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The Political Side of Social Enterprises: A Phenomenon-Based Study of Sociocultural and Policy Advocacy

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ABSTRACT This study explores the often-overlooked political dimension of social enterprises, particularly their advocacy activities aimed at influencing public policy, legislation, norms, attitudes, and behaviour. While traditional management research has focused on commercial activity and the beneficiary-oriented aspects of social enterprises, this paper considers their upstream political activity. Using a phenomenon-based approach, we analyse original survey data from 718 social enterprises across seven countries and six problem domains to identify factors associated with their engagement in advocacy. Our findings reveal that public spending and competition in social enterprises' problem domains, as well as their governance choices – legal form, sources of income, and collaborations – are significantly associated with advocacy activities. We propose a new theoretical framework to understand these dynamics, positioning social enterprises as key players in markets for public purpose. This research underscores the importance of recognizing the political activities of social enterprises and offers new insights for studying hybrid organizing and organizations that address complex societal challenges. By highlighting the integral role of advocacy, our study contributes to a more comprehensive understanding of how social enterprises drive social change, not only through direct service provision but also by shaping the broader sociopolitical environment.

Keywords: advocacy, social enterprises, phenomenon-based inquiry, hybridity, social problems

INTRODUCTION

Social enterprises, organizations that leverage market-based activity to address social problems and/or affect social change, have attracted significant scholarly and policy

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attention (British Council and Social Enterprise UK, 2022; Seelos and Mair, 2017). Management research has predominantly focused on how social enterprises target and work with beneficiaries to help them overcome problems, for example by providing training, employment, or education (Hietschold et al., 2023; Mair et al., 2012). However, making real progress toward solving social problems also requires intervening in the system that gives rise to the problem (Mair and Seelos, 2021). Although studies recognize that social enterprises engage in activities targeted at other stakeholders, such as consumers or industry members (e.g., Waldron et al., 2016), upstream activities reflective of the political side of social enterprises have been largely ignored. In this paper, we focus on such political activities and examine advocacy, which is defined as an organizational activity aimed at influencing and changing public policy and legislation, norms, attitudes, and/or behaviour. We ask: What are the factors associated with social enterprises' engagement in advocacy?

Our encounters with social enterprises worldwide indicate that they often engage in advocacy efforts.^[1] Surprisingly, the two main perspectives used to study social enterprises – hybrid organizing (Battilana and Lee, 2014) and market-based activity (Saebi et al., 2019) – have largely ignored this aspect. Research on corporations often highlights the strategic role of political activities like lobbying, which involves providing information to policymakers to represent the interests of the firm (Hillman and Hitt, 1999).^[2] On the other hand, case study-based research on social enterprises has revealed that advocacy can also be a part of their activities to bring about social change (Claus and Tracey, 2019; Mair and Martí, 2009). However, we still lack a conceptual framework for understanding different types of advocacy and the conditions under which social enterprises engage in advocacy. Without such a framework, we risk having an incomplete understanding of the political role of social enterprises in society.

Reflecting on these shortcomings, in this study we rely on a phenomenon-based approach (Fisher et al., 2021) that focuses on the real-life experiences of social enterprises (Child, 2020). Applying abductive reasoning (Behfar and Okhuysen, 2018) we investigate the conditions under which social enterprises engage in sociocultural and policy advocacy, two forms that differ in orientation and target (Mosley et al., 2023). Our approach takes into consideration that partial explanations of advocacy engagement are located at multiple levels of analysis (Farjoun et al., 2015). This logic is reflected in the development of our explanatory framework, which builds on a long tradition of studying advocacy in political sociology and non-profit research and establishes a conversation with existing management research on social enterprise. The framework puts forward a conception of social enterprises as participants in public purpose markets. A market for public purpose reflects the problem domain and country context in which a social enterprise operates. We conceive of such a market as a social space for exchange and interaction around social problems of public interest inhabited by various organized actors (Mair, 2020). In addition, the framework allows us to examine social enterprises' organizational governance choices as factors that promote or constrain advocacy.

We use original survey data on 718 social enterprises operating in seven countries and across six problem domains, combined with other data from publicly available sources, to explore the prevalence of sociocultural and policy advocacy and to examine factors

associated with advocacy engagement at two different levels: the level of the organization, and the level of markets for public purpose. Based on the results from a set of regression models, we develop knowledge claims on how competition and governmental spending in a market for public purpose and governance choices reflecting an organization's legal form, income sources, and collaborations affect social enterprises' sociocultural and policy advocacy. These knowledge claims constitute a first attempt to theorize the political role of social enterprises and offer a range of future research questions to gauge their explanatory power.

We proceed as follows. In the next section, we motivate and introduce social enterprise engagement in advocacy as this study's focal phenomenon. We specify two forms, namely sociocultural and policy advocacy, that constitute our explananda (i.e., dependent variables in our statistical analysis). In the following section, we build our explanatory apparatus (i.e., the independent variables examined in our statistical analysis). Next, we elaborate on our data, methods, and analytical steps. In the spirit of phenomenon-based research, we combine findings and theorizing in one section and formulate knowledge claims that constitute plausible explanations based on significant findings and abductive reasoning considering research in adjacent disciplines. In the discussion, we specify the main contributions of this study and elaborate on possibilities for future research. We conclude with implications for teaching and policy.

ADVOCACY ENGAGEMENT AND SOCIAL ENTERPRISES

Literature on non-profit and social movement organizations recognizes that engaging in advocacy is not limited to organizations that identify as advocacy organizations (Almog-Bar and Schmid, 2013; Walker et al., 2008; Weber et al., 2009) and that advocacy is widespread across organizations in the social and voluntary sectors (McCarthy and Castelli, 2001; Mosley et al., 2023). We build on this literature to understand the relevance of advocacy for social enterprises to pursue their mission and make progress toward solving the social problems they address.

Research on non-profit organizations (Mosley et al., 2023) and social movement organizations (Walker et al., 2008) distinguishes policy advocacy and sociocultural advocacy as two distinct forms in terms of orientation and goals. Policy advocacy is primarily directed at the state and formal institutions; it refers to efforts targeting legislation or the process of policymaking, including how policies are enacted by state bureaucracies. Sociocultural advocacy, in contrast, is directed at society at large (or groups therein, such as communities or small-scale societies such as villages) and refers to efforts targeting beliefs, attitudes, or norms. According to this literature, policy advocacy is ubiquitous in areas such as education, health, and the environment, and it is essential to influencing how bureaucratic policies are enacted (Harrison, 2016) and to preventing diversion of public funds earmarked for a social problem (Child and Grønbjerg, 2007). Sociocultural advocacy, for its part, is considered essential to ensuring representation for marginalized groups, swaying public opinion, and overcoming deep-seated biases embedded in societal norms and beliefs (Strolovitch, 2006).

Research on social enterprises in management has primarily offered case-based evidence for engagement in advocacy work. Studies with a theoretical interest in

institutional entrepreneurship (Mair and Martí, 2009), institutional change (Claus and Tracey, 2019) and market creation (Akemu et al., 2016) suggest that advocacy constitutes part of the organizational repertoire of social enterprises when tackling social problems. For example, social enterprises combine efforts to create income opportunities for women with efforts to influence attitudes and norms around the role of women in society (Mair et al., 2012; Venkataraman et al., 2016). Similarly, social enterprises working with street vendors (Alvord et al., 2004) or waste pickers (Seelos and Mair, 2017) actively strive to influence lawmaking to formalize informal economic activity. Social enterprises also influence policy and regulations, affecting the conditions for offering their product or services more sustainably (Waldron et al., 2016) and seeking to change consumption patterns (Akemu et al., 2016). However, this research consists mainly of single-case studies on organizations operating in one problem domain, such as child marriage (Claus and Tracey, 2019), or within one country context, such as Egypt (Neuberger et al., 2023). As such, it shows us little about how widespread advocacy is across countries and problem domains or what factors explain engagement in advocacy.

This paper addresses these shortcomings. First, we adopt a comparative perspective to assess the prevalence of social enterprises' advocacy engagement across seven countries, namely Germany, Hungary, Portugal, Romania, Spain, Sweden, and the United Kingdom (Figure 1), and six problem domains (Figure 2). Second, we adopt a multilevel perspective to examine what determines social enterprises' engagement in advocacy. We take into account factors at the meso level, focusing on the interactions between social enterprises and other public and private efforts in a market for public purpose. This concept captures the activity and dynamics within a specific problem domain and country context. We also consider the organizational level, paying attention to the governance choices of hybrid organizations. In the next section, we motivate the focus on these two levels by revisiting management research on social enterprises and knowledge in adjacent disciplines.

EXPLAINING ADVOCACY ENGAGEMENT AT TWO LEVELS

Management scholars commonly refer to social enterprises as organizations that use *market-based* activity to pursue their social mission and/or rely on *hybrid organizing*, combining organizational elements associated with distinct institutional logics (for reviews, see Battilana and Lee, 2014; Doherty et al., 2014; Vedula et al., 2021). Neither perspective has thus far explicitly considered advocacy engagement of social enterprises empirically or theoretically. In line with the principles of phenomenon-based theorizing (Alvesson and Sandberg, 2024; Fisher et al., 2021), we build on both perspectives and add insights from related disciplines to develop a multilevel scaffold guiding our analysis. First, we introduce the *market for public purpose* as a meso-level construct that helps conceive market-based activity beyond commercial activity (the trading of goods and services) and puts the social problem addressed at the center of market dynamics and interactions. Second, we scrutinize the relationship between governance choices of *hybrid organizations* and social enterprises' advocacy engagement.

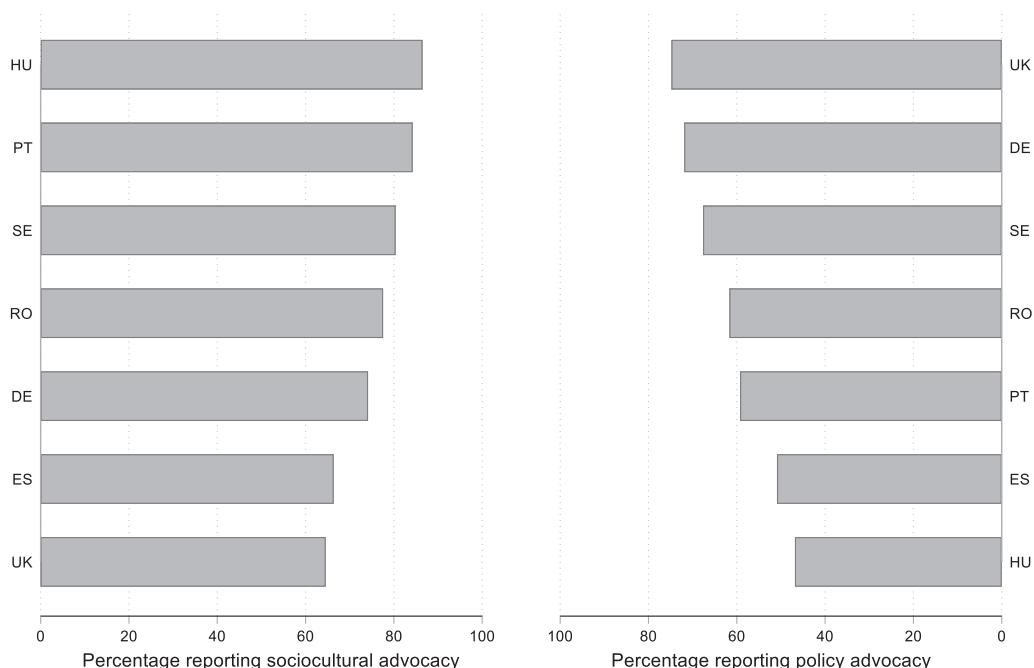


Figure 1. The distribution of sociocultural and policy advocacy across countries

Abbreviations: DE, Germany; ES, Spain; HU, Hungary; PT, Portugal; RO, Romania; SE, Sweden; UK, United Kingdom.

Markets for Public Purpose and Advocacy

Market-based activity is commonly seen as a defining characteristic of social enterprise. Yet, market-based activity has mainly been associated with commercial transactions such as selling goods and services with various degrees of involvement of beneficiaries (see Doherty et al., 2014; Saebi et al., 2019). Similarly, research on the impact of social enterprises on beneficiaries' lives through inclusive markets has concentrated on the legitimacy and capacity of beneficiaries to engage in the trade of goods and services (Mair et al., 2012; Venkataraman et al., 2016). Although we recognize the relevance of commercial activity to improving the lives of beneficiaries and to promoting the financial sustainability of social enterprises, a focus on social enterprises' engagement in advocacy requires revisiting and broadening the conception of markets and market-based activity in social enterprise research.

This paper expands the notion of market-based activity to account for the specificities of the problem domains (e.g., health) and country contexts in which social enterprises operate. We introduce the construct of *market for public purpose* as a meso-level construct, defined as a 'social space and area of exchange that encompasses both private and public efforts to address social problems of public interest' (Mair, 2020, p. 340). The construct builds on a sociological perspective of markets as a relational concept (e.g., Fligstein, 1996) and guides analytical attention to problem domains (Mair and Rathert, 2020) as well as institutional differences across countries (Kerlin, 2013;

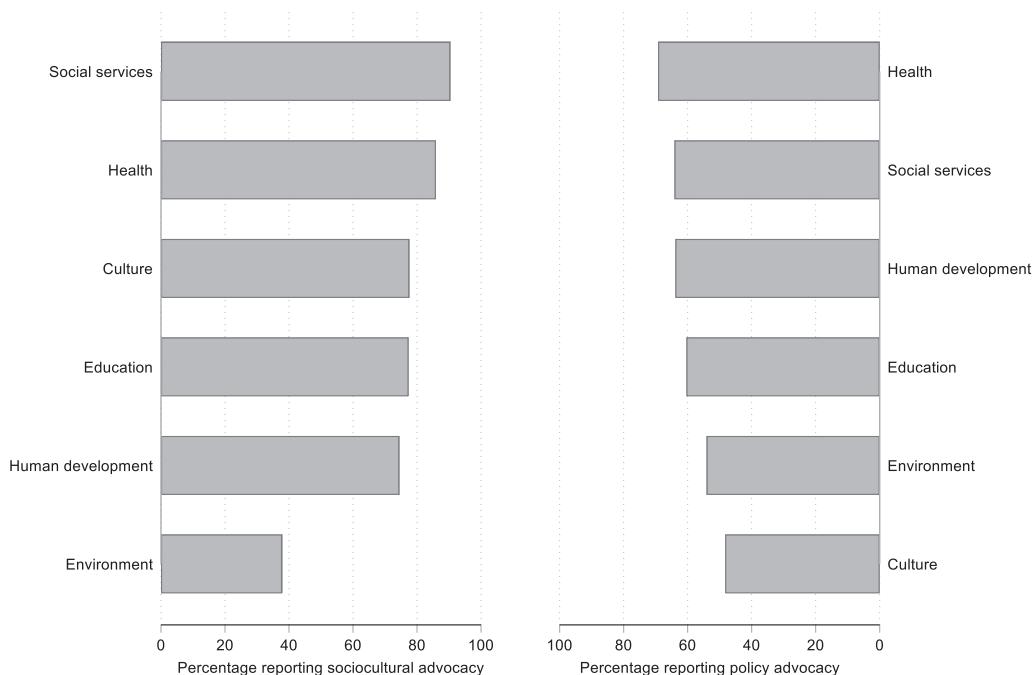


Figure 2. The distribution of sociocultural and policy advocacy across problem domains

Kibler et al., 2018). The focus on markets for public purpose recognizes variety in how societies organize around social problems and extends the dominant focus in management studies on economic orders, such as economic liberalism (Battilana et al., 2022; Wry and Zhao, 2018).

Reviewing literature from adjacent disciplines emphasizes two critical aspects of markets for public purpose that are relevant to examining social enterprises' advocacy engagement: first, public resources and attention directed at the social problem, and second, competition among the multiple organized actors with private or public mandates who address the same problem. Both aspects vary over time (Blumer, 1971; Hilgartner and Bosk, 1988) and differ across markets for public purpose (Burstein, 1991; Gusfield, 1989; Seibel, 2015).

Advocacy engagement can be an organizational response to shifts in the resource base of a problem domain, visible in public spending (Amenta et al., 2010). Because social problems are embedded in a 'dense environment of competing issues and ideas' (Andrews and Edwards, 2004, p. 493), the commitment of political decision-makers to spend public resources can shift between problem domains and over time. Such shifts can conceivably have consequences for social enterprises' advocacy engagement. A recent meta-analysis found an overall positive effect of declining public spending on the likelihood of non-profit organizations engaging in policy advocacy (Lu, 2018). Social enterprises may likewise view a reduction in public spending in their focal problem domain as an adverse shift in the political climate; they may then engage in advocacy to exert influence and reorient policies, attitudes, and norms concerning the social problems they address (Pfeffer and Salancik, 1978).

Social enterprises participating in markets for public purpose compete with other organized actors who have either private or public mandates in addressing the same social problem.^[3] Mandates to address social problems are institutionalized in societies and imply different responsibilities (Gusfield, 1989) and forms of accountability (Seibel, 2015; White et al., 2021), which may affect competitive dynamics in a market for public purpose. Evidence suggests that competition between social enterprises and other organizations with a private or public mandate is prevalent in many problem domains (Calò et al., 2018; Mair, 2020). Organizations that address social problems related to areas such as health care, social services, or education may be public agencies, non-profit organizations acting independently or on behalf of the state, businesses, or other social enterprises. While social enterprise research has recognized competition between social enterprises and other organized actors (Di Domenico et al., 2010; Montgomery et al., 2012), studies have typically focused on explaining differences in the nature and delivery of social goods and services (Calò et al., 2018; White et al., 2021).

Existing research has not yet paid attention to the relationship between competition among the multiplicity of organizations active in a market for public purpose and social enterprises' advocacy engagement. Yet, the type of competition social enterprises face in different markets might affect whether a social enterprise engages in advocacy and which form this advocacy may take. Engaging in advocacy might help social enterprises to raise public awareness of the social problem they address or to establish connections with political decision-makers who may otherwise focus their attention to non-profit organizations, trade unions, or corporations (Suárez and Hwang, 2007). Engaging in advocacy can also help establish legitimacy with competitors and facilitate inter-organizational collaboration (Grohs et al., 2017). Finally, social enterprises might engage in advocacy to mimic competitors' engagement in advocacy to compete more effectively (DiMaggio and Powell, 1983).

To explore meso-level factors influencing advocacy engagement, we ask whether and how changes in public spending and competition among organized actors with diverse mandates relate to the likelihood of a social enterprise engaging in policy and/or socio-cultural advocacy.

Organizational Governance Choices and Advocacy

Next to meso-level factors at the level of markets for public purpose, our scaffold also considers organizational-level factors that may explain social enterprises' advocacy engagement. We do so in conversation with a prolific body of work in management research on the governance of social enterprises as hybrid organizations. This literature views social enterprises as exemplary of hybrid organizations as they combine multiple, often incompatible organizational elements (Battilana and Lee, 2014; Smith and Besharov, 2019). This research is especially interested in the governance choices of social enterprises, understood broadly as the mechanisms ensuring overall direction, control, and accountability of the social enterprise (Mair et al., 2015; Pache et al., 2024). The primary role of governance in this literature is to sustain hybridity or prevent mission drift (Ebrahim et al., 2014; Smith and Besharov, 2019). Yet the

links between governance choices and whether social enterprises intervene in social and political systems as they address social problems have received less attention (Mair and Rathert, 2020; Mair and Seelos, 2021). Interestingly, earlier sociology research on hybrid organizations had focused on upstream aspects and was interested in how organizations combine commercial activity and advocacy (Clemens, 1993). This literature explicitly theorized how sociocultural and policy advocacy can be combined with commercial activity to effectively change the social and political system to 'solve' social problems (Minkoff, 2002).

The first governance choice we consider is a social enterprise's *legal form*. Social enterprises are not limited to any specific legal form but instead choose and even combine different legal forms to pursue their goals (Brakman Reiser, 2013; Mair et al., 2015), which sets them apart from non-profit and social movement organizations typically studied in the advocacy literature (see Mosley et al., 2023). The choice of taking on either a for-profit or non-profit legal form is often seen as highly consequential for social enterprises, as these forms can constitute boundaries for what social enterprises can legitimately and/or legally do and how they act (Ebrahim et al., 2014; Lumpkin and Bacq, 2019). Accordingly, for-profit social enterprises seem to be more effective in attracting financial capital, especially in the form of equity (Cobb et al., 2016). Studies find that what is considered legitimate and appropriate for for-profit and non-profit organizations greatly affects how social enterprises behave and relate to their beneficiaries (Mair et al., 2012; Mair et al., 2015). However, so far, studies have not considered the effect of legal form on upstream activities of social enterprises, such as engagement in policy or sociocultural advocacy.

A second important governance choice is a social enterprise's *source of income*. Social enterprises generate income from various sources, including selling products or services to their beneficiaries, participating in public procurement schemes, and receiving philanthropic grants and donations (Mair, 2020). Previous work has emphasized that income sources carry different institutional logics (Battilana et al., 2017). For example, public sector income may be based on a logic of nurturing the social enterprise sector, with low expectations regarding profit or productivity (Cobb et al., 2016). Other studies have documented how income from commercial activities affects the social performance of social enterprises (Battilana et al., 2015; Thompson and Williams, 2014) or the ability to sustain hybridity (Ebrahim et al., 2014). Yet, as noted by Doherty et al. (2014), we lack theoretical insights and empirical evidence on how different sources of income affect other organizational practices, including advocacy.

Research on non-profit organizations provides insights into how income from various sources affects advocacy involvement. Receiving income from governmental sources might reduce the likelihood of engaging in advocacy work (e.g., Mosley, 2012), as advocacy often occurs in opposition to state-enacted rules and laws. Empirical evidence, however, is strikingly inconsistent, showing positive, negative, and null effects of income from governmental sources on advocacy (Neumayr et al., 2013). Other studies suggest that income from selling goods and services directly to beneficiaries may be positively associated with advocacy engagement, as commercial activity signals autonomy from governmental influence (Carroll et al., 2023). Although these findings relate to non-profit organizations, income sources may also affect social enterprises' engagement in advocacy.

A third governance choice of social enterprises is the decision of whether to *collaborate* with other actors. The literature on hybrid organization has recognized that social enterprises frequently forge collaborations with different actors, such as corporations or public agencies (Calò et al., 2018; Di Domenico et al., 2009). Although collaborations can provide social enterprises with various resources such as knowledge and funding to develop and scale solutions (Ciambotti and Pedrini, 2021), existing research has primarily examined how collaborations impact social enterprises' hybrid nature and induce conflicts or trade-offs between different partners pursuing organizational objectives (e.g., Nicholls and Huybrechts, 2016; Savarese et al., 2021). Less clear is whether and how collaborations affect social enterprises' engagement in advocacy. Studies on social movements and non-profit organizations, in turn, indicate that collaborations are essential for advocacy as they increase access to valuable information and insights into the policy process, improve the legitimacy of organizations, and free up resources that would have been used for activities not related to advocacy (Mosley, 2010). Thus, the extent to which a social enterprise collaborates may affect its engagement in advocacy.

In sum, to explore whether governance choices influence advocacy engagement, we examine the role of the choice of legal form, sources of income, and extent of participation in collaborations.

METHODS

Data and Sampling

Our study examines social enterprises' advocacy engagement by analysing original survey data and data from secondary sources. The original data were collected from a research program conducted by an international consortium of academics to generate cross-country evidence on how social enterprises work and operate. The survey data used in this study were collected in 2015 in seven EU countries (Germany, Hungary, Portugal, Romania, Spain, Sweden, and the United Kingdom) by means of an interview-based questionnaire conducted by trained analysts who used computer-assisted telephone interviewing and spoke the local language. We asked additional questions in an online survey to minimize common methods bias. Interviews with the leader of the social enterprise lasted from 90 to 120 minutes and followed a structured interview protocol.

To qualify for the sample, a social enterprise was required to have at least one full-time employee, a discernible social mission, and at least 5 per cent of revenue generated by commercial activity (i.e., selling products or services). We used respondent-driven sampling (Heckathorn, 1997) to obtain data on a population of organizations that is hard to identify given the lack of registrar data and different uses and meaning of social enterprise across contexts. The survey penetrated sufficiently deeply into each country's population to create a sample that is representative in terms of important characteristics such as size, age, social mission, and problem domain. After accounting for missing data for some variables, the final sample used in this study comprises 718 social enterprises from the seven countries listed above active across six problem domains (see Table I).

Table I. Sample characteristics

	<i>Culture</i>	<i>Education</i>	<i>Health</i>	<i>Social services</i>	<i>Environment</i>	<i>Human development</i>	<i>Total</i>
Germany	7	22	15	10	7	25	86
Spain	—	12	6	8	23	44	93
Hungary	9	11	13	31	10	29	103
Portugal	12	17	11	25	9	33	107
Romania	4	12	6	53	8	21	104
Sweden	15	12	16	7	6	44	100
UK	9	16	6	16	6	72	125
Total	56	102	73	150	69	268	718

We were careful to redeem any potential biases stemming from the nature of our data collection, namely common method bias, in the design of our study (Podsakoff et al., 2003). To achieve this, we first trained a group of analysts in each country to collect the survey data and thus minimized the risk of common rater effects. Second, most of the data responding to our independent variables were either taken from secondary sources or aggregated from individual responses, minimizing the risk of procedural bias. Third, we largely avoided items that could be subject to social desirability or item ambiguity (e.g., subjective assessments of social or commercial focus), or the simultaneous use of items that were all measured on the same scale (e.g., Likert scales). An exploratory factor analysis confirmed that no single factor accounted for over 50 per cent of the variable variance.

Dependent Variables

Our dependent variables relate to sociocultural and policy advocacy of social enterprises as the two principal forms of organizational advocacy identified in the literature (Mosley et al., 2023). To capture sociocultural advocacy, we asked, ‘Have you or has your organization changed/helped change the attitudes towards a disadvantaged group over the last year?’ whereby the variable takes the value of 1 if a social enterprise answered in the affirmative, and 0 otherwise. To capture policy advocacy targeting policy making or the legislative process, we asked, ‘Have you or has your organization influenced/helped influence policy making over the last year?’ and ‘Have you or has your organization changed/helped change legislation over the last year?’. We combined answers from these two survey questions to construct one variable for policy advocacy, whereby the variable takes the value of 1 if the organization answered in the affirmative for either of the two (influencing policy making or legislative processes) and 0 otherwise.

Independent Variables

Characteristics of markets for public purpose. To assess each social enterprise’s market for public purpose, we built on the typology of problem domains created by the International

Classification of Non-Profit Organizations (ICNPO; Salamon and Anheier, 1996). Specifically, we asked each social enterprise to indicate the ICNPO domain to which it devotes the highest amount of time in terms of activities. Using problem domains – ‘component[s] of the political system ... organized around substantive issues’ (Burstein, 1991, p. 328) – helped us demarcate the institutional arrangements and the actors and approaches associated with addressing a social problem in society (Mair and Rathert, 2020). Combined with information on the country where each social enterprise operates, this resulted in 41 country-specific markets for public purpose in our sample – health, culture, education, social services, environment, and human development (see Table I) – as a basis to measure two market-level characteristics and their relationship with advocacy engagement.

First, to measure *trends in public spending* in a market for public purpose, we draw on a summary measure by Eurostat of spending across all levels of government in millions of Euros per year (i.e., central, state, and local) for a country-specific problem domain using the classification of the functions of government ('COFOG'), which corresponds to the ICNPO classification. We calculate the average percentage change in spending from 2011 to 2014 (i.e., the three years preceding 2015) and match these figures to each social enterprise in our sample, allowing for variation both within domains (e.g., between the health and social services domains in the UK) and across countries (e.g., health domains across countries).^[4] We consider trends in spending, rather than just the absolute levels, to account for the fact that public spending can change between markets and over time (Hilgartner and Bosk, 1988). We also follow the literature that suggests that these changes, rather than absolute levels of spending, have an impact on advocacy engagement (Lu, 2018; Mosley, 2010).

Second, to capture the *competition* in a market for public purpose, we asked social enterprises to identify the type of organizations they compete with. We provided them with nine different options, including businesses, non-profit organizations, churches, other social enterprises, government, individuals, welfare organizations, membership organizations, and no competition. After collecting the answers, we determined the most common response for each market (i.e., country-specific problem domain), which resulted in four forms of dominant competition that we captured in a categorical variable: competing with non-profit organizations (61 per cent of markets), businesses (12 per cent), other social enterprises (15 per cent), or no perceived competition (12 per cent).

Organizational governance choices. Based on our discussion of relevant governance choices of hybrid organizations, we construct five variables. First, building on the insight that the legal form of a social enterprise affects both regulatory obligations and legitimacy perceptions that in turn could relate to advocacy engagement (Ebrahim et al., 2014; Minkoff, 2002), we include a dummy variable for a social enterprise's *legal form*. The variable takes the value of 0 if the organization has a non-profit status and 1 if it has a for-profit status. Second, we consider the role of three distinct income sources prominently discussed in the social enterprise literature interested in hybrid organizing by including the *relative share of income* of each source: income from commercial activities (i.e., sales of products and/or services), from grants or

donations, and from governmental sources (which may include sales to or grants from the government). All three variables are measured as percentages of the total income of the organization. Third, we create a variable that allows us to examine the extent to which social enterprises collaborate with other organizations. Collaborations expose social enterprises to different logics and thus have been of interest to hybrid organizing scholarship, but they also represent opportunities for pooling resources and pursuing collective action as emphasized by scholars of social movements. We include the natural log of the *number of collaborations* the focal social enterprise had engaged in in the previous year.

Control variables. In line with research on social enterprises as hybrid organizations (Battilana et al., 2015) and advocacy in non-profit and social movement organizations (Lu, 2018), we include organizational size and age in all models, using the natural logarithm of the number of full-time employees and of years in existence as of 2015. All models also include country-level and domain-level controls to account for unobserved differences in the likelihood of engaging in advocacy.

Analytical Steps

We proceed in three steps. We first document the patterns of sociocultural and policy advocacy in our sample and examine variation across contexts and forms of advocacy. Second, we conduct statistical analyses to examine which factors at the meso- and organizational level we identified through our review of various literatures are associated with a greater likelihood of engaging in (1) sociocultural advocacy and (2) policy advocacy. Third, based on the statistical results, we develop knowledge claims as a first step in theorizing social enterprise advocacy.

FINDINGS AND PHENOMENON-BASED THEORIZING

Prevalence, Patterns, and Forms of Social Enterprise Advocacy

Our exploration of data on 718 social enterprises reveals three important aspects of social enterprises' engagement in advocacy. First, advocacy is *prevalent* among social enterprises in our sample, with 76 per cent engaging in sociocultural advocacy and 62 per cent involved in policy advocacy. Only 8 per cent do not report any form of advocacy. Second, the weak correlation between sociocultural and policy advocacy ($r=0.09$; $p<0.05$) suggests that sociocultural and policy advocacy constitute two *distinct* forms of advocacy social enterprises engage in. This is reflected in complementary insights from our interview data. As an example of policy advocacy, a social enterprise active in the housing domain described how the organization lobbied the federal government to prevent cuts in spending to socially disadvantaged groups. A social enterprise that provides social services to people who become homeless due to financial distress has reported that they are advocating for sociocultural change by aiming to alter societal attitudes and remove the stigma surrounding personal bankruptcy. Third, sociocultural and policy advocacy are distributed differently across various countries (see Figure 1) and across problem

domains (Figure 2). This further indicates their distinctiveness (Mosley et al., 2023) and supports our claim that the market of public purpose is a relevant construct and level to study advocacy engagement.

Evidence on What Drives Social Enterprises' Advocacy Engagement

Table II presents the summary statistics and correlations for our variables. Table III documents the results of two probit regressions predicting the likelihood of social enterprises to engage in (1) sociocultural advocacy and (2) policy advocacy. All standard errors are clustered at the level of each social enterprise's market for public purpose, since our regressors and error terms are likely correlated within a given market (Cameron and Miller, 2015). We examine our regression models for multicollinearity and find that the average variance inflation factor was 3.2, suggesting that our models are not subject to multicollinearity. Next, we briefly summarize the results, before turning to the development of knowledge claims.

Sociocultural advocacy. Engaging in sociocultural advocacy is more likely when public spending in a problem domain has decreased over the previous three years ($p < 0.001$). Social enterprises that operate in sectors where the main competition comes from non-profit organizations are more prone to participating in sociocultural advocacy compared to social enterprises operating in sectors predominantly controlled by businesses or other social enterprises (both $p < 0.01$). At the organizational level, a higher percentage of income from government and a greater number of collaborations increase the likelihood of sociocultural advocacy (both $p < 0.05$).

Policy advocacy. We find that social enterprises operating in domains dominated by businesses are less likely to engage in policy advocacy, compared to domains with dominant competition from non-profit organizations ($p < 0.05$). Our findings also show that social enterprises with a for-profit legal form are less likely to engage in policy advocacy, compared to those with a non-profit legal form ($p < 0.05$). Income from governmental sources is positively associated with a higher likelihood of policy advocacy ($p < 0.001$), as is the number of collaborations ($p < 0.01$). Both organizational size ($p < 0.001$) and age ($p < 0.01$) are associated with a higher likelihood of policy advocacy.

Theorizing Social Enterprises' Advocacy Engagement

We apply a phenomenon-based inquiry logic (Alvesson and Sandberg, 2024; Fisher et al., 2021) to a comparative study involving 718 social enterprises operating in six problem domains across seven countries. To guide our empirical inquiry, we combined insights from literature that views social enterprises as engaged in market-based activity and as hybrid organizations with literature on advocacy engagement of non-profit and social movement organizations (Fisher et al., 2021). Based on our findings, we now develop knowledge claims (i.e., plausible theoretical explanations based on abductive reasoning; Saetre and Van de Ven, 2021) about social enterprises' engagement with different forms of advocacy. Although these knowledge claims represent instances of

Table II. Summary statistics

Variables	Mean	SD	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) Sociocultural advocacy	0.76	0.43	0	1										
(2) Policy advocacy	0.63	0.48	0	1	0.09*									
(3) Trends in public spending	3.88	5.05	-5.6	25.38	-0.08*	-0.01								
(4) Dominant competition	1.31	0.96	0	3	-0.10*	-0.09*	-0.09*	-0.24*						
(5) Legal form	0.34	0.47	0	1	-0.13*	-0.09*	-0.09*	-0.11*	0.21*					
(6) Source of income: sales	0.53	0.37	0	1	-0.06	-0.01	-0.01	-0.11*	0.12*	0.25*				
(7) Source of income: grants	0.34	0.34	0	1	0.13*	0.04	0.04	-0.12*	-0.26*	-0.68*				
(8) Source of income: government	0.19	0.18	0	0.5	0.15*	0.18*	-0.06	-0.02	-0.09*	0.11*	0.20*			
(9) Collaborations (log)	2.7	1.14	0	7.31	0.14*	0.15*	0.05	-0.10*	-0.18*	-0.02	0.03	0.08*		
(10) Size (log)	2.96	1.47	0.69	8.24	0.10*	0.24*	-0.06	-0.03	-0.07	0.14*	-0.04	0.15*	0.16*	
(11) Age (log)	2.58	0.9	0	4.6	0.09*	0.23*	0.05	-0.11*	-0.24*	0.10*	0.03	0.23*	0.09*	0.52*

*p<0.05.

Table III. Regression analyses

	<i>Sociocultural advocacy</i>	<i>Policy advocacy</i>
Markets for public purpose		
Trends in public spending	−0.04*** (0.01)	−0.01 (0.01)
Dominant competition: non-profit (Reference category: businesses)	0.48** (0.18)	
Dominant competition: businesses (Reference category: non-profits)		−0.45* (0.20)
Dominant competition: other SEs	−0.09 (0.19)	−0.31 (0.30)
Dominant competition: none	−0.18 (0.20)	−0.08 (0.33)
Organizational governance choices		
Legal form: for-profit (Reference category: non-profit)	0.05 (0.16)	−0.33* (0.15)
Source of income: sales	−0.08 (0.15)	−0.24 (0.25)
Source of income: grants	0.29 (0.18)	−0.37 (0.21)
Source of income: government	0.73* (0.37)	1.33*** (0.31)
Number of collaborations	0.10* (0.05)	0.18* (0.07)
Control variables		
Size of organization	0.07 (0.05)	0.13*** (0.03)
Age of organization	0.03 (0.07)	0.25** (0.08)
Country dummies	Included	Included
Problem domain dummies	Included	Included
Constant	0.98** (0.31)	−0.03 (0.47)
Observations	718	718
Log pseudolikelihood	−337.82	−401.07
Wald χ^2	692.55***	229.31***

Note: Standard errors clustered by country-problem domain in parentheses.

*p<0.05; **p<0.01; ***p<0.001.

tentative theory, they allow us to 'link the theoretical and empirical findings ... to other work in the field' (Behfar and Okhuysen, 2018, p. 327).

Market for public purpose-level explanations. Sociocultural advocacy targets prevailing attitudes and norms in society that underpin the persistence of social problems and often operate to the detriment of social enterprises' beneficiaries. Our first knowledge claim states that social enterprises are more likely to engage in sociocultural advocacy when facing a general decrease in public spending in the problem domain in which they operate. We argue that public spending directed at a problem domain indicates the level of attention to and public interest in that domain and its social problems (Hilgartner and Bosk, 1988). Whereas welfare state research emphasizes that reductions in public spending in problem domains are generally seen as undesirable by actors in a domain (Starke, 2006), whether and how social enterprises respond to changing policy conditions in their problem domains remains poorly understood in management research. Based on our findings, we propose that, faced with an overall decrease in public resources, social enterprises deploy sociocultural advocacy to counteract the decrease in attention to the problem. We also propose that social enterprises could fill in for traditional civil society organizations that are significantly harmed by reductions in public funding. This is because social enterprises can allocate a portion of the funds generated from their commercial activities to sociocultural advocacy in their problem domain (Minkoff, 2002). In sum, our findings situate social enterprises as active participants in markets for public purposes who engage in upstream activities linked to political decisions around welfare provision in society. We therefore propose:

Knowledge Claim 1: Decreases in public spending in a problem domain increase the likelihood of a social enterprise engaging in sociocultural advocacy.

Next, we found that social enterprises are more inclined to engage in sociocultural advocacy when they operate in markets dominated by non-profit organizations, compared to businesses. This finding points to the relational aspects of advocacy engagement. Besides its more immediate function of affecting policies or attitudes, advocacy may signal adherence to domain-specific ideals of how to organize and address social problems. Research suggests that audiences associate non-profit organizations with a commitment to the greater good and caring for the less fortunate in society (Aaker et al., 2010). We propose that in problem domains where non-profit organizations are prevalent, a bottom-up orientation toward helping beneficiaries through grassroots activities linked to sociocultural advocacy, such as mobilization and campaigning, is likely part of the 'patterns of legitimate sensemaking' (Seibel, 2015, p. 698). Social enterprises' (partial) reliance on commercial activity may, in such contexts, be interpreted as straying from these commitments and notions of authenticity (Radoynovska and Ruttan, 2021). Sociocultural advocacy, in turn, constitutes a way to ameliorate such concerns, by strengthening perceptions of credibility and authenticity. We propose:

Knowledge Claim 2a: Dominant competition from non-profits increases the likelihood of a social enterprise engaging in sociocultural advocacy.

Social enterprises are less likely to engage in policy advocacy when facing competition primarily from businesses, as opposed to non-profit organizations. We interpret this finding as evidence of isomorphic pressures (DiMaggio and Powell, 1983) induced by this particular type of competition in a market for public purpose. The distinct logic of appropriateness (March and Olsen, 1983) in markets dominated by business may prioritize short-term financial success and an organizational focus on product or service innovations (Pahnke et al., 2015). Policy advocacy, as a costly activity that requires significant investments in manpower and/or expertise and has uncertain returns that may only materialize over the long run (Amenta et al., 2010; King et al., 2007), is likely at odds with this logic. Where social enterprises compete primarily with businesses, they may thus avoid policy advocacy as they model themselves after successful business organizations in the market that do not engage in advocacy (DiMaggio and Powell, 1983), or because policy advocacy is perceived as a relatively less effective activity to supply products and/or reach beneficiaries (Beckert, 2010). We propose:

Knowledge Claim 2b: Dominant competition from businesses decreases the likelihood of a social enterprise engaging in policy advocacy.

Organization-level explanations. In examining the relationship between social enterprises' governance choices and advocacy, we propose that a for-profit legal form decreases the likelihood of engaging in policy advocacy. Research has pointed to the importance of legal forms for social enterprises to sustain their hybrid nature (e.g., Ebrahim et al., 2014; Mair, 2020). Informed by institutional perspectives on hybrid organizing, this work considers legal forms as carriers of distinct logics and as legitimizing different activities of social enterprises. Building on this idea, we surmise that opting for a for-profit legal form may make it difficult for a social enterprise to legitimize its policy advocacy within and outside the organization. This could be seen as costly and inconsistent with the dominant value-creation narratives of for-profit social enterprises (Ocasio and Radoynovska, 2016). In addition, a for-profit legal form may also shape an organization's basis of attention, the 'assumptions that members make about how to succeed, and which issues require attention' (Pahnke et al., 2015, p. 598). Rather than seeing advocacy as inherently incompatible with their legal form, these social enterprises may simply focus their attention on beneficiaries' 'private' problems. We therefore propose:

Knowledge Claim 3: Adopting a for-profit legal form decreases the likelihood of a social enterprise engaging in policy advocacy.

We find that when social enterprises generate income from governmental sources, they are more likely to engage in sociocultural advocacy. Studies on the role of government income for non-profit organizations and social movements have debated its potentially adverse effects on advocacy (Neumayr et al., 2013). This work has pointed to a constraining role of such income as creating resource dependencies between advocacy organizations and the state, which in turn decreases advocacy engagement. Our findings suggest that this

may be different for social enterprises, as income from governmental sources has a positive effect on their advocacy engagement. Accordingly, this income might cause a social enterprise to see its mandate as serving a public interest rather than simply addressing the private problem of its beneficiaries (Hall et al., 2016). This could shift the organization's focus to upstream activities while also enhancing the legitimacy of these activities within the organization. This effect of government income on sociocultural advocacy might be amplified by nudges or strings attached to this income. For example, governmental agencies awarding grants to social enterprises may actively encourage receiving organizations to pursue advocacy activities in the name of the public interest (Pahnke et al., 2015). We propose:

Knowledge Claim 4a: Income generated from governmental sources increases the likelihood of a social enterprise engaging in sociocultural advocacy.

The positive effect of governmental sources of income on advocacy engagement also holds for policy advocacy, which we theorize in two ways. First, as gaining access to policymakers is notoriously difficult for smaller organizations, government income may hold a signalling function. Such income likely increases the perceived legitimacy of the organization in the eyes of policymakers as a participant in the policy process, in turn facilitating greater access to regulators and administrators (King et al., 2007; Mosley, 2010). Second, dependence on resources from the government may create a greater need on the part of the social enterprise to stay involved in policy circles to secure future resource flows. For example, by attending consultation meetings and providing feedback on policy initiatives to regulators, policy advocacy serves the incidental purpose of maintaining a relationship with public funders (Mosley, 2012). We therefore propose:

Knowledge Claim 4b: Income generated from governmental sources increases the likelihood of a social enterprise engaging in policy advocacy.

We find that social enterprises that engage in more collaborations are also more likely to participate in sociocultural advocacy. Even though collaborations may not always have the specific aim of advocating for something (Mosley, 2010), they frequently enhance an organization's exposure to ideas, practices, and stories about how to bring about change in a particular area of concern (Hardy et al., 2003; Nelson and King, 2020). This exposure could lead social enterprises to consider changing attitudes or beliefs about their beneficiaries, beyond just providing goods and services directly. Specifically, we propose that collaborations strengthen the perceived importance of collective action to address a social problem, thereby making social enterprises more likely to take part in activities such as campaigns or even protests – activities traditionally associated with sociocultural advocacy (Mosley et al., 2023). In this way, sociocultural advocacy may also serve as an emotional and cognitive glue that links social enterprises to other actors in a problem domain, leading them and their collaboration partners to conceive social enterprises' efforts as part of a larger movement for a cause. We therefore propose:

Knowledge Claim 5a: A higher number of collaborations with other organizations increases the likelihood of a social enterprise engaging in sociocultural advocacy.

Regarding policy advocacy, we suggest that collaborations can help social enterprises overcome high barriers to entry in regulatory-political spheres by providing key resources (Amenta et al., 2010). Social enterprises seeking to influence new legislation or affect policy implementation need to navigate a complex set of steps. This includes agenda-setting and forming alliances among regulators through cultural framing. Collaborations are crucial to overcoming an 'outsider' status in the policy process (King et al., 2007). Likewise, building a knowledge base of how administrators and agencies interpret their roles and responsibilities in a problem domain is crucial for social enterprises to affect policy implementation (Harrison, 2016). We recognize that resources also matter for engaging in sociocultural advocacy, but our reading of the literature leads us to consider the resource-providing role of collaborations as the primary mechanism for explaining policy advocacy engagement. We propose:

Knowledge Claim 5b: A higher number of collaborations with other organizations increases the likelihood of a social enterprise engaging in policy advocacy.

DISCUSSION

The primary objective of this study is to shed light on the phenomenon of advocacy engagement as an essential yet overlooked aspect of social enterprises' organizational and political lives. Our research uncovered that advocacy engagement is common across problem domains and country contexts. We then used regression analysis to examine which factors affect the likelihood of social enterprises' advocacy engagement. Our findings show that both sociocultural advocacy and policy advocacy are influenced by market-level factors specific to the problem domain and country context a social enterprise operates in, and by organizational-level factors associated with governance choices of social enterprises. Based on these findings, we developed knowledge claims to theorize the critical drivers of social enterprises' engagement in sociocultural and policy advocacy, as depicted and summarized in Figure 3.

Our study contributes to research on social enterprises and organization and management scholarship in three ways. First, we theorize a poorly understood phenomenon: the advocacy engagement of social enterprises. This helps to develop a research agenda on how and under which conditions social enterprises advocate to bring about change in broader social and political systems, complementing the existing focus on their provision of goods and services to the people they serve. Second, our study informs and expands existing conceptions of social enterprises deployed in management research as engaged in market-based activity and as hybrid organizations. Third, we showcase a phenomenon-based approach that incorporates comparative and quantitative aspects of research, builds on abductive reasoning to inform our empirical analysis and theorizing, and facilitates fruitful dialogue between management research and adjacent disciplines to advance research on how to address complex societal challenges more generally. Finally, we elaborate on each of these contributions and conclude with implications for policy and teaching.

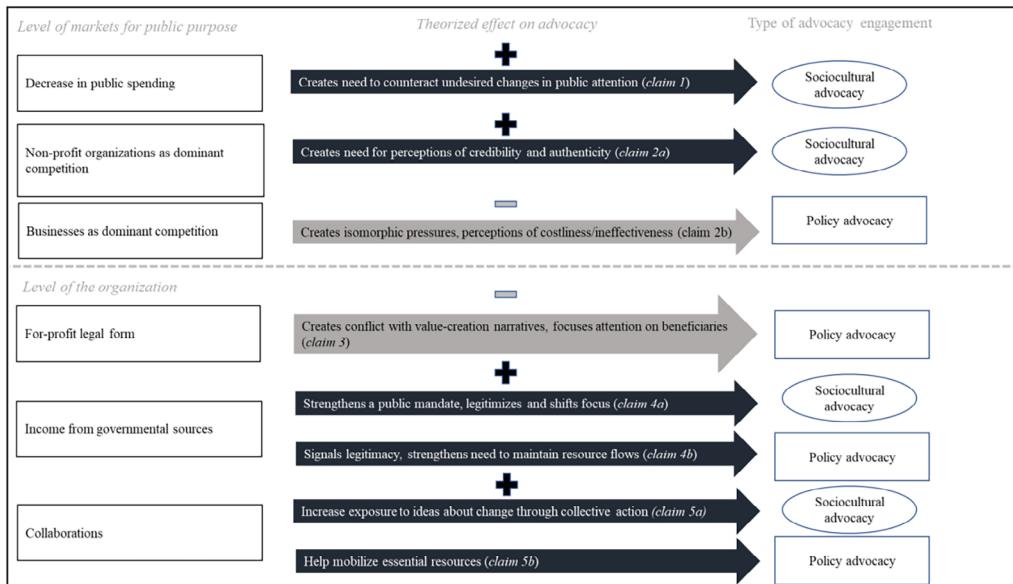


Figure 3. Theorizing social enterprises' advocacy engagement

Attending to the Political Side of Social Enterprises

In this study, we combine insights associated with a problem-centric perspective (Dorado and Ventresca, 2013; Mair and Rathert, 2020) and a system-change perspective (Mair and Seelos, 2021) on organizations tackling social problems to direct attention to the political aspects of how social enterprises organize. Unfortunately, our binary measurement of advocacy does not allow us to explicitly model the type of tactics involved in each form, such as direct (testimony) versus indirect (writing policy reports) policy advocacy (Mosley et al., 2023: 200S). Additionally, we do not evaluate the relative importance of advocacy within the organization compared to other non-advocacy activities, or over time. Lastly, in this study, we are unable to assess the efficacy of advocacy engagement. Nonetheless, we view this study as the initial step toward directing management research to offer theoretical explanations of the political role of social enterprises.

First, conceptualizing social enterprises as active participants in markets for public purpose, our study instigates a productive conversation about the role of social enterprises in social welfare provision. Previous studies have critically discussed this role, often portraying entrepreneurial efforts as instrumental in weakening the welfare state (Chalmers, 2021; Keim et al., 2024). Our theorizing, however, proposes that social enterprises may also proactively counteract, rather than reinforce, the retreat of the welfare state. These tentative explanations call for future research on whether and how advocacy and other political activities by social enterprises complement efforts by other actors in a problem domain to counteract potentially undesirable policy changes and dynamics within welfare regimes.

Second, focusing on the relevance of competition in a market for public purpose, our study calls for future research to investigate how advocacy and political activities of social

enterprises shape and are shaped by the presence of other actors in a problem domain. Our results show different effects on advocacy depending on whether social enterprises face dominant competition from non-profit organizations or from businesses. Future research could further interrogate the relationship between a social enterprise's perceived mandate and the dominant norms in a problem domain. Such a mandate might be reflected in the type of advocacy they engage in. The two types of advocacy we examine not only relate to different ways of addressing social problems; they also represent different values and place varying demands on the organization. Sociocultural advocacy involves a grassroots approach to change, emphasizing challenging formal institutions and involving the community. On the other hand, policy advocacy often involves seeking access to the elite and cooperating with decision-makers (Amenta et al., 2010; Andrews and Edwards, 2004). When examining how competitive pressures in domains dominated by businesses affect social enterprises, future research could consider whether engaging in political activities might be seen as incongruent with the norms and expectations of profit generation.

Third, our knowledge claims on organizational governance choices offer a range of future research directions on how such choices affect a political role for social enterprises. Scholars ought to revisit the constraints of existing legal forms and consider the absence of social enterprise-specific legal forms in many country contexts. This research could explore the internal impact of legal structures, such as directing decision-makers' focus on revenue-generating activities rather than political ones. It could also examine external effects, such as creating the perception that there are limited opportunities for political engagement and advocacy for social enterprises with a for-profit structure. Future studies could further explore how social enterprises' relationships with external actors both enable and limit their political activities. For example, it is an open question in social enterprise research whether receiving income from the government leads to a blending of advocacy and organizational self-interest, as previous studies have warned. As studies on non-profit organizations have indicated, advocacy may end up supporting existing political and institutional arrangements rather than advocating for fundamental change (Mosley, 2012). Our findings also raise questions about whether the relative emphasis on advocacy may shift over time, once access to advocacy coalitions and/or policymakers enabled by government funding has been secured. Finally, future research can further explore the ways in which collaborations can both support and limit social enterprise advocacy. If collaborations provide different types of resources – such as information, ideas, or funding – that enable social enterprises to take part in various forms of advocacy, researchers could investigate how collaborations can lead to different types of political involvement while also preventing other types.

Expanding Theoretical Perspectives on Social Enterprises

Our study addresses criticisms that management research on social enterprises 'is caught in a solutionism trap and offers only diminishing theoretical returns around paradoxes and tensions associated with hybrid organizing' (Chalmers, 2021, p. 1369). First, we introduce and elaborate on the construct of a 'market for public purpose'

to counter arguments that social enterprise research often neglects interactions with the state and market-based actors (Dey and Steyaert, 2012; Spicer et al., 2019). This theoretical construct recognizes that social enterprises are embedded in a complex web of actors and systems related to social problem-solving. By considering the public nature of social problems and interactions with various organized actors, including the state and civil society, we offer a more extensive understanding of how social enterprises contribute to the public good (Vedula et al., 2021). We therefore encourage interdisciplinary conversations on private action and the public good including a broader range of organizations (Beckman et al., 2023; Luo and Kaul, 2019; Powell and Clemens, 1998). More specifically, we broaden the notion of 'market' in market-based activity to capture problem domain and country-specific characteristics and dynamics, which allows us to highlight the relational nature of the social problem-solving work of social enterprises. A market for public purpose, as portrayed in this study, constitutes an analytical space to capture organizing and dynamics around social problems; it is also an important meso-level construct suited to explaining various organizational outcomes, such as, in our case, engagement in different forms of advocacy.

Second, we complement and extend the view of social enterprises as hybrid organizations. Our study connects with an older research tradition on hybrid organizations that demonstrated how combining commercial activity and advocacy work enhances social sector organizations' effectiveness in addressing social problems and affords unique advantages to these organizations (Clemens, 1993; Minkoff, 2002). Integrating this literature inspired us to consider the governance choices of hybrid organizations as a motor of political activity. While we recognize the potential for intra-organizational tension and conflict arising from governance choices in our theorizing (e.g., the effect of the choice of a legal form), we also speculate that both sociocultural and policy advocacy may generate access to new financial (e.g., funding) and non-financial (e.g., legitimacy) resources for social enterprises. Such a view thus positions the multiple social and economic goals of social enterprises not as conflicting but as complementary.

Departing from 'seeing' incompatibility and trades-offs, we view organizational elements such as governance choices not exclusively as carriers of higher-order logics, but instead as affording advocacy engagement. This shift of thinking could be helpful in liberating research on hybrid organizations from focusing on sustaining hybridity as an ideal state and instead considering the organizational life of social enterprises as one where progress on solving social problems and contributing to just institutional arrangements, rather than consistency with a hybrid ideal, is the endgame (Lechterman and Mair, 2024). Such a perspective would also encourage empirical and theoretical work around social enterprises as political actors. In our interaction with social enterprises beyond this study, we encountered many social enterprises that actively engage in the political process. Also, it is not uncommon for social entrepreneurs to spend some years in politics without leaving their social enterprises.^[5] Future research on hybrid organizations could interrogate how political aspects of the work of social enterprises create different types of drift and thereby complement current thinking of drifts from the hybrid ideal (Grimes et al., 2018; Pache et al., 2024). Such a focus could also be helpful in advancing current work in hybrid organizing that centres on the background and experience of individuals to theorize hybrid organizing (Cornelissen et al., 2021; Wry and York, 2017).

Finally, we present a new method for conducting a phenomenon-based investigation in management research.

Broadening Approaches to Study Organizing around Societal Challenges

Phenomenon-based approaches help to emphasize the lived experience of the organizations studied in efforts to theorize (Fisher et al., 2021; von Krogh et al., 2012). The phenomenon we are interested in is neither new nor does it constitute an empirical anomaly; it simply has received little attention in research on social enterprise. To advance theoretical and empirical understandings of advocacy engagement of social enterprises, we explored data on more than 700 social enterprises across seven countries to generate evidence on whether and in which form social enterprises engage in advocacy. We extended this explorative aspect of phenomenon-driven analysis with a theoretical interest in understanding which factors at a meso- and organizational level drive advocacy engagement. Drawing on abductive reasoning (Behfar and Okhuysen, 2018; Sætre and Van de Ven, 2021) allowed us to generate conjectures in the form of more precise questions to interrogate our data and to theorize our findings. Based on our conjectures and findings, we generated plausible explanations for social enterprises' advocacy engagement. These knowledge claims constitute inferences of 'best' (Walton, 2004) or 'most likely' (Lockett et al., 2014, p. 870) explanations given the evidence available and literature consulted (Ketokivi and Mantere, 2010).

Our approach is inspired by the canonical work on organizations in action by Thompson (1967). Whereas Thompson's objective was to capture the complex behaviour of modern organizations across industries, culminating in 95 propositions, our objective was narrower and humbler. We centred on understanding social enterprises operating

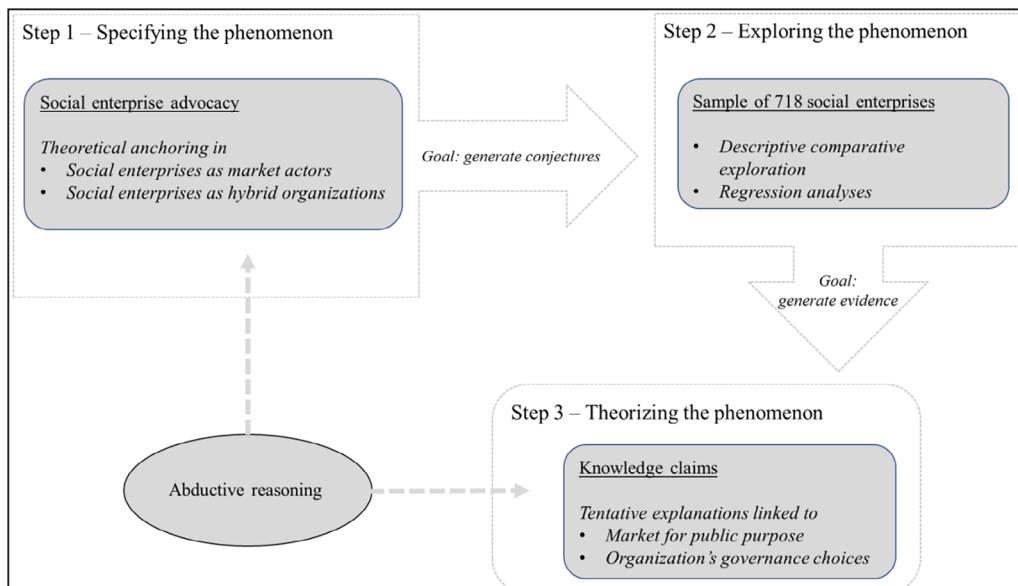


Figure 4. Phenomenon-based approach to social enterprise's advocacy engagement [Colour figure can be viewed at wileyonlinelibrary.com]

across multiple problem domains and countries and focused on explaining what determines engagement in sociocultural advocacy and policy advocacy. Even though the knowledge claims we develop represent instances of tentative theory, they allow us to 'link the theoretical and empirical findings in [our] manuscript to other work' (Behfar and Okhuysen, 2018, p. 327) on social enterprise and in broader conversations on organizing in and around social problems and societal challenges.

Various scholars (including the editors of this special issue) have repeatedly called for broadening the scope of analytical approaches. For example, scholars emphasized the need to account for upstream dynamics (Varendh-Mansson et al., 2020) and to include levels of analysis that account for multiple organized actors active in a problem domain (Lumpkin and Bacq, 2019; White et al., 2021). We consider the phenomenon-based approach we introduced in this study a response to these calls and, more importantly, a template that could be leveraged more generally in studies on phenomena involving organizations tackling complex societal and ecological challenges – often referred to as Grand Challenges (for a review, see Seelos et al., 2023). Figure 4 offers a stylized illustration of our phenomenon-based approach and its constituent steps.

CONCLUSION

We conclude with practical implications of our study for educational efforts and policy. First, advocacy engagement requires specific skills and training that have been overlooked in educational programs focused on social enterprises. Educators should recognize the importance of preparing social enterprise leaders and employees with the necessary competencies to effectively engage in advocacy. Strengthening these capacities can lead to more impactful social problem solving and systemic change. Second, although this was not part of our theorizing, we found that bigger and older social enterprises are more likely to engage in policy advocacy. Policy makers and funders should thus support capacity-building initiatives for social enterprises, including providing resources and training to enhance their ability to navigate complex policy processes and build effective coalitions. Third, our research shows a positive association between income generated from public sources and sociocultural and policy advocacy. Thus, policymakers have a direct impact on whether social enterprises perceive themselves as organizations working for the public good; they can, for example, broaden their funding opportunities to such enterprises and relax public procurement agreements that exclude social enterprises from generating income from public sources. Finally, we hope our study helps to elevate the role of advocacy engagement – already widespread among social enterprises themselves – in the esteem of external stakeholders, and to debunk the myth of social enterprises as being apolitical.

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NOTES

- [1] For example, Groupe SOS, a French social enterprise operating in a wide range of problem domains, such as health and youth, regularly submits petitions to influence policy in the respective domains based on the insights generated by frontline employees who work directly with beneficiaries. Kash Foundation, a microfinance organization operating in Pakistan and focusing on women, proactively tries to shape the perception of and attitudes of women in society through media and public outreach.
- [2] In this literature, lobbying is seen as a self-serving activity that lacks the public nature of advocacy in both tactics and goals (Wettstein and Baur, 2016).
- [3] Organized actors with a private mandate include firms, civil society organizations, and social enterprises. Organized actors with a public mandate can include specialized welfare organizations supported by the state.
- [4] Our results are robust to alternative values of this time span.
- [5] Sarah Bruhn, founder of socialbee, a social enterprise supporting refugees in finding formal employment, currently serves as a Commissioner for Social Innovation in the German Ministry of Education and Research. Vicky Colbert, founder of Escuela Nueva, a social enterprise active in education, served in the Colombian Ministry for Education (Mair and Hohenberger, 2010).

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