

## **Urs Jäger, *Managing Social Businesses: Mission, Governance, Strategy and Accountability***

**Basingstoke, Palgrave Macmillan, 2010, 320 pp., £60 (hardback)**

**Darinka Czischke**

© The Author(s) 2012. This article is published with open access at Springerlink.com

In *Managing Social Businesses*, Urs Jäger, research professor at the INCAE Business School/Latin American Center for Competitiveness and Sustainable Development (CLACDS), proposes a new concept of social businesses and develops a framework for mission and strategy-related decision-making by social businesses. He does this through addressing four key questions: what are the challenges to the mission?; how can the accordance of mission and action be achieved despite the tensions between social purpose and market rationale?; how can issues of traditional values be linked with future oriented strategies and how can decisions by the executive committee be implemented? and how can the achievements of an organisation be assessed?

The book is structured in five parts plus an epilogue. Each part focuses on a key aspect of the topic: the first part (Concept) discusses management at the interface of market and civil society, develops the foundations of a ‘Theory of Social Businesses’ and proposes a framework for complex decision-making. Part II (Mission) explains the origins of the tensions between civil society and market orientations in social businesses and discusses decision-making in contexts of multiple identities. Part III (Governance) addresses the balance between solidarity and function looking at four ‘tension areas’, namely resources, impact, leadership and motivation. Part IV (Strategy) looks at strategy from the perspective of balancing past and future, focusing on screening for strategies; legitimization and strategic initiatives; and strategy portfolio. Part V (Accountability) tackles the balance between action and communication when it comes to accountability. In the

---

Book review editor: Silvia Ferreira.

---

D. Czischke (✉)

Department of Real Estate and Housing, Faculty of Architecture, Delft University of Technology,  
Delft, The Netherlands  
e-mail: D.K.Czischke@tudelft.nl

epilogue, ‘Management of solidarity’, the author summarizes the theoretical baseline of the previous chapters adopting a holistic management approach.

Each chapter starts with a brief description of the chapter’s goal, the main research question, learning objectives and a brief summary and a section on literature review, which provides an overview of the state of the art on the respective topic. Explanatory diagrams and case boxes illustrate the contents.

Following Yunus’ concept of social business—institutions acting at the interface of markets and civil societies—the author claims that existing models can not properly be applied to the management of social business. Being ‘simultaneously coupled to civil society on the one hand and to markets on the other hand’ (pp. xix), decision actors in social businesses are closely linked with differently structured decision-making patterns and have to balance the tension arising from their respective decision patterns. While they need to apply a market rationale to obtain resources, a social rationale is needed to realize their mission. This leads to the key question: what do effective executives actually do in the area of tension between social mission and market rationale.

While the dichotomy between social mission and market rationale is not an issue in traditional nonprofits, the author points out that social businesses take this tension as their starting point. Furthermore, he intends to extend Yunus’ approach to social businesses by focusing on the balance of tensions between social and economic rationale that social business executives have to explicitly address in fulfilling their task. To this end, a framework is introduced that defines practice in social businesses as balancing tensions. This framework describes the executives’ practice in a holistic way by integrating three concepts: executives, leadership contexts and leadership tasks.

This book is a welcome contribution to the scarce literature on the management of social business. Amongst its main strengths is the emphasis on the specificity of social business as distinct from ‘traditional nonprofits’ and the consequent quest for an appropriate model to describe the challenges of managing this type of hybrid organisations. This aim is supported with a thorough literature review of each of the ‘areas of tensions’ as well as by a number of useful concepts that are applied to better understanding and dealing with these tensions. For example, the notion of ‘multiple-rationale’ proves particularly insightful as an attribute that executives must have in social businesses to avoid siding with one or the other orientation.

Nonetheless, a few points deserve critical remarks. First, the tension between civil society and market rationale at the base of the author’s thesis lacks a third type of rationale present in many social businesses, namely the ‘public’ or ‘state’ rationale. While in many parts of the world social business were born out of civil society initiatives and have been increasingly driven towards the market by financial constraints, in many other cases social businesses have developed from formerly public bodies providing social services. A whole range of social businesses are bound to a mission of public interest (e.g. childcare, housing, long-term care, etc.) as legally approved providers who are neither publicly owned, nor for-profit, nor charities. They are, indeed, hybrids operating between three spheres: civil society, markets and the state.

Second, the book's geographical scope does not take account of the important contextual differences between social businesses across the world. Does the management of social businesses in the developing world present the same type of tensions than that of their European counterparts, for example?

Finally, while the author explicitly acknowledges that social businesses and social enterprises are different concepts, he does not ultimately explain this difference. Unfortunately, this does not contribute to the advancement of conceptual clarity and theoretical elaboration in this field.

Overall, thanks to its clear and accessible style and plentiful examples, this book will appeal to a wide variety of readers concerned with the management of social business, ranging from students and scholars to policy-makers and practitioners. The latter group will find it a particularly useful tool to help executives in social businesses to assess their decision-making in face of the different rationales with which they are confronted. Last but not least, the book contributes to advance theory development on the management of social businesses.

**Open Access** This article is distributed under the terms of the Creative Commons Attribution License which permits any use, distribution, and reproduction in any medium, provided the original author(s) and the source are credited.