

Social and Commercial Entrepreneurs – Where are the Differences?

Principal Topic

The literature on the motivational level of social and commercial entrepreneurs as single actors has developed in several directions, commonly driven by specific role models or case studies that have often been highly diverse. This diversity and the variety of discussions on where to draw a line between social and commercial entrepreneurs is largely caused by weight given to social goals in relation to financial aims (Dohrmann, Raith & Siebold, 2014). Associated with significant contributions to communities and societies, social entrepreneurs adopt creative solutions to complex and persistent social problems (Zahra et al., 2009). Compared to commercial entrepreneurs, social entrepreneurs generally have a social mission on their agenda and need to avoid a drift too far away from their underlying social objectives (Hockerts, 2006). The pursuit of such a social mission addressing a social need or problem is the major distinction between social and commercial entrepreneurs. Despite this basic differentiation, literature discusses both concepts and debates on exactly where to draw the line between them. The one extreme in the literature argues that social entrepreneurs exclusively concentrate on social gain and, therefore, neglect financial returns (Peredo & McLean, 2006). However, this rather narrow construct lacks an orientation towards a sustainable and self-financed set-up of the venture (Mari & Martí, 2006). The other extreme in the literature focuses on financial goals and considers social objectives as subordinate, although profit-seeking actions need not run counter to society's interest (Dean & McMullen, 2005). Regardless of whether or not a social mission is fundamental to an entrepreneurial venture, the element of some social value creation generally characterizes all forms of entrepreneurship (Austin, Stevenson & Wei-Skillern, 2006). Exemplarily, new and valuable goods, efficient resource combinations, and sustainable business models ensure long-term employment and represent common benefits to society in all forms of entrepreneurship.

Given the manifold perspectives in the literature, the distinction between social and commercial entrepreneurship is conceptualized as a continuum ranging from purely social to purely commercial and even at the extremes, elements of both can be found (Austin et al., 2006). Moreover, the art of simultaneously pursuing social and economic value is referred to as a double bottom line (Peredo & McLean, 2006). In order to acknowledge the diverse streams of research on the organizational and society level in this field, we empirically investigate the differences between the actors behind the concepts of social and commercial entrepreneurship on the individual level. Therefore, we apply the Big Five personality concept (McCrae & John, 1992) and use the well-established Big Five Inventory scale (John, Donahue & Kentle, 1991; John, Naumann & Soto, 2008) to assess the five personality dimensions i) Neuroticism, ii) Extraversion, iii) Openness, iv) Agreeableness, and v) Conscientiousness. The main objective of this paper is to specify the differences of social and commercial entrepreneurs with regard to their personality traits and to identify where a line can be drawn between both of them, if there is one at all.

Method

In order to empirically analyze the differences in personality traits of social and commercial entrepreneurs, an online questionnaire was developed. The first part includes questions on the social or commercial organization of the entrepreneur. In the second part, respondents are asked to self-classify themselves as a more social or a more commercial entrepreneur. The third part requests respondents to indicate whether they ascribe different personality traits and their attributes to be typical for either

social or commercial entrepreneurs. The fourth and last part assesses the personality characteristics of each respondent using the Big Five Inventory.

In this preliminary study, a self-administered survey was developed and sent out to social and commercial entrepreneurs from Europe, North Africa, and the Middle East in July 2014. The data collected will be analyzed using exploratory factor analysis and standard parametric analysis for hypotheses testing.

Results and Implications

This paper will analyze a series of hypotheses relating to the five dimensions of personality of social and commercial entrepreneurs. First, we expect that neither type of entrepreneur regards himself to be purely social or purely commercial, independent of the underlying aim of the venture, i.e., pursuing a fundamental social mission or seeking large financial returns. Second, we compose personality stereotypes of social and commercial entrepreneurs and expect to find differences in the personality traits of both entrepreneurial types. For example, we assume that social entrepreneurs are more extraverted than commercial entrepreneurs as they often seem to be more enthusiastic and active within their organizations, taking into account that the organizations often only exist to solve a strong personal discomfort with a current social situation. Third, we compare the respondents' individual personality profiles to the corresponding stereotype they have assigned themselves to and anticipate to find significant deviations in the Big Five.

Anticipating several major implications, this study will shed new light on the differences of social and commercial entrepreneurs with special regard to personality dimensions. By analyzing communalities and differences of their personality traits, we intend to establish a common understanding of both entrepreneurial types and to picture them in a broader context regardless of their self-classification as social or commercial entrepreneurs. Arguing that traditional classification does not justify the individual conditions of entrepreneurs and their ventures, we attempt to open up new perspectives for entrepreneurial education, research, and policy makers in terms of categorizing entrepreneurs based on their personality dimension instead of the broadly accepted concepts.