Between Commercial and Nonprofit: Communicating Social Business

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BETWEEN COMMERCIAL AND NONPROFIT: COMMUNICATING SOCIAL BUSINESS

by

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Abstract

Hybrid social businesses address social problems in a new way, distinct from nonprofit organizations and government agencies. Social businesses are broadly defined as organizations that seek to realize a social mission through business means, and they have the potential to change the landscape of social impact and social services. This study examines such businesses using the lens of the narratives their founders and other leaders tell about how their organizations formed. The current study includes interviews with founders and leaders of social businesses in Utah. Analysis of the data demonstrates similarities and differences between the stories and motivation of individuals who enter the unique social business sector, in comparison to more traditional non-profit founders’ stories. In particular, the data suggests that similar to nonprofit narratives, personal rewards and identity played a major role in participation in social businesses. Additionally, analysis suggests that social business leaders emphasize entrepreneurial and business skills as a driving motivator, and strength, of their work. Crucial insights about this new social organization structure are highlighted to show how social businesses can contribute to society in meaningful ways that can restructure the ways in which we address social problems.
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Introduction

Organizations have long existed to address pressing social needs from improving education, to serving the financially needy, or providing opportunities for people with disabilities, among many other things. Traditionally nonprofit organizations and government agencies have represented the majority of social impact organizations. However, over the past several years, another kind of social impact organization has emerged. These businesses, which I call hybrid social businesses, are broadly defined as organizations that seek to realize a social mission through business means, and they have the potential to change the landscape of social impact and social services (Jager & Schroer, 2014, p. 1287). While Yunus and Weber (2011) use the term “social business” more narrowly to define organizations like microfinance institutions, the current study will use the term “hybrid social business” and “social business” to broadly include a spectrum of for-profit business which both generate revenue and fulfill social purposes.

While commercial enterprises seek to create products and services which generate revenue and nonprofit organizations exist solely to address social needs and demands, social businesses navigate the tension between both purposes. Existing research suggests stories told by founders of social impact organizations can be powerful and compelling, which leads to increased organizational success and consumer engagement (Chandra, 2018). A review of the scholarly literature provides discussion about the definition of social entrepreneurship, particularly in the context of social businesses, which fit between commercial and nonprofit ventures as a type of hybrid organization (Austin, Stevenson, Wei-Skillern, 2006). The current study examines existing research to clarify the definition of social businesses, highlight key features of these organizations, and discuss the value of a narrative approach for understanding
social business more deeply. The research includes interviews with founders and leaders of social businesses in the western U.S. Analysis of the data demonstrates similarities and differences between the stories and motivation of individuals who enter this unique social business sector. Particularly, this research demonstrates how leaders of these hybrid organizations discuss how their sense of identity contributed to their involvement in this kind of work, as well as the personal rewards gained through social entrepreneurship. Further, data analysis suggests that the participants were both aware of, and constantly negotiating, the mission-market tension inherent in this type of work (Sanders, 2012). Finally, participants included unique ideas about how business, or commercial, models can drive society and create more significant impacts than traditional social agencies.

**Literature Review**

**Defining Social Entrepreneurship**

Much of the existing research on social entrepreneurship in all of its forms—from nonprofit work, to corporate social responsibility, to government agencies, to the type of hybrid social businesses I highlight in the present article—has struggled to define these kinds of organization. The major challenge to definition is the significant level of variation between organizations that may be categorized as social entrepreneurship (Jager, 2013). While several recent studies have examined this type of organization, most existing research has focused on this problem of how to define and categorize social impact businesses (Short, Moss, and Lumpkin, 2009). The current study benefits from the work done to define social entrepreneurship. However, the question of definition remains problematic as the variety of organizational structures, which purport to fulfill social goals while also making a profit varies extensively.
Among the existing research, most definitions concur that social entrepreneurship refers to organizations and projects that take advantage of resources in innovative ways to alleviate social problems (Dacin, 2010). Beyond this consensus, the literature lists dozens of definitions from a variety of sources (see Dacin, 2010, p. 40-41). One of the simplest, and most encompassing definitions, describes social entrepreneurship, in any of its organizational forms, as "innovative, social value creating activity" (Austin, Stevenson, Wei-Skillern, 2006, p. 2). The subsequent discussion seeks to clarify the distinct types of organizations, which may participate in "innovative, social value creating activity," or social entrepreneurship, with the objective of providing a working definition to classify the organizations included in the data.

**Forms of Social Entrepreneurship**

**Nonprofit Organizations.** Nonprofit organizations represent the traditional avenue for creating social change. Nonprofit organizations, sometimes characterized as the nonprofit and voluntary sector, are defined by three key features delineated by Frumkin (2002). The first feature is that nonprofits do not coerce member participation. Second, they are functional without distributing profits to stakeholders. Finally, nonprofit organizations lack clear lines of ownership and accountability (Frumkin, 2002, p. 3). Nonprofits have often negotiated the boundary between the public and private sectors. However, the ambiguity nonprofit organizations encounter occasionally challenges their ability to advance their social mission, as many distinct organizations compete for resources and recognition in a large, diverse sector, (Frumkin, 2003; Yunus and Weber, 2009). Furthermore, Yunus and Weber (2009) contend that the constant need to secure external funds hinders nonprofit efficacy. While the nonprofit and voluntary sector is difficult to define and categorize in its own right, the organizations in the current study cannot be categorized as nonprofit organizations for several reasons. Primarily, the
current study examines organizations that do not have a government 501C(3) designation or other governmental nonprofit recognition. Further, the organizations studied do not follow the same financial structure as nonprofit organizations, which cannot distribute profits to shareholders and they do not receive tax benefits like nonprofit organizations for their work.

**Government Agencies and Policy Initiatives.** While local and national governments have power to enact policies which both create order and security within the markets and which directly alleviate poverty and protect social rights, governmental reach differs across cultures and time periods. Government agencies also serve to address social problems by providing needed funding and resources for underprivileged groups. However, government cannot fully address the social problems facing society today because they are bureaucratic and constantly changing (Yunus and Weber, 2009). Furthermore, government agencies differ in significant and obvious ways from the privately-held, privately-funded organizations represented in the present data.

**Commercial Enterprises: Corporate Social Responsibility.** Commercial organizations include most of the businesses which permeate society. These are organizations that emphasize revenue-building and, to contrast nonprofit organizations, returning investments to shareholders. One of the growing ways commercial enterprises seek to create social change is through the concept of corporate social responsibility (CSR). CSR refers to a company’s dedication to change practices that harm the environment or intensify social problems and, in its more proactive form, CSR includes seeking volunteer and donation opportunities to improve social conditions (Yunus and Weber, 2009). While CSR has a considerable, positive impact in the world, it is dependent on company generosity and profits, making it an unsustainable solution to social problems. While CSR represents a large portion of social giving, the companies which practice it are not required to perpetuate their contributions. Further, CSR often represents an
effort to attract attention and customers, rather than to fulfill a social mission. To contrast, the organizations of interest to this study have developed business models with dual goals: to generate revenue and to fulfill a social mission. Thus, the social mission becomes an integral part of the company’s organization and structure, where CSR is not necessarily tied to organizational identity or related processes.

**Hybrid Organizations: Social Businesses.** The current study focuses on unique organizations that represent a combination of the goals and features of the other organizational forms described. Some social entrepreneurs have chosen to form this type of hybrid organization as a way to overcome the aforementioned barriers faced by other organizations. For example, a hybrid organization, which has revenue-generating power, has access to more financial resources and can attract increased participation through value creation than a nonprofit with restricted resources (Austin, Stevenson, Wei-Skillern, 2006). Instead, social businesses focus on recovering the costs of operation while simultaneously creating a social impact (Yunus and Weber, 2009). This ability separates hybrid, social businesses from nonprofit organizations or policy measures that are bound to stringent funding requirements.

Thus, hybrid organizations, or social businesses, have a dual focus on increasing the company’s financial value and fulfilling a social mission through dedicated efforts, which are not contingent on generosity alone. For example, companies like Warby Parker generate revenue by selling eyeglasses and fulfill a social mission by giving glasses away for each pair sold (Bublitz et al., 2016, p. 238). The current study examines such organizations, wherein there is a clear business goal to gain profit and a clear social mission. Organizations may be included as social businesses in this study when the social mission espoused is fundamental to the company structure. For example, some organizations dedicate a percentage of earnings while others have a
one-to-one model, where they donate a product for every product purchased. Other organizations work in a variety of ways, each of which places their social mission as a central tenet of their business plan. The variety of business models used in revenue-generating social impact organizations creates a wide continuum of organizations that may be included as social businesses. Two criteria define the organizations in the current study. First, the organization must clearly differ from a nonprofit organization by generating revenue and distributing profits to shareholders. Second, the organization's social goals must clearly differ from CSR by representing a significant part of organizational identity and being inherent in the company's structure. These features are most apparent through the lenses of organizational identity and narrative, which demonstrate the nuances differentiating hybrid social businesses from other forms of social impact.

**Organizational Identity**

An additional, key feature distinguishing commercial-social enterprises, or hybrid social businesses, from both their nonprofit and commercial counterparts is organizational identity. Further, an organization's mission or purpose is closely related and central to organizational identity. The types of distinct missions between commercial and social entrepreneurship differentiate the organizations, and influence several aspects of organizational operations including management and staff motivation (Austin, Stevenson, Wei-Skillern, 2006, p.3). While distinct missions, like generating revenue or returning investments to shareholders and solving a social problem, serve to categorize organizations like nonprofits and commercial businesses, emphasizing an organizational mission can present additional challenges for hybrid organizations like social businesses. Organizational identity represents an essential frame for differentiating unique, hybrid organizations, as the group's identity incorporates those "features of an
organization that members perceive as ostensibly central, distinctive, and enduring in character” (Jager, 2013, p. 1284). Identity is a particularly salient feature of social entrepreneurship as research on hundreds of social entrepreneur’s narratives demonstrates strong collective identities, suggesting that grassroots and community-focused organizations have the most power to affect change (Chandra, 2018, p. 321). Organizational identity influences both how members perceive and identify with the organization.

The challenge of balancing mission-related issues and the cost of operating an organization has previously been discussed in connection to nonprofits, where one of the primary concerns is mission drift. Mission drift refers to the slow transformation of social mission values to profit-driven values (Jager, 2013). Furthermore, the research suggests the prevalence of mission-market tension in the daily activities of non-profit organizations, including in the communication codes used in the workplace (Sanders, 2012; Sanders, 2013). This tension is heightened in hybrid organizations, such as the social businesses examined in this research, because of their dual focus on social and profitable goals. However, the heightened mission-market tension creates increased awareness of and dedication to finding a balance in hybrid organizations.

Jager (2013) suggests that social entrepreneurial, profitable organizations may most accurately be considered “Integrated Identity Organizations that systematically act at the interface of markets and civil societies” (p. 1285). This definition of hybrid organizational identity is essential as it organizes the theoretical concept of a totally unique kind of organization that goes beyond merely espousing two powerful, but separate identities by integrating fully the social and profitable identities inherent in the business’ structure. Thus, social businesses are hybrid organizations defined by their organizational identities, which integrate commercial
enterprising, profitable growth and investment, and a clear, organization-defining social mission. In order to maintain their unique space as a hybrid organization, social businesses must perpetuate a clear organizational identity to generate loyalty among members and attract others who can identify with the integrated mission of the organization. This dual focus seems to distinguish hybrid social businesses from comparable nonprofit organizations or organizations committed to CSR, each of which generally emphasize one major organizational mission and identity.

**Social Entrepreneurship Narratives**

Narratives are one of the most important avenues used by social impact organizations to communicate and negotiate their identity. In fact, Bublitz et al. (2016) contend that social entrepreneurial organizations depend on a metanarrative about what the organization is and why it exists, and then build connections to that story through the emotional client and employee stories generated through the organization’s work. Furthermore, socially-oriented organizations often garner high-impact stories both about their founding and beyond, which inspire participation in the organization through donations, volunteer work and time, or purchases (Bublitz et al., 2016). As these high-impact stories tend to characterize social impact organizations, I expect the narratives of hybrid social businesses to follow similar patterns. However, the dual nature of hybrid social businesses indicates that some differences in narrative may exist, making narrative research a useful method for describing the nuanced elements of these organizations.

Previous research has established wholly distinct motivations driving social entrepreneurship versus commercial ventures (Chandra, 2018). Additionally, Chandra’s (2018) analysis of social entrepreneurship narratives suggests that social entrepreneurial narratives also
differed in significant ways from traditional nonprofit framing. Thus, many social entrepreneurs may follow similar routes to founding their organizations as traditional business leaders, and/or, social workers and nonprofit founders, but there is little research analyzing the formation of hybrid social business ventures specifically (Chandra, 2018, p. 2505). To further validate the hybrid identity of social businesses through narrative research, Chandra (2018) found evidence of “hybrid logic,” among the social entrepreneurs’ stories, which demonstrate focus on a social mission and an emphasis on generating revenues to sustain the organization and its mission (p. 321). These pioneering examples use an individualistic approach to understand these unique organizations (Jager, 2013). The present research follows suit by analyzing primary narratives gathered from social entrepreneurs and social business leaders in this unique sector in order to compare their narratives to traditional business and nonprofit narratives.

The existing narrative research demonstrates elements of social entrepreneurs’ founding stories, which highlight key differences between these hybrid organizations and other, more traditional organizations. For example, social entrepreneurs are more likely to communicate commercial logic, or business knowledge, than nonprofit founders. Furthermore, when social entrepreneurs possessed prior work experience in the commercial sector, they were more likely to create hybrid organizations (Chandra and Shang, 2017, p. 2505). Conversely, social entrepreneurs often mentioned personal experiences seeing social problems and being attracted to social impact work for personal development and the influence of family and friends (Chandra and Shang, 2017). Furthermore, Chandra and Shang (2017) found that the entrepreneurs tended to have both business leadership skills and previous contact with, or a personal connection to, individuals who would be impacted by their social mission. The combination of these themes in social entrepreneurs’ narratives provides a foundation for the current study, which seeks to
complement existing research by reinforcing the themes previously found to be unique to social entrepreneurs in more specific, hybrid organizations versus the range of nonprofit work and commercial work included in social entrepreneurship and considering new themes arising in this rich, qualitative context. Thus, this research examines how the dual or integrated nature of hybrid social businesses presented through narrative differs from traditional nonprofit narratives and work in entrepreneurship. Further, the study examines unique themes pertaining to hybrid social businesses. The research questions emphasizes the unique qualities of hybrid social businesses:

RQ1: How do hybrid social businesses communicate about their organizations differently from both nonprofit organizations and CSR?

RQ2: How do hybrid social businesses manage the tension between competing revenue-generating and social missions?

Data and Research Method

In order to examine the narratives of hybrid social businesses, I collected rich data through personal interviews. An interpretive approach allows us to consider the varied experiences of a wide range of organizations. Further, such an approach allows themes to arise naturally from the participants’ experiences. The data includes 5 in-depth, semi-structured interviews lasting about 30 minutes each. Interviews were conducted during the fall of 2018. Four interview participants were founders or co-founders of their respective organizations; the fifth participant was a department leader in a larger organization who was included contingent on their familiarity with the company’s founding story. Four of the participants were male; one was female. Interview participants were selected through snowball sampling through contacts made locally and through university connections. Participant selection began with the personal contacts of the author. A sample of the interview questions asked participants about their involvement in
their organization, how the business had evolved with time, and what distinctions existed between their organizations and traditional nonprofits.

Interview transcriptions were coded and then analyzed for consistent themes. The analysis examined the interviews for relevant language and narrative structure based on the hybrid logic mentioned in the literature. The researcher did not superimpose themes, instead themes arose naturally from the data during analysis with an emphasis on patterns and repetition. For example, language discussing needing to balance financial goals and social goals was considered relevant as it mirrored the concept of mission-market tension in previous research.

Another grouping considered the personal benefits participants described from their work. That category then divided into subcategories describing the personal rewards participants received as a result of working in hybrid social businesses and the personal connections which initially drove them to their work. Thus, the analysis took shape through several rounds of extracting themes from the data (Wertz et al., 2011).

Analysis

The data produced a rich variety of themes. Among the most common themes were clear personal connections to each social mission and personal rewards stemming from continued work involved with the social business. These rewards were closely intertwined with participants’ sense of identity and their hopes for how others, especially family members, would perceive them. Such themes represented a similarity between those employed in hybrid social businesses and nonprofit employees or founders. However, participants were acutely aware of the mission-market tension their organizations faced when trying to balance a social mission and revenue-generation, which differed from nonprofit scholarship, which indicates that while nonprofit leaders may have some awareness of the tension, they tend to be more focused on their
social mission. Finally, a strong theme delineating business as a societal driving force shows how and why these social entrepreneurs and leaders see their work as distinct, powerful, and important in contrast to traditional social change efforts.

**Personal Motivation, Personal Rewards**

The most common theme in the data set was personally rewarding work. As evidenced by previous research, the participants in this study were often motivated to form their organizations, or enter their profession, because of a personal, motivating event (Chandra and Shang, 2017). Every participant discussed some of the key personal moments connecting themselves or the organization’s founders to a social mission. In most cases, the personal event involved specific individuals who the participants later imagined in order to increase motivation when confronting challenges. For example, one participant said when discussing business challenges:

> It was exciting though, because once again, it comes back to, instead of thinking about the people in general terms, I had faces in my mind of these different people that would be affected. But yeah, over the years it’s always been really busy...

A second example demonstrates the same principle. Further, the impact of having a single individual or small group in mind had power beyond the personal experience as it trickled down to other company leaders and employees.

> It's a pretty cool story; he had one kid that that like impacted his whole world on like...on how he saw humans and how he saw just poverty in the world. And so, [name removed] has a similar story just this one interaction with one person that was like hey, we need to do something to fix this for this one individual and that's kind of what drives them and what they do is they have this one person that's always like in the back of their mind...

The personal experiences, and individuals, that motivated business formation and inspired the participants to overcome challenges were complemented by the personal rewards participants received through their work. Thus, personal rewards represents a frame for
describing work in social business that applies both to motives for entering the field and for
continuing work.

Smith et al. (2006) discuss how personal rewards, such as strong work relationships and
opportunities for growth, are a prevalent frame among nonprofit employees. The present data
suggest a similar pattern among social business employees. Several participants described how
the social aspects of their work were most rewarding. One interviewee described their experience
seeing part of the social mission funded through their organization as “the highlight of [their]
career.” Others echoed the same sentiment, suggesting that their current position in their
respective social businesses was the most fulfilling of their career. Others described how
involvement in a social mission, or working to benefit others, was “the happiest [they’ve] ever
been.” One participant emphasized the importance of the social mission, and the feeling that one
is contributing to society, for work satisfaction saying:

I think it’s a little bit, kind of like, for lack of better terms, a drug, in some ways,
the social aspect of entrepreneurship, because yeah it’s great you can create a
product or a service that could possibly bring you money or bring in revenue for
you as an individual, but knowing that you could use your business to benefit
other people is something that’s really, really exciting to me.

Many participants echoed this sentiment, particularly in conjunction with future plans. A
few participants hoped or planned to start additional businesses and agreed they would like to
continue to incorporate social aspects into future ventures.

Personal rewards were also represented in the flexibility and culture of work
environments in social businesses, which most participants described as unique from traditional
work settings. A few interviewees described how espousing a social mission “attracts a certain
type of people,” with whom they enjoyed working. Furthermore, other participants described
their organization’s emphasis on people—both through client satisfaction and listening to and
supporting employees in their unique work—as a benefit in their organizations. One communication technique these companies practiced to remind employees of the rewarding sense of contributing to a greater cause was having “a bi-weekly meeting [where] one of the executives will get up and share an update or like some kind of impact report or something they’re doing to still like contribute to the mission.” Our participant described those meetings as a helpful way to stay motivated and personally connected to the work. These meetings served to connect employees to social mission objectives and build team unity.

Identity and Social Influence

Closely related to personal rewards, participants used their own identity and the influence of family and friends to describe their motivations to pursue these organizations. Nearly all of the participants described the personal reward of contributing to a greater social mission in terms of identity, such as describing their work as personally empowering because they were “not just selling [products] and giving discounts,” but truly “contributing to alleviating poverty.” These types of comments demonstrated how participants hoped to enact charitable identities through their work.

In connection with their identity, three participants described how working in such businesses bolstered how members of their social networks perceived them. Three participants specifically mentioned their family members, particularly their young children, as reasons for participating in this kind of organization. One participant described how their work was only possible because of their spouse’s support. Another shared how it gave them “an opportunity to teach [their] kids service.” A third participant said, “I’m hoping as my little boys grow up they see, not just the hard work ethic and really trying to create something and help out but trying to help them gain that awareness that I feel like I’ve had over the years.” Thus, participating in a
social business helped each of these individuals to form and demonstrate identities of work, service, and dedication that they hoped to share with their spouses and children. One participant summarized this aspect of working in social business saying:

That's something I'd love for my life is to have that impact on other people, when they think of me. It's not some jerk that's off blowing money but yeah, no, he really cares. He wants us to be taken care of.

While many individuals in a variety of professions strongly identify with their work, identity was an especially powerful motivational factor for these participants. This is important to social entrepreneurship, because a strong drive to create a charitable identity may persuade individuals to create hybrid organizations instead of more traditional, profit-focused endeavors.

**Mission-Market Tension**

The participants unanimously discussed the intense mission-market tension inherent in their organizations. Two of the participants described their initial challenge negotiating what percentage of their proceeds would be dedicated to their social mission. Others described the prevalence of the mission-market tension in their daily activities. One participant detailed a time when many of the company’s employees were feeling disillusioned by a proposed initiative, which they felt did not contribute to their social mission. The situation was eventually resolved when company leaders worked together and gathered feedback to re-balance the tension between maximizing profits and staying true to their organizational identity. Most participants were aware of this tension in their daily work and discussed the role of continuous, consistent communication among team members to balance their distinct organizational goals. One participant described their organization’s navigation of the tension as follows:

We try to have it as much in the conversation as we can throughout the team, trying to always have that as part of everything that we're doing, there's always this ultimate purpose ... Yes, we're a business. Yes, we function, we have to be profitable, but every little activity that we do here at the office, there is a greater
purpose, there’s a greater meaning. So it gives everybody a little extra vigor, a little extra hope. I think we can always do better at it. It is hard when you have a customer who says, hey, we’ve got this issue with this product, we’ve got to ship it back and you know it’s going to cost you $10,000 you know it’s really hard in those scenarios to be thinking of the social mission.

This example demonstrates both the challenges faced by these organizations to operate without external aid, like tax breaks, in a competitive commercial market, and to remain committed to a social mission.

Another participant described the challenge of marketing while trying to find a balance between mission and market goals. That participant had originally planned to foreground the product in their marketing initiatives, but received pushback from consumers who were more attracted to the social mission. Three of the participants voiced similar challenges dealing with external disagreements or criticism of their work. One company faced questions about their charitable margins. For example, one participant described interactions with customers saying: “we’ll share with them, how much we're giving and they'll be disgusted and say oh well, it should be 95% is going to [your social mission] and you guys should be keeping 10% or 5%, or whatever it is. It’s a little discouraging to have people say those types of things.” The questions showed misunderstanding of the business structure, by treating the organization as a nonprofit dedicated solely to giving. Further, such questions, or probing, about an organization’s social mission, are critical of social businesses, where they may not be critical of the same product coming from a company that does not espouse a social mission. Other participants had received increased scrutiny and even criticism for company practices from customers and other businesses. These critiques demonstrate how social businesses confront mission-market tension from external sources, along with internal discussions about how to balance profits and giving.

Business as a Societal Driving Force
While the participants in this study each had personal factors driving them to participate in a social mission, they also had prior business experience, expertise, and an entrepreneurial drive to participate in a profit-generating venture, rather than in social giving alone. All five of the participants described themselves, or their company’s founders, as having always had a drive to start a business. In fact, four of the five organizations were founded by individuals who had previously started other businesses; the fifth organization’s founder was in the process of building their second business. Two of the organizations had co-founders who had previously started other businesses together. In most cases, the founders had previously been successful in business and sold various organizations before creating a hybrid social business, an experience which one participant claimed was an important preceding factor to creating a successful social business.

Furthermore, most participants concurred that “businesses are a driving force for a lot of aspects of our society.” This finding provides insight as to why many of these participants worked in social businesses rather than seeking governmental, non-profit, or social work. This perception demonstrates how these leaders saw business as a more powerful tool for creating social change, and for fulfilling their personal goals, than nonprofit organizations. One participant justified this viewpoint by outlining how social businesses can have a greater impact because they operate with fewer limitations than nonprofits. They said:

We get to be very selective about how we're impactful. So we're able to choose exactly what we do with our money. Whereas when there's so many other players, either donors or the government or other rules that come into play, there seems to be a lot more restrictions on who you can help, how much you can help, why you can help them. Whereas, where we have our own, like structure, our own business, we get to say, “hey this is our money, this is what we're going to do with it,” which is kind of cool.
The participant went on to describe how this freedom to determine how the company would attend to their social mission was especially beneficial as policies change or as funding diminishes for certain charitable work, which inhibits nonprofit organizations. To contrast, the participant explained how their company could adapt to changing circumstances by shifting initiatives to other aspects of their mission, regardless of policy change.

Three of the five participants agreed that flexibility and innovation inherent in business allowed their organizations to have a greater impact than traditional groups. In particular, these three participants described how the innovations that inspired their products or services also contributed to their social mission. For example, one participant used materials from a community they were supporting through their social mission to create their products, which boosted the community’s economy. Other participants partnered with members of the communities their social mission supported to create products together, again offering increased economic and creative opportunity to those disadvantaged communities. Therefore, participants framed business skills, and the opportunities provided by business, as a more powerful way to create social change.

Discussion

The first two themes extracted from the data are closely connected in describing the individual impacts of work in a social business. The theme of personal rewards in this type of organization suggests the importance of communication for emphasizing personal connection. While one’s work generally represents a major factor of individual identity, social business work highlights unique personal connections and rewards, which demonstrate how such organizations differ from traditional business ventures. Most of the participants saw their work in hybrid social businesses as a way to both support their families and project a charitable identity, particularly as
an example for their children. The dual purpose of supporting one’s family financially and teaching lessons of service to children is a unique combination found in hybrid social businesses where other entrepreneurs tend to focus primarily on just one of these goals. More traditional business ventures often emphasize wealth and prestige as essential to the entrepreneur’s identity, rather than charitable giving. As the modern generation seeks employment, more and more workers are seeking roles that offer an opportunity to make a difference and pay the bills, providing an avenue for increased participation in hybrid organizations, which fulfill both goals.

The final two themes demonstrate some of the larger differences between members of hybrid social business and traditional nonprofit founders or others involved in social impact work. While many social impact organizations feel the strain of mission-market tension, the hybrid social businesses in this study were uniquely aware of the tension confronting their organizations. They each spoke of difficulties balancing the distinct missions of their work and clearly communicating an organizational identity that genuinely represented their financial goals and social mission. In addition to the mission-market tension, participants recognized the distinct influence their businesses could have. Some participants described the freedom to use business funds to fulfill their social mission without the restrictions often applied to nonprofit grants or other charitable funding. Further, their personal characteristics motivated greater dedication to entrepreneurial principles, which may represent a part of the reason the participants chose to be involved in hybrid social businesses versus nonprofit ventures. Thus, these organizations differ in significant ways from traditional businesses, yet they also differ from nonprofits. Further, they are conscientious in their efforts to communicate their differences, especially in emphasizing how they hold the tension in balance.
As a whole, the analyzed themes indicate notable differences between hybrid social businesses and nonprofit organizations and other social ventures. While many of the organizations included in this study remain in the start-up phase, the participants' passion and commitment to business growth and social impact demonstrate the possibility of major social impacts stemming from these groups. Thus, policymakers and investors should consider these dynamic organizations as a growing and powerful organizational form. One way policymakers have already supported these groups is by offering the possibility for organizations to register as Benefit Corporations. The majority of states in the US have provisions for receiving a Benefit Corporation designation, which helps organizations to communicate their dual purpose and creates accountability with shareholders in financial terms and social mission terms (Benefit Corporation). Unfortunately, the designation is not widely recognized and, consequently, social businesses do not always seek to become certified Benefit Corporations.

While these policies alleviate some of the communication burden of hybrid social businesses, the lack of recognition of the benefit corporation designation shows that to date, most hybrid social businesses bear the complete burden of communicating their dual purposes. Future work may consider additional ways of clearly communicating identity and purpose in hybrid organizations. Future research would also benefit from a more diverse sample of organizations, particularly, by including larger and more established businesses from a variety of geographical areas. As this hybrid organizational structure seems to be gaining traction among social entrepreneurs, another avenue for research would be understanding the processes used by such groups as they grow and adapt to changing commercial demands.

While the themes suggested in this project offer a basis for understanding how social business founders and leaders communicate their unique position, it is not a large enough sample
to offer conclusive results. Further, the organizations included in this study were generally very small and still in the start-up stage. The organizations were also grouped geographically in the same western U.S. state. These limitations created greater variation in the data, as one of the participants had widely different views than the four other participants. For example, one participant adamantly claimed that attaching a social mission to a business did not attract customers, while other participants claimed that the social mission increased customer interest and loyalty. A larger sample would clarify this discrepancy and others.

While many of the participants of this study endorsed traditional themes used by social entrepreneurs, including personal rewards and identity and the mission-market tension inherent in social endeavors, they also championed new themes. The most striking difference between leaders of these hybrid organizations and nonprofit founders was these leaders’ dedication to business means as a catalyst for social change. Participants saw their work as sustainable, flexible, and innovative, as business skills combined with a social cause to create lasting change. As new employees enter the workforce, hybrid social businesses are attracting significant interest. This study suggests the power of such organizations for creating social change and offers groundwork for future research examining the communication processes of these unique organizations.
Reflection

Word Count: 1013

From the initial formation of my capstone proposal, I stretched beyond all the other requirements of my undergraduate education. To that point, I had spent three years exploring a wide range of classes and topics, and I found I was interested in a variety of ideas. As I entered the capstone experience, I did not realize how the process would require nearly all of the skills I had learned in my courses, and the development of new skills. Thus, while I originally expected my project to represent a capstone experience to my undergraduate education because of its subject matter, I learned that it truly represented a culminating experience because of the process.

Upon beginning my project, I chose to study social businesses because I wanted to see how the communication concepts I had learned in class would apply to a professional setting. The motivation for undertaking such a project was, at least in part, selfish, as I considered whether I might pursue this line of work. Throughout my undergraduate career, I focused on studying relationships and how people make a difference, so in one sense, this project did offer somewhat of an overarching answer to questions I had about those themes. In addition to representing a capstone experience, this project has also been a springboard as I have considered the organizations and types of work I want to be involved in after graduation.

Overall, I experienced immense personal and professional growth throughout the process of creating this project. That growth began as early as selecting a mentor and committee. I chose to work with Dr. Matt Sanders, and was grateful for his willingness to be involved, because it was in his class that I was first exposed to social businesses. Building a professional relationship with Dr. Sanders has been one of the most rewarding aspects of the capstone project. Initially, I was nervous to approach a professor with the proposal of extra work, but Dr. Sanders has been a
great support throughout the process. By learning to select and consistently communicate and work with a mentor, I have gained an appreciation for the importance of mentorship in professional development and have benefitted from Dr. Sanders’ knowledge, guidance, and experience. Working with Dr. Sanders over the course of the past year has offered an excellent, professional counterbalance for managing the load of completing such a large, independent project. Further, the relationship we have developed has provided me with an avenue for addressing other professional and research-related questions.

While I have had the opportunity to do several kinds of research within my major, this project was one of the only times I have had the chance to study communication in organizations in depth. Dr. Sanders’ expertise provided an excellent foundation for the work, but I also found that my independent review of the literature offered insights beyond what I gained in class. Taking an in-depth look at organizational communication was exciting for me, as I realized the institutional power of concepts that I had already seen applied in my daily life and relationships. In addition, this project required me to consider how basic communication topics like identity and narrative structures impact more complex areas of research like motivation and an entrepreneurial mindset. This specific research question and project required deeper, and more sustained, critical thought than typical coursework or even application assignments.

Beyond expanding my knowledge of research, concepts, and methods within my major, this project required me to take an interdisciplinary approach in an area with which I was completely unfamiliar. In addition to working with Dr. Sanders, I reached out to an entrepreneurship professor, Dr. Dan Holland, because I found that he taught a class about social entrepreneurship. Having never met Dr. Holland or taken any business classes, my own perspective about social businesses lacked an important component that Dr. Holland was able to
offer. Having an interdisciplinary committee, and perspective, allowed me to have more fruitful contacts when recruiting research participants and a more robust understanding of the differences between social businesses and more traditional organizational structures.

Learning to take an interdisciplinary perspective improved my ability to assess research through a critical lens. An additional area of significant growth came from learning to assess research in regards to its actual implications in a non-academic context. Part of that growth came from identifying, networking, and contacting potential research participants. My mentor and committee members helped me find initial contacts, and then I networked to find other social business leaders to interview. Throughout the networking process, I realized how applicable my research was to the daily lives of my participants. I also learned by talking to the participants that research offers essential knowledge that has power to impact society at large. In particular, my capstone helped me to connect my academic experience to my community, as several of my participants were local members of social impact organizations. Doing this research helped me see how much good these organizations have already been doing in a local context, and it allowed me to have conversations about how to support such beneficial organizations. In particular, I was able to speak with legislators at Utah’s Research on Capitol Hill event, where I presented my project, which allowed me to see how this research could impact both business and policy. Finding these connections to the world outside of the university showed me how research can really make a difference in our community.

Overall, my capstone experience helped me to grow personal and professional networking, writing, and project management skills. Most importantly, I discovered how my academic contributions can impact the world and people around me. I have benefited greatly from having a close mentor relationship and working together with him to manage a large
project. In the future, I hope to carry these skills forward in order to participate in other projects, both in research and professional initiatives, to make them both effective and impactful. I have gained confidence in my own skills as a researcher, critical thinker, and team member, which are invaluable in every sphere of life.
References


Author Bio

Cassidy Gummersall Hansen is graduating with Honors in May of 2019 in Communication Studies with minors in Sociology, English, and Human Development and Family Studies. She has enjoyed applying what she has learned in class through research projects on a variety of subjects including social entrepreneurship, nonverbal communication, nonprofit organizations and public perceptions of hydraulic fracturing. She has also had meaningful experiences as an intern for Sink Hollow Literary Magazine, as a writing tutor on campus, and through regular volunteering in the community. Some of Cassidy’s most meaningful experiences at Utah State have been conversations with engaged professors and mentors who have inspired her to try new things and truly become a learner. Cassidy is excited to spend some time applying the communication concepts she has learned during her time at USU to build interpersonal relationships, manage conflict, and find creative solutions to complex problems in a professional setting. She hopes to find a meaningful career in an organization with a strong social mission. Cassidy is proud to have taken the USU Honors program ‘dare to know’ and taken advantage of the opportunities offered at Utah State University and grateful to her husband, Matt, and her parents for their support.