

Briefing Paper 23

The contradictory faces of social enterprise: impression management as (social) entrepreneurial behaviour

Dr Simon Teasdale, University of Birmingham, s.teasdale@tsrc.ac.uk

Introduction

This research demonstrates that social enterprises can exhibit multiple faces to different stakeholders in order to access resources. Although this 'impression management' is not unique to social enterprises, it is argued that their hybrid nature characterised by multiple goals and resource mixes make this behaviour an important (social) entrepreneurial strategy, particularly when setting up new ventures.

This briefing paper draws upon data from a case study of an embryonic social enterprise initiated by a group of Kurdish refugees and asylum seekers. Examining the role of impression management in resource acquisition sheds new light on the relationship between the social enterprise and its wider environment. This has important consequences for those seeking to understand the multi-faceted nature of social enterprises.

Social enterprise

Social enterprise has been conceptualised and defined in different ways cross-nationally (Kerlin, 2006) and by different actors within the same country (Sepulveda, 2009). While on both sides of the Atlantic there is a minority tradition that equates social enterprise with any innovative approach to tackling social needs (Defourny and Nyssens, 2006), the definitional debate is beginning to settle around the common ground of social enterprise as an organisation that trades in the market place in order to fulfil social goals.

Impression management

The sociological concept of impression management was developed by Erving Goffman who used the existential metaphor of the theatre to demonstrate how the interaction processes between actor and audience enabled the actor to present an agreed impression of him / herself. As the process of interaction varies over time and across different audiences, the impression presented adjusts correspondingly (Goffman, 1959). Impression management has been defined as 'the process through which individuals attempt to control the impressions others form of them' (Gardner, 1992: 34).

Organisational researchers took up the concept in the 1980s, predominantly as a means of understanding employee behaviour in the workplace (Bolino, 1999). More recently organisational impression management (OIM) research has attempted to understand strategies pursued by internal stakeholders to manage the impression of organisations formed by external stakeholders (Bolino et al., 2008).

The role of impression management in social enterprises

Three important questions are raised by the study of OIM:

- Is impression management a conscious or unconscious strategy?
- What is the role of the audience in the impression management process?
- Can the 'real' organisation be identified?

Although no studies have focused on impression management within social enterprises, it is noticeable that there are several studies looking at 'nonprofits'. Additionally there are studies looking at the role of OIM in responding to criticism of an organisation's environmental policy (Bansal and Kistruck, 2006). Although not explicitly stated, the focus of these studies would suggest that where an organisation faces multiple social, economic and environmental goals, or relies upon a wide range of stakeholders, OIM can be a particularly important tactic.

It is widely accepted that social enterprises are hybrid organisations operating between the more clearly defined non-profit, market and state sectors (Dart, 2004). While this hybrid nature presents definitional problems, it provides opportunities for social enterprises to draw upon the resources of the multiple stakeholders to achieve their social, economic and environmental goals (Campi et al., 2006).

Institutional theory suggests that organisations wishing to gain resources can achieve legitimacy by positioning themselves as conforming to wider social beliefs (Zott and Huy, 2007), and more specifically by constructing a narrative (or impression) that meets the 'expectations, interests, and agendas of potential stakeholders' (Lounsbury and Glynn, 2001: 552). Dart (2004) argues that the construct of social enterprise has achieved moral legitimacy as a consequence of market values permeating into civil society. Hence being perceived as a social enterprise can demonstrate organisational legitimacy. However there is considerable ambiguity around the meaning of, and the social benefits provided by, social enterprise. It is accepted by OIM researchers that an organisation has greater scope to manage the audiences' impressions in conditions of ambiguity as stakeholders are unable to place a value on the product offered (Bansal and Kistruck, 2006). Thus a successful entrepreneur is able to utilise impression management to negotiate ambiguity and access start up funding (Zott & Huy, 2007).

Following on from the above, OIM is likely to be particularly important in the uncertain structural environment inhabited by social enterprises and their multiple stakeholders, where the value of the product offered cannot be defined solely in financial terms.

Therefore the study of an embryonic social enterprise within its wider structural environment is likely to prove a fruitful arena within which to understand the role of OIM in resource acquisition from multiple stakeholders.

Methods

The research aimed to generate understanding of the dilemmas and tensions faced by actors managing embryonic social enterprises. This involved participant observation, analysis of documentary sources and semi-structured interviews over a 12 month period. The approach to analysis was derived in part from grounded theory and involved continually moving backwards and forwards between data and emerging propositions (Bryman, 2000). Hence data collection and analysis were linked through an iterative process. This enabled the development and testing of propositions as they emerged from observations. Interviews with group members (internal stakeholders) provided a picture of how they perceived the social enterprise (or how they wanted to be seen as perceiving the social enterprise). Interviews with support agencies and funding bodies (external resource holders) were conducted to gather their perspectives (or the impressions they wanted to convey). This enabled the triangulation of key observations. Analysis was fine-tuned following a process of negotiation with group members, in order to develop assertions about the case.

Key findings

Social enterprises need to balance the demands of both internal stakeholders and external resource holders.

Motivations for participating in the social enterprise were diverse. Social enterprises may have a wide divergence of perspectives within the organisation because of their democratic governance. The different internal stakeholders perceived and portrayed the social enterprise in different ways.

Social enterprises are able to utilise this multi-faceted nature to present different aspects to different external resource holders. In this context impression management is a form of entrepreneurial behaviour calculated to gather resources from the different resource holders.

However these resource holders are not static recipients of these strategic impressions.

Each had a strategic interest in the social enterprise acting in a certain way. The need to conform to the demands of the resource holders means that the construction of the impressions presented by the social enterprise is informed by the wider structural environment. As a consequence, the behaviour of the social enterprise is constrained by the resource holders.

The processes of organisational impression management in resource acquisition

The social entrepreneur spoke to different people to find out as much as he could about the resource holders before meeting them. He would attend meetings with a broad idea as to how to represent the social enterprise but would adapt this over the course of the meeting based on his perceptions of what the resource holders expected of him.

Lending support to Bozeman and Kacmar (1997), an iterative process of interaction between audiences and actor led the social entrepreneur to an implicit understanding of the resource holders' expectations. As outlined by Baron and Markman (2003) the social entrepreneur's social perception (of what the resource holder wanted) and social adaptation (his ability to adjust to the changing nature of the situation) were key to gaining resources through OIM.

The processes of OIM also included what Zott and Huy (2007) describe as symbolic action in order to gain resources. That is the use of symbols to convey meanings beyond their intrinsic value. For example, the social entrepreneur would present resource holders with a copy of the social enterprise's constitution to demonstrate the collective nature of the organisation. Additionally he would take different internal stakeholders to meet different resource holders in order to demonstrate different aspects or faces of the social enterprise.

The social entrepreneur was not deceiving the resource holders. Instead he accentuated those aspects of the organisation or group that he felt the audience would be sympathetic to, and omitted to mention those aspects he felt would not be favourably viewed. He recognised the multi-faceted nature of the social enterprise and made use of it to portray different faces to different audiences. Thus he should be seen as maximising the internal

resources available to him (social bricolage) in order to acquire external financial resources from different audiences.

Conclusions

This case examined the social enterprise within its wider social structure. The different audiences making up this structure were more powerful than the social enterprise. Existing organisational theories posit a complex relationship between organisational actors and their wider environment. It is likely that the relationship between structure and agency is context dependent. It may be that as the social enterprise becomes more powerful in relation to the external stakeholders and derives more income through trading, the relative dependency on external stakeholders is reduced. Perhaps at this stage the social entrepreneur becomes more of an agent able to shape this wider environment.

High levels of OIM exhibited by this case are expected to relate to the hybrid nature of social enterprise. Chew and Osbourne (2009) note that: whereas conventional for-profit businesses have one external audience (customers); charities have two (beneficiaries and funders). It can be argued that social enterprises have three external audiences: beneficiaries, funders AND customers. It is reasonable to hypothesise that, *ceteris paribus*, the greater the number of external audiences an organisation must satisfy, the greater the potential role of multiple impression management. As an addendum, the more homogenous the expectations of the different audiences are, the stronger the likelihood of being able to convey a single strategic impression. Finally, the more powerful the audience (relative to the actor) the more likely that the actor will attempt to convey the impression of conforming to what the audience expects.

As well as outlining the processes involved in utilising OIM to access resources, this research also sheds light on the three important questions raised by the study of OIM. First, in this case, OIM was a form of conscious behaviour. However while the aim to manage impressions formed by the audience was conscious, any 'strategies' employed were unconscious. That is the intuitive 'tactics' of impression management varied by audience and structural context.

Second, it is important to stress that the role of the audience was not passive. The social entrepreneur as actor entered the 'game' with existing impressions of the audience (and hence how to perform). An iterative process of interaction further developed understanding of the audience's expectations. In turn, the social entrepreneur used his social skills and symbolic management to present impressions of the social enterprise as an organisation able to meet these expectations. Thus OIM is not only designed to access resources, but also can be used to resist pressure from the wider environment to conform to a singular model of social enterprise.

Finally, the democratic governance structure within the social enterprise provided space for a diverse range of perspectives and impressions. Each internal stakeholder may perceive the social enterprise as a different entity. However it is also likely that each was also attempting to manage the researcher's impressions, of them as an individual, and also of the social enterprise. This complexity makes it difficult to capture a unified organisational identity.

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