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Is your organization conducive to the continuous creation of social value? Toward a social corporate entrepreneurship scale

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KEYWORDS

Social entrepreneurship;
Corporate entrepreneurship;
Social value;
Hybrid organization;
Scale development;
Social innovation strategy

Abstract Over the last decade, explicit emphasis on the creation of social value has grown in profit-seeking firms as well as nonprofits and has even led to the emergence of a new legal organizational classification known as for-benefit corporations. Like financial value, social value is dynamic and therefore subject to perpetual changes in the firm's external environment, changes that yield opportunities and threats for the firm. Although social entrepreneurship researchers have begun to study the identification and exploitation of opportunities to create social value, this research has taken place primarily within the context of startup organizations. In contrast, corporate entrepreneurship research has emphasized value creation within existing firms, but focused primarily on the identification and exploitation of opportunities to create financial value. Combining the two, we examine the creation of social value within the firm by proposing the social corporate entrepreneurship scale (SCES), a new instrument that measures organizational antecedents for social corporate entrepreneurship and offers managers an opportunity to analyze whether the perceived environment is supportive of corporate entrepreneurial behaviors intended to create social as well as financial value. The article concludes with a discussion of the instrument's potential contribution to managerial practice.

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1. The rise of social value creation in business

Organizations vary in how much they emphasize the explicit creation of social value, defined as creating benefits beyond those captured by their creator (Auerswald, 2009; Miller, Grimes, McMullen, & Vogus, 2012; Santos, 2012). Some organizations, such as nonprofits, are focused almost exclusively on creating social value, whereas others, such as profit-maximizing firms, may view it as a pleasant by-product of their activities. Most organizations exist as variants somewhere in between these extremes.

For example, the Girl Scouts of America, a non-profit organization, has become known almost as much for a product that they use to fund their activities—Girl Scout cookies—as they are for their scouting activities. Cookie sales introduce financial value to an organization that exists to create social value. Beyond nonprofits seeking earned income are social enterprises, which seek to balance social and financial value by tackling social problems through business solutions. WaterHealth International, for example, provides safe water to the poor in India, the Philippines, and Ghana at prices near cost (McMullen & Bergman, *in press*). Next on the continuum are for-profit companies that prioritize financial value while remaining explicitly committed to social value in the form of social responsibility—some are certified as for-benefit corporations (B Corps) and L3Cs (McMullen & Warnick, 2016) while others have inextricably linked the creation of social value to their economic value proposition. For instance, Toms Shoes and Warby Parker (eyewear) both employ a ‘buy one, give one’ model in which every purchase results in a donation of the product to the disadvantaged. Finally, there are corporations, such as Timberland and Patagonia, that are renowned for their progressive stance toward corporate social responsibility—viewing it as part of their identity and integral to their brand—as opposed to some obligation engaged in merely to ensure the firm’s continuing social license to operate.

In recent years, there has been a decided increase in the emphasis of social value creation by all organizations, including for-profit organizations because (1) customers want to buy from these companies, (2) employees want to work for them, (3) investors are willing to invest in them, and (4) entrepreneurs hope to start them. Seeking to leverage this growing customer desire for socially conscious capitalism, for example, Bono and Bobby Shriver created the Product Red campaign, a licensed brand that partners with private companies such as Nike, American Express, and Apple to

raise money for and awareness about AIDS in Africa. Studies have shown that meaning is one of the most important job attributes to millennials (De Hauw & De Vos, 2010) and that companies known for their corporate social responsibility tend to attract better talent (Bhattacharya, Sen, & Korschun, 2008). Even investors have become more conscious about the social value of the activities responsible for generating the returns they are seeking. For example, both Toms Shoes and Warby Parker have emerged in the last decade in well-established industries, but each already boasts market capitalization of over \$1.2 billion. Similarly, social impact funds—as well as online investing and giving to organizations such as Kickstarter, Kiva, and Grameen Bank—have experienced explosive growth over the last decade (Höchstädter & Scheck, 2015; Santos, 2012). The rise of socially conscious entrepreneurship is also evident in the emergence of social entrepreneurship and the B Corp movement, a legal organizational form in 27 states at last count (McMullen & Warnick, 2016). Thus, the explicit creation of social value as an objective in itself, and not merely a pleasant by-product of the organization’s activities, is clearly on the rise.

2. All value creation is a dynamic process

With this increased emphasis on making the organization’s social value proposition more explicit comes new challenges. A case in point is offered by Muhammad Yunus, who is perhaps the most visible of all proponents for creating social value through business. Since receiving the 2006 Nobel Peace prize for his microfinance work with Grameen Bank, Muhammad Yunus has increasingly advocated a new kind of capitalism aimed at aiding the poor through business. As opposed to the Grameen Bank, which seeks to aid the poor directly by giving them full majority ownership of a profit maximizing business and thus the dividends and equity growth it generates, Yunus proposed a second form of social business which sought to benefit the poor indirectly through the social benefit of the goods and services it produces. Investors seeking social benefits create a special type of company, where the mission of the firm is not profit-maximization but the maximization of social indicators to be specified. Dividends are not distributed and all profits are retained for growth. This type of social business is a “no-loss, no-dividend, self-sustaining company,” where investors can “get back their investment money, but . . . [p]rofit would be ploughed back into the company to expand its outreach and

improve the quality of its product or service” (Yunus, Moingeon, & Lehmann-Ortega, 2010, p. 311).

In 2007, Grameen and Dannon formed a joint venture to test Yunus’s social business concept. Grameen Dannon, a yogurt factory in Bogra, Bangladesh, produces and provides fortified yogurt to malnourished children in villages; a single serving provides 30% of a child’s daily requirement of crucial nutrients. A main goal of the project is to price the product affordably—initially the yogurt cups sold for 5 taka (about 7 cents) for an 80-gram cup whereas standard yogurt products sold for about 30 cents a cup (Yunus et al., 2010). Owing to rising input costs from a global food shortage in 2007–2008, Grameen Dannon ran into financial difficulties and was forced to raise its prices 60% in April 2008 with disastrous consequences. The social business lost around 80% of its sales in rural areas, which led to the collapse of its sales network comprised primarily of rural women paid on commission. After one year, the business model had to be substantially revised. After redesigning its product into 60-gram servings and abandoning its hyper-local distribution model in favor of a refrigerated truck that could carry product to nearby cities and Bangladesh’s largest city, Dhaka, Grameen Dannon increased sales. It built a network of shops in Dhaka where refrigeration was more readily available and sold its product for higher prices in these cities, which allowed the company to become viable.

Grameen’s experiments have contributed to growing proof of concept and diffusion of Yunus’s notion of social business, but they have also revealed that a more explicit emphasis on social value is difficult and potentially problematic. If Grameen Dannon’s challenges are common to social business, then such organizations may have trouble adapting to the demands of the market whenever those demands conflict with the organization’s mission. For example, the need to achieve operational viability led Grameen Dannon to raise prices despite the joint venture’s intent to provide a product solution for child malnourishment at prices that the rural poor could afford. Eventually, the company compromised by cross-subsidizing rural markets with revenues generated by higher prices and intensified sales and marketing in the city. Though this change entailed a deviation from the original focus on rural villages, management felt justified in the decision because it believed that it would help the company place a nutritious product in the hands of more people than could otherwise be accomplished (Yunus et al., 2010). Such dilemmas suggest that social businesses may have to be even more entrepreneurial than profit maximizing businesses (PMBs) in order to identify opportunities that not

only yield profit but also remain consistent with the mission of the enterprise. Unlike PMBs, which can pursue any market problem that promises the desired return on investment, social businesses are designed to solve specific social problems. This leads to more self-imposed restrictions on the social organization’s ability to adapt to market conditions than those limiting profit maximizing competitors. As a result, social businesses may need an entrepreneurial orientation even more than their profit maximizing counterparts to achieve long-term financial sustainability and to stave off the complacency, rigidity, and stagnation that can accompany organizational bureaucracy.

There is, however, a second, less obvious—but equally important—lesson from Grameen Dannon’s experience that applies to any business seeking to be more explicit about its creation of social value. Grameen Dannon had to make adjustments to survive and some of these adjustments related to its social objective, not just its financial objective. All value creation is a dynamic process, requiring constant adaptation to the environment. Grameen Dannon largely forgot this when designing its business model, contributing first to a financial crisis and then to a crisis regarding its social mission. Just as the cost of inputs and the value of outputs are partly a function of changes in the environment that are outside a firm’s control, so too are the external costs and benefits associated with innovations intended to create social value. Therefore, if business is going to emphasize social value more, managers will likely need to monitor the environment and continually revisit the ways it creates, delivers, and captures social value, just as it has to do with financial value. This, of course, raises the question: What have businesses done to ensure that they identify and exploit the opportunities to create financial value that arise from a perpetually changing environment? And, might these practices be transferred successfully to the creation of social value as well, such that organizations are better equipped to identify and exploit opportunities given a dynamic understanding of the environment?

One of the key ways firms have learned to create, deliver, and capture financial value in a dynamic external environment has been by embracing corporate entrepreneurship in the firm’s strategy, putting all employees—not just the top management team—to work identifying opportunities for the organization to create value (Kuratko, Ireland, Covin, & Hornsby, 2005). Consequently, scholars have studied the phenomenon of corporate entrepreneurship and developed instruments to help managers determine whether their organizational climate is conducive to it. For example, Kuratko,

Hornsby, and Covin's (2014) corporate entrepreneurship assessment instrument (CEAI) provides a way for managers to capture their employees' perceptions about whether they feel willing and able to propose possible solutions to the problems about which they become aware. Would this same instrument work for determining whether a business's climate is conducive to identifying opportunities to create, deliver, and capture social value?

Despite the rapidly growing interest in social entrepreneurship, there is no equivalent instrument regarding social value creation. And, despite the fact that corporate social responsibility (CSR) has been studied for quite some time, CSR scholars' focus has been much more on protecting the business's social license to operate in a society by developing goodwill than it has been on identifying opportunities to create, deliver, and capture social value (Auld, Bernstein, & Cashore, 2008; Bansal & Roth, 2000). Therefore, the purpose of this article is to share an instrument created to assess an organization's readiness to engage in social corporate entrepreneurship. That is, do the members of an organization perceive their organization as responsive to their ideas for creating, delivering, or capturing social value?

In the remainder of this article, we introduce a number of social dimensions identified by research as important to the creation of social value and use these to adapt an existing measure of corporate entrepreneurship. We then conduct an exploratory test of the instrument and report some preliminary results suggesting that the new instrument could indeed help practitioners determine whether the members of their organization perceive their firm as conducive to identifying and seizing opportunities to create, deliver, and capture social value.

3. Corporate entrepreneurship and social value

Leading strategic thinkers are moving beyond traditional product and service innovations to pioneering innovation in processes, value chains, business models, and all functions of management (Govindarajan & Trimble, 2005). This more complete corporate entrepreneurship strategy is defined by Ireland, Covin, and Kuratko (2009, p. 21) as "a vision-directed, organization-wide reliance on entrepreneurial behavior that purposefully and continuously rejuvenates the organization and shapes the scope of its operations through the recognition and exploitation of entrepreneurial opportunity." To be successful, this entrepreneurial activity must be integrated carefully into the

organization's overall strategies (Kuratko, Covin, & Hornsby, 2014), and one way in which organizations can facilitate this continued adaptation to dynamic competitive environments is through an internal entrepreneurial orientation that is grounded in corporate entrepreneurship. Firms that exhibit corporate entrepreneurship are typically viewed as dynamic, flexible entities prepared to take advantage of new business opportunities when they arise (Morris, Kuratko, & Covin, 2011).

Despite the espoused and observed positive effects of corporate entrepreneurship, research has yet to examine corporate entrepreneurship strategies as they relate to the creation of social value, partly because of the lack of any instrument suitable for the unique features that the task introduces. Accordingly, we propose a new instrument for measuring organizational antecedents for corporate entrepreneurship related not just to the identification and exploitation of opportunity to create financial value, but to create social value as well. Previous research has shown that efforts in corporate entrepreneurship depend on individual members' positive perceptions of the critical dimensions that foster innovative activity; therefore, it is important to capture these perceptions to understand why innovative activity is—or is not—flourishing within an organization.

We began with an established scale, the corporate entrepreneurship assessment instrument—CEAI (Kuratko, Hornsby, & Covin, 2014)—which measures the dimensions important to corporate entrepreneurship activity as it relates to the creation of financial value. From there we incorporated a set of new dimensions from the research literature to form a new instrument, entitled the social corporate entrepreneurship scale (SCES), capable of measuring the antecedents to corporate entrepreneurship as it relates to the creation of social value. Since the publication of the original instrument (Kuratko, Montagno, & Hornsby, 1990), the CEAI has undergone refinement of the items used to capture the underlying dimensions required for individuals to behave entrepreneurially (e.g., Hornsby, Kuratko, & Zahra, 2002; Hornsby, Kuratko, Shepherd, & Bott, 2009). These dimensions, however, have remained consistent and include top management support, autonomy/work discretion, rewards/reinforcement, resource/time availability, and organizational boundaries. Studies have found that these antecedents are associated with internal entrepreneurship and the subsequent financial performance of the firm (Zahra, 1991) and that they are cross-cultural (Hornsby, Kuratko, & Montagno, 1999). Finally, numerous studies have explicitly established the reliability and validity of

Table 1. Antecedents for social value creation

Factor	Research Citations
Stakeholder Salience	Vanderkerckhove & Dentchev, 2005; Clarkson, 1988, 1995; Mitchell, Agle, & Wood, 1997; Waddock & Graves, 1997; Agle, Mitchell, & Sonnenfeld, 1999; Mair & Marti, 2006; Kuratko, Hornsby, & Goldsby, 2007.
Social Proactiveness	Clarkson, 1988, 1995; Gilbert, 1988; Miles & Snow, 1978; Porter, 1985; Covin & Slevin, 1989; Ozmoyer, Calantone, & DiBonnetto, 1997; Shrivastava, 1995; Schot & Fischer, 1993; Azzone & Bertele, 1994; Buysse & Verbeke, 2003; Carroll, 1979; Wartick & Cochran, 1985; Jauch & Glueck, 1980; Sandberg, 2002.
Governance	Zahra, 1996; Dalton, Daily, Ellstrand, & Johnson, 1998; Dalton, Daily, Johnson, & Ellstrand, 1999; Dalton, Daily, Certo, & Roengpitya, 2003; Forbes & Milliken, 1999; Zahra, Neubaum, & Huse, 2000; Daily, Dalton, & Cannella, 2003; Certo, 2003; Sundaramurthy & Lewis, 2003.
Transparency	Gray & Collison, 1991; Roberts, 1992; Lowenstein, 1996; Solomon, 2000; Wheeler & Elkington, 2001; Livesey & Kearins, 2002; Lacy, Cooper, Hayward, & Neuberger, 2010.

the instrument (Goodale, Kuratko, Hornsby, & Covin, 2011; Hornsby, Kuratko, Holt, & Wales, 2013; van Wyk & Adonisi, 2012). Thus, with minor augmentation, the CEAI for corporate entrepreneurship readiness could serve as an excellent foundation for establishing a new scale of social corporate entrepreneurship.

After revisiting the theoretical and empirical research that underlies the organizational factors measured in the CEAI, we reviewed research on CSR and social entrepreneurship to identify additional dimensions generally considered necessary for social value creation to occur. Table 1 provides the literature support used to identify stakeholder salience, social proactiveness, governance, and transparency as additional factors that enable the extension of corporate entrepreneurship models to the creation of social value.

4. The social corporate entrepreneurship scale (SCES)

Based on their importance to corporate decision making and perceived trust, stakeholder salience, social proactiveness, governance, and transparency were identified as likely to be critical to the social corporate entrepreneurship activity of an organization. In the pages that follow, we offer a brief explanation of why we believe these dimensions complement the already established dimensions of the CEAI to form the basis of our proposed new scale.

4.1. Stakeholder salience

Vanderkerckhove and Dentchev (2005) suggested that increased understanding of the roles that all

stakeholders play can provide entrepreneurial opportunities for the development of new products and services. Specifically, by maintaining relationships with multiple stakeholders, entrepreneurs are exposed to the needs of their constituencies but determining how much priority managers should give different groups has been a key challenge in stakeholder research. Clarkson (1988), for example, recognized that companies have different levels of stakeholders. Primary stakeholders are those “without whose continuing participation the corporation cannot survive” whereas secondary stakeholders are those “who influence or affect, or are influenced or affected by, the corporation” (Clarkson, 1988; p. 259). Because an organization is unlikely to give each stakeholder equal attention, researchers have sought to identify how managers allocate their attention to related groups.

How salient a group is to the organization's decisions is known as stakeholder salience. Mitchell, Agle, and Wood (1997) identified three key attributes—legitimacy, urgency, and power—that affect the salience that a group has with the organization and, consequently, how decision makers attend to stakeholders. Legitimacy is “based upon, for example, contract, exchange, legal title, legal right, moral right, at-risk status, or moral interest in the harms and benefits generated by company actions;” power refers to a stakeholder's ability to influence a company's behavior; and urgency is “the degree to which a stakeholder's claim calls for immediate action” (Agle, Mitchell, & Sonnenfeld, 1999, p. 508). The researchers examined these stakeholder attributes and found that they have a significant relationship with stakeholder salience, which in turn has a significant relationship with corporate social performance. For entrepreneurial activity of a financial nature, the firm's primary stakeholders tend to be its

customers, employees, and stockholders/investors (Kuratko, Hornsby, & Goldsby, 2007), but for entrepreneurial activity of a more social nature, the firm's corporate social performance tends to be affected directly by its relationships with a broader array of stakeholders (Agle et al., 1999; Waddock & Graves, 1997).

4.2. Social proactiveness

Clarkson (1995) suggested that organizational posture is an evaluative result stemming from the level of stakeholder salience. Because the phrase 'organizational posture' refers to how an organization responds to its environment, posture likely reflects a company's relationships with its stakeholders. It has been employed in management research to assess the overall approach that organizations use to implement their goals, a process that requires active thought and constant maintenance by decision makers (Gilbert, 1988), and therefore has an extensive presence within the strategic management literature.

For example, Miles and Snow (1978) captured posture as a firm's decision about which markets to enter and the competitive orientation in those markets. Porter (1985) utilized a generic strategic framework of leadership and differentiation for basing orientation as a posture. Covin and Slevin (1989, p. 77) defined strategic posture "as a firm's overall competitive orientation." According to Ozmoyer, Calantone, and DiBonnetto (1997), posture affects how a firm selects and interprets its environment and how it deploys its resources. The environmental management literature has employed posture to address ecological issues and sustainable development (Azzone & Bertele, 1994; Buysse & Verbeke, 2003). Especially pertinent was the application of posture to the study of social issues in which the construct had been used to capture organizational responses to stakeholders (Clarkson, 1988, 1995).

The posture of a company can take various forms that researchers have categorized in different ways. Miles and Snow (1978), for example, offered a typology of defenders, reactors, analyzers, and prospectors. Covin and Slevin (1989) incorporated the defender term and Mintzberg's (1973) adaptive organizations offered an entrepreneurial classification, which focused on the risks that top management is willing to take to bring change, foster innovation, and gain competitive advantage. Within the context of social issues, this approach has been modified to capture an organization's approach to corporate social responsibility. Introduced by Carroll (1979) and modified by Wartick and

Cochran (1985), the most accepted CSR categorization is reactive, defensive, accommodative, and proactive. Companies in a reactive posture deny responsibility on social issues and do less than required. Defensive companies reluctantly admit their complicity in social issues and do the bare minimum in response. Accommodative companies accept responsibilities on social issues and take the necessary actions to address them. Finally, proactive companies anticipate responsibility and search for ways to be leaders on the issues.

Socially proactive organizations seek to influence and change environments rather than respond out of necessity or survival. Jauch, Osborn, and Glueck (1980, p. 49) defined a proactive strategy as "one in which strategists act before they are forced to react to environmental threats and opportunities." Because it involves monitoring customers and competitors, proactiveness can be resource intensive, but it also aids significantly in maintaining competitiveness (Sandberg, 2002). Proactive behaviors include identifying opportunities, challenging the status quo, and creating favorable conditions. These characteristics are similar to the approach taken by corporate entrepreneurs and thus could be a critical component of social corporate entrepreneurship.

4.3. Corporate governance

Daily, Dalton, and Cannella (2003, p. 371) defined corporate governance as "the determination of the broad uses to which organizational resources will be deployed and the resolution of conflicts among the myriad participants in organizations." Corporate governance mechanisms are intended to provide some assurance that managers will strive to achieve outcomes that coincide with shareholder interests. These mechanisms include compensation contracts that encourage expected activities and behaviors, a properly constructed board of directors, and internal checks and balances for ethical and transparent conduct.

In practice, many governance reforms have been enacted to ensure that both legitimate and effective activities take place in the organization. Some of the reforms have included adding independent outside directors to boards, separating the CEO and chairman of the board positions, inserting term limits for directors, and establishing executive compensation packages that depend on closer correspondence between results and goals (Dalton, Daily, Johnson, & Ellstrand, 1999). Even though two meta-analyses of the general state of corporate governance found little connection between these reforms and the financial performance of firms

(Dalton, Daily, Certo, & Roengpitya, 2003; Dalton, Daily, Ellstrand, & Johnson, 1998), the future of governance procedures cannot be overlooked in the light of social corporate entrepreneurship activity. Indeed, Daily et al. (2003) identified a number of themes that are moving governance forward, such as monitoring by the board of directors of executive activity and results, more active shareholder influence, and the mechanisms in place for periods of crisis. As Ghoshal and Moran (1996, p. 41) stated:

The context in which social relations and economic exchange are embedded can induce self-aggrandizement or trust, individualism or collectivism, competition or cooperation among participants. Economic progress requires both sets of behaviors in each set of alternatives, not just one or the other.

It is apparent that in today's dynamic and global economic climate, the concept of a governance system that balances control and collaboration may be the most conducive to activity directed at social impact (Sundaramurthy & Lewis, 2003). As the CERES (2010) sustainability roadmap indicates in its critical element in 21st century corporate sustainability, this component of governance should be included as an important antecedent for perceiving an environment conducive to social entrepreneurship activity.

4.4. Transparency (disclosure)

Comprehensive transparency and disclosure of performance at all levels (environmental, social, and economic) is a critical component of any organization's social entrepreneurship journey. It has long been recognized that what gets measured gets attention and what gets disclosed gets done. Disclosure is a mechanism for companies to build relationships with key groups (stakeholders), and it is important to the process for identifying new business opportunities (CERES, 2010).

Mandatory environmental and social disclosure is pushing into the mainstream. Globally, a number of countries already require some form of corporate sustainability disclosure, and there is growing support for similar requirements in the U.S. For example, in 2009 Bloomberg launched a new product that allowed clients to search, display, and store sustainability information on over 3,000 publicly traded companies on their terminals. The growth in social media has also begun to blur the line between disclosure and engagement, creating new opportunities for dialogue but also new pressure for transparency. As social media enables internet users to share news and make their opinions about corporate

social issues known in real time, companies have to be prepared for open and honest discussion of social impact performance issues as they arise (CERES, 2010). Although transparency and full disclosure will certainly help promote an atmosphere of trust and willingness to pursue entrepreneurial activities intended to create social and financial value, government regulation and citizen advocacy groups will still be a critical part of the oversight (Karkkainen, 2001). In Table 2, we present the complete SCES scale that could be used in the assessment of a firm's readiness for social corporate entrepreneurship to be activated.

5. An exploratory study

To pilot test the new scale, an exploratory study was conducted. The SCES was administered to 152 company managers. The data were collected through an online survey with randomized questions that was distributed through the Qualtrix survey platform to an existing email list of mid- and senior-level managers in the Midwestern U.S. Following Dillman's (2000) recommendation for conducting online surveys, an email introduction of the study was sent to the population alerting them to the survey that would arrive in a few days. Subsequent reminder emails were sent in 5-day intervals, encouraging them to complete the survey. A total of three reminder emails were sent with a random drawing for five \$100 Amazon gift cards as an incentive for completing the survey. Through this sampling method, a total of 152 surveys were successfully completed for a response rate of 30.36%.

A series of self-report questions was also developed to assess the intensity of social corporate entrepreneurship activities in their firms. Despite the fact that social corporate entrepreneurship is a relatively new concept, the creation of social value has been studied for some time under the guise of CSR. Indeed, the language of CSR has become so synonymous with the creation of social value within a firm that we chose to use it as a proxy in some elements including number of new corporate social responsibility ideas suggested and number of new corporate social responsibility ideas implemented. However, we also included the number of new companies started by the firm and the number of new companies with a social mission started by firm to tap into social entrepreneurship activity as directly as possible.

5.1. Sample description

Of the 152 respondents, 96 (63.16%) were male and 56 (36.84%) were female. One respondent (.65%)

had some college, 92 (60.53%) had a college degree, 53 (34.64%) had a master's degree, and 6 (3.92%) had a professional degree. In regard to the respondent's job title, 39 (25.66%) identified themselves as entry-level management, 67 (44.08%) identified as middle-level management, and 46 (30.26%) identi-

fied as senior-level management. In regard to whether the respondents' primary job duties related to CSR, 52 (34.12%) were related to CSR, and 100 (65.79%) were not related to CSR. Since firm size has been found to have potential links to social performance in previous studies (Deckop, Merriman, &

Table 2. SCES instrument

SOCIAL CORPORATE ENTREPRENEURSHIP SCALE (SCES)

We are interested in learning about how you perceive your workplace and organization. Please read the following items. On the line to the left of each item please indicate how much you agree or disagree with each of the statements. If you strongly agree, write the number "5." If you strongly disagree, write the number "1." There are no right or wrong answers to these questions so please be as honest and thoughtful as possible in your responses. All responses will be kept strictly confidential. Thank you for your cooperation!

- 5 - Strongly Agree
 4 - Agree
 3 - Not Sure
 2 - Disagree
 1 - Strongly Disagree

Element 1: Management Support

- ___1. My organization is quick to use improved work methods.
 ___2. My organization is quick to use improved work methods that are developed by workers.
 ___3. In my organization, developing one's own ideas is encouraged for the improvement of the corporation.
 ___4. Upper management is aware and very receptive to my ideas and suggestions.
 ___5. A promotion usually follows from the development of new and innovative ideas.
 ___6. Those employees who come up with innovative ideas on their own often receive management encouragement of their activities.
 ___7. The "doers on projects" are allowed to make decisions without going through elaborate justification and approval procedures.
 ___8. Senior managers encourage innovators to bend rules and rigid procedures in order to keep promising ideas on track.
 ___9. Many top managers have been known for their experience with the innovation process.
 ___10. Money is often available to get new project ideas off the ground.
 ___11. Individuals with successful innovative projects receive additional rewards and compensation beyond the standard reward system for their ideas and efforts.
 ___12. There are several options within the organization for the individuals to get financial support for their innovative projects and ideas.
 ___13. People are often encouraged to take calculated risks with new ideas around here.
 ___14. Individual risk takers are often recognized for their willingness to champion new projects, whether eventually successful or not.
 ___15. The term "risk taker" is considered a positive attribute for people in my work area.

- ___16. This organization supports many small and experimental projects realizing that some will undoubtedly fail.
 ___17. An employee with a good idea is often given free time to develop that idea.
 ___18. There is considerable desire among people in the organization for generating new ideas without regard for crossing departmental or functional boundaries.
 ___19. People are encouraged to talk to employees in other departments of this organization about ideas for new projects.

Element 2: Work Discretion (Risk Taking)

- ___20. I feel that I am my own boss and do not have to double check all of my decisions with someone else.
 ___21. Harsh criticism and punishment result from mistakes I make on the job.
 ___22. This organization provides the chance to be creative and try my own methods of doing the job.
 ___23. This organization provides the freedom to use my own judgment.
 ___24. This organization provides the chance to do something that makes use of my abilities.
 ___25. I have the freedom to decide what I do on my job.
 ___26. It is basically my own responsibility to decide how my job gets done.
 ___27. I almost always get to decide what I do on my job.
 ___28. I have much autonomy on my job and am left on my own to do my own work.
 ___29. I seldom have to follow the same work methods or steps for doing my major tasks from day to day.

Element 3: Rewards/Reinforcement

- ___30. My manager helps me get my work done by removing obstacles and roadblocks.
 ___31. The rewards I receive are dependent upon my work on the job.
 ___32. My supervisor will increase my job responsibilities if I am performing well in my job.

(Continued)

Table 2 (Continued)

- ___33. My supervisor will give me special recognition if my work performance is especially good.
- ___34. My manager would tell his/her boss if my work was outstanding.
- ___35. There is a lot of challenge in my job.

Element 4: Resources

- ___36. During the past three months, my work load kept me from spending time on developing new ideas.
- ___37. I always seem to have plenty of time to get everything done.
- ___38. I have just the right amount of time to and work load to do everything well.
- ___39. My job is structured so that I have very little time to think about wider organizational problems.
- ___40. I feel that I am always working with time constraints on my job.
- ___41. My co-workers and I always find time for long-term problem solving.

Element 5: Organizational Structure

- ___42. In the past three months, I have always followed standard operating procedures or practices to do my major tasks.
- ___43. There are many written rules and procedures that exist for doing my major tasks.
- ___44. On my job I have doubt of what is expected of me.
- ___45. There is little uncertainty in my job.
- ___46. During the past year, my immediate supervisor discussed by work performance with me frequently.
- ___47. My job description clearly specifies the standards of performance on which my job is evaluated.
- ___48. I clearly know what level of work performance is expected from me in terms of amount, quality and timeliness of output.

Element 6: Social Proactiveness

- ___49. I find that my company is very proactive in how it deploys resources for social issues.
- ___50. My job description clearly identifies activities that are socially impactful.
- ___51. I clearly know that the quality and timeliness of my performance is directly related to a social cause that my company is pursuing.

Element 7: Stakeholder Salience

- ___52. During the past year, I could recognize the stakeholders that my company deemed important.
- ___53. My job description clearly specifies the stakeholders that I am focused upon.
- ___54. The stakeholders that my company seeks to satisfy are apparent to me every day.

Element 8: Governance

- ___55. The command and control structure of my company is clearly balanced for cooperation.

- ___56. The board of directors has independent directors that oversee the executives directly.
- ___57. My manager's compensation is tied directly to performance that includes social impact.
- ___58. I clearly know what level of social entrepreneurship activity is expected by senior management.

Element 9: Transparency

- ___59. During the past year, my company has issued public statements concerning their social involvement.
- ___60. My company uses some of the latest social media to communicate to various stakeholders about performance results in environment, social, and economic areas.
- ___61. I clearly know that my work results relate to social issues and it will be communicated to the public by my company.

Gupta, 2006; Waddock & Graves, 1997) it was important to examine the firm size of survey participants for consideration as a control variable. Of the 152 respondents, 7 (4.61%) had 1–4 employees, 6 (3.95%) had 5–9 employees, 9 (5.92%) had 10–19 employees, 26 (17.11%) had 20–99 employees, 24 (15.79%) had 100–499 employees, 7 (4.61%) had 500–749 employees, 3 (1.97%) had 750–999 employees, 7 (4.61%) had 1,000–1,499 employees, 3 (1.97%) had 2,000–2,499 employees, 12 (7.89%) had 2,500–4,999 employees, 12 (7.89%) had 5,000–9,999 employees, and 36 (23.68%) had 10,000 or more employees.

5.2. Results

This exploratory study assessed the viability of a stable set of organizational antecedents to social corporate entrepreneurship using the SCES. Five factors were identified: firm transparency, social proactiveness, rewards, work discretion, and time availability. Additional analyses were conducted to test whether a statistically significant relationship exists between perceived social corporate entrepreneurship organizational factors and the development of new social corporate entrepreneurship initiatives. While social proactiveness was found to have significance in predicting the number of new corporate social responsibility ideas suggested in the last 12 months, the additional perceived factors of transparency, rewards, work discretion, and time availability were found to correlate with the number of new ideas suggested, but not at statistically significant levels. Despite the exploratory nature of this research, the results are promising, suggesting that additional research is merited on whether and how perceived organizational factors lead an organization to implement a social corporate entrepreneurship strategy.

5.3. Limitations

This exploratory research had some key limitations. First, the study was based on self-reported manager perceptions at a single point in time and thus did not reflect changes over time. The resulting data could therefore be affected by the manager's awareness—or lack thereof—of social corporate entrepreneurship activity in the firm. A second limitation arose because social corporate entrepreneurship is a new and developing approach, often lacking a common vernacular. Therefore, we sought to leverage the closest vocabulary equivalent—the number of new corporate social responsibility ideas recommended—as a proxy for social corporate entrepreneurship. Some survey participants may have not been aware

of the current socially responsible activities of the firm, which may affect the results of the research. Finally, the data being collected through an online survey primarily sent to managers working in firms in the Midwest region could have been limiting. Additional studies should be conducted with new samples from other locations to affirm the generalizability of the findings.

6. An innovative future

While corporate entrepreneurship has been identified as one way in which organizations can facilitate continued adaptation to dynamic competitive environments through an internal entrepreneurial orientation, research has yet to examine corporate entrepreneurial strategies for creating social value, owing to the lack of any instrument suitable for the unique features that the task introduces. We developed a new instrument for measuring organizational antecedents for corporate entrepreneurship intended to create social value entitled the social corporate entrepreneurship scale (SCES). Because sustained efforts in creating social as well as financial value depend on individual members' willingness to undertake innovative activities based on their positive perceptions of the necessary organizational antecedents to social corporate entrepreneurship, our new scale offers an opportunity to measure those perceptions. That is, using the new scale, managers can analyze whether employees perceive the environment as conducive to social corporate entrepreneurship behaviors.

Our exploratory study of 152 company managers pilot tested the new instrument and revealed five factors: firm transparency, social proactiveness, rewards, work discretion, and time availability correlated with the number of new ideas suggested. This research was exploratory in nature, but the results provide support for conducting additional research using the SCES to further refine and validate the instrument among organizations seeking to measure the positive perceptions of individuals concerning the necessary organizational antecedents to social corporate entrepreneurship.

Social entrepreneurs apply entrepreneurship and corporate innovation principles to many of the specific social and environmental challenges they face (Austin, Stevenson, & Wei-Skillern, 2006; Chell, 2007; Hartigan, 2006). By adapting some of the same principles that have been so effective in successful corporate entrepreneurship to the creation of social value as well as financial value,

leaders have a similar opportunity to generate transformative, financially sustainable solutions to social problems. Despite the growing emphasis on corporate entrepreneurship, however, the study of social entrepreneurship within existing firms has gone relatively neglected.

Because of the decided increase in the emphasis of social value creation by all organizations, in this article we examined the ways to prepare an organization for this mission. More significantly, if businesses are going to emphasize social value more, managers and employees will likely need to monitor the environment and continually revisit the ways they create, deliver, and capture social value, just as they have done with financial value. As such, new instruments are needed to measure individual perceptions of the current organizational environment to determine whether it is conducive to individual efforts to create social value. By proposing a new instrument that extends the work in corporate entrepreneurship to the field of social entrepreneurship, we hope that the SCES will provide a better understanding of the organizational conditions that foster social value creation.

Though exploratory in nature, our efforts to develop an instrument for measuring the readiness of a firm for social corporate entrepreneurship come at a time when interest in social entrepreneurship, social value creation, and the need for socially conscious businesses to embrace continuous innovation have never been stronger. Therefore, we hope this instrument serves as a step toward equipping managers with the tools they need to enable individuals to propose innovative solutions to social issues, thereby facilitating progress toward the organization's goal of creating social value.

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