

# Chapter 11

## Utilizing Social Networks in Social Entrepreneurship

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### ABSTRACT

*This chapter focuses on the linkage between social networks and social entrepreneurship and argues that social networks are crucial in social entrepreneurship and social entrepreneurs rely on different compositions of social networks in different stages of the entrepreneurial process. Drawing from network approach in entrepreneurship, this chapter continues by exploring the theoretical framework including conceptualizations of social entrepreneurship and social networks. It then introduces evolution of social networks in comply with organizational growth process. As a result, the chapter discusses utilizing social networks in social entrepreneurship. The conclusion reflects on possible characteristics of network usage and composition through the life cycle of social enterprises.*

### INTRODUCTION

In today's world, social entrepreneurship has become a global phenomenon by gaining increased attention both managerial and scholarly all over the world (Mair & Marti, 2006; Zeyen, Beckman, Mueller, Dees, Khanin, Krueger, Murphy, Santos, Scarlata, Walske, & Zachakaris, 2012). Social entrepreneurship has become an important approach in addressing social problems. Due to the inadequacy of traditional approaches in addressing society's problems, social entrepreneurship is seen as an alternative way to mobilize resources, increase efficiency through innovative partnerships, increase levels of performance and responsibility, and achieve a sustainable social impact. Nevertheless, there is still a lack of a clear understanding and a comprehensive picture of social entrepreneurship phenomenon (Weerawarden & Mort, 2006; Martin & Osberg, 2007). In order to become a structured field of study, social entrepreneurship's key concepts, constructs and its linkage with related concepts need to be defined and clarified.

Particularly, network dynamics of social enterprises has been lacking. Social entrepreneurship research has not yet studied social networks in much depth. Except for a few studies (Busch, 2013; 2014; Dufays & Huybrechts, 2014), a relationship is not established between social networking approach and

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social entrepreneurship. However, in the establishment and enhancement of social enterprises, it can be observed that social entrepreneurs are in constant connection with their social networking ties from the perception of venture opportunities, to the foundations of resources and the sustainability of the enterprise. In order for social entrepreneurs to be successful in personal and organizational sense, the leverage role of social networks is emphasized in achieving better results with less effort (Busch, 2014). While various studies show that social networks are important and underline the need for new studies in explaining social entrepreneurship (Haugh, 2005; Certo & Miller, 2008; Dufays & Huybrechts, 2014), studies at conceptual and empirical levels are still insufficient (Busch, 2014). Particular to the research at social networks in social entrepreneurship, the impact which social networks have on the different growth stages of social entrepreneurial initiatives is not yet fully understood.

Based on the use of social network theory in the conventional entrepreneurship literature, this study aims to bring the social network perspective that is missing in the literature to the forefront. For this reason, this study will focus on the network dynamics of social entrepreneurs and on the change of networks throughout the life cycle of social enterprises. By integrating social network concepts into social entrepreneurship, it can be possible to draw a comprehensive picture to explain the development and performance of social enterprises.

As in any study, it is important to state the definition which this study is based on. Since this study looks at social entrepreneurship from a network perspective, Thompson et al.'s (2000) definition,

*individuals who are motivated by the opportunity to adopt an innovative approach and creative use of resources and contacts to satisfy needs which the state welfare and private (author's adding) system cannot or will not meet...*

is taken as the base. On the other hand, network dynamics can be studied in the literature in terms of structure, content, and governance (Hoang & Antoncic, 2003; Jack, Moulton, Anderson, & Dodd, 2010; Busch, 2014). In this study, while describing the network at different stages of the social enterprise, in particular, different characteristics of networks in terms of structure, content, and governance have been tried to be addressed.

In the remainder of this article, first we review research in entrepreneurship and social entrepreneurship literature and provide a linkage for its relationship with networks and network theory. Then we examine the evolution of networks through the business life cycle of a social enterprise. Before conclusion, we provide some ideas for future research in the domain of linkage of social entrepreneurship and network approach.

## **THEORETICAL FRAMEWORK AND RELATED CONCEPTS**

### **Entrepreneurship and Social Networks**

The “social networking approach to entrepreneurship”, which was addressed by Aldrich and Zimmer (1986) who argued in the literature that entrepreneurs' behavior is embedded in their social relations, has become one of the most widely used theoretical perspectives in the scientific debate on the establishment and growth of businesses (Osgaard & Birley, 1996; Brüderl & Preisendörfer, 1998). Social networks are generally defined as individuals, organizations, and groups of relations between these actors (Brass,

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