

Resourced–Based View and Internationalisation of Social Enterprises: An Exploratory Study

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EXECUTIVE SUMMARY

Due to recent economic, social, and public health drawbacks, social enterprises (SEs) play an increasingly important role in addressing a wide range of social problems, as part of their market-based approach to social value creation. Since SEs operate mainly in challenging contexts characterized by scarce resource environments, they need to develop strategies in order to effectively accomplish their missions while achieving organisational sustainability. Often, SEs expand their activity overseas within an internationalisation strategy. The purpose of this study is to examine the role of resources in the internationalisation strategy undertaken by SEs. The study applies the resource-based view (RBV) to understand how the type and nature of resources may influence the international activities pursued by these organisations. The findings highlight the important role of different key resources in the growth, sustainability and internationalisation of SEs.

INTRODUCTION

Significant changes have recently occurred in the world with an emphasis on the COVID19 pandemic that is expected to produce a huge economic recession causing significant social and environmental costs in most developed and emerging countries. In the face of this crisis, coordinated global responses are needed at national and international levels, involving the public sector, the market and social economy organisations (Loayza & Pennings, 2020). Social Enterprises (SEs) are often recognised for their capacity to operate in adverse and institutionally-challenging contexts characterized by scarce resource environments. Often, social enterprises are expanding the scope of their strategic interest into the international global sphere. This trend has been particularly noticeable as the increasing global wealth disparity, the corporate social responsibility movement, the market, institutional and state failures along with technological advances have created numerous opportunities for SEs internationalisation (Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2008).

Thus, the growing interest in SEs mirrors their promise of reducing long-term public spending in several social related fields like reducing poverty, protecting minorities and immigrants, health and environment related behaviors, community development, among others (Zahra, Gedajlovic, Neubaum, & Shulman, 2009; Chen, Saarenketo, & Puumalainen, 2018). In order to respond adequately to these demands and to successfully accomplish the creation of social value, SEs must leverage their resource-base (RBV) by combining different types of social, human and financial resources in order to create social and economic value (Zahra et al., 2009). This challenge requires crucial managerial capabilities and creativity from SE managers in order to successfully attract resources and accomplish the organisations' mission (Bacq & Eddleston, 2018; Desa & Basu, 2013; Zahra et al., 2009) while achieving organisational and environmental sustainability (Di Zhang & Swanson, 2013).

In the current global crisis, internationalisation strategies are increasingly being adopted by SEs which intend to grow and scale up their operations globally to fulfil unmet social needs. Yet, research addressing the topic of internationalisation among SEs remains limited (Yang & Wu, 2015). Likewise, other authors claim that little is known about the drivers of and the processes underlying SE internationalisation and SE-specific and country-specific consequences of internationalisation (Alon, Mersland, Musteen, & Randoy, 2020). In response to this shortcoming, our study attempts to bridge this void by addressing the following research question: *What is the influence of key founder's SE resources on the internationalisation strategy?*

By providing answers to the above research question, the present study seeks to examine which resources and capabilities are relevant to the internationalisation process of SEs. From a conceptual framework, the study applies the resource-based view (RBV) to explain how the type and nature of resources are relevant to explain the international activities pursued by these organisations. It is widely recognised that the concept of SE has been mostly focused on single country studies, has mostly addressed local oriented organisations and lacks empirical support (Kerlin, 2010, 2013; Zahra, Newey, & Li, 2014). Moreover, the RBV view has been mainly applied to the for-profit sector with very few empirical studies being applied to the social enterprises setting (Meyskens, Robb-Post, Stamp, Carsrud, & Reynolds, 2010).

With respect to the methodological approach, the study relies on several case studies of social enterprises belonging to the Ashoka's Globalizer Program in Brazil, a global initiative created in 2010 with the objective of supporting the internationalisation of social enterprises, connecting them with experts, supporters and investors (Ashoka, 2016). The authors followed a qualitative approach and conducted

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