderson, 2003, 2006; Young, 2001). While the labels these scholars employ at each end may vary slightly, essentially the concept is the same – demonstrating how SE may be positioned somewhere between a not for profit/social orientation and a business/for profit/economic orientation (see figure 1).

Figure 1. SE continuum

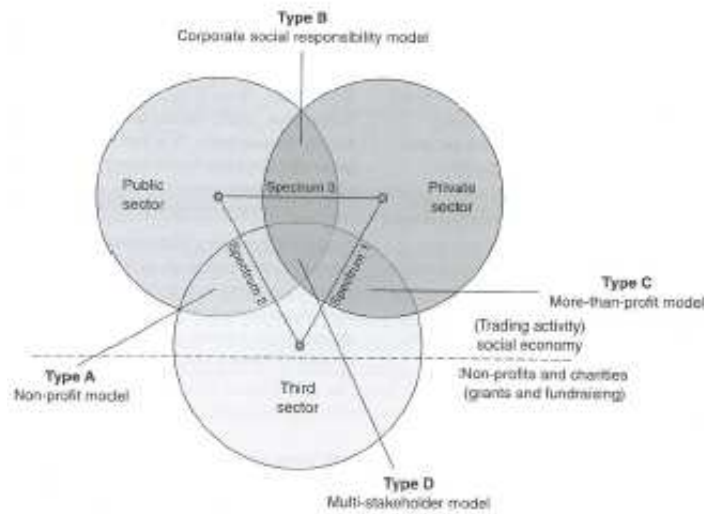


*Based on Alter, (2006); Dees & Anderson, (2003, 2006); Young, (2001)*

It is interesting to note how most SE scholarship assumes a focus on SE as part of the Third sector, often developing from not for profit organisations. In contrast, CSR is recognised as being positioned at the market/economic end of the spectrum – one step back from traditional 'for profit' organisations. The divide between these two concepts provides scope for reflection. It appears attention given to SE at the business end of the continuum is somewhat limited.

The use of Venn diagrams to depict the influence of the three sectors of society on social enterprise is also evident in literature. Ridley-Duff (2008) and Ridley-Duff and Bull (2011) present a composite representation of social enterprise. Recognising overlaps between the public, private and voluntary (third) sector, the authors attempt to capture cross-sector and potentially hybrid organisations and activity. While not focused specifically on SE, Wicks (2009) utilises a similar approach, considering the dynamic balance between market, government and community spheres of society as he seeks to understand their relative importance in the development of social capital and provision of social goods. Within these representations social enterprise is often identified within the overlapping segments, while CSR is seen as positioned within the overlap between public/government and private/market sectors. (See figure 2).

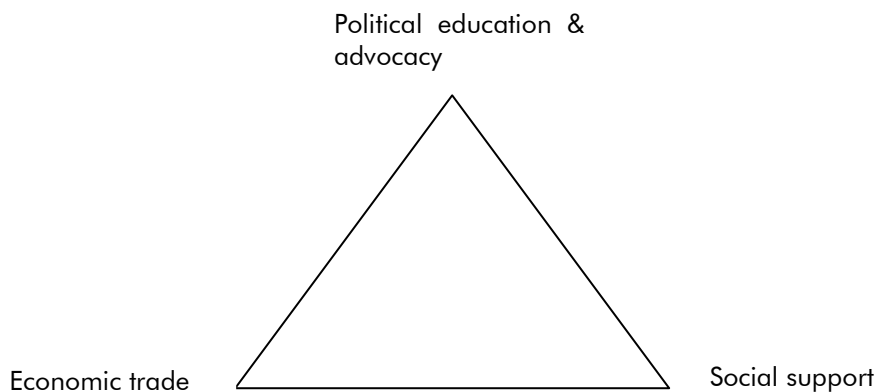
Figure 2. Composite triangle of social enterprise



Source: Ridley Duff & Bull (2011, p75)

A third representation which we believe helpful to consider here is the triangular framework presented by Huybrechts and Defourney (2008) in their consideration of fair trade. The fair trade triangle provides another dimension to the social/economic continuum discussed above, as Huybrechts and Defourney (2008) recognise the additional influence of political, education and advocacy activities. (See figure 3). While their discussion is centred on fair trade, we suggest there is merit in extending this representation to the wider SE field, albeit with one adaption. The triangle as presented by Huybrechts and Defourney is an equilateral triangle, i.e. each dimension is represented as being an equal distance from the other. We propose the length of each side may in fact vary, dependent on the emphasis the SE brings to its activities. For example, a SE focused on fair trade may be quite strong on all three axes, while a SE such as charity shop selling second hand items may have less emphasis on the education/advocacy dimension.

Figure 3: Social enterprise triangle



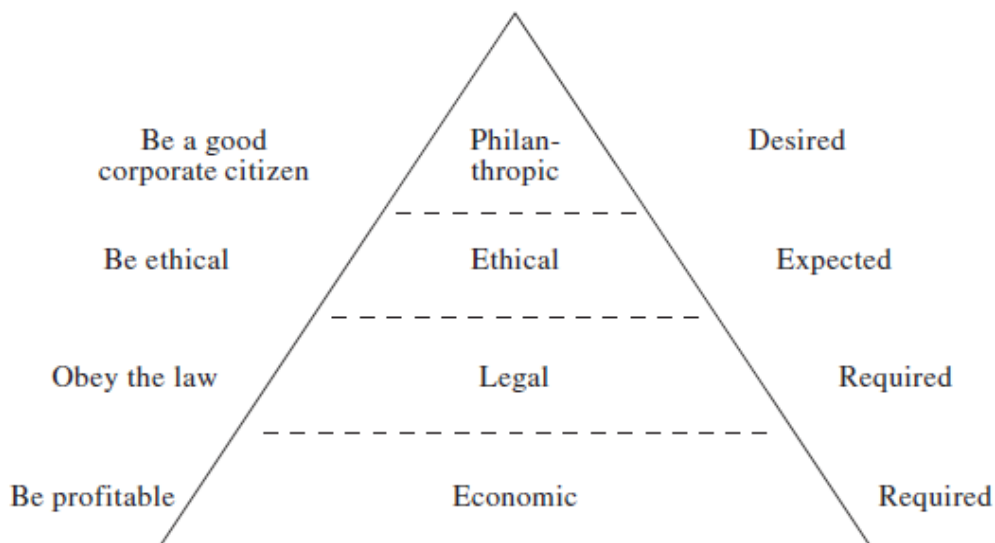
Adapted from: Huybrechts and Defourney (2008)

## Corporate Social Responsibility

Perhaps the best known framework for CSR is the pyramid presented by Carroll (1991) which depicts a four part categorisation identifying distinct 'domains' of CSR activity which occur in a hierarchical manner (see figure 4). Providing theoretical foundations for many researchers ( see for example Strong & Meyer, 1992; Trevino & Nelson, 1995; Wood, 1991), the representation can be seen to imply (albeit incorrectly) that philanthropic activities are the most important or most valued CSR

activity, while economic focused activities are least valued (Schwartz & Carroll, 2003). The distinct categorisation also fails to fully capture the overlapping nature of CSR domains (Carroll 1993; Schwartz & Carroll, 2003)

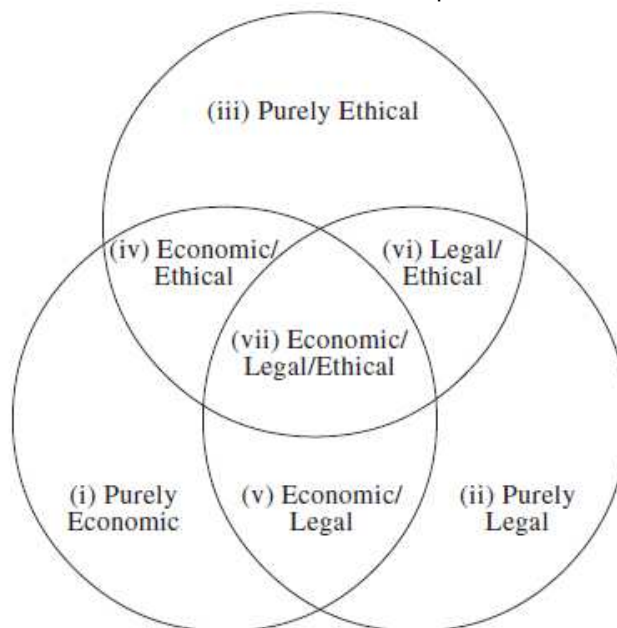
Figure 4 Carroll’s pyramid of corporate social responsibility



Source: Schwartz & Carroll, (2003, p.504)

In an attempt to augment and amend the 1991 model, Schwartz and Carroll (2003) propose an alternative three domain model (see figure 5). Composed of three areas of responsibility; economic, ethical and legal, the remaining category from Carroll’s original hierarchy (philanthropy) “is subsumed under the ethical and/or economic domains, reflecting the possible differing motivations for philanthropic activities” (Schwartz & Carroll, 2003; p. 508). A Venn diagram replaces the original pyramid structure, to capture the potential for overlap between domains. This representation suggests that none of the three CSR domains is more important or significant relative to the others (Schwartz & Carroll, 2003).

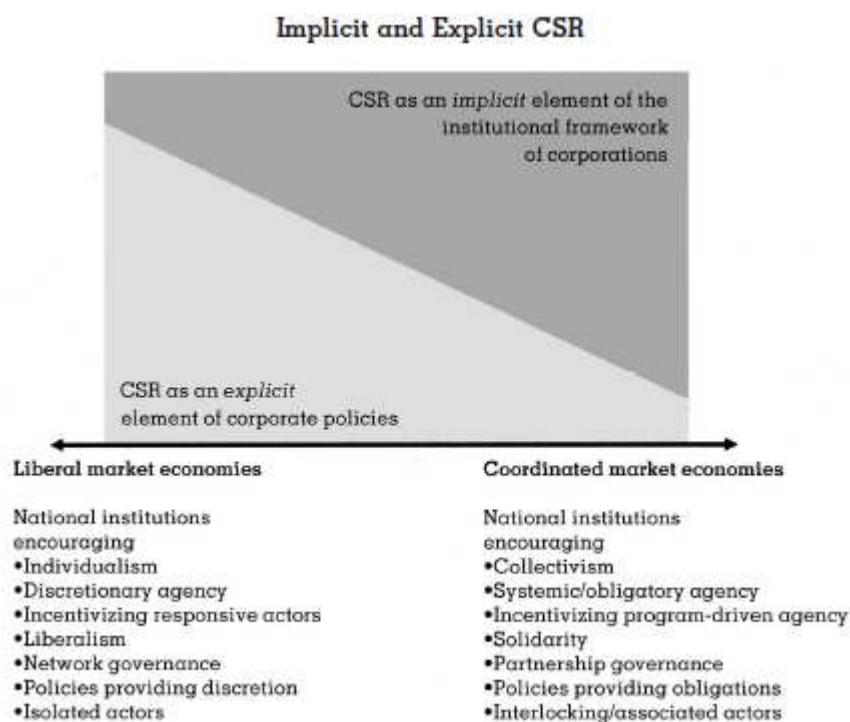
Figure 5 The three-domain model of corporate social responsibility



Source: Schwartz & Carroll (2003, p.504)

Matten and Moon (2008) adopt quite a different focus in their conceptualisation of CSR. Recognising how CSR differs among countries, the authors seek to explain how and why such changes occur. Developed from a continuum of liberated through to coordinated market economies, Matten and Moon (2008) identify implicit and explicit applications of CSR (see figure 6). Implicit applications of CSR capture the corporation's role within society, and normally consist of "values, norms, and rules that result in (mandatory and customary) requirements for corporations to address stakeholder issues and that define proper obligations of corporate actors in collective rather than individual terms" (Matten & Moon 2008, p. 409). Implicit CSR is considered as a reaction or reflection of a corporation's institutional environment, rather than a voluntary and deliberate corporate decision (Matten & Moon, 2008). In contrast, explicit CSR refers to corporate policies "that assume and articulate responsibility for some societal interests" (Matten & Moon, 2008; p.409). These activities normally consist of strategies and voluntary programs that facilitate the corporation's combination of social and business value. Although ultimately at the corporation's discretion, explicit CSR activities may in part be responses to stakeholder pressure (e.g. contributions to disaster relief funds, ensuring clothing products are not made in sweat shops) (Matten & Moon, 2008).

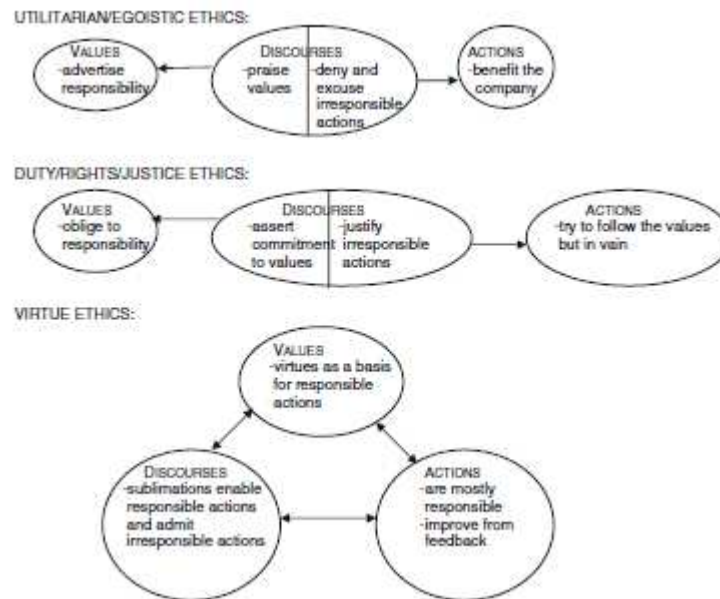
Figure 6



Source: Matten & Moon (2008, p.411)

Ketola (2008) steers away from the economic influences present in the previously discussed frameworks, and presents a more holistic CSR model which attempts to integrate philosophical, psychological and managerial perspectives of CSR. The philosophical dimension considers differences in the teleological and deontological values of companies; the psychological part considers the discourses employed during CSR driven change; and the managerial part analyses the actions of companies. By considering the relationship between values, discourses and actions espoused through the corporation Ketola (2008) seeks to present a framework which steps beyond the fragmented approaches often presented in scholarship, to provide scope for a broader synthesis. (See figure 7).

Figure 7. The relationships between ethics, values, discourses and actions.



Source: Ketola (2008, p.431)

## Potential areas of overlap between SE and CSR models?

It is not overly surprising to see economic and social foundations evident within most of the models presented above. While incorporating different dimensions Ridley-Duff (2008) and Ridley-Duff and Bull's (2011) SE models and Schwartz and Carroll's (2003) and Ketola's (2008) CSR frameworks all adopt tripartite approaches. There is also recognition of a continuum of activity taking place in each area (Alter, 2006; Dees & Anderson, 2003, 2006; Matten & Moon, 2008; Young, 2001). When we examine the ideas of Matten and Moon (2008) and Ketola (2008) what is apparent is a move beyond a fragmented view of CSR to one that is more holistic and encompassing. Although considered to be potentially isomorphic, the implicit CSR ideologies identified by Matten and Moon (2008) might also be seen to align with the aspirations and ideologies which inform SE.

## THEORIES

Models and frameworks such as those presented above help identify the influences and dimensions of concepts such as SE and CSR. But they are insufficient to fully inform our understanding. Consideration of theories along with the ideologies and paradigms that inform them is also necessary. Theories focus on relationships between phenomena (Haugh, 2012) and hence may provide further insight. As per the structure above, we begin with a brief review of the theoretical influences on SE, before moving on to consider the same within a CSR context.

### Social enterprise

Curtis (2008) suggests that no single theory can fully explain SE. As well as there being no agreed definition (Dart, 2004; Haugh, 2005; Jones & Keogh, 2006), a range of perspectives present SE in a variety of forms and processes, for example SE can be considered as both a noun AND verb, an 'entity' and an 'action' (Borzaga, Depedri, & Galera, 2012; Shaw & Carter, 2007).

Amid such diverse opinion Haugh (2012) observes how SE has so far tended to borrow or extend existing theory. Potential consequences of such an approach are evident when Nicholls (2010) suggests that SE as an academic field is 'pre-paradigmatic' i.e. lacking an established epistemology.



As such, he proposes the field presents a “fluid institutional space for dominant actors to shape and exploit” (p 612). Nicholls identifies two dyadic clusters of discourse:

- 1) Narrative logic – which presents both ‘a hero social entrepreneur’ and ‘community/network’ as the settings for and drivers of SE. Concern for the heroic theme is also evident in Ogbor (2000).
- 2) Ideal-type organisational model – which may take the form of either a business like or advocacy/social change organisation. Concern regarding business like or market focused organisations is also expressed by Eikenberry (2009).

Nicholls suggests that the actors in the second cluster are more ‘resource rich’ and hence better placed to have their discourse dominate SE development. Within this cluster itself, the business like discourse features more prominently. Although this business oriented context matches most closely with CSR, it is intriguing to note how Trevedi and Stokols (2011) identify limitations regarding those definitions which draw on corporate language and concepts. For example application of discourse such as “return on investment” in references to social goals anchors the social enterprise process in business language, potentially creating ideological discomfort for those actors committed to improvements in social not financial capital (Johnson, 2003, as cited in Trevdi & Stokols, 2011).

The discussion above has a clear focus on corporate discourses informing and shaping SE. However, there is clear argument not to restrict our understanding through a focus on one dimension. It is also important to look beyond what is being said, who says it, and why they may say so – to also consider what activities are undertaken as SE practice.

From a practice perspective, SE continues to develop and grow, with different regions of the world each developing their own ‘flavour’ of SE (Grant, 2008). Across the range of practice Kerlin (2013) identifies state influence on how SE may be shaped, as do Mason (2012) and Teasdale (2012) respectively. However it is the economic and social/political bases with a common objective to create positive social value which are most evident among practitioner accounts. Variation in definitions are based on geographic, political, economic and cultural differences (see for example Defourny & Kim, 2011; Defourny & Nyssens, 2006; Grant, 2008; Kerlin, 2006, 2013), but scholarship identifies four clear areas of distinction.

Dees and Anderson (2006) through their US based focus identify two distinct streams. The first, which they call the “*Social Enterprise School of Thought*”, has a clear focus on earned income activity by nonprofits, potentially seeking to align economic and social value creation. The second stream described as the “*Social Innovation School of Thought*” has a clear focus on social entrepreneurs as “individuals who reform or revolutionise the patterns of producing social value, shifting resources into areas of higher yield for society” (p.44).

Development of SE in the UK has been clearly influenced by *government policy*, indeed some scholars (Dey, In press; Mason, 2012; Nicholls, 2010) suggest the English political environment represents one of the best developed and supported SE structures in the world. As such, the UK Department of Trade and Industry definition for SE has been widely adopted:

“a social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners” (Department of Trade and Industry (DTI), 2002).

While this definition bears some similarity to the schools of thought identified by Dees and Anderson (2006), it perhaps understates the influence of government which has received increased scrutiny in recent times ( see for example Mason, 2012; Teasdale, 2012)

European researchers highlight a focus on one further dimension, *participation*. “Social enterprise in Europe, as opposed to in the United States, involves some form of work or participatory contribution

by those benefiting from the programming....This European emphasis on participation also extends to the management of the social enterprise" (Kerlin, 2006, p.108). Through this focus there is scope to accommodate and encourage increases in social capital and associated processes such as participative democracy.

## Corporate Social Responsibility

Geographic differences in interpretation and application are also evident in CSR scholarship. For example, Matten and Moon (2008) recognise differences in CSR between Europe and US, noting how not only the language corporations use to describe their involvement in society varies, but the financial value of their contributions also varies. Maignan and Ralston (2002) examine differences in CSR in France, the Netherlands, UK and US. Their findings indicate that companies in each of these countries hold different perspectives. Further, the CSR issues that companies see as important to emphasise, and how important they view being perceived to be socially responsible, also varies across locations. As such, working with a mix of European and North American companies, research by Sotorrio and Sanchez (2008) indicates the location of the company will impact upon the organisation's social behaviour. So while clearly evident, national and cultural diversity should not be dismissed or considered as inconsequential. Cross cultural and cross country differences are identified by McWilliams, Siegel and Wright (2006) as impeding our understanding of CSR processes, activities and overall engagement. In an attempt to overcome such limitations, scholars are now engaging CSR theory development through more complex/holistic models such as Ketola's (2009) model introduced earlier. Garriga and Mele (2004) identify CSR foundations in economics, politics, social integration and ethics. These influences can be traced through developing theory. Once again four key areas can be considered.

### *Legitimacy*

Firms require legitimacy to maintain functional, long-term relationships with various communities within which they interact. Defined by Suchman (1995 p.574 ) as "a generalised 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", legitimacy influences the understanding stakeholders have of an organisation, as well as the manner in which they may engage with the organisation. Thus,"audiences perceive the legitimate organisation not only as more worthy, but also as more meaningful, more predictable, and more trustworthy" (Suchman, 1995, p. 575).

Legitimacy theory originates from Davis's (1973) iron law of responsibility, and hence can be seen to draw on ethical and social integration foundations; aspirations commonly associated with SE. Davis contextualises business as a social institution that must use its power responsibly, otherwise society may retract it..."those who do not use power in a manner which society considers responsible, will tend to lose it" (Davis, 1973, p. 314). He suggests that the social power which business carries is likely to be unsustainable unless they assume more social responsibility for their actions. In addition, Dowling and Pfeffer (1975), assert that a corporation is said to be legitimate when it is judged to be 'just and worthy of support'. Corporations that lose legitimacy could face a variety of complications ranging from punitive legislation to issues in the recruitment and retention of qualified personnel.

The (economic) benefits connected with legitimacy, combined with societal pressures and expectations of conformity, generally direct managers of 'illegitimate' corporations to actively improve the legitimacy of their companies (Nasi, Nasi, Phillips, & Zyglidopoulos, 1997). Consequently, legitimacy may be perceived/granted when either the goals pursued by an organisation conform to social morals, or the actions and processes by which an organisation pursues its goals are deemed by stakeholders to be proper. It is significant to emphasise that society judges the legitimacy of a corporation based on the corporation's image. However, both perceptions of a corporation and the expectations for the corporation can alter over time (thereby potentially changing the perceived legitimacy of the corporation), without any actual change in the activities undertaken by the corporation. Vigilant management of, and balance between, corporate image (i.e. how the

organisation is perceived) and societal expectations are consequently critical influences on perceptions of corporate legitimacy.

Sethi (1979) suggests that corporations that ignore social expectations are at risk of losing control over their internal decision-making and external dealings. He asserts that problems with legitimacy arise when societal expectations for corporate behaviour differ from societal perceptions of a corporation's behaviour. He suggests that "at any given time, there is likely to be a gap between performance and societal expectations caused by business actions or changing expectations. A constantly widening gap would cause business to lose legitimacy, threatening organisational survival. Accordingly, business must strive to narrow this "legitimacy gap" to maintain maximum discretionary control over its internal decision-making and external dealings" (Sethi, 1979, p. 64).

## ***Stakeholder Theory***

Corporations need to recognise the interests of each of their stakeholders. Stakeholder theory (ST), originally developed by Freeman (1984), views the firm as a connected group of stakeholders motivated to contribute in actions that could be either compatible or incompatible. Applications of ST have facilitated a more holistic theory of the firm; describing firm behavior through an assimilation of social dimensions with an emphasis on stakeholder relationships (Donaldson & Preston, 1995). Business can be understood as an open system comprising diverse actors active in a network of relationships (see Maignan & Ferrell, 2004 for a more detailed discussion). These 'stakeholders' essentially have an interest in the function of the firm, thereby initiating a 'relationship'. This view contributes to a broader understanding of the role of the firm. Within this context stakeholder norms guide socially responsible behaviour. Stakeholder theory informs our understanding of the importance of forming and sustaining relationships with stakeholders through meaningful social alliances.

## ***Social alliances***

A characteristic feature of social alliances is the nature of objectives that business and nonprofits might enter into collaboration with – effectively reflecting a combination of non-economic and economic objectives (I. Berger, Cunningham, & Drumwright, 2004). Developing a social alliance with community organisations is congruent to the belief that a corporation that cultivates a more positive and distinctive reputation will attract consumers (I. Berger, et al., 2004; Creyer & Ross, 1997; Egels-Zanden & Wahlqvist, 2007; Ellen, Mohr, & Webb, 2000; Sen & Bhattacharya, 2001), and potential employees (Eweje & Bentley, 2006; Turban & Greening, 1997), thereby increasing profitability (Marquis, Glynn, & Davis, 2007; Parker & Selsky, 2004). Collaboration with organisations such as not for profits or social service providers offers opportunities for both types of organisation to acquire expertise and access new or additional resources (I. Berger, et al., 2004; I. Berger, Cunningham, & Drumwright, 2007; Egels-Zanden & Wahlqvist, 2007; Faulkner & de Rond, 2000; Gomes-Casseres, 1996), as well as become better equipped to cope with increased turbulence in their environments (Emery & Trist, 1965; Gray, 1985; Millar, Choi, & Chen, 2004). Through social alliances corporations may be better equipped to foresee potential challenges, and cultivate the ability to transform themselves to confront an uncertain future (Marquis, et al., 2007; Roberts & Bradley, 1991). Such alliances may also provide a fertile environment for the development of 'hybrid' organisations – of which social enterprise may be one form adopted.

Austin (1998) and Heath (2007) propose that the impetus for collaboration between corporates and community/nonprofit organisations is being driven by the rapid, and often complex changes being thrust upon us by powerful political, economic, and social forces, including issues of sustainability along with wicked problems such as poverty and pollution. The multi-faceted nature of these problems makes them difficult to conceptualise and analyse, and thus immune to simple (often functionally focused) solutions. The complex social and economic problems faced by society necessitate 'complex' (often multidisciplinary) solutions. Through their delivery of positive outcomes, social alliances, in a similar vein to their for-profit counterparts, may facilitate access to difficult

markets, increase resources, or strengthen an organisation's position in the marketplace. Furthermore, Kapucu (2006) suggests social alliances provide a mechanism to ensure an effective community response to critical issues. The better the respective organisations interact with each other and related organisations, the more effective their combined 'action' becomes. Thus, it is increasingly common to see social alliances incorporated into the core business strategy of many organisations. Indeed, these partnerships are often regarded, by corporate and nonprofits alike, as fundamental components of an organisation's corporate social responsibility, fulfilling important strategic objectives (I. Berger, et al., 2004; Eweje & Palakshappa, 2011; Sagawa & Segal, 2000). It is important to note however, that potential alliances are not straight forward. Issues associated with cultural differences between partners, differing goals and objectives, unequal learning, or partner asymmetries may complicate the final outcomes of social alliances, whilst cohesiveness and mutual understanding aids successful outcomes (I. Berger, et al., 2004; Eweje & Palakshappa, 2009).

### *Collaborative value*

The foundations of CSR are based on the notion that corporates need to integrate social aspects into their core business strategy (Sethi, 1975). CSR has the ability to generate strong and effective relationships between firms and their stakeholders (Peloza & Shang, 2011). In this respect a relationship or bond is inevitably assumed between business, society and requisite stakeholders. If we are to adopt a strategic perspective, creating value through the use of social alliances and collaboration is crucial (Austin, 2000a, 2000b). Collaborative value can be defined as the transitory and enduring benefit generated through the process by which collaborators work together (Austin & Seitanidi, 2012a, 2012b). This benefit may ensue to any or all stakeholders including organisations, individuals and society in general.

### **SO IS THERE AN OVERLAP/COMMON THEORETICAL DIMENSION?**

Value is a common theme across the SE and CSR theoretical foundations introduced above, but the type of value is not always consistent. Holbrook (2006, cited in Peloza & Shang 2011; p. 119) defines value as "an interactive relativistic preference experience. Value is interactive because it can be created only when a firm and stakeholder come together. Value is based in preference because people judge corporate actions as good/bad, positive/negative, or favourable/unfavourable. Finally, value is relativistic because individuals evaluate it differently".

Value can be considered in many different ways. SE may have a primary focus on social value, but the complexity of this concept is, in a way, obscured by the 'simple' moniker. Value as a belief system (e.g. as a challenge to capitalism), and creation of social value may be key rudiments informing SE, but may be different to the stakeholder value and/or financial values a corporation may seek to achieve through CSR. For example, Kurucz, Colbert, and Wheeler (2008) present four business cases for CSR. 'Business' is the central actor in all cases, but the value proposition presented varies across the different contexts. Peloza & Shang (2011) offer some discussion on how CSR can create value for stakeholders. In particular they note potential in developing "a focus on CSR activities as source of self oriented value for consumers" as it provides an opportunity to "differentiate and augment the corporation in the eyes of consumers (p.130).

In the case of a social alliance we also need to examine value to the firm as opposed to the value generated by alliance based activity. Are we considering business specific objectives? Or alliance-centred objectives? Are we serving strategic business interests vs. interests of partners and stakeholders? Alliances that demonstrate the highest level of success are most likely those with shared values among the partners where collaborative value is generated for all involved (Eweje & Palakshappa, 2009).

Ketola (2008) considers values from ethical virtue perspective, highlighting the need for a more holistic approach to our understanding of CSR. This holistic approach can be developed through

consideration of values, discourse AND actions. Consideration of this trio of concepts returns us to our original epistemological focus.

## DISCUSSION/CONCLUSION

Our intention when we began this research was to identify the overlaps between SE and CSR. Our progress to date demonstrates the objective has not been as straight forward as we first anticipated. Corry (2010, p.18) summarises the challenge before us well. "Distinctions are always problematic because they pick out certain features and ignore others. On the other hand, that is precisely what makes them useful, provided they are used consciously and with humility. The existence of borderline cases or hybrids is often used as a way of discrediting a distinction but could just as well justify it: without a definition or theorisation, we would have no way of thinking about how something is borderline and between which two types of entities it lays"

Our understanding of whether these two concepts are 'the same', different', or related may rest in how we approach the investigation. An ontological approach seeks to define 'what things are'... for example charting out the concepts existence. An epistemological approach is more concerned with how things come to be made real or defined and "how different perspectives generate different understandings of them" (Corry 2010, p.12.)

If we take an ontological approach (Corry 2010) i.e. consider SE and CSR as 'distinct' categories made up of certain characteristics, and excluding others then they can be seen as 'different'. For example, from a legal perspective Page and Katz (2011) identify a range of difference such as each concept relating to different stages of a corporate life cycle. They suggest CSR may be more relevant to larger, established businesses, while SE in contrast may be more focused on depth of activity rather than breadth (at least in the short term).

As an organisational form SE is proposed as a newer, potentially more flexible alternative to the established business engaging in CSR (Page & Katz, 2011). Given structure is assumed to follow strategy (Austin, Leonard, Reficco, & Wei-Skillern, 2006), one might then expect to see variation in related organisational processes such as governance. Austin et al (2006) also link CSR to the left-liberal side of the political spectrum, while SE movement is more libertarian in orientation. As such SE might be seen as continuing the CSR debate, but from a different point of view.

However, if we take an epistemological approach (Corry 2010) and consider the two concepts as societal processes then our preliminary analysis above indicates there is clearly scope to recognise overlaps and potentially develop our understanding of the same further. For example: Ridley-Duff and Bull (2011; p.73) discuss how SE provides a means to bridge sectors, integrating skill and abilities across boundaries. We propose CSR could be seen as a similar vehicle.

Further research should continue by adopting an epistemological approach. Already a social constructionist epistemology has been applied in both areas (Grant & Dart, 2008; Kurucz, et al., 2008). Empirical work might consider case studies, e.g. to allow comparison between a business SE and a CSR initiative. Conceptual work is also needed to further investigate any theoretical links, particularly the significance of value to both constructs. To date we have identified two potential approaches to further our analysis:

First, institutional theory provides a possible lens as it may facilitate broader understanding of the diversity and dynamics of CSR (Brammer et al, 2012). At the same time institutional theory also helps us reach a narrower and defined articulation of what CSR actually is. Brammer et al (2012) relate this discussion back to explicit/implicit CSR as outlined by Matten and Moon (2008). In terms of social enterprise, Mason, Kirkbride and Bryde (2007) propose institutional theory as a lens through which to consider social enterprise governance; but we suggest it can be applied with a broader intent. "Institutions, and the process of institutionalisation, can be examined in a myriad of ways; instilling value, as creating reality, as a class of elements and as distinct social spheres" (Scott, 1987 cited in

Mason et al 2007; p. 291). Application of institutional theory encompasses our concern for the influence of (diverse) values noted above, as well as accommodates issues of stakeholder theory and legitimacy of significance to both CSR and SE.

Continuing our analysis from an epistemological perspective, institutional theory originated in an interpretive paradigm (Burrell & Morgan, 1979; Gioia & Pitre, 1990; as cited in Bowring, 2000), drawing on Selznick's (1949) assumptions that organisations are shaped by their context and members. Berger and Luckmann's (1967) contend that reality is socially constructed, and Meyer and Rowan (1977) apply a constructionist approach to understanding organisational practice and processes. Although Bowring (2000) contends these original interpretive intentions have been partially subsumed by positivist/functionalist influences, our proposed application of institutional theory with the intention to deepen our understanding of overlaps between SE and CSR, (rather than find and prove causality) (Bowring, 2000) reinforces our interpretive epistemology. For example, Dobbin (2009) and Phillips and Tracey (2007) both recognise the ability of an entrepreneur to initiate and eventually 'institutionalise' new processes.

Our second potential avenue for analysis builds on the concepts of service dominant logic (SDL) and adoption of a resource based view (RBV). The concept of value co-creation and the importance of understanding sources of value as outlined by Austin and Seitanidi (2012a, 2012b) provide the foundations for exploring the link between SDL, RBV and how collaborative value is created. Such exploration may further highlight hybrid overlaps between SE and CSR.

SDL, a relatively new paradigm in marketing, might offer some insight into how value can be co-created not only for consumers (one stakeholder) but also for other stakeholders. The central premise of SDL is the focus on customers as co-producers of services and thereby co-creators of value (Vargo & Lusch, 2004). Our main path for further exploration is the idea that consumers are certainly viewed as an important resource and partner for the organisation – are other stakeholders not viewed in the same manner? With many SEs engaging in market activity, consumers are a 'new' stakeholder whose expectations must be understood. We are interested to see if application of SDL provides a useful lens through which we might better understand the context of value generation for CSR/SE.

Our quest thus far is clearly in its preliminary stages, but the review presented here suggests there is merit in developing our analysis further. In doing so we hope to address the call for more cross-disciplinary research and deepen our understanding of the potential SE/CSR overlap, which may (or may not) in turn facilitate the development of hybrid business/nonprofit organisations.

We welcome your ideas and suggestions.....

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