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WHAT'S IN A NAME? AN INQUIRY ON THE COGNITIVE AND ENTREPRENEURIAL PROFILE OF THE SOCIAL ENTREPRENEUR

EVA COOLS

Eva.Cools@vlerick.be

SABINE VERMEULEN

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EVA COOLS
Vlerick Leuven Gent Management School
SABINE VERMEULEN

Contact:
Eva Cools
Vlerick Leuven Gent Management School
Tel: +32 09 210 97 78
Fax: +32 09 210 97 00
Email: Eva.Cools@vlerick.be

ABSTRACT

Given the rise of social enterprises, the aim of this study is to get more insight into what typifies social entrepreneurs. Although entrepreneurship research has a long tradition in the study of the individual entrepreneur, there are not many studies on the profile of the social entrepreneur. Our research wants to extend the existing knowledge about who the entrepreneur is by comparing the cognitive and entrepreneurial profile of different types of entrepreneurs. Our inquiry addresses two main questions: (1) Does the cognitive style of social entrepreneurs differ significantly from the profile of commercial entrepreneurs? (2) Is there a significant difference between the entrepreneurial orientation (EO) of commercial and social firms? The data for this research are collected in two phases using two online surveys. For the cognitive styles (as measured with the Cognitive Style Indicator), we find no significant differences between commercial entrepreneurs (n = 152) and social entrepreneurs (n = 41). Looking at the entrepreneurial orientation of commercial and social enterprises, we find that commercial enterprises score significantly higher on EO than social enterprises. Interestingly, significant differences are found for the innovativeness and risk-taking dimensions of EO, but not for the proactiveness dimension. To conclude, we found that the cognitive-based approach is inadequate to capture the behavioral characteristics of social entrepreneurs within their organization. However, in the environment in which they operate, social entrepreneurs seem to behave differently than commercial entrepreneurs. Implications for further research and for practitioners and policy makers are discussed.

Keywords: cognitive styles, entrepreneurial orientation, types of entrepreneurs, social entrepreneurship

INTRODUCTION

Recently, we have seen the rise of social entrepreneurs, a group of individuals with innovative solutions to perceived social needs (Mort *et al.*, 2003; Roberts and Woods, 2005). Much like commercial entrepreneurs, social entrepreneurs identify opportunities in the environment and then seek resources and an entrepreneurial team to anticipate them. With the origination of social enterprises a separate research tradition seemed to arise focusing on social entrepreneurship (*e.g.*, Lasprogata and Cotton, 2003; Mort *et al.*, 2003). However, the question is: what makes social entrepreneurs different from commercial entrepreneurs? Although entrepreneurship research has a long tradition in the study of the individual entrepreneur (Shook *et al.*, 2003), there are not many studies on the profile of the social entrepreneur. Our research wants to extend the existing knowledge about who the entrepreneur is by comparing the cognitive and entrepreneurial profile of different types of entrepreneurs. This way, we aim to get more insight into what typifies social entrepreneurs in comparison with commercial entrepreneurs. This study builds further on previous research in which we compared the profile of entrepreneurs and healthcare managers (Cools and Van den Broeck, forthcoming). It is, however, more explorative than the previous study as we did not find other studies that compared social entrepreneurs with other types of entrepreneurs, while there are already many studies that aimed to typify entrepreneurs by contrasting them with non-entrepreneurs. To reach our objective, we focus on two relevant aspects: individual differences in cognitive styles and firm differences in entrepreneurial orientation.

First, the recent adoption of the cognitive perspective in entrepreneurship research seems a promising evolution to answer our question (Baron, 2004). The cognitive view of entrepreneurship provides alternative lenses to explore entrepreneurship related phenomena. It focuses on detecting knowledge structures and mental models that entrepreneurs use to make assessments, judgments, or decisions involving opportunity evaluation, venture creation, and growth (Mitchell *et al.*, 2002). An interesting construct in line with this perspective are cognitive styles, as cognitive styles influence people's preferences for different types of knowledge gathering, information processing, and decision making, which are all key tasks an entrepreneur is daily confronted with (Leonard *et al.*, 1999).

Although cognitive styles provide an alternative means to conceptualize the characteristics of entrepreneurs, they have not yet received much attention in entrepreneurship literature to date (Sadler-Smith, 2004). Hence, a comparison of the cognitive styles of social and commercial entrepreneurs can be an interesting approach to find out what typifies social entrepreneurs.

Secondly, besides examining the cognitive profile of social entrepreneurs on the individual level, we also focus on identifying their entrepreneurial profile on the firm level. Some researchers suggest that entrepreneurship can be viewed as a behavioral characteristic of the organization (Mort *et al*., 2003). This school of thought argues that entrepreneurs display three characteristics in their decision making within organizations: a propensity to take risks, proactiveness, and innovativeness. These characteristics form the basis of the entrepreneurial orientation concept. Entrepreneurial orientation (EO) refers to a firm's strategic orientation, capturing specific entrepreneurial aspects of decision-making styles, methods, and practices (Lumpkin and Dess, 1996). Until now, the EO concept has mostly been investigated in a for-profit context. However, with the rise of social enterprises there has also been a shift in the social economy literature towards entrepreneurial behavior. According to Mort *et al.* (2003), "these three behavioral characteristics [innovativeness, proactiveness, and risk-taking] are instrumental in enabling the social entrepreneur to create superior social value to its clients while dealing with a chaotic environment within which the social enterprise operates" (p. 84). With the further professionalisation of the social economy, a pertinent question is whether commercial and social enterprises differ in their entrepreneurial orientation.

To summarize, this study compares the cognitive and entrepreneurial profile of social and commercial entrepreneurs. This inquiry will address the following questions:

1. Does the cognitive style profile of social entrepreneurs differ significantly from the profile of commercial entrepreneurs?
2. Is there a significant difference between the entrepreneurial orientation of commercial and social firms?

THEORETICAL CONSIDERATIONS

While social entrepreneurship is not new in practice (Barendsen and Gardner, 2004), the term as it is currently used in the academic and popular literature encompasses a rather broad range of activities and initiatives. Although the attention for social entrepreneurship originated from the non-profit sector, the concept of social entrepreneurship has extended rapidly beyond the non-profit sectors to the private and public sector (Johnson, 2000). In this study, we use a broad conceptualization of social entrepreneurship to offer a comparative analysis with commercial entrepreneurship. We define social entrepreneurship as *innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors* (Austin *et al*., 2006). This conceptualization suggests that social entrepreneurship can take a variety of forms, including innovative not-for-profit ventures, social purpose business ventures, and hybrid organizations mixing for-profit and not-for-profit activities (Dees, 1998). Moreover, Austin *et al.* (2006) also note that the distinction between social and commercial entrepreneurship is not a dichotomy. It can more accurately be conceptualized as a continuum ranging from purely social to purely economic. Even at the extremes, however, there are still elements of both. Similar to commercial entrepreneurship (Davidsson and Wiklund, 2001), social entrepreneurship can be studied on different levels of analysis (Mair and Marti, 2006; Peredo and McLean, 2006). Whereas definitions of social entrepreneurship typically refer to a process at the organizational level, definitions of social entrepreneurs focus on the founder of the initiative (Mair and Marti, 2006). Hence, two central variables on the individual and firm level are part of the conceptual framework of this study: cognitive styles and entrepreneurial orientation.

Individual differences in cognitive styles

A few years ago, a cognitive oriented approach has been introduced in the entrepreneurship domain (Baron, 2004; Mitchell *et al.*, 2004). This approach tries to answer the question why some people are and others are not able to discover and exploit particular entrepreneurial opportunities. Rather than looking at those stable, dispositional traits that distinguish entrepreneurs from non-entrepreneurs, the cognitive perspective focuses on aspects of entrepreneurial cognition that are relevant in the entrepreneurial process. As the business environment in which many entrepreneurs operate is increasingly complex, unpredictable, and unstable, the information-processing demands that are placed on these business leaders are enormous. In this respect, understanding the way in which they process and organize information is highly relevant (Sadler-Smith, 2004). An interesting concept in this context is cognitive style, defined as the way in which people perceive stimuli and how they use this information for guiding their behavior (Hayes and Allinson, 1998). A cognitive style is a fairly stable characteristic of people that is related to their habitual way of information processing (Hayes and Allinson, 1994; Sadler-Smith and Badger, 1998). It influences how people look at their environment for information, how they organize and interpret this information, and how they use these interpretations for guiding their actions (Hayes and Allinson, 1998).

A large variety of cognitive style dimensions has been identified by researchers over the years (Hodgkinson and Sadler-Smith, 2003; Kozhevnikov, 2007). Recently, Cools and Van den Broeck (2007) reported on the development of a reliable, valid, and convenient cognitive style instrument – the Cognitive Style Indicator (CoSI) – for use with managerial and professional groups. Reliability, item, and factor analyses confirmed the internal consistency and homogeneity of three cognitive styles: a knowing, a planning, and a creating style (see Table 1). People with a *knowing style* search for facts and data. They want to know exactly the way things are and tend to retain many facts and details. They like to search for rational solutions. People with a *planning style* are characterized by a need for structure. Planners like to organize and control, and prefer a well structured work environment. They attach importance to preparation and planning to reach their objectives. People with a *creating style* tend to be creative and to like experimentation.

They see problems as opportunities and challenges. They like uncertainty and freedom. As previous research with this cognitive style model already demonstrated its value to distinguish entrepreneurs from non-entrepreneurs (Bouckenooghe *et al.*, 2005; Cools and Van den Broeck, forthcoming), we use this model in our research project.

Insert Table 1 About Here

Kickul and Krueger (2004) conclude from their study with entrepreneurs that cognitive styles play an important role in entrepreneurial thinking. According to these scholars, entrepreneurs with different cognitive styles do not necessarily perceive different opportunities (although they may), but it seems from their study that they got there by different cognitive paths. Allinson *et al.* (2000) propose that cognitive styles are an alternative way of differentiating entrepreneurs from non-entrepreneurs. Buttner and Gryskiewicz (1993), for instance, found a more innovative cognitive style for entrepreneurs than for managers in large established organizations. Stewart *et al.* (1998) concluded from their research that entrepreneurs had a more innovative cognitive style than managers of large organizations, who tended to prefer a more adaptive, analytical cognitive style. Of course, entrepreneurs also do not constitute a homogeneous group (Allinson *et al.*, 2000; Brigham *et al.*, 2007). Hence, some interesting differences between entrepreneurs with different cognitive styles have been reported. Buttner and Gryskiewicz (1993), for instance, found that more innovative entrepreneurs had been operating their business only for a short period (*i.e.*, two years or less), whereas more adaptive, analytical entrepreneurs had been operating their business a longer time (*i.e.*, more than eight years). Innovative entrepreneurs also tended to start more ventures than adaptive entrepreneurs (on average 2.4 versus 1.2 businesses respectively). Given the potential diversity of cognitive styles within the population of entrepreneurs and in parallel with research that compares the profile of public and private managers (Nutt, 2005), we want to investigate whether commercial and social entrepreneurs differ in terms of cognitive styles.

Firm differences in entrepreneurial orientation

Entrepreneurial orientation (EO) has been widely studied to conceptualize the methods, practices, and decision-making styles that managers use to act entrepreneurially (Lumpkin and Dess, 1996). Covin and Slevin's (1989) measure of EO, based on the earlier work of Khandwalla (1977) and Miller and Friesen (1982), is the most widely utilized operationalization of the construct in both the entrepreneurship and strategic management literature. Miller and Friesen (1982) hold the view that entrepreneurial firms innovate boldly and regularly, while taking considerable risks in their product-market strategies. *"An entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with 'proactive' innovations, beating competitors to the punch."* This statement on the characteristics of entrepreneurship made by Miller (1983, p. 771) has significantly influenced entrepreneurship research empirically as well as conceptually. Building further on this definition and prior literature, the term entrepreneurial orientation is used in our research project to refer to the Chief Executive Officer's (CEO) strategic orientation reflecting a willingness of a firm to engage in entrepreneurial behaviors (Wiklund, 1998).

Three subdimensions of EO are often distinguished, being the top management's strategy in relation to innovativeness, proactiveness, and risk-taking (*e.g.*, Kreiser *et al.*, 2002; Poon *et al.*, 2006). *Innovativeness* refers to a firm's willingness to engage in and support new ideas, novelty, creative processes and experimentation that may result in new products, services, or technological processes. *Proactiveness* refers to the propensity of a firm to take an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and by acting in anticipation of future demand. *Risk-taking* refers to the extent a firm is willing to make large and risky resource commitments, and to make decisions and take action without certain knowledge of probable outcomes. Firms with an entrepreneurial orientation are willing to innovate, to be proactive relative to marketplace opportunities, and to take risks (Covin and Slevin, 1991). Covin and Slevin (1989) theorized that the three dimensions of EO act together to "comprise a basic unidimensional strategic orientation" (p. 89) and should be aggregated when conducting research in the field of entrepreneurship.

Although EO has been conceptualized as a firm-level behavioral process of entrepreneurship, the behavior of the firm and that of the entrepreneur are likely to be the same in entrepreneur-led firms (Poon *et al.*, 2006). Consequently, EO is usually measured from the perspective of the individual entrepreneur itself (Covin and Slevin, 1989; Kraus *et al*., 2005). Consistent with previous research, we see the firm's owner/general manager as the key decision maker, who sets the strategic orientation of the organization (Lumpkin and Dess, 1996). In small firms, the strategic orientation of the CEO is likely to equal the strategic orientation of the firm.

Until now, this conceptualization of entrepreneurship has solely been used in research concerning commercial entrepreneurship. There has not been much research on EO in social firms. Mort *et al.* (2003) argue that social entrepreneurs' decision-making behaviors are premised on the same three key dimensions that are identified for commercial entrepreneurs, that is tolerance for risk, proactiveness, and innovativeness. However, intuitively there are reasons to believe that the degree of EO in commercial firms will differ from the level of EO in social firms as the strategic goals of both types of firms vary significantly.

METHOD

This research is carried out as part of a larger framework that has been initiated by Flanders District of Creativity (Flanders DC). Flanders DC is an organization that has been established in 2004 by the Flemish government to actively promote creativity, innovation, and entrepreneurship in Flanders with the aim of making it a more competitive region. Flanders DC does this through sensibility campaigns, the creation of an international network for collaboration, education programs, and research projects.

Samples and procedure

We collected the data for this research in two phases using two online surveys. We gave respondents a website link, where they could complete the questionnaire. The surveys are pre-tested with academics and entrepreneurs to check whether the questions are clear and understandable. We revised potentially confusing items.

(1) In March 2006, we sent out the first survey through email to 1,797 commercial Flemish entrepreneurs. This sample is drawn from the database maintained by a leading Western European business school. There is little consensus among scholars regarding the definition of entrepreneurship (Curran and Blackburn, 2001). For the sample of commercial entrepreneurs, we select people who indicated in the function categories owner or director of the firm from the database. We use two additional sampling criteria: a firm size limit of 500 employees and the exclusion of schools (or institutes) and firms within social profit. The maximum limit of 500 employees is consistent with the definition of 'small businesses' according to the U.S. Small Business Administration. We use the exclusion of schools and social profit firms to avoid having public sector organizations in this sample.

(2) In July 2007, we sent out a second survey through email to a sample of 150 social entrepreneurs. This sample is drawn from a database – maintained by a Flemish umbrella organisation within the social economy (VOSEC) – of 594 social entrepreneurs through a stratified random sampling procedure. We used this sampling procedure to yield a representative sample of about 25 per cent of the population using their focal activity as stratifying criterion (*e.g.*, neighborhood services, social employment centres, second-hand clothing centres). Stratified sampling divides the total population in different subsections that are relatively homogeneous with respect to one or more characteristics, in this case 'focusing on a particular activity'. Subsequently, a random sample from each stratum is selected (Kerlinger and Lee, 2000).

In the end, 177 commercial entrepreneurs (10 per cent response rate) and 54 social entrepreneurs (36 per cent response rate) participated in our research, yielding 193 useful responses (152 commercial entrepreneurs and 41 social entrepreneurs). A comparison of the focal activities of the final sample of social entrepreneurs with the initial population of 594 enterprises indicates that these 41 respondents are a representative sample.

Table 2 shows an overview of the characteristics of the two samples. The mean age of the entrepreneurs in our study is 46.48 (*SD* = 9.08), ranging from 28 to 68 years. Both subsamples are comparable in terms of age, with a mean age of 47 years for the commercial entrepreneurs and 45 years for the social entrepreneurs. The overall sample consists of a majority of men (87 per cent). About 50 per cent of the overall sample is (one of the) firm owner(s). However, this situation is different for the commercial and social entrepreneurs, with 59 per cent owners in the sample of commercial entrepreneurs and 17 per cent in the sample of social entrepreneurs. Whereas the social entrepreneurs operate in the non-profit (70 per cent) or profit sector (30 per cent), the commercial entrepreneurs operate in a variety of sectors (*i.e.*, industry and production, services, distribution and trade, ICT and new technology, other). The mean age of the firms in our study is 33.24 years. However, this mean represents a wide variance, ranging from firms younger than 5 years to enterprises older than 100 years (*SD* = 37.49). Moreover, as can be seen in Table 2 there is an interesting difference between the mean firm age of the commercial enterprises (*M* = 38.16, *SD* = 40.53, ranging from less than one year to 350 years) and the social enterprises (*M* = 15.71, *SD* = 13.30, ranging from less than one year to 53 years). Both samples contain enterprises of a diversity of firm sizes, ranging from less than 10 employees to 500 employees.

Insert Table 2 About Here

Measures and analyses

Cognitive styles. Cognitive styles are measured with the Cognitive Style Indicator (CoSI) (Cools and Van den Broeck, 2007). The CoSI is an 18-item questionnaire, measuring individual differences with regard to how people prefer to perceive, process, and structure information. It uses a five-point likert scale format from 1 (*typifies me not at all*) to 5 (*typifies me completely*). The measure distinguishes a knowing style (4 items, $\alpha = 0.76$, *e.g.*, 'I like to analyze problems'), a planning style (7 items, $\alpha = 0.80$, *e.g.*, 'I prefer clear structures to do my job'), and a creating style (7 items, $\alpha = 0.74$, *e.g.*, 'I like to extend the boundaries').

Entrepreneurial orientation. We use the scales of Covin and Slevin (1989) and Miller and Toulouse (1986) to measure the EO of a firm. We made some small adaptations to the scales in the survey with the social entrepreneurs to make the scales more relevant for this sample. The response format of this 10-item questionnaire uses a five-point likert scale on which the entrepreneurs have to indicate the extent to which the items represent their firm's strategy. The EO questionnaire distinguishes three subdimensions: innovativeness (3 items, $\alpha = 0.79$, *e.g.*, 'Changes in product or service lines have been mostly of a minor nature' versus '... have usually been quite dramatic'), proactiveness (4 items, $\alpha = 0.86$, *e.g.*, 'In dealing with its competitors, my firm typically responds to actions which competitors initiate' versus '... typically initiates actions which competitors then respond to'), and risk-taking (3 items, $\alpha = 0.76$, *e.g.*, 'In general, the top managers of my firm have a strong proclivity for low risk projects (with normal and certain rates of return)' versus '... a strong proclivity for high risk projects (with chances of high returns')).

To compare the cognitive and entrepreneurial profile of commercial entrepreneurs and social entrepreneurs, we perform independent sample *t* tests, comparing the means of the two groups for each of the scales.

RESULTS

Descriptive statistics

Table 3 represents the correlations of the study variables, together with the corresponding means, standard deviations, and alpha reliabilities.

Insert Table 3 About Here

Looking at the correlations among the cognitive styles, a strong positive correlation is found between the knowing and planning style ($r = 0.57$, $p < 0.001$). However, item and factor analyses justify the distinction between the two styles. Previous studies with this cognitive style model also lend support to this three-factor cognitive style model, given the different correlations of the knowing and planning style with several other scales and their different correlation with the creating style (knowing style, $r = 0.08$, $p = 0.27$; planning style, $r = –0.03$, $p = 0.65$) (Cools, 2007; Cools and Van den Broeck, 2007; forthcoming). It is also remarkable that the creating style shows a strong correlation with entrepreneurial orientation ($r = 0.38$, $p < 0.001$) and with the different subscales of entrepreneurial orientation (innovativeness: $r = 0.36$, $p < 0.001$; proactiveness: $r = 0.36$, $p < 0.001$; risk-taking: $r = 0.23$, $p < 0.01$). Previous research on cognitive styles found that people with an intuitive cognitive style prefer to leave options open, like to restructure situations, and have a more proactive personality (*e.g.*, Kickul and Krueger, 2004; Kirton, 1994; Myers *et al.*, 2003). Stewart *et al.* (1998) already showed that there is considerable variation between entrepreneurs in terms of risk preferences. Finally, looking at the correlations of entrepreneurial orientation, a strong positive correlation is found between the different dimensions of entrepreneurial orientation.

Comparing the cognitive profile of commercial and social entrepreneurs

Table 4 represents the results of the comparison of the commercial entrepreneurs and social entrepreneurs on the different cognitive styles. We do not find significant differences between commercial and social entrepreneurs for any of the cognitive styles (knowing style: $t(190) = -0.99$, $p = 0.32$; planning style: $t(190) = -1.09$, $p = 0.28$; creating style: $t(190) = 1.75$, $p = 0.08$).

Insert Table 4 About Here

Comparing the entrepreneurial orientation of commercial and social enterprises

Table 5 shows the results of the comparison of the commercial and social enterprises on entrepreneurial orientation. As can be seen in Table 5, we find that commercial enterprises score significantly higher on EO than social enterprises ($t(187) = 2.80$, $p < 0.01$). Interestingly, significant differences are found between the social and commercial enterprises for the innovativeness ($t(187) = 3.55$, $p < 0.001$) and risk-taking ($t(187) = 2.72$, $p < 0.01$) dimensions of EO, but not for proactiveness ($t(187) = 1.17$, $p = 0.24$).

Insert Table 5 About Here

DISCUSSION AND CONCLUSION

Although social entrepreneurship is often an ill-defined concept in business and marketing, a consensus is growing that understanding social entrepreneurship and the social enterprise is important (Cooperrider and Pasmore, 1991; Dees, 1998). The aim of this study was to contribute to further insight into what typifies social entrepreneurs in comparison with commercial entrepreneurs. For this purpose, we adopted two concepts on two different levels that recently became more influential in the established entrepreneurship literature: cognitive styles (individual level) and entrepreneurial orientation (firm level). Through the exploration of the cognitive and entrepreneurial profile of social entrepreneurs, we are convinced that we contributed to the advancement of the social entrepreneurship field.

Discussion of findings

In line with the newly introduced cognitive perspective in the entrepreneurship field, we studied the cognitive styles of social and commercial entrepreneurs on the individual level. Researchers used cognitive styles as a basis for studying decision-making behavior, conflict handling, strategy development, and group processes (Leonard *et al.*, 1999). In an early study on the link between cognitive styles and strategic decision making, Nutt (1990) found that cognitive style differences were a key factor in explaining the likelihood of taking strategic action and the perceived risk seen in this action. We found no significant cognitive style differences between social and commercial entrepreneurs. This is an interesting finding as it shows that commercial and social entrepreneurs are not that different in terms of their information-processing preferences. Overall, the same cognitive profiles seem to be found in social and commercial firms. Interestingly, in a previous study we did find differences between commercial entrepreneurs and healthcare managers in terms of their cognitive styles (Cools and Van den Broeck, forthcoming). We found a significant higher score on the knowing and the planning style for the managers than for the entrepreneurs, indicating a larger focus on rationality and procedures from managers of the healthcare sector than from entrepreneurs. No differences were found for the creating style.

These differences remained significant when we compared the healthcare managers only with the commercial entrepreneurs from the service sector. In summary, the results of these two studies show that the cognitive profile of managers and entrepreneurs differ, but no mean differences could be found between various types of entrepreneurs. It will be interesting to compare the cognitive styles of managers and social entrepreneurs in further research to cross-validate these findings.

On the firm level, this study examined the entrepreneurial profile of social entrepreneurs. The entrepreneurial profile, conceptualized by the entrepreneurial orientation of the organization, consists of three subdimensions: innovativeness, proactiveness, and risk-taking. Our findings show significant differences in the level of entrepreneurial orientation of social and commercial firms. (1) First, the social enterprises in our sample were found to be significantly less *innovative* than the commercial enterprises. A possible explanation could be that this subdimension focuses on product innovation. Although Schumpeter (1934) noted that innovation can take many forms, commercial entrepreneurs are very product-oriented. They continuously seek new ground, develop new models, and pioneer new approaches in order to escape Schumpeter's creative destruction. In contrary, social entrepreneurs need to be more innovative with regard to finding adequate and sufficient funding. This way, they can assure that their ventures will have access to resources as long as they are creating social value. Their innovativeness may appear in how they structure their core programs or in how they assemble the resources and fund their work (Dees, 1998). (2) Secondly, we found no significant difference with regard to the *proactiveness* of social enterprises. Similar to commercial entrepreneurs, social entrepreneurs have to compete intensely with other social enterprises and commercial organizations for market opportunities and funding (Mort *et al.*, 2003). Social entrepreneurs are forced to adopt a competitive posture in their operations and to pursue innovative ways of delivering superior value to the target market and through this capture competitive advantage for the social organization (Weerawardena and Mort, 2006). (3) Thirdly, our findings show that the social enterprises in our sample are less likely to *take risks*. A possible explanation here might be that social entrepreneurs usually need to service a broad range of stakeholders (*i.e.*, owners, clients, members, donors, sponsors, government, employees, and special interest groups).

In responding to this large mix of stakeholders, social entrepreneurs might face a problem of balancing financial and operational objectives and organizational purpose (Mort *et al.*, 2003). In contrary, the primary function of commercial businesses is to maximize return on investment to the owners of the business, the shareholders who are the primary stakeholders (Friedman, 1970). As a result of the variety in shareholder interest, social entrepreneurs might be less likely to take risks than commercial entrepreneurs. (4) Finally, when looking at the overall *entrepreneurial orientation*, we find a significantly lower score for social enterprises than for commercial enterprises. Differences in mission might be at the core of this difference as this will be a fundamental distinguishing feature that will manifest itself in multiple areas of enterprise management (Austin *et al.*, 2006). For a social entrepreneur, the social mission is fundamental. This is a mission of social improvement that cannot be reduced to creating financial returns or consumption benefits for individuals. Making a profit, creating wealth, or serving the desires of customers may be part of the model, but these are means to a social end, not the end in itself (Dees, 1998). Further research is needed to investigate the reasons for these differences.

To conclude, applying the cognitive approach led us to conclude that the focus on individual differences is inadequate to differentiate social from commercial entrepreneurs. However, in the environment in which they operate, social entrepreneurs seem to behave differently than commercial entrepreneurs. Thus, rather than adopting the approach that social entrepreneurs are 'one special breed of leaders' (Dees, 1998), we argue that social entrepreneurship is a firm level phenomenon that is expressed within the social organization and within the environment in which the organization operates.

Research implications

To capture the multiple dimensions of the activities of social entrepreneurs within increasingly competitive markets, Mort et al. (2003) propose to conceptualize social entrepreneurship as a multidimensional construct. As this study is based upon the same assumption, we examined both the individual and the entrepreneurial profile of the social entrepreneur.

While our findings show cognitive similarities between social and commercial entrepreneurs, their entrepreneurial profile shows quite some distinctions. These findings imply that although there are no strong individual differences when it comes to cognitive styles, social entrepreneurs seem to behave differently in their social organizational context. Consequently, we suggest addressing the following research questions in further research on social entrepreneurship:

- What is the impact of the social mission on the entrepreneurial profile of social entrepreneurs?
- What is the impact of the competition concerning funding on the entrepreneurial profile of social entrepreneurs?
- What is the impact of environmental/contextual factors on the entrepreneurial profile of social entrepreneurs?
- How do different stakeholders have an impact on the entrepreneurial orientation of the social enterprise?
- Does a difference in entrepreneurial orientation have an impact on the (social) performance of social enterprises?

Focusing on these key questions might lead to increased insight in the specificities of social entrepreneurs. Some limitations of this study should be taken into account for further research. Due to the initial sampling and the data collection method, we cannot totally assure whether the sample of commercial entrepreneurs is representative for the Flemish population. Although several researchers welcome the internet as a convenient means of accessing large sample populations (Pettit, 1999; Schmidt, 1997), this coverage problem is inherent to online surveying. A replication of this study with another sample of Flemish entrepreneurs might strengthen our findings. Additionally, it is necessary to continue and cross-validate this study with data from multiple sources, as we now depend on self-reporting data. We used self-reporting questionnaires, using a single data source, which implies that respondents can unduly influence the result. Certainly with regard to the measurement of entrepreneurial orientation, it might be useful to included responses from more than one data source in further research.

According to Curran and Blackburn (2001), a high proportion of small firms have two or more owner-managers, partners or directors, which suggests that it might be better to aggregate responses of several entrepreneurs from one company to measure EO.

Practical implications

The findings of our research might have important implications for practitioners and policy makers. In the conceptualization of the social entrepreneurship construct in this study, it is observed that the cognitive-based approach is inadequate to capture the behavioural characteristics of social entrepreneurs within their organization. The model presented here implies that social entrepreneurs can adopt an entrepreneurial posture by displaying innovativeness, a propensity to take risks, and proactiveness in their decisions. In this respect, social entrepreneurs can learn from commercial entrepreneurs when it comes to being entrepreneurial. For example, similar to commercial entrepreneurs, social entrepreneurs also have to deal with a competitive environment. However, their reasons to compete are different. While commercial entrepreneurs compete with each other for such resources as funding from investors, market share for customers, and the most talented employees, social enterprises compete with each other for philanthropic donations, government grants and contracts, volunteers, community mindshare, political attention, clients or customers, and talent within their "industry" context (Austin *et al*., 2006). Organizations can be guided and educated to become and remain entrepreneurial in their decision making through strategic leadership. This has also important implications for policy planning. For example, social entrepreneurs can be educated and trained to engage in organizational level entrepreneurship (Mort *et al.*, 2003).

However, we would like to stress that not every social enterprise should strive for high levels of innovativeness, proactiveness, and risk-taking. A social entrepreneur should strive for an appropriate level of EO that fits within their social mission. Whereas one social enterprise may be successful by being highly entrepreneurial, the other may be equally successful while showing low levels of entrepreneurial orientation.

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TABLE 1

Description of the three-dimensional cognitive style model

Knowing style	**Planning style**	**Creating style**
Facts	Sequential	Possibilities
Details	Structured	Ideas
Logical	Conventional	Impulsive
Reflective	Conformity	Flexible
Objective	Planned	Open-ended
Impersonal	Organized	Novelty
Rational	Systematic	Subjective
Precision	Routine	Inventive

Note. Based on Table 1 in Cools and Van den Broeck (2007).

TABLE 2

Sample descriptions

	Commercial entrepreneurs (n = 152)	**Social entrepreneurs (n = 41)**
Mean age	46.91 (*SD* = 9.24)	44.88 (*SD* = 8.39)
Men	89 %	78 %
Women	11 %	22 %
Ownership	Yes (59 %)	Yes (17 %)
	No (41 %)	No (56 %)
		Not applicable (27 %)
Sector	Industry and production (30 %)	Profit (30 %)
	Services (37 %)	Non-profit (70%)
	Distribution and trade (12 %)	
	ICT and new technology (11 %)	
	Other (10 %)	
Mean firm age	38.16 (*SD* = 40.53)	15.71 (*SD* = 13.30)
Firm size	Less than 10 employees (16 %)	Less than 10 employees (28 %)
	10 to 50 employees (38 %)	10 to 50 employees (26 %)
	51 to 99 employees (18 %)	51 to 99 employees (15 %)
	100 to 199 employees (12 %)	100 to 199 employees (23 %)
	200 to 499 employees (16 %)	200 to 499 employees (8 %)

TABLE 3

Descriptive statistics, scale reliabilities, and correlations of study variables (*N* = 193)

Variable	***1***	***2***	***3***	***4***	***5***	***6***	***7***
1. Knowing style	(0.76)						
2. Planning style	0.57***	(0.80)					
3. Creating style	0.08	–0.03	(0.74)				
4. Entrepreneurial orientation	–0.06	–0.13	0.38***	(0.89)			
5. Innovativeness	–0.05	–0.10	0.36***	0.83***	(0.79)		
6. Proactiveness	–0.01	–0.12	0.36***	0.89***	0.60***	(0.86)	
7. Risk-taking	–0.10	–0.11	0.23**	0.81***	0.51***	0.60***	(0.76)
Mean	3.69	3.66	4.01	3.35	3.27	3.61	3.08
Standard deviation	0.67	0.58	0.49	0.75	0.94	0.86	0.86

Note: Alpha reliabilities are shown in parentheses on the diagonal; *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.

TABLE 4

Results of comparison of various types of entrepreneurs on mean CoSI scores (*N* = 193)

	Commercial entrepreneurs		**Social entrepreneurs**		**Comparison**	
Variable	*M*	*SD*	*M*	*SD*	*t*	*df*
Knowing style	3.66	0.69	3.78	0.59	–0.99	(190)
Planning style	3.64	0.60	3.75	0.52	–1.09	(190)
Creating style	4.04	0.49	3.89	0.47	1.75	(190)

Note: *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.

TABLE 5

Results of comparison of various types of enterprises on mean EO scores (*N* = 193)

	Commercial enterprises		**Social enterprises**		**Comparison**	
Variable	*M*	*SD*	*M*	*SD*	*t*	*df*
Entrepreneurial orientation	3.43	0.76	3.06	0.66	2.80**	(187)
Innovativeness	3.39	0.91	2.82	0.93	3.55***	(187)
Proactiveness	3.65	0.87	3.47	0.83	1.17	(187)
Risk-taking	3.17	0.86	2.76	0.66	2.72**	(187)

Note: *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.