Master Thesis:

Social Entrepreneurship: Multidimensional model in Colombia and Germany

Submitted by:

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Abstract

Title: Social Entrepreneurship: Multidimensional model in Colombia and Germany

Keywords: Social entrepreneurship, Value creation, Social impact, Innovativeness, Sustainability, Proactiveness, Networking, Opportunity recognition.

Introduction: Multidimensional approach in social entrepreneurship is a rather new method in theoretical entrepreneurship research compared to other categories. Compared to business entrepreneurs who are “for” the economy, social entrepreneurs are “for” social change. This thesis will explore the different approaches that German and Colombian social entrepreneurship gives to their ventures in the different dimensions of the model: Innovativeness, Sustainability, Proactiveness, Social value creation, Networking.

Purpose: The purpose of this thesis is to further research in the multidimensionality of social entrepreneurship and to provide a point of view that hasn’t be done before, exploring the concept in two completely different countries. This analysis aims to find evidence in the interviewees that explain the relevance of the selected dimensions in their social entrepreneurship.

Methodology: To carry out this study, the research will be done through an interview process to understand the interviewees' approach in their respective social entrepreneurship. The interviews will be done through a semi-structured approach, and after the data collected will be analyzed for patterns to answer the research questions of this study.
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List of Abbreviations

CEO  Chief Executive Officer

e.g.  Exempli Gratia

EP  Empirical Paper

etc.  etcetera

LR  Literature Review

NGO  Non-Governmental Organization

P#  Proposition #

Q#  Question #

SE  Social Entrepreneurship

     United Nations Development

UNDP  Programme

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1. Introduction

1.1 Problem Statement

Since few decades ago, social entrepreneurship has become an emerging phenomenon in the private, public and nonprofit sectors; and interest from scholars and researchers has been increasing through the years. The innovative solutions provided by these entrepreneurs has generated impact in different problems of society: extreme poverty, health problems, lack of education, environmental sustainability, unemployment, etc. and it has emerged as an aid to solving social problems in various nations (Robinson et al., 2013). According to Zahra et al. (2009) “Social entrepreneurship means different things to different people, creating confusion in the literature.” Despite this, a clear definition has to be structured from the available literature, but giving room to go beyond boundaries of solving social problems.

Although social entrepreneurship is often viewed as a business with a social purpose that earns income for the nonprofit sector, Dees (2003) stated that social entrepreneurship is the one that emphasized innovation and impact, not income, in dealing with social problems. The same author argued these two ways of thinking intersect when people with business-like methods come up with innovative solutions to social problems. For that reason, compared to business entrepreneurs who are "for" the economy, social entrepreneurs are “for” social change (Jiao, 2011) and the aim of this thesis is to advance in the conceptualization of the social entrepreneurship construct based on definitions provided by these authors with a qualitative research method consisting of in-depth analysis of different social entrepreneurship based in Colombia and in Germany through a multidimensional model composed by innovativeness, proactiveness, sustainability, social mission and networking, since there is a lack of previous studies with this approach to social entrepreneurship by doing cross-national models.
1.2 Purpose of the research

The main goal of this study is to investigate the factors influencing social entrepreneurship in Colombia and Germany. It will be done a cross-national exploratory (not comparative) analysis in social entrepreneurship both in Colombia and Germany to contribute to the literature of this academic field which is lacking in studies regarding multidimensional models of social entrepreneurship in two countries starting from the entrepreneurial opportunities recognition process. Current investigations direct to establish a definition and a conceptual model of social entrepreneurship from the mere theoretical point of view, however few of them have a qualitative approach to this field. The multidimensional models available in the social entrepreneurship literature does not provide networking as a relevant dimension of social entrepreneurship, since they are more focused on the innovativeness, sustainability and environmental dynamics of particular cases. The contribution of this research will be the creation of a model with a new combination of dimensions, joint with a jump to the field through semi-structured interviews to decision-makers of social entrepreneurship in both countries.

2. Theoretical Background

2.1 Entrepreneurship and Opportunity Recognition

To explore social entrepreneurship as a multidimensional phenomenon, it is required to establish a base from which entrepreneurs begin and to provide a sufficient definition of entrepreneurship with the factors that compose it according previous theories in the academic research. Even though most researchers have defined entrepreneurship solely in terms of who the entrepreneur is and what he or she does, the concept has to take into consideration that entrepreneurship involves the nexus of two phenomena: The presence of lucrative opportunities and the presence of enterprising individuals (Venkataraman, 1997).
Defining an entrepreneur as someone who creates a new organization is an example of what many academics have done in previous research. However, this definition is not convenient because studying entrepreneurship based on the individual neither considers the context in which is he/she in, nor the differences in the quality of opportunities that different people possess and leads academics to disregard the extent of these opportunities (Shane & Venkataraman, 2000).

The literature developed both by Casson (1982) and Shane & Venkataraman (2000), defines the field of entrepreneurship as an academic examination of how, by whom, and with what effects the opportunities to create entrepreneurial scenarios are discovered and developed. So, at this point is valid to ask where does the social aspect fits within this entrepreneurship conceptual framework? This question will ease to bring a discussion that concludes in a valid definition of SE and its relation with the chosen dimensions of the model.

In principle, to analyze both social entrepreneurship and traditional for-profit entrepreneurship, it is possible to start from the same basis proposed by Shane & Venkataraman (2000) and is that, for the presence of entrepreneurship it is necessary the previous existence of entrepreneurial opportunities as situations in which different organizational methods transfer new goods and services to introduce them to the market with higher prices than production costs.

Previous research explained that for the existence of entrepreneurial opportunities it is necessary the previous existence of what Shane & Venkataraman (2000) calls "difference of beliefs" about the relative value of resources and their transformation to a new good or service. On account of people have different beliefs and perception around them, because of superior intuition or just because of the accessibility to private information, (Shane & Venkataraman, 2000) we can affirm different individuals are able to make different conjectures about the monetary benefit and/or the social impact that they want to generate with a new idea. Thus, as Casson (1982) explains that the discovery of these opportunities occurs when someone makes a conjecture that establishes a set of resources is not used in the best way because they are below the price, given a belief that the price of this combination
of resources could be sold at another location, at another time or in another way. If the conjecture is correct and carried out properly, the individual will obtain the economic benefit. Casson’s (1982) concept can be applied in the same way for social ventures, if the existence of a need that seeks to be supplied but it does not, it can be exploited in a way that generates not only economic benefit but also positive externalities in society (Santos 2012).

Once established the difference of beliefs as a precondition of entrepreneurial opportunities, the second step that makes an entrepreneurship feasible is the discovery of entrepreneurial opportunities. There are different factors to answer why are some people finding unique entrepreneurship opportunities and not others? The literature gathered by Shane & Venkataraman (2000) suggests that the reason lies in two categories that influence the discovery of new opportunities. The first one is called information corridors, and it explains that each individual has different sets of information that allows recognizing different entrepreneurial opportunities. To do so is required that an entrepreneur possess previous information that is used to generate an entrepreneurial conjecture once the former is complemented with new information. (Kaish & Gilad, 1987).

The second is cognitive properties and describes the phenomena in which individuals need to be able to define fresh mean-end interactions produced by a shift to find possibilities for entrepreneurship. The earlier study shown that the capacity of individuals to recognize such interactions differs. For instance, successful entrepreneurs see opportunities in circumstances where other individuals tend to see risks, whereas other scholars discovered that entrepreneurs are more likely to find opportunities than other individuals because they are less likely to participate in counterfeit thinking (Sarasvathy, Simon and Lave 1998).

After the existence and the discovery of entrepreneurial opportunities (Shane & Venkataraman, 1997) explained the decision to exploit them as a function of a joint characteristic of the opportunity and the nature of the individual. The first explains that the characteristics of opportunities influence people's propensity to exploit them and that they have different expected values. The exploitation of an entrepreneurial opportunity requires
that the entrepreneur believes that the expected value of the benefit is large enough to offset the opportunity cost of other alternatives.

On the other hand, individual differences explain that not all entrepreneurs will exploit opportunities in the same way. The decision to exploit an opportunity includes evaluating the value of the opportunity against the cost of generating that value. On the one hand, Evans and Leighton (1989) demonstrated that the exploitation of opportunities is more common when they have more financial capital, while Cooper, Woo and Dunkelber (1989) found that people are more willing to exploit opportunities if they have developed useful information of his previous jobs. Likewise, Aldrich and Zimmer (1986) explained that strong relationships with resource providers facilitate the acquisition of resources and encourages the exploitation of an individual opportunity. Finally, studies on the nature of opportunities has shown that when opportunities are more uncertain, entrepreneurship is more likely to take the form of new startups (Casson, 1982).

2.2 Social Entrepreneurship, Opportunity Recognition and Social Value Capture/Creation

A relevant amount of literature has been published about the differences between traditional and social entrepreneurs. Despite this Dees (2001) argued that the concept of an entrepreneur should not be restricted to the creation and development of new business aspiring to make a financial profit, but must be taken as an individual who directs his or her actions to have as a result the creation of value. In fact, the specific kind of entrepreneurs that is object of this study, prioritize social value over economic value by way of considering the latter as a means to obtain the former (Santos 2012) considering, as well, opportunity recognition as fundamental stage of the entrepreneurial process, that is widely accepted in previous literature, since Schumpeter (1934) provided the first description of entrepreneurs as individuals who discover opportunities that are not perceived by others.

Social entrepreneurs differ mainly from the traditional ones in their purpose: social mission as primary objective and profit as secondary. Similarly, Austin, Stevenson & Wei-Skillern (2006) argued that social entrepreneurs also can discover and exploit entrepreneurial opportunities but differing with Shane & Venkataram´s (2000) scope of opportunity
recognition. This because social entrepreneurs perceive as an opportunity what could be a problem for the traditional entrepreneur (Austin, et al., 2006). The main differences between the two categories of entrepreneurs are attached to the type of need in which they focus: while the traditional entrepreneur is based on discoveries and supplying of new needs, the social entrepreneur is focused on covering basic and long-standing needs. Finally, commercial entrepreneurship directs their attention to opportunities with big, attractive and growing market size while for social entrepreneurs a specific social need or market failure is enough size for an ideal market. (Austin, et al., 2006).

The difference in the approach of value for social entrepreneurs and for-profit ones is based that the formers focus on value creation and the traditional entrepreneurs seek for value capture models. The creation of the value of activity occurs when the aggregate utility of the members of a community increases after accounting of the opportunity cost of all the resources used for that activity. (Santos 2012), while capturing the value of activity occurs when the principal actor can appropriate a portion of the value created by activity after accounting for the costs of the resources that the entrepreneur used (Mizik and Jacobson, 2003). So, even if the former is a precondition for the latter, they are not perfectly correlated because in several cases the value could be hardly captured due to the client's inability to pay, even if they are willing to do so (Seelos and Mair 2005). An interesting example of this is provided by Santos (2012) and is that curing the blindness of low-income populations through cataract surgery creates substantial value for society but the client is unable to pay for the procedure. This research follows the argument in which perceived activities with high potential for value creation but with low potential for value capture are the natural domain in which economic actors act skewed by value creation, such as the social entrepreneurs (Santos 2012).

2.3 Social Entrepreneurship: From Multidimensional Model Perspective

Opportunity recognition is the first step that allows both commercial and social entrepreneurship to exist. However, a literature review regarding social entrepreneurship models shows that social entrepreneurship can be conceptualized as a multi-dimensional construct. A construct is referred to as multidimensional when it consists of several
interrelated attributes and dimensions in multidimensional domains (Law, Wong & Mobley, 1998). The authors made a taxonomy of multidimensional constructs, by classifying multidimensional models in three types. The one that adjusts the most to our model is "Latent Model" in which the constructs exist at higher level than their dimensions and this is due to this study explains social entrepreneurship as a construction to strives to achieve social value creation through a combination of the dimensions explained below, since they are simply different forms manifested by the latent multidimensional construct (Law, Wong & Mobley, 1998).

2.3.1 Innovativeness.

As explained above, the recognition of opportunities is the core of entrepreneurship and as Perrini (2006) stated, the exploitation of opportunities represents the starting point of organizations to innovate within the social sector, whose importance is crucial in the entrepreneurial process because innovation in business is the main reason why they are able to survive and grow (Schumpeter, 1934).

McLeod (1997) affirmed that social entrepreneurs are not limited by the initial shortage of resources, but that they search for more sources of innovation. However, social entrepreneurs also represent a breaking point in the entrepreneurial landscape, because they have specific skills and qualities, but above all a founding orientation. Also, the desire to change the society and the status quo discomfort are the primary incentives for Social entrepreneurs to innovate (Prabhu, 1999). This makes them more susceptible to entrepreneurial opportunities that solving social issues and unsatisfied social requirements (Mair and Noboa, 2004): they create value by constructing resource portfolios to tackle unmet social needs.

Social entrepreneurs also differ from their counterparts on a non-profit basis. As McLeod (1997) pointed out, social innovators show a firm focus on outcomes and market-based aptitude, reversing the traditional non-profit accountability flow from funding organizations' predominance to accountability to the overall stakeholder base. Also, social entrepreneurs
show less fear of failure and often give up cause-marketing tactics to embrace a quality-oriented business process.

Summarizing, social entrepreneur incentive changes in the community and they are pioneers of innovation in the social sector across the quality of a breaking concept, their ability to build capacity, and their ability to prove concretely the value of the concept and assess social effects (Perrini, 2006).

2.3.2 Networking: weak and strong ties.

The next dimension that is analyzed in this multidimensional model is the social networks within the social entrepreneurship that are considered in a similar way than traditional for-profit entrepreneurship since it's a natural aspect of human behavior. As argued by Hills et al. (2005), entrepreneurs' connections play an important role in the recognition of the opportunity. His work is based on the classic study of Granovetter (1973) in the strength of weak-ties. In the literature, weak ties are defined as occasional acquaintances while strong ties refer to friends and family (Granovetter, 1973). Whereas strong ties convey financial and emotional support, it is commonly claimed that they do not possess the skills and experience, therefore they cannot provide specific information (Putnam, 1995). Consequently, it is inferred that strong-tie networks are less efficient than weak ties that act as a bridge to sources of information (Singh et al., 1999). Also, since most people have a greater number of weak ties than strong ties, Granovetter (1973) suggests that the only information is more likely to be obtained from acquaintances than from close friends.

2.3.3 Sustainability: sustainable advantages vs. sustainable solutions.

Organizations guided by the capture of value usually focus on pursuing opportunities for economic benefit, promoting situations in which their capacity to capture value is maintained and increased over time. Nickerson et al. (2007) argues that firms seek to achieve a competitive advantage over their rivals. For this reason, for-profit entrepreneurs seek to establish a position in the market that gives them a sustainable competitive advantage, rather
than innovate and create value, since their objective is not to spread the created value. For this reason, for-profit entrepreneurs seek to rather than innovate and create value, establish a position in the market that gives them a sustainable competitive advantage; since their objective is not to spread the created value (Santos and Eisenhardt 2009).

On the other hand, social entrepreneurs are focused on correcting market failures and government failures, achieving sustainable solutions instead of sustainable advantages, given that the former seeks a permanent correction of the root of the problem or to institutionalize a system that continuously solves the problem (Santos 2012).

2.3.4 Proactiveness

Osaze (2003) describes proactivity as identifying your objectives and future, and as scheduled to arrive there. Proactivity is a state of mind and the will to maintain a vision, fulfill a task, achieve a difficult goal and achieve a defining goal, mainly driven by one's consciousness. Entrepreneurial proactivity can also be viewed as the company's alertness. Alvearez and Barney (2002) argue that entrepreneurial proactivity is the company's capacity to predict where goods and services do not exist or become unsuspectingly important to clients and where fresh manufacturing processes are unknown to others Kirzner (1997).

In the meantime, Alvarez and Barney (2001) affirmed that entrepreneurial proactivity is the firm's ability to predict where there is a shortage of goods and services or where it has gained unexpected value for customers, while Kirzner (1997) supported this definition when he states that proactivity is assumed when companies have different perspectives of the value of resources that other companies do not possess. Proactivity is in turn, also related to the recognition of the opportunity as Arowomole (2003) stated, entrepreneurial proactivity depends on the level of attraction to an opportunity and the firm's ability to seize it once it is perceived.

2.3.5 Social value creation
Baumol (1990) confirmed the importance of considering a wide range of entrepreneurial activity, since an enterprise can be, in addition to being productive, unproductive and destructive. It is important to note that in developing countries, lucrative opportunities can surpass institutions, seeking to capture the highest income possible, through rent-seeking. (Murphy 1993). According to Austin et al. (2012), productive entrepreneurship generates social value, along with profit. He specifically states that whenever resources are changed from destructive entrepreneurship to productive entrepreneurship, social value is created.

Austin et al. (2006) stated that the double final result of social entrepreneurship is not possible and that all productive enterprises can create wealth and social value. The element of social value is not always clear, though. Also, if the production of social value is present in all successful activities, in these terms it should be This approach is also consistent with the social innovation literature where social entrepreneurs innovate and create economic and social value, as was explained in previous paragraphs (Dees 2001; Ashoka 2010).

3. Review of Literature

Table 1

<table>
<thead>
<tr>
<th>Type</th>
<th>(Year) Title</th>
<th>Authors</th>
<th>Contribution to SE framework</th>
<th>Key results</th>
</tr>
</thead>
<tbody>
<tr>
<td>LR</td>
<td>(1997) The distinctive domain of entrepreneurship research.</td>
<td>Scott Shane &amp; S. Venkataraman.</td>
<td>It provides theoretical based in for-profit entrepreneurship to have a solid definition of entrepreneurship is a nexus of two phenomena: the presence of lucrative opportunities and presence of</td>
<td></td>
</tr>
<tr>
<td>LR</td>
<td>(2000) The Promise of Entrepreneurship as a Field of Research.</td>
<td>Scott Shane &amp; S. Venkataraman.</td>
<td>It provides a solid theoretical based of opportunities recognition that is going to be followed in this research</td>
<td>Entrepreneurship is a phenomenon that requires the existence, discovery, and exploitation of opportunities.</td>
</tr>
<tr>
<td>LR</td>
<td>(2003) Social Entrepreneurship: Towards conceptualization and measurement</td>
<td>Gillian Maree Sullivan, Jay Weerawardena; Kashonia Carnegie</td>
<td>By providing theory behind multidimensional models in social entrepreneurship.</td>
<td>SE is a construct of (1) driven by social mission (2) show a balanced judgment (3) explore and recognize opportunities to create better social value for clients (4) innovative, proactive and risk-taking.</td>
</tr>
<tr>
<td>LR</td>
<td>(2003) Social Entrepreneurship: Towards conceptualization and measurement.</td>
<td>Kashonia Carnegie, Jay Weerawardena &amp; Gillian Sullivan Mort</td>
<td>Because it gives theoretical background in the definition of SE used in the multidimensional model by Weerawardena.</td>
<td>SE is (1) driven by social mission (2) show a balanced judgment (3) explore and recognize opportunities to create better</td>
</tr>
<tr>
<td>EP</td>
<td>(2006) Applying sustainability indicators to the social enterprise business model: The development and application of an indicator set for Newport Wastesavers, Wales.</td>
<td>Darby &amp; Jenkins</td>
<td>Because it analyzes from a case study, the process of developing indicators to measure sustainability.</td>
<td>No method of social account has been universally accepted in the UK. More coordination required in Ses</td>
</tr>
<tr>
<td>EP</td>
<td>(2006) Gauging the success of social ventures initiated by individual social entrepreneurs.</td>
<td>Sharir M. &amp; Lerner M.</td>
<td>Because it studies social networks that if one of the dimensions to use in this research.</td>
<td>Social entrepreneurs are driven by a combination of motives rather than a single one. Social entrepreneurs lack infrastructure in providing start-up capital.</td>
</tr>
<tr>
<td>EP</td>
<td>(2006) Investigating social entrepreneurship: A multidimensional model.</td>
<td>Jay Weerawardena, Gillian Sullivan Mort</td>
<td>By providing a multidimensional model in Australia that is in which is based this research.</td>
<td>Social value creation is a function of (1) Proactivenes (2) Innovativenes (3) Risk management</td>
</tr>
<tr>
<td>EP</td>
<td>(2006) Municipal support for social entrepreneurship</td>
<td>Korosec &amp; Berman</td>
<td>Because it studies the government support to the social entrepreneurship.</td>
<td>Nearly three-quarters of cities provide active or moderate support, which is positively associated with the perceived effectiveness of nonprofit organizations in their common.</td>
</tr>
<tr>
<td>EP</td>
<td>(2010) Social Bricolage: Theorizing Social Value Creation in Social Enterprises</td>
<td>Helen Haugh &amp; Maria Laura Di Domenico</td>
<td>Because it analyzes traces bricolage's conceptual underpinnings from various disciplines, identifying its key constructs as making do, a refusal to be constrained by limitations, and improvisation. It shows, also, the relevance of 3 constructs</td>
<td>Social entrepreneurship is a construct associated to social value creation, stakeholder participation and persuasion.</td>
</tr>
<tr>
<td>EP</td>
<td>(2010) The Influence of Personality Traits and Demographic Factors on Social Entrepreneurship Start Up Intentions</td>
<td>Joyce Koe Hwee, Gomathi Shamuganathan</td>
<td>It shows that the agreeableness positively influences all dimensions of social entrepreneurship, whereas openness exerts a positive influence on social vision, innovation and financial returns.</td>
<td>It shows that the agreeableness positively influences all dimensions of social entrepreneurship, whereas openness exerts a positive influence on social vision, innovation and financial returns.</td>
</tr>
<tr>
<td>EP</td>
<td>(2010) The social value of productive entrepreneurship</td>
<td>Zoltan J. Acs &amp; Mari C. Boardman</td>
<td>Because the papers engages the concept of social entrepreneurship, from a point of view of social impact and social value creation</td>
<td>Social entrepreneurship and philanthropy are arguably fundamentally different in that they are, as ideal types, completely voluntary.</td>
</tr>
<tr>
<td>EP</td>
<td>(2011) The criteria for a solid impact evaluation in social entrepreneurship</td>
<td>Tuuli Päärenson</td>
<td>Because it provides an impact evaluation in social entrepreneurship, facing the</td>
<td>There are clear differences in the impact of 2 organizations that operates in the same field</td>
</tr>
<tr>
<td>Source</td>
<td>Title</td>
<td>Author</td>
<td>Description</td>
<td>Reference</td>
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</tr>
<tr>
<td>LR</td>
<td>(2012) A positive theory of social entrepreneurship</td>
<td>Filipe M. Santos</td>
<td>It provides theory background to the social entrepreneurship phenomenon defining it as “the pursuit of sustainable solutions to neglected problems with positive externalities” The definition of Social entrepreneurship provided by him is one of the main definitions used in this research</td>
<td>LR (2012)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Few among the companies did perform to expectation considering their innovativeness, alertness and calculated risk approaches.</td>
<td></td>
</tr>
<tr>
<td>Journal</td>
<td>Year</td>
<td>Title</td>
<td>Author(s)</td>
<td>Description</td>
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<td>----------------------------------------------------------------------</td>
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<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>EP</td>
<td>2013</td>
<td>Exploring the Motivation of Nascent Social entrepreneurs.</td>
<td>Germak, A. J., &amp; Robinson, J. A.</td>
<td>Because it studies the social entrepreneurship from a qualitative approach. It looks for interview nascent social entrepreneurs.</td>
</tr>
<tr>
<td>EP</td>
<td>2014</td>
<td>The Proactive Personality Scale as a Predictor of Entrepreneurial Intentions</td>
<td>J. Michael Crant</td>
<td>It provides theory for the proactiveness’ dimension of the model</td>
</tr>
<tr>
<td>LR</td>
<td>2018</td>
<td>Multidimensionality of Social entrepreneurship: Evidence from the past</td>
<td>Rayees Faroq</td>
<td>It provides a multidimensional model based on human capital, social capital, social mission and innovation.</td>
</tr>
<tr>
<td>EP</td>
<td>2018</td>
<td>Social Entrepreneurial Intention: An Empirical Study in Vietnam</td>
<td>Thi Phuong</td>
<td>Because it shows the triggers to start social entrepreneurship in Vietnam</td>
</tr>
</tbody>
</table>
Research Questions

As it was explained above, the aim of this project is to create new literature that takes into consideration the opportunity recognition process before the social entrepreneurial activity begins and once the SE is established, how the dimensions of networking, sustainability, proactiveness, innovativeness and social value creation affect these ventures. In the following table are the research questions that this thesis is focused on.

Table 2

<table>
<thead>
<tr>
<th>Question</th>
<th>Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1: How was the process of opportunity recognition, discovery and exploitation before the SE were established in Colombia and Germany?</td>
<td>There are entrepreneurial opportunities in the market that allow the existence of these SE.</td>
</tr>
<tr>
<td>Q2: How does networking affect SE in Colombia and Germany?</td>
<td>Networking is a constraining factor in the success of SE.</td>
</tr>
<tr>
<td>Q3: How does sustainability influence social value creation in SE in Colombia and Germany?</td>
<td>Finding sustainable solutions is one of the key factors to create value in Colombian and German SE.</td>
</tr>
<tr>
<td>Q4: How does proactiveness influence SE in Colombia and Germany?</td>
<td>Different levels of proactiveness lead to bigger impact and social value creation.</td>
</tr>
<tr>
<td>Q5: How is the tradeoff between social value creation and social value capturing managed in SE in Colombia and Germany?</td>
<td>SE rather creates value than captures it.</td>
</tr>
</tbody>
</table>
Q6: How relevant is innovativeness in the SE’s activity?
P6: Innovativeness is a sufficient but not necessary condition in the social entrepreneurial activity.

4. Methodology
Following to the theory in which is based this multidimensional model, the aim is to analyze 6 dimensions of social entrepreneurship selected from the literature review (Innovativeness, Proactiveness, Risk Management, Sustainability, Social Mission and Networking) taking an equal number of entrepreneurship both in Colombia and in Germany. Thus, a qualitative research will be carried out by developing a semi-structured interview with a set of broad questions to capture socially entrepreneurial behavior in an organization setting.

However, a working definition of social entrepreneurship is needed to operationalize this methodology. One of the most commonly used definitions is the one provided by Dees (2001) that social entrepreneurs:

plays the role of change agents in the social sector by adopting a mission of

1) Adopting a mission to create and sustain social value (not just private value).
2) Recognizing and relentlessly pursuing new opportunities to serve that mission.
3) Engaging in a process of continuous innovation, adaptation and learning
4) Acting boldly without being limited by resources currently in hand. (p. 4)

Because of the impossibility to prove the recognition of the items due to idealized definition of the elements 2), 3) and 4), the social entrepreneurship will be selected under the definition of Santos (2012) as the kind of entrepreneurship that seeks the value creation over value capture.

4.1 Sample and procedure:
To find out how entrepreneurship in both countries develop the mentioned dimensions, semi-structured interviews will be held with key decision makers in each organization. A broad
focus questions will be open-ended with prompts used to expand discussion and to further
elicit the views of the participant (Weerawardena, 2006).

The target group chosen for this research are decision makers of the social entrepreneurships
in both countries. In Colombia, they will be contacted through the Community Manager from
Recon Colombia: a NGO supported by the Swedish government and United Nations
Development Program that is in charge of tracking SE and social innovation that are
generating effective solutions to social problems in Colombia. The first selecting criteria was
made in the IV version of the RECON call; more than 1,700 social enterprises from all
regions of the country participated in six categories (Education, Culture of Peace and Human
Rights, Environment, Orange Economy, Agrarian Development and Gender Equality) of
which the best 72 were shortlisted, six per category, and after a public voting process 18
finalists were defined. From that 18 SE list, a sample between 4 and 6 entrepreneurs will be
selected to proceed with the semi structured interviews via Skype.

To interview the German social entrepreneurs, the phone app Brella gives the opportunity to
book one-to-one meetings with the entrepreneurs who were attending to the Social
Innovation Summit #SIS19 in Stuttgart. With a code provided by one of the organizers, it
will be possible to contact founders, managers and CEOs that attended to the summit in order
to get the interviews. The list will be shorted to the same six categories with similar criteria
than Colombian case, selecting at the end a sample of the same size

The questions of the interview will be open-ended and directed to the dimensions of
innovation, proactiveness, sustainability, social mission and networking, taking always in
consideration the opportunity recognition as starting point. The data collected will be
transcribed verbatim and subjected to coding in with the qualitative data analysis software
Maxqda to find patterns and related information.

4.2 Limitations
The main limitation of this model is that through the qualitative method that is used in this
model is not possible to explain the big panorama in the situation of both countries, and for
instance, we are unable to make comparisons that lead to conclusions at macro level.
5 Plan of Work

Table 3

<table>
<thead>
<tr>
<th>Dates</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/10--16/10</td>
<td>Complete deepening the literature review, refine methodology and start arranging interviews</td>
</tr>
<tr>
<td>16/10--24/11</td>
<td>Arranging interviews in Colombia and in Germany, data collection</td>
</tr>
<tr>
<td>25/11--01/12</td>
<td>Transcribing the interviews verbatim and decode further analysis through the coding software</td>
</tr>
<tr>
<td>02/12--10/12</td>
<td>Data elaboration and refinement</td>
</tr>
<tr>
<td>11/12--31/12</td>
<td>Data analysis and conclusions</td>
</tr>
</tbody>
</table>

6 References


