



What Makes An Enterprise ‘Social’? Delineating The Theoretical Constructs Of A Social Enterprise

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ABSTRACT

The term social enterprise is mystical. To many, it connotes altruism and a benevolent alternative to commercial enterprise. It requires extensive soul searching and an unconditional willingness to dispense those messianic obligations often deemed unrewarding to their commercial comrades. We argue that perceiving social enterprise as a distant breed is antithetical. In this paper, we stamp the point that social enterprise is of intent and ethos but not of form. An enterprise becomes ‘social’ when they voluntarily decenter their self-interests and posits its stakeholders’ rights above their own. An enterprise self-actualizes when they reflexively learn from crises, institute constructive organizational change and embed moral legitimacy within their core values. In this paper, we justify those reasons why a strict demarcation between social and commercial enterprise is unsustainable. We then delineate two fundamental theoretical constructs that make an enterprise ‘social’. Towards the end of the paper, we explain how these theoretical constructs may trigger fresh research epistemology in social enterprise.

Key Words: Social enterprise, theoretical constructs

1. Introduction

Entrepreneurship is the engine of innovation and creates value in society (Kickul et al 2011). Deduced from the Schumpeterian concept of creative destruction, entrepreneurship fundamentally uncovers and exploits opportunities to spawn seamless commercial renewal and reconstruction (Shane & Venkataraman, 2000). Entrepreneurship varies in shapes and sizes. Some are incremental while others re-engineer the society. These explosive and radical innovations trigger cyclones of destruction, displace and expire outdated commerce. Of course, entrepreneurship is fundamentally powered by both economic and management theories. The free-market capitalist ideal and management concepts like competitive advantage and blue ocean epitome, continuously combust entrepreneurs to develop new ideas. Consider the demise of Nokia Inc. by the onslaught of ‘smarter’ phones, the endangered traditional taxis with the introduction of Grab and the incoming Tesla cutting short the tenure of gasoline-powered vehicles. Entrepreneurship has received intense scholarly attention buoyed by the rising number of billionaire businesspersons who have amassed great wealth envied by many.

Nevertheless, in recent periods, scholars are buzzing about the newer notion of social entrepreneurship that many regards to be an ‘offspring’ of entrepreneurship (Certo & Miller, 2008). Austin, Stevenson & Skillern (2006) for instance, broadly coined social enterprise as an “entrepreneurial activity with an embedded social purpose”. This broad definitional construct sits well with scholars who claim social enterprise as those hybrid commercial organizational structures with an ingrained social purpose or *any* private enterprise with public interest (Dees & Anderson, 2003; Helen 2005). Then, some scholars desire a narrower approach and insist on the exclusive connection of social entrepreneurship to non-profit organizations (Reiss, 1999; Thomson,

2002). Despite the velocity of scholarly discussion, social enterprise has yet attained a fixated definitional construct and remains largely a 'contested' academic domain (Choi & Majumdar, 2012).

We understand the academic trauma in delineating a definitive construct for social enterprise. We do not intend to add fuel to the already cluttered works of literatures and we refrain from accentuating those controversies here. Instead, we concede that any attempts to delineate social enterprise are antithetical. We argue that social enterprise is an intangible concept, and here we forward those reasons why a fixated construction is unwitting and why it is necessary to examine social enterprise by its intent rather than in form.

We begin by exploring the categorical distinctions between enterprise and social enterprise. By studying this categorical distinction, we expose those systemic delineations between the two dichotomies of entrepreneurship. We proceed to reason why such distinctions are superficial and antithetical. Towards the end of this paper, we delineate a set of theoretical constructs underlying the foundations of a social enterprise and explicate their contributions for future research.

2. The Economics of Commercial and Social Enterprise

Academics have long distinguished commercial and social enterprise from their economic intent. They habitually regard social enterprise as a form of benevolence and those charitable organizations tasked with messianic missions (Grassl, 2012; Sepulveda, 2015). Scholars 'grandly recognize' munificence, altruism, their emphatic arousal and counter-economics virtue as the ubiquitous factors of a social enterprise (Dey & Steyaert, 2016). Consider this candid remark, "It's time to admit that the neoclassical vision of capitalism offers no solution to the economic problems we face...We need to abandon our unquestioning faith in the power of personal-profit-oriented markets...but a real solution requires a change in the system itself" (Yunus, 2017). On the contrary and since time immemorial, conventional entrepreneurship is inextricably associated with capitalism that embraces an overriding responsibility to maximize shareholders' welfare. We outline these grounded but stigmatized economic intents of a commercial enterprise and subsequently, we unveil the emerging social enterprise in response to those discontents.

2.1 Enterprise, Capitalism and its Discontent

Profit has always been a grounded virtue of commercial enterprise. For instance, the Marxian 'Wealth of Nation' theory connotes that profit underlines the success of capitalism. When a capitalist enterprise earns profit, the economy is prosperous with high employment rate and living standards improve. Conversely, if profits drop, capitalism stagnates, living standards decline and unemployment increases (Moseley, 1997). Nonetheless, the notion of profit and commerce is not solely an economic concern. Mainstream religions correspondingly endorse the notion of a profitable enterprise. For example, economic success, the capitalist ideal, but ethics overlap with Christianity. The Bible associates labour & vocation with reverence towards God and depicts the creator as a laborious person (Calkins, 2000). This notion is supported by the 1930 publishing of "The Protestant Ethic and the Spirit of Business" by Max Weber. Weber argues that the introduction of austere Protestantism significantly affected notions of savings, possession, career, & wealth. It stimulated modern capitalism and embodied the "cult" of money accumulation. This immense impulse finally propelled Germany to industrialization and gave "first mover" economic advancement to European nations (Calkins, 2000). Similarly, Islamic traditions view worldly pursuits and spiritual growth as connected (Brammer, Williams & Zinkin 2006). "Takziyah" allows for the idea of a man's active pursuit of wealth and material belongings (pursuit of purification and economic growth).

This capitalist image of a business is reinforced by contemporary management theorists. In his 1970 article, "The Social Job of Business Is to Increase Profits," Milton Friedman argues that firms owe no obligation to stakeholders and that their only responsibility is to maximise shareholder welfare. Friedman (1962) argues in an earlier book that capitalism is inextricably linked to democracy and the freedom to pursue whatever goal one desires. A pure capitalist ideal has to be unencumbered by external coercive forces and government supervision. The liberty to pursue money and personal interests is the defining characteristic of capitalism. This is consistent with Albert Carr's theory that it is OK for business to lie so long as it keeps within the bounds of the law (Carr, 1968). This perspective is also supported by the courts, and the landmark Dodge v. Ford judgement reiterated that businesses owed no responsibility to stakeholders. Justice Ostreder gave the verdict, and a pertinent section reads as follows:

A business corporation is organized and carried on *primarily for the profit of the stockholders*. The powers of the directors are to be employed for that end. The discretion of directors is to be exercised in the choice of means to attain that end, and does not extend to a change in the end itself, to the *reduction of profits*, or to the non-distribution of profits among stockholders in order to devote them to other purposes [Emphasis added].

Clearly, profit tops the priority of commercial enterprise but this leads to the stigmatization and discontent of the same. Many writers cautioned against the tyranny of commercial organizations and their underlying capitalist phantom. Consider this remark:

to answer such questions [about what to do] I have to explain the true source of wealth, *distinguishing wealth creation from wealth extraction*. The latter is any process whereby one individual takes wealth from others through one form of *exploitation* or another. The true source of "the wealth of a nation" lies... in the creativity and productivity of the nation's people and their productive interactions with each other... it rests on... institutions broadly referred to as 'the rule of law, systems of checks and balance, and due process [Emphasis added] (Stiglitz, 2002).

Obviously, opposition to the extraction of riches and violation of social fair trials has been a recurrent problem. In 1953, for instance, Bowen condemns the rising and pernicious powers of large businesses, especially with regard to the tyranny and exploitation of employees. Bowen asserts that private firms are responsible for catastrophes such as the Great Depression also for America's historically violent labour relations. Bowen emphasises the need for firms to be "socially accountable," which he views as "a partial alternative to socialism" (Bowen, 1953). He mobilises to counteract expanding corporate dominance and asks businesses to share their riches with stakeholders. Similarly, the 1967 foundational essay titled 'What Does the Businessman Owe to Society?' by Keith Davis urges the subjection of corporate interests to the demands of stakeholders. Davis established the concept of "iron law accountability" in response to big business mistakes such as the Bhopal Tragedy in India, emphasising the obligation to satisfy societal expectations. Corporations must be accountable for their authority, otherwise they will lose it (Davis & Blomstrom, 1966).

Clearly, the world has experienced several examples of shady businesses. The 1997 Nike Sweatshop Scandal, the Deepwater Horizon Spill in 2010, the Vw Diesel Dupe Scandal in 2015, the Apple Foxconn Scandal in 2017, and its recent Johnson & Johnson (J&J) baby talc Scandal in 2018 are among the most egregious causes of this escalating resentment against corporations. The growing animosity towards commercial company strengthens the stakeholder's position and assures the continued fall of corporate monopoly. The 1984 introduction of Freeman's stakeholder theory illustrates precisely this argument. Freeman contends that companies are moral individuals and must meet the diversified expectations of their stakeholders. Unlike the predecessors that perceive morality as a fringe element in commercial enterprise (see Mridula & Preeti, 2014), Freeman conceptualizes altruism and humanism as the core of an enterprise.

In his subsequent publications (see Werhane & Freeman, 1999), Freeman argues that businesses must inculcate altruism at the core of their corporate thinking so opposes the separation thesis and further amoral premise that a corporation is detachable from moral judgments. Freeman (1984) believes that stakeholders' rights and interests underpin the normative moral underpinning of a company (see also Donaldson & Preston, 1995) & puts stakeholders' rights as preconditions of profitability. Freeman states, "A company's *raison d'être* is to act as a vehicle for harmonising the interests of its stakeholders...the corporation operates at the pleasure of its stakeholders." (Werhane & Freeman, 1999). "Shareholder capitalism" dilutes corporate power, and by injecting stakeholder interests as the basis of company function, the conventional contradiction between capitalism & ethics evaporates. The concept of shareholder capitalism is innovative and aptly characterises the growth of unconventional consumption, a hyper globalisation that has led to a very uncommon disruption (Reich, 2008).

2.2 The Rise of the Social Equivalent, a Distinct Specie?

It is against this backdrop of resentment that saw the rise of its social equivalent. Since the introduction of the term social enterprise by Waddock and Post in 1991, it has attracted keen scholarly debates, each taking a unique swipe in demarcating the parameters of a social enterprise. However, despite the keenest debates, there is still gapping difference on what social enterprise truly connotes. Many scholars take a comprehensive and all-encompassing approach in outlining the categorical distinctions between the two from prior literatures. For instance, Zahra et al (2010) tabled a comprehensive list of definitional construct and remarked this frustration in their paper, "Despite the growing scholarly interest in social entrepreneurship there *is no clear definition of its domain*. This task has been complicated by social entrepreneurship's numerous manifestations, and the breadth of the scholarly communities studying the subject. Furthermore, the term itself combines two ambiguous words *connoting different things to different people*" (Zahra et al, 2010) [Emphasis added]. They lament the impossibility to uncover an all-embracing definition and in their words, "In presenting these definitions, *we do not strive to find a statement encompassing all aspects of these diverse definitions*" (Zahra et al, 2010) [Emphasis added]. Other authors (see Weerawardena & Mort, 2005) present complicated tables enlisting the different characteristics of social entrepreneurship. We however take a different approach. Being mindful to refrain from further complicating the already juxtaposed disagreements, we argue that there are two *functional divisions* of social entrepreneurship scholars. In outlining this two dichotomy of scholarly approaches towards social enterprise, we simultaneously expose the distinctive features underlying the two forms of entrepreneurship.

2.2.1 Categorizing the Distinctions

The first division of scholars is those that enthusiastically scrutinize the differences between a social and commercial enterprise. Commercial and Social Entrepreneurial: Same, Distinct, or Both? is a famous study on the subject. By studying an enterprise's goal, performance assessment, market failure, and resource mobilisation, the 2006 book by Austin, Stevenson, and Skillern provides a superb description of differentiating this contradiction. Anchoring our discussions to these parameters, we extrapolate and triangulate them with other scholastic ideologies. In the proceeding sections, we highlight the salient features and underlying distinctions between a social and commercial enterprise.

(a) Market Failure and Corporate Mission

In their work, Austin, Stevenson and Skillern contest that social enterprise emerges out of systemic market failure and they often present altruistic corporate missions. By this, they mean that a social opportunity arises where and when a commercial enterprise fails to detect and materialize an opportunity to satisfy a social need. The ability of social enterprises to detect and exploit uncommon opportunities empowers them to embark on unique ventures with their intents often enshrined in distinctively altruistic corporate missions. In their words, "The fundamental purpose of social entrepreneurship is *creating social value for the public good*, whereas commercial entrepreneurship aims at creating profitable operations resulting in private gain...Differences in *mission will be a fundamental distinguishing feature* between social and commercial entrepreneurship" (Austin, Stevenson and Skillern, 2006) [Emphasis added].

The Grameen Bank venture in Bangladesh mirrors these points. Muhammad Yunus in his book titled "A World of Three Zeros" in 2017 exposes the perils of unequal wealth distribution and disproportionate capital concentration resulting from the systemic failure of capitalism in maximizing the rights of the poor and unfortunate. Capitalism "breeds inequality" (Yunus, 2017) and Yunus rallies for a "new civilization" which he termed as the "counter-economics of Social Business" (Yunus, 2017). Besieged by their self-imposed virtue of capitalist selfishness, conventional financial institutions perceive it unrewarding to lend money to the poor. Yunus established Grameen Bank to gap the systemic failure of this market, targeted to aid the poorest and most unfortunate social echelon. A sentimental tone silhouettes Grameen's mission, which reads, "I've devoted most of my life to working for the poorest people, particularly the women, trying to remove the hurdles they face in their efforts to improve their lives. *Through the tools of microcredit, Grameen Bank...makes capital available to the poor...helping to break the chains of poverty and exploitation...*" [Emphasis added] (Yunus, 2017). Grameen's mission, anchored to a social task, reflects a lurid intent to uplift the impoverished. Grameen is not a profiteering commercial enterprise but a social anticapitalistic innovation envisioned to redesign the economic engine. Yunus notes, "the entire bank is built on trust. No collateral...no legal documents...no proof of creditworthiness is required...most of the borrowers are illiterate and have no assets...the idea of lending money to them was considered crazy..." (Yunus, 2017). It is such 'impossible intent' that demarcates Grameen from its conventional profiteering brethren.

Of course, distinguishing social and commercial enterprises from their intent is not novel. Groups of other scholars connote a parallel stance of distinguishing the intent of entrepreneurship. Dees (2007) for instance, discourses that social enterprise arose out of frustration towards governmental shortfalls as a 'problem solver'. Dees (2007) argues that the government has not instilled clear principles of 'social mechanics' and their approach in helping the poor is riddled with bureaucracy and politically tainted agenda. He maintains that social enterprise intends to supplement the shortcomings of governmental social discourse giving rise to a breed of entrepreneurs that uncover and exploit opportunities for social good. A social enterprise meddles to give non-standard, innovative, and creative approaches to resource management and social problem resolution. Labelled as the 'third sector' organization, a social enterprise supplies a 'supportive structure' to identify, uncover and exemplify those 'opportunistic but overlooked market conditions'. However, Dees stresses that social entrepreneurship is unrelated to charity. While charity appeases conscience, social entrepreneurs are pragmatists who use all sorts of creative models and mechanisms to achieve social welfare (Dees, 2007). This line of reasoning is consistent with other authors (see Mair & Noboa, 2003) who opine that a social enterprise venture is inherently empathic, an intrinsic quality rarely found in a conventional enterprise. Cognitive empathy leads to moral judgements and propels social entrepreneurs to sensemake the sufferings of others and instigating them to do all within their power to mitigate their sufferings. Social entrepreneurs are proactively motivated with a sensational urgency to catalyst social change (Kruse, Wach & Wege, 2021).

Other authors further contextualize social entrepreneurial intents through framework. Shane and Venthakaraman in their publicized piece 'The Promise of Entrepreneurship as a Field of Research' in the year 2000 provided an extensive but practical framework, where they instill a set of a recognizable attitudinal characteristics of a social enterprise. According to the authors, a social enterprise embodies distinctive attitudinal characteristics from its counterpart. The authors propose that a framework to study social enterprise should consider a three-prong question that inquires (1) Why, how and when opportunities exist? (2) Why or why not the opportunities were discovered? (3) Why, what and how different those strategies are

applied in realizing those opportunities? Clearly the question ‘why?’ ‘what?’ and ‘how?’ is an inquiry of intent and purpose.

(b) Resource Mobilization and Measuring Corporate Performance

The other set of distinctions concern the mobilization of resources and corporate performance measurement. Austin, Stevenson and Skillern reason that the non-distributive principle of surplus in a social enterprise renders them unable to adequately compensate their employees. Consequently, their financial and accounting superstructure is plainly distinct from a commercial enterprise. Following this point, they opine that the performance of a social enterprise is not measurable by any tangible and financial indicators but by benchmarking how they manage the complex relationship with their stakeholders. Although Austin, Stevenson and Skillern (2006) did not refine this notion of stakeholders’ relationship, Connolly and Kelly (2001) briefly extrapolate this point. In their paper, Connolly and Kelly (2001) contend that a social enterprise must fulfil its ‘constructive’ accountability. By this, they proclaim that a social enterprise must accomplish its moral accountability in responding to external demands and ensuring their corporate objectives accommodate the broader spectrum of stakeholders. In their work, Connolly and Kelly remark:

By doing so, SEOs will be able to achieve long-term *legitimacy* and develop appropriate governance structures that integrate their diverse range of stakeholders [Emphasis added] (Connolly & Kelly, 2001)

We now draw attention to the word ‘legitimacy’. Legitimacy is an essential prerequisite for the sustainability of any enterprise (Suchman, 1995). It is a precondition of a social charter and marks the collective approval of an enterprise’s state of affairs and ventures. As long as the approval is given, an enterprise can conduct its business. Once the approval is withdrawn, the enterprise ceases operation. Suchman (1995) neatly termed legitimacy as “...a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”.

However, to simply state an enterprise must attain legitimacy is self-defeating because the term is highly nebulous. There are many variances of legitimacy but contrasting pragmatic and moral legitimacy best illuminates these gapping ‘behavioral dynamics’ (Suchman, 1991). Pragmatic legitimacy refers to businesses that do all in their ability to persuade their stakeholders of their corporate rightfulness and to reassure them that the enterprise’s leadership, corporate strategy, and results are tangentially beneficial to society (Palazzo & Scherer, 2006). It resembles conscious cognition, in which organisations proactively drive business activities to match their interests to those of individuals they serve. Derived from such a capitalist ideal, pragmatic legitimacy implies a deliberate “trade off” of identity in exchange for sustained stakeholder support. Grounded on some sort of ‘exchange’ and ‘bargain’ (Suchman, 1995), an enterprise hopes to appease and or manage their supporting stakeholders by engaging in those activities that uplift the welfare of the same. It rests on the proposition of generating reciprocal benefits to maximize both the interests of the enterprise and their associate stakeholders, a concealed capitalist ideal much forbidden by the purer breeds of social entrepreneurs (see Yunus, 2017).

When Connolly and Kelly penned the word “legitimacy” in 2001, they certainly did not mean pragmatic legitimacy. Clearly, the authors reject a quantitative measurement of a social enterprise performance but much of the pragmatic legitimacy model is smeared by a positivistic nuance. Castello and Lozano (2011), for instance, suggested that enterprises are ‘colonised’ by excessive positivistic subtlety and must pay a price to achieve a clearly demonstrable pragmatic legitimacy. Positivism often refers to fields of study and research that embrace a quantitative view of social investigation. Under a positivistic methodology, social investigations are derived from factual facts that are measurable, quantifiable, and observable (Hammersley, 2018). Similarly, positivism demands actions and outcomes to be monitored and presented in sustainability or yearly reports, brochures, and company websites (Bittle & Snider, 2003). This positivist technique demands companies to quantify their moral duties using predetermined metrics and criteria (Carroll, 1998; Basu & Palazzo, 2008). Pragmatic legitimacy represents a content meta-analysis & calls for a verifiable account between an organisation used and sustainability capital (Orlitzky et al., 2003). The escalating demand on businesses to implement aggressively optimistic corporate reporting programmes is a consequence of the emergence of pragmatic legitimacy, which is mostly attributable to stakeholders’ growing appetites for information and openness. Global Reporting Initiatives (GRI) is an example of a prevalent transnational agitator that propels businesses into a spiral of obscure sustainability reporting.

While positivistic movements enhance corporate reporting methods and infuse sophisticated tabulations and statistics, an overemphasis on their descriptive substance precludes businesses from realising and comprehending their constructive obligations (Brickson, 2007). This results in a lack of appreciation for the psychological and cultural underpinnings of constructive obligations, which leads to repetitious corporate reporting and makes it nearly hard to distinguish between different types of report trends (Snider et al., 2003).

Clearly, a solely optimistic deployment will result in shallow and deceptive reporting (Safraty, 2012). Regarding compliance, businesses employ a "box-checking" strategy that eschews superficial numerical analyses. Swedish Meat and poultry Inc. and Schenker, according to a research by Hedberg & Malmberg (2003) on Swedish enterprises, adhered to GRI in order to be recognised by external audits. Milne & Gray (2013) claimed that superficial & cosmetic disclosure rules are insufficient to show moral substance. In contrast, a box-checking strategy results in "strict, mechanical practises requiring the use of overly detailed 'standardized checklists' and pursued without consideration for assessing costs against benefits" (Safraty, 2013). Enron, for instance, had excellent reporting mechanisms in place that highlighted their business responsiveness and exemplary responsible business (Sims & Brinkmann, 2003). The 2018 criminal inquiry into J&J's potentially carcinogenic baby talc is just another striking example of such blunders in a pragmatic conundrum. Surely, J&J's code of conduct is well-known. According to the company's annual report, "Complying with our Code is really about establishing an atmosphere where we can do our best job and just be proud of the effort we do, the obstacles we conquer, and the victories we achieve because we do such things fairly, lawfully, and with integrity..." (J&J Annual Report, 2017). Instead of being a means to a goal, the process of creating data and figures becomes the end itself.

We now know that pragmatic legitimacy is a mismatch in social enterprise. It belongs to a capitalist nuance aptly fitting the context of a commercial discourse. Now the question is what sort of legitimacy befits a social enterprise? The correct response is "moral legitimacy." Suchman (1995) defines moral validity as "sociotropic"; it is based not on evaluations of whether a certain behaviour is beneficial to the evaluator, but on evaluations of whether activity is "the right thing to do." These evaluations become a barometer that indicates whether a commercial activity promotes social welfare based on the society's values rather than what the target market perceives its own interests (Suchman, 1991). Moral legitimacy pertains to the subconsciousness of corporate organisations and represents the moral principles that the majority of society considers important, unavoidable, and non-negotiable for organisations to uphold (Palazzo & Shearer 2006). According to Hannan and Carroll (1992), "there is little doubt in the minds of participants that it functions as a natural means of effecting collective action." Any breach or exploitation of this implicit cognitive validity places businesses at danger of being rejected and defiled by severe societal repugnance. The primary dividing factor between pragmatic and moral legitimacy is therefore this; while capitalism endorses pragmatic legitimacy, *altruism* grounds the moral legitimacy of a social enterprise.

2.2.2 The Hybrid Enterprise

The second division of scholars are more candid. They generally entail an insistent group that refute a categorical distinction between a social and commercial enterprise. These scholars are seemingly 'confused' and bewildered by this ongoing albeit futile quest for division. For instance, some bemoaned the lack of a unified definition (Certo & Miller, 2008) and ambiguity pertaining to its scope (Boschee & McClurg, 2003) leaving the concept largely axiomatic and distorts the crystallization of a constructive paradigm (Anand, Larson & Mahoney, 2020). Many modern scholars conclude that social enterprise is not an exclusive domain but shares significant interlinks with a common enterprise (Dacin Dacin and Matear, 2010). Therefore, Grassl (2012) term social enterprise as a hybrid superstructure (see also Doherty, Haugh and Lyon, 2014). Grassl (2012) remarked, "Terminological confusion about social entrepreneurship derives largely from the fact that *social enterprises are structurally hybrids in several dimensions. Hybridity is their essential characteristic, and it fulfills an indispensable role.* An approach is developed that *does not rest on dichotomous distinctions* by sectors or profit orientation" [Emphasis added] (Grassl, 2012).

We have discussed in considerable depth the two divisions of scholars reading social enterprise. Leveraging on the works of Austin, Stevenson and Skillern (2006), we unfold those theoretical distinctions between social and commercial enterprise. We contextualize the trajectories of a social enterprise from the aspects of their mission, unfolding business opportunities and their performance measurement. We summarize that a social enterprise business opportunity emerges from a systemic market failure and their corporate ethos and mission is to generate social good and altruism. We then proceed to examine albeit briefly, the second division of scholars that refute distinguishing the two and contest hybridity mollifies the rift between the social and commercial enterprises.

Of course, we agree that a perpetual disagreement is antithetical and risks a 'paradigm lost' (Thomas Kuhn, 1974). We concur with Austin, Stevenson and Skillern's proposition that "the distinction between social and commercial entrepreneurship is not dichotomous, but rather more accurately conceptualized as a continuum ranging from purely social to purely economic" (2006). Additionally, they maintain, "The four propositions *are not meant to be definitive, nor exhaustive*, but rather provide us with a theoretical frame with which to engage in the subsequent comparative analysis" [Emphasis added] (Austin, Stevenson and Skillern, 2006). The reason is perhaps that a social enterprise is not a legal form but of "ethos and purpose" (see Connolly and Kelly, 2011).

Although we favor the idea of not imposing a strict dichotomy of categorical distinctions between social and commercial enterprise, we find that previous scholars have not carefully reasoned why a strict and rigid distinction is inappropriate. We fill in this gap by revealing the theoretical explanations why a strict dichotomy is imprudent. In the following section, we attempt to lay out as lurid as possible our justifications that a social enterprise is distinct only in substance but not in form.

3. On Thin Lines, a Fragile Distinction

We argue quite extensively the pervasive but elusive distinctions that separate a social and commercial enterprise. However, despite the disproof of a separation thesis, none of the scholars have satisfactorily accounted why maintaining a categorical distinction is perilous. In this section, we fill this gap and underline the reasons why it may be unwise to maintain this dichotomy.

3.1 A Punctuated Enterprise, Altruism and Moral Legitimacy

We know that altruism, moral legitimacy and corporate intent separate a commercial and social enterprise. However, an enterprise's ethos and intent is never linear. By this, we mean that the purpose, intent and ethos of an enterprise evolves. By this also, we argue that a commercial enterprise can experience a change in entrepreneurial ethos that might catalyze their intent towards altruism and making them more 'social' as a result. Of course, altruism is rarely discussed in entrepreneurship (La'hdesma' ki and Tuomo Takala, 2012) because it contests conventional capitalism. Many scholars equate altruism to philanthropy (Garcia, 2018; La'hdesma' ki and Tuomo Takala, 2012) but we maintain this equation is naïve. First, we saw earlier that charity superficially appeases stakeholders (see Dees, 2007) and second, philanthropy is an accessory, a voluntary action often labeled as an 'icing on a cake', a feature very distant from a firm's primary economic intent (see Carroll, 1991).

On the contrary, we argue that the term altruism and moral legitimacy is a state of mind, of ethos and intent. Organizations are not exclusively a "rational system of social machines" (Suchman, 1991) but of sentiments, values, cultures and beliefs (see Hofstede, 2011). The surrounding world shapes firms in "open platforms of intellectual change" (Weber & Waeger, 2017). In actuality, "commercial enterprises do not function in a vacuum; rather, they are entangled in an unorganized system comprised of varied needs and competing interests" (Teck et al, 2018). Numerous fields of management research corroborate this. For instance, scholars have long studied organizational change (Burnes, 2004) and organizational learning (Fiol & Lyles, 1985). These fields of the study reinforce the point that in an "open systems", organizations are susceptible to demands and those externalities that shape their intent.

We have exhibited that organizations are sentimental beings and we now return to ponder these questions, what is and when will an enterprise's ethos change? How does a change of ethos lead to altruism and 'socialness' in an enterprise? The journey of an enterprise is never linear and occasionally derailed by crises. Then, what is a crisis? Crises relate to events that interrupt and distort a company's operation, structure, nature, and cognitive content (Siano et al., 2017). Organizations face increasingly difficult business environments characterised largely by increased stakeholder demand (see Kotler & Caslione, 2009; Browne, Nuttall, & Stadlen, 2015), which result in crises. Crises were always taboo for businesses because they destabilise organisations & expose them to chaotic and nonlinear events (Teck et.al, 2020).

Many pieces of literatures (see Schott, 2006, Amuna, Shobaki and Naser, 2017) focus on managing and mitigating the impacts of a crisis rather than studying the crisis itself. For instance, scholars study proactive strategic measures designed to mitigate a crisis (Mukherjee & Gupta, 2008), develop early warning detection models to alert organizations on impending disasters (Schott, 2006) and price highly trained public relations skills to communicate corporate messages to the anguishing stakeholders. This line of literature stresses the urgency to manage, mitigate and extinguish crises at all costs. While these research trajectories are common arsenals of crisis management literature, they miscue the essence of crises as a catalyst to change an enterprise's intent and ethos (Dufort, 2007; Teck et al, 2018). Dufort (2007) argues that taking a step back and scrutinizing the onslaught of the crisis instead of its aftermaths provide a fruitful opportunity for organizations to better understand, sensemake and retrospectively learn from the crisis. Teck et al (2018) aptly drill this point by visiting the Shell Brent Oil Spar Saga as an illustrious example of organizational reflexive learning in a crisis.

The remaining question then is how does a crisis trigger reflexive learning and change an enterprise's ethos and leading them to altruism and moral legitimacy? Teck et al, (2018) neatly illustrate this point in their work titled "A Theorisation on the Impact of Responsive Corporate Social Responsibility on the Moral Disposition, Change and Reputation of Business Organisations". In their work, the authors contest that a crisis triggers a disruptive discourse that decenters and deconstructs an organization (see also Higgins, 2010). They remark, "by this, it means that business firms no longer assume a central role to orchestra social change, but instead undertake a deconstructed role in response to socio-structural demands...external drivers of change have unlimited ability to generate deeper and more meaningful transformations in a

business firm. A transformation challenges the deeper structures of an organisation and is not limited by a firm's imagination of what it could do for the society" [Emphasis added].

We assume that by default, an enterprise can act freely within the capitalist discourse to maximize the profits and pleasure of the shareholders. However, an enterprise does not enjoy unlimited freedom but must stay within the confines of a pluralist community. Now imagine that the enterprise takes their capitalist discourse too far, a punctuation of backlash and resentment will ensue. Moral dissonance sets in at the peak of a crisis leaving the enterprise scrambling to reboot their ethos and entrepreneurial intent inching them closer to moral legitimacy. Shell's Brent Oil Spar saga reflects this point. Shell Inc. received severe backlash in dropping share prices and deteriorating its brand image. Post the saga, Shell's Annual Report exhibits a sub-conscious and exhilarating rhetoric moral discourse. The annual report reads:

We believe that we acted honorably in both cases. But that is not enough. Clearly, the conviction that you are doing things right is not the same as getting them right. For us at least, this has been a *very salutary lesson*. We were ready to learn from experiences, however *painful*, because of a planned process of *change* begun in 1994. It represented the *most thorough and far reaching review* for over 30 years—our *Transformation*. Nothing was sacrosanct, and *fundamentals were questioned*: the *structure*, the *way business is done*, the *quality of leadership*, *relationships with people and our vision of the future* (Shell Inc. Annual Report 1998). [Emphasis added].

This excerpt deserves delicate analysis. The phrase "very salutary lesson" and "however painful", clearly describe the saga's profound punctuating and disruptive powers. Other phrases "most thorough far reaching—our transformation", "fundamentals were questioned, including the "structure" exhibit Shell's grounded organizational deconstruction. Last, phrases such as the "way business is done", "quality of relationships" and Shell's "vision for the future" vindicate those impending organizational transformation to moral legitimacy and altruism.

Such rhetoric analysis on crisis, organization deconstruction and moral recourse has been recently applied on the Volkswagen Diesel Dupe scandal in 2015 (Teck et al, 2019) where they exhibited this sort of familiar transformation in Volkswagen Inc. post the diesel gate scandal.

There are good reasons to believe that scaling stakeholders' demands is displacing business organizations. One way or another, a crisis can change an enterprise's ethos and reinstates moral legitimacy. When that happens, an organization becomes more 'social' where morality and altruism infiltrate their ethos and obscures the conventional distinction between a social and commercial enterprise.

3.2 Democratic Ethics and the Limits of Corporate Sovereignty

We argue with some saliency that enterprises are subjected to increasing social disruptions that delimit their corporate sovereignty. Corporate sovereignty is the outcome of the freedom capitalism permits. Within this premise, corporations are blessed with the autonomy and discretion to exercise in whatever means they deem necessary to maximize shareholders' interests (Rhodes, 2016). However, this over manipulated freedom triggers antagonism from the grassroots of society. "Despite the central role it plays in mankind's development, business has never enjoyed a harmonious relationship with society" (Browne, Nuttall & Stadlen, 2015). Democratic ethics delimits corporate sovereignty as they reinstate the position that corporations can no longer perceive themselves as amoral, but intertwined within the fabric of the society it serves. Under the notion of democratic ethics, corporations are a subsidiary of the stakeholders and they must serve the higher purpose of humanity (Freeman et al., 2010). Taking this line of debate, we argue that the oxymoron role of antagonistic stakeholders is an important vector for organizational change and delimits the freedoms of a commercial enterprise. Leveraging from our earlier discussion, the uprising stakeholders' powers mitigate corporate sovereignty and reduces the capitalist freedoms they once unconditionally enjoyed.

We study the stakeholders' heightening powers from two angles. First, there are in place corporate governance frameworks aimed at making an organization more translucent. See for example the stringent GRI corporate reporting requirements making readily available all sorts of information that the enterprise must furnish their stakeholders. Second, the rise of stakeholders' capitalism (see Freeman et al, 2010) instill an unusual social control over business enterprises adjudicating them to careful public scrutiny. Consider the Facebook data breach scandal in 2018. Mark Zuckerberg stated at the Senate hearing that the company has not doing enough to secure data security. Zuckerberg stated, "It was a significant error," and he will "work through all modifications" to approve it (Matthew Rosenberg & Dance, 2018). Facebook Inc. placed full-page advertisements in nine papers in the U.s.a (USA) and also the Great Britain (UK) to apologise for their violation of trust. The tagline reads, "I am really sorry that this happened...We have a basic responsibility to protect people's data, and if we can't do that, then we don't deserve the opportunity to serve people".

Facebook experienced a deconstructive momentum that saw the tumbling of 14% of its equity value. It invites Facebook Inc. to reconsider its underlying ethical values.

We foresee the continuous mounting of democratic ethics especially in the current time. We are writing at a difficult time. Our world is still grappling with the ransacking havocs of the COVID-19 pandemic. The pandemic has distant physical proximity and further mortify corporate sovereignty. More than ever, enterprises are subject to even more intensive scrutiny. A wrong move spells disaster and condemnation. Consider the discontents unleashed against Top Glove Berhad, the largest maker of latex gloves in Malaysia. At the height of the pandemic, the enterprise was singled out by cautious human rights watch groups alleging them to have violated labors rights (The Star, 2020). We are certain that the COVID-19 pandemic has reinforced stakeholders' power and further delimits corporate sovereignty. Consider these remarks:

...Covid-19 pandemic will accelerate post-pandemic CSR development...on achieving a delicate balance between profitability and harmony with its various stakeholders...The pandemic will teach us a lesson that "we are all in this together", which undoubtedly will raise people's expectation of businesses being more socially responsible. Therefore, we can envision the post-pandemic period as a one that the thriving businesses are those with strong CSR commitment and effective CSR strategies and efficient implementations. Greenwash, pinkwash, and lip services will no longer survive closer consumer and public scrutiny [Emphasis added] (He & Harris, 2020).

These remarks sum it too well. The province of corporate sovereignty is shrinking. The COVID-19 pandemic further accelerates responsible business and heightens stakeholders' influence. Increasing stakeholder capitalism entails the rise of democratic ethics and the declining corporate sovereignty. In turn, the weakening corporate sovereignty stimulates radical transition of corporate ethos that inspires the rapid rise of social enterprise. We discuss, hopefully with some quantum of persuasion, those salient reasons why a continuous separation between social and commercial enterprise is injudicious. We reiterate our views that dichotomizing the social and commercial enterprise is indefensible. We argue that the division between the two is one of ethos and not in form. The rise of stakeholder capitalism, the increasing propensity of crisis are pervasive triggers that dilute corporate sovereignty, accelerate the transpose of corporate ethos thus making an enterprise more 'social'. Indeed, we forcefully propose that the term social enterprise does not and should not exist as an exclusive theme but a discreet branch of entrepreneurship.

4. The Theoretical Constructs of a Social Enterprise

This section is crucial as it attempts to delineate the underlying theoretical constructs of a social enterprise. Before we embark on exposing these theoretical constructs, it is worthwhile to refresh what we know this far. First, we contend that the boundary between a social enterprise and a for-profit business is not absolute. The difference is one of intent rather than form. Second, the ethos of a commercial enterprise is not fixated but evolves in time. Third, an enterprise is auxiliary to the rights of stakeholders in an open system and exacerbated by the intensifying principles of democratic ethics, they (the enterprise) must fulfil their social charter, a precondition of their continuous survival. Fourth, moral legitimacy underpins the foundation of a social enterprise. With these in mind, we now turn to delineate the theoretical constructs of a social enterprise. Delineating the theoretical constructs is essential, as we will show; sets the tone for future research. In laying down these theoretical constructs, we postulate the preconditions that must be met to set forth a social enterprise.

4.1 Corporate Social Responsiveness, De-centering and Moral Legitimacy

The ability to be socially responsive is perhaps the primal theoretical prerequisite in making an enterprise, social. Moral legitimacy requires an enterprise to develop unique cognitive connections with its environment (Suchman, 1991). Of course, conventional pragmatism accentuates the proactive prowess of an enterprise to lead, champion and catalyze social change, one that falls short of understanding the necessary openness for enterprises to sensemake, listen and respond to their externalities (Teck et al, 2018). To achieve moral legitimacy, the enterprise must prepare to de-center, radically respond to and elevate the stakeholders' interests above their own. Social responsiveness pays premium to the enterprise's cognitive acceptance of their subservient role in society. It connotes a "shared, usual flow interrelated sets of highly emotional beliefs, morals that bind a few really people together again and help to make learning more meaningful shared conceptions are believed to represent the identity of the organisation (i.e., "Who we are"), providing the foundation for communicating with other entities" (Trice & Beyer, 1993).

By de-decentering an enterprise must "consider drivers for change that exist outside the organization" (Higgins, 2010). It is crucial for an enterprise to deconstruct their ego and realize their subservient role in the society they serve. This requires a radical assumption reversal so that enterprises disband themselves as proactive drivers of change. Instead, it urges enterprises to play a subsidiary role, paying premium in responding to external demands and ensure that those demands sit at the core of their business values. In

this sense, their social responsiveness is seemingly complete because “external drivers of change have unlimited ability to generate deeper and more meaningful transformations in a business firm” (Teck et. al, 2018).

A proactive enterprise is expiring because no enterprise can adequately manage and direct social values in an increasingly polarized society. If they do that, they gain pragmatic legitimacy at best. Moral legitimacy requires the shredding of egoistic expectations. Proactive and pragmatist enterprise is losing grip as they lack the deeper sensemaking of their externalities (Basu & Palazzo, 2008). Responsiveness goes beyond merely doing the right thing, but requires an altered discourse of their moral values and how they perceive their relationships with the stakeholders.

Nike’s response to its sweatshop saga illustrates this poignant point. The saga is outdated but Nike’s responsiveness is an illuminating example of a crystalizing moral legitimacy. Duped as being “one of the greatest image turnaround in decades” (The Business Insider, 2013), Nike’s sweatshop scandal is one that everyone knows. Successive rounds of crisis and the legal dents from the Kasky lawsuit trigger the apparel giant into a spiral of self-discovery and renaissance. Their infamous 108-page sustainability report produced by Nike Inc., in 2002 marks some salient character of emerging moral legitimacy. The report, written by the review committee comprising of experts from major stakeholders, highlights Nike’s subconscious moral transposition. One of the excerpt reads,

in the future, Nike will focus resources against both internal integration and *multi-stakeholder collaborations to address these challenges*...The company has two primary priorities for its *community investment programs* worldwide: increasing the participation of young people in physical activity, with a focus on the lifelong benefits it brings through a program called NikeGO; and investing in innovative solutions that address the challenges of globalization, with a particular emphasis on women and girls through the company’s investment in the Nike Foundation [Emphasis added] (Nike FY04 Sustainability Report, 2005).

The excerpt highlights two essential observations. First, it signifies Nike’s moral cognition to collaborate with their stakeholders in addressing their moral woes. Second, Nike has since embarked on altruistic momentums setting priorities in their community investment programs. These are two good indicators of Nike’s responsiveness, de-centering of their corporate philosophy and a display of moral legitimacy.

We propose that an enterprise must strive to achieve moral legitimacy. To do that, the enterprise must shackle its pragmatist ego. They must relocate and decenter their disposition. Instead of viewing themselves as the orchestra of social change flourished with the resources to do so, the enterprise must submit to the society they serve. When they do that, the enterprise begins to pay premium to external demands and ensure that their business values embrace them. When this happens, an enterprise becomes highly responsive to exigencies, incorporates those demands to their business core, gradually attains moral legitimacy and becoming more ‘social’.

4.2 Open Posture, Linguistic Communication and Moral Legitimacy

In the preceding section, we explain the imperative characters of corporate decentering, social responsiveness which lays the primal foundation of a social enterprise. We now explain the second requirement and here we ask the question, how does an enterprise decenter and become socially responsive? We argue that corporate decentering is a mental state and reflects the conative maturity of an enterprise. The conative character reflects how an enterprise responds to the expectations, demands and criticism of others and the extent they are willing to change under social pressure. Spar and La Mure (2003) argue that enterprises react mainly in one of two ways when faced with external criticism.

In a defensive mode, an enterprise rejects listening to comments, discards feedback and alternative sources of inputs even if their actions are blatantly wrong. In this circumstance, enterprises resist change, defend their stand and spirals into a constant denial (Staw, Sandelands and Dutton, 1981). In contrast, conative maturity necessitates that a business adopt an open posture that demonstrates its openness to interact, listen, and respond to alternate ideas presented by others. In an open stance, the organisation discloses not just its answers, but also its perspective of the problem, and debates and discusses the nature of change expected to put about a genuine change. We have seen this sort of sensemaking and open posture at Shell Inc. and Volkswagen Inc. as they gradually become more open and receptive post-crisis, which in turn lead to the transformation of the “New Shell” (Mirvis, 1997) and a morally deconstructed Volkswagen Inc.

To support this open posture, the enterprise must linguistically engage in communicating the same. It reflects how an enterprise express and communicate with their stakeholders. An enterprise can communicate in one of these two methods. First, a pragmatic enterprise most certainly engages in a strategic rhetoric. This consists of a collection of topics directly related to the enterprise’s activities, reputation, innovation, strategic

connection, and governance. Companies are not required to publicly defend their conduct beyond basic legal compliance. A strategic rhetoric acts as the enterprise's self-justification, in which it takes every effort to persuade its stakeholders of the goodness of its business actions. Strategic language is geared for pragmatic legitimacy, presuming that companies may intentionally affect their cultural surroundings and manage the process underlying legitimacy attribution (Suchman, 1995). To illustrate this contextually, we will need to reproduce those patterns of communication in Volkswagen prior and post the diesel dupe crisis. Consider the following excerpt:

Overall, the Volkswagen Group once again became a great deal more innovative, more international and *more competitive*...In other words, we *grew quantitatively and qualitatively*...becoming the *world's best automotive group*...We are *well positioned around the world and have strong, rock solid finances*...*And above all, we have the technological expertise and innovative power that is unparalleled in our industry*...We are *counting not least your faith on us...to continue and support your company*... [Emphasis added] (Volkswagen Annual Report, 2013)

This excerpt, written in 2013 published before the scandal was first exposed in 2015 candidly fits strategic rhetoric. The italicized words connote the essential features of Volkswagen's egoism, their self-confidence and their ability to control the market. These remarks are designed to amplify their strategic capability and to garner continuous support from shareholders.

Second, in the quest for moral legitimacy and at the peak of an open posture, a socially anchored enterprise expresses its moral legitimacy dialectically by maintaining fervent stakeholder dialogues, partnership, altruistic activities and meticulous employee involvements. A dialectic approach is deeply grounded in achieving a collective consensus from all relevant stakeholders to generate more informed results, increase the acceptability of corporate decisions and promote mutual respect (Scherer and Palazzo, 2007).

We again reproduce an excerpt from the Volkswagen Annual report post the scandal to contextualize this dialectic fashion. Consider the following excerpts:

Volkswagen seem to be pursuing one overriding goal: to become the world's greatest car maker. Then the diesel scandal broke in September 2015, *marking a profound turning point*...and *have long since defined new priorities* for the future...*We are all aware* that the Volkswagen Group *still has a long way to go. Size is certainly not the only thing that counts*...this is about the *capability and courage to change*...to that *end we have entered into new partnerships* [Emphasis added] (Volkswagen Annual Report, 2016)

This excerpt, published post the scandal, illuminates a dialectic character. Clearly and in contrast with the preceding excerpt, Volkswagen recognizes their limitations, stressing the courage to change and fostering new partnerships, which are tacit hallmarks of moral legitimacy. Of course, these excerpts are by no means exhaustive but they are monumentally represent Volkswagen's evolving postures and linguistic expressions pre and post-crisis.

5. Implications of the Theoretical Constructs

We expose two essential theoretical constructs of a social enterprise. We argue that a social enterprise embodies moral legitimacy fortified by cognitive and conative responsiveness towards social demands. They engage in constructive decentering by placing the interests of the society prior to theirs. Social enterprise communicates in unique dialectic rhetoric aimed at garnishing consensual support and collective decision making with their stakeholders. With this in mind, we now turn to examine the practical implications of these theoretical constructs. By delineating these implications, we hope, trigger structured and systematic research whether quantitative or qualitative in the field of social enterprise.

5.1 Re-conceptualizing Crisis and Organizational Change Management

Mainstream literature on crisis and organizational change management have been quite a disconnected branch of management theories. Scholars of crisis management conventionally study the management and mitigation of a crisis instead of the crisis itself (see Schott, 2006, Amuna et al, 2017). Scholars of change management similarly focus on the prescriptive values of organizational change instead of asking why the change is necessary (Rosenbaum et al., 2013). Clearly, these two theories value the postscripts instead of appreciating the inherent reflexive and anthropological values they offer.

We cannot comprehend the process of moral actualization in an enterprise without re-conceptualizing the anthropological virtues of a change process and how the enterprise sensemakes the outcomes of a crisis. Instead, scholars that amalgamate studying change and crisis management with social enterprise begin to appreciate the anthropological and reflexive values of these theories (see Weick, Sutcliffe & Obstfeld, 2005). We need to re-conceptualize how we approach those normative theories of change and crisis management. In

time, and the time is now, for scholars to take a versatile approach and re-look into the anthropological values of change and crisis management. The fusion of both these scholastic values is important and necessary.

The implication for future research is this. Researchers should pay attention to studying the mechanisms of change and crisis management. Since organization crisis and change are both complex and uncertain, we propose that future researchers should consider leveraging John Sterman's 'system dynamics' model publicized in 2002. Both crisis and change management fit his description of 'dynamic complexity'. Consider this, "Our mental models are limited, internally inconsistent, and unreliable. Our ability to understand the unfolding impacts of our decisions is poor. We take actions that make sense from our short-term and parochial perspectives, but these decisions often feedback to hurt us in the long run. To understand the sources of policy resistance we must therefore understand both the complexity of systems and the mental models of those systems we use to make decisions". We believe that Sterman's system dynamics is a good starting point to a more inductive inquiry on crisis and change management. However, it is not our intention nor is it within the scope of this paper to give a detailed account of this model. Instead, we are happy to see if any future researches commit to this trajectory of study.

5.2 The Perils of Proactive Corporate Reporting

We are now certain that a social enterprise is an ethos, an intent and not of legal form. An intent is a psychological element. Ironically, current corporate governance frameworks require corporations to display complex but standardized reporting formats that are only marginally possible in uncovering an enterprise's intent. For instance, the Global Reporting Initiative (GRI) compels businesses to demonstrate their sustainability performance quantitatively. The GRI was founded in 1997 by groups and people from the Campaign for Environmentally Friendly Economic Development. Their goal was to create a common reporting standard for environmental, economic, and social benchmarks. The GRI stakeholder council regulates the format and style of reporting formats. A basic GRI report contains, among other things, key performance indicators and a complete reporting methodology for a company's social, environmental, and economic performances. Standardized reporting impedes sincere business intent, risks concealing openness (Rhamdony & Hanuman, 2012), and rewards homage (Maclean & Rebernak, 2007). We argue conventional and meta contents in report contents may conceal true corporate intents, misleads the public and greenwashes the stakeholders into believing the reported fallacies. Corporate reporting presents a false hope that corporations are behaving ethically which they may not be. The Volkswagen scandal is a stark example of such betrayal.

The implication for future research is this. We think rhetoric and contextual discourse could assume a leading role in analyzing the socialness of an enterprise's moral legitimacy. Through coding and thematic analysis, we can systematically map the phraseological crystallization of their moral legitimacy readily decoded in their communication postures. The works of Basu and Palazzo (2008) reinforce this sort of rhetoric analysis. Unlike other modes of quantitative study, a rhetoric analysis is able to scrutinize the gap that may exist within a firm's semantics and expressions. Instead of measuring and quantifying quantitative results, rhetoric analysis allows researchers to sensemake and discern the gap between a firm's expressed intention and their actual actions. It underpins a useful method to contextualize a firm's animus and decipher the cogency of a firm's representations. It provides an approximate tool to distinguish between authentic legitimization momentums from greenwashing (Gallicano, 2011). The fundamental value of rhetoric analysis is that it allows researchers to sensemake a firm's transposition of their ethos and charts their journey of moral legitimacy. The rhetoric analysis exemplifies their linguistic expressions, which in turn uncovers their implicit and hidden values. Rhetoric analysis allows researchers to make sense of an enterprise's linguistic philosophy matching them contextually. A mismatch between utterance and their context hints at greenwashing, a deliberate and calculated attempt in using manipulative words on stakeholders.

6. Conclusion

Scholars struggled considerably in search of a unified definition of social enterprise. A narrow view insists that social enterprise is philanthropic, not for profit and burdened with an altruistic role to do social good. We argue that the delineation of social enterprise in its form is antithetical. We reasoned at length, that social enterprise is of ethos and of intent. They do not exist in form. On the contrary, they are demarcated by their intent and the moral legitimacy they attain. By studying the socialness of a social enterprise from their intent and ethos, it relieves scholars the need to schematically categorize those distinctions and instill a more flexible approach in studying the same.

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