This is the accepted manuscript (post-print version) of the article. Contentwise, the accepted manuscript version is identical to the final published version, but there may be differences in typography and layout.

How to cite this publication
Please cite the final published version:


Publication metadata

<table>
<thead>
<tr>
<th>Title:</th>
<th>Balancing dual missions for social venture growth: a comparative case study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author(s):</td>
<td>Siebold, N., Günzel-Jensen, F., &amp; Müller, S.</td>
</tr>
<tr>
<td>Journal:</td>
<td><em>Entrepreneurship and Regional Development</em></td>
</tr>
<tr>
<td>DOI/Link:</td>
<td><a href="https://doi.org/10.1080/08985626.2018.1554710">10.1080/08985626.2018.1554710</a></td>
</tr>
<tr>
<td>Document version:</td>
<td>Accepted manuscript (post-print)</td>
</tr>
</tbody>
</table>

General Rights
Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognize and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

If the document is published under a Creative Commons license, this applies instead of the general rights.
Balancing dual missions for social venture growth: 
A comparative case study

Abstract: Balancing social and economic missions in the pursuit of growth is one of the greatest challenges faced by social ventures. Although social ventures strive for growth to scale their social impact, pursuing growth often results in mission drift and the sacrifice of social objectives, which in turn eventually undermine the ventures’ raison d’être. In this study, we investigate how and with what outcomes social ventures that pursue growth can manage the balance of social and economic missions. Through a comparative case study of six for-profit social ventures, we find significant differences in how dual missions are selected, connected and intertwined, leading to varying degrees of mission spillover effects between social and economic missions. Our findings show that two-sided mission spillover effects are a central mechanism in dual mission management, enabling social ventures to pursue balanced growth, avoid mission drift and achieve social impact. With these findings this study adds to the emergent literature on social entrepreneurship, dual mission management and social venture growth.

Keywords: social entrepreneurship; social venture growth; dual mission management; mission spillover effects; mission drift; balance
Introduction

Social ventures are a promise to society as they offer novel entrepreneurial solutions to social problems and grand challenges of our time (e.g., Ballesteros, Useem and Wry 2017; George et al. 2016; Wry and Haugh 2018). Indeed, researchers and practitioners alike praise social ventures for their ability to foster large-scale positive change in response to problems concerning social integration, socially dysfunctional behaviour and socio-economic development (Bacq and Janssen 2011; Barth et al. 2015; Friedman and Desivilya 2010; Perrini, Vurro and Costanzo 2010; Smith and Stevens 2010). Social ventures have therefore received increasing attention from researchers in recent years (see, e.g., the special issues of Entrepreneurship & Regional Development edited by Chell, Nicolopoulou and Karatas-Özkan (2010) and de Bruin, Lewis and Shaw (2017)).

With a strong desire to create large-scale positive change, social ventures combine social and economic missions and vigorously pursue growth as a means to increase their social impact (Austin, Stevenson and Wei-Skillern 2006; Lumpkin et al. 2013). However, achieving and maintaining the growth of both social and economic missions is a major challenge for social ventures (Haigh and Hoffmann, 2014). In the pursuit of growth, tensions and trade-offs between missions can be exacerbated by scarce resources and financial constraints (Battilana and Dorado 2010). This often leads to the sacrifice of social objectives and causes a drift away from the venture’s social core (Ebrahim, Battilana and Mair 2014; Santos, Pache and Birkholz 2015). In such cases, growth can jeopardise social ventures’ intended impact (Austin et al. 2006), damage their reputation and even threaten their survival (Battilana et al. 2012; Ebrahim et al. 2014). Consequently, balancing social and economic missions in the pursuit of growth is of vital importance to social ventures, not only to avoid mission drift but also to fulfil the promise of societal impact. Researchers therefore call for investigations of how social entrepreneurs can balance social and economic missions in their pursuit of growth without sacrificing either one (Chell et al. 2010; Dacin, Dacin and Tracey 2011; Doherty, Haugh and Lyon 2014). In this
paper we aim to contribute to this stream of research by answering the following research question: *Why, how and with what outcomes do social ventures manage dual missions in the pursuit of growth?*

In unpacking the foundations and processes of dual mission management our study makes three contributions. *First*, we offer insights into how the initial stages of venture creation imprint upon hybrid structures and act as foundations of dual mission management. Scholars have shown that hybrid structures are, for example, affected by the previous work experience of the founder and the founder’s parents as well as the founder’s professional education (Lee and Battilana 2013) but a link to dual mission management is currently missing in the literature. Our findings extend the work of Perrini et al. (2010) and Wry and York (2017) by showing empirically that a strong, initial attachment to both economic and social mission is required in order to balance dual missions over time successfully. Furthermore, we show how particularly negative emotions like guilt can have a lasting, separating effect on dual mission management. Hence, we show the impact that individual-level factors can have on post-launch behaviour and address Perrini et al.’s (2010) call for consistency between individual and organizational elements in social ventures.

*Second*, we provide a greater understanding about the core processes of dual mission management. Dual mission management is essential for hybrid organising and previous studies have highlighted selective coupling of organisational elements (Pache and Santos 2013) and structural differentiation of operations (Santos et al. 2015) as core mechanisms to cope with its inherent complexity. Our study contributes to this work by untangling the process of selecting, connecting and intertwining dual missions and showing how social ventures manage this process in order to balance dual missions in the pursuit of growth. We identify two-sided mission spillover effects (MSEs) as a central mechanism in dual mission management to pursue organisational growth, avoid mission drift and achieve social impact. On the basis of our findings, we theorize a model that depicts the foundations and processes of dual mission
management with a special emphasis on how two-sided MSEs reinforce the interdependence of social and economic missions. By identifying different two-sided MSEs, we reveal that, besides mobilizing resources (Bojica et al. 2018; Tasavori et al. 2018), social ventures use venture elements such as product offerings, human connections, income generation and pluralistic collaborations to balance dual missions over time and achieve organizational growth. We thereby add to the limited work on processes of dual mission management and, importantly, move beyond the preponderance of research on dual mission management in large-scale hybrid organisations (e.g., Battilana and Dorado, 2010; Battilana et al. 2015; Pache and Santos, 2013).

Third, we enrich the knowledge about how dual mission management influences organisational outcomes of social ventures. Scholars have hypothetically argued that the integration of social and economic missions leads to a virtuous cycle of profit and reinvestment, which facilitates large-scale social change (Battilana et al. 2012). Despite this conceptualisation, the relationship of dual mission management and growth remains a ‘black box’ (Siebold, 2017), which we argue can be unlocked by exploring how social ventures undertake the processes of selecting, connecting and intertwining dual missions. Our findings show that two-sided MSEs can foster balanced growth of the organisation and support the scale of social impact, while one-sided MSEs that reinforce only one type of mission may lead to growth with mission drift or no growth. In particular, one-sided MSEs can foster economic mission drift, where the drift is prompted by the desire to improve financial viability and is complemented by the neglect of social objectives. While Kwong, Tasavori and Cheung (2017) found this ‘financial-pull’ to be the only detrimental type of mission drift, our findings reveal a second detrimental type of mission drift: a ‘social-pull’. A ‘social-pull’ happens when the intention to improve social impact is complemented by the harmful neglect of financial viability. Notably, we find that the ‘financial-pull’ can lead to organisational growth at the expense of social impact, while a ‘social-pull’ hinders growth and can ultimately lead to
bankruptcy of the social venture. Thus, a ‘social pull’ can undermine the creation of social value similarly to a ‘financial pull’.

The remainder of the paper proceeds as follows. We first review the literature on dual mission management and social venture growth. Second, we describe the design and methodology of our comparative case study. Third, we present our findings and introduce a model on the foundations and processes of dual mission management, which we then discuss in light of previous research. We conclude with implications for research and practice.

Research on dual missions and social venture growth

Scholars understand social ventures as organisations that incorporate business and charity goals into their operations to create a positive social impact for society (Austin et al. 2006; Battilana and Lee 2014; Lumpkin et al. 2013). As such they differ from traditional non-profits in the third sector by adopting earned-income strategies and from traditional for-profits in the private sector by prioritising social objectives above private wealth maximisation. Given these organisational differences, it is important to ask why entrepreneurs choose to combine dual missions in their venturing activities. Studies find that compassion and empathy are important antecedents of social entrepreneurial intentions (André and Pache 2016; Bacq and Alt 2018; Miller et al. 2012). Individuals’ motives and traits can have a lasting effect on the ventures they create (Marquis and Tilesik 2013), a process referred to as ‘imprinting’. Introduced by Stinchcombe (1965), the concept of imprinting shows how organisations embrace elements of their founding environment and how these elements persist beyond the start-up phase. Previous research shows that both the individual characteristics and the social environments of entrepreneurs imprint on their respective ventures (Hopp and Sonderegger 2015; Kessler and Frank 2009). Scholars have found that hybrid structures are for example imprinted upon by the previous work experience of the founder and the founder’s parents as well as the founder’s professional education (Lee and Battilana 2013). Building upon this work, Wry and York (2017) indicate in their conceptual
work a relationship between individual-level factors and post-launch behaviour. Thus, understanding why social entrepreneurs engage and how their motives effect social venturing will allow us to understand the foundations of dual mission management.

**Challenges to dual mission management**

In combing dual mission, scholars widely agree that social ventures experience management challenges but in part disagree on the consequences the combined types of mission may entail (e.g., Battilana and Dorado 2010; Dacin, Dacin and Matear 2010; Pache and Santos 2010, 2013; Pratt and Foreman 2000; Stevens, Moray and Bruneel 2014). Whilst some scholars find that combining social and economic missions is beneficial (Battilana and Dorado 2010; Pache and Santos 2013), others conclude that dual missions detract from each other (Austin et al. 2006; Pratt and Foreman 2000; Stevens et al. 2014; Vickers and Lyon 2012). With these two oppositional findings, scholars shift some of their attention towards ideal concepts of social ventures. In the so-called ‘hybrid ideal’, social and economic missions are argued to be fully integrated to the extent that they are indivisible (Dees, Emerson and Economy 2002), removing the detrimental choice for managers between social mission and profit generation. In such a hypothetical organisation, the argument goes, the integration of social and economic value creation leads to a virtuous cycle of profit and reinvestment in the social mission, which then facilitates large-scale social change (Battilana et al. 2012).

Whilst the emergence of both benefits and trade-offs in combining dual missions seems plausible, our review reveals that the conditions under which dual management practices lead to either one remains unclear. Only a few studies that focus on large-scale hybrid organisations in institutional contexts try to fill this gap. For example, Pache and Santos (2013) highlight practices such as the selective coupling of organisational elements from competing logics to protect legitimacy. The authors also find a ‘Trojan horse’ pattern in which for-profit ventures with low legitimacy strategically incorporate elements of social welfare logic to positively
influence stakeholders, hoping to meet their interests and thus potentially to profit from their continuous support. In human resource management, scholars identify alternative hiring and socialisation strategies (Battilana and Dorado 2010) and spaces of negotiation (Battilana et al. 2015) as means of managing tensions between competing logics. These findings are informative at the institutional level of hybrid organisations; however, we find no studies to date that have focused on foundations and processes of dual mission management in small-scale social ventures. The abovementioned organisational practices can indeed be difficult to implement for small-scale social ventures, as they often lack established structures and practices due to their smaller size and younger age. In turn, their small scale allows them to adapt rather quickly to changing logics and circumstances. Thus, understanding how dual missions are managed in small-scale social ventures will provide us insights into the fluidity of hybrid structures and their adaption to changing circumstances, which are further amplified in a social venture’s pursuit of growth.

Increased challenges of dual mission management in the pursuit of growth

Social ventures with dual missions pursue growth primarily to increase their social impact (Austin et al. 2006; Lumpkin et al. 2013). Scholars reveal that impact scaling can either qualitatively improve the scope of developed social products and services (‘scaling deep’ or ‘depth impact’) or quantitatively increase the number of beneficiaries (‘scaling up’ or ‘breath impact’) (Bacq et al. 2015; Desa and Koch 2014; Kickul et al. 2018). In addition, growth can help social ventures to develop new ways of serving needs, increasing their efficiency and expanding their markets (Kramer and Porter 2011). Besides scaling of impact, social venture growth can improve financial indicators and increase market share, customer satisfaction and number of employees (Austin et al. 2006). At the regional level, scholars reveal that social venture growth can even influence community development (Barth et al. 2015; Lumpkin, Bacq and Pidduck 2018; McCarthy 2012).
A major risk incurred by social venture growth is divergence away from social towards economic missions, a process of organisational change known as mission drift (Battilana et al. 2012; Cornforth 2014; Kwong et al. 2017). Studies show that the risk of mission drift is especially high for growing social ventures that pursue social activities separately from commercial ones (Ebrahim et al. 2014; Santos et al. 2015), for which social ventures with a buy-one give-one (B1G1) business model are a key example (Marquis and Park 2014). B1G1 ventures obtain profits from commercial activities aimed at market customers (e.g., sale of products), and some of the profits generated are then used to fund social activities that support beneficiaries as non-primary customers (Ebrahim et al. 2014). Market customers and beneficiaries are distinct groups, requiring social ventures to incorporate dual value chains serving customers and beneficiaries alike (Dohrmann, Raith and Siebold 2015; Santos et al. 2015). In pursuing growth, these ventures face the continuous challenge of avoiding a drift away from their social core, which would have severe negative consequences for the beneficiaries they aim to serve, and ultimately erode their purpose as social organisations. For example, mission drift can irreversibly damage the reputation of social ventures, and the loss of credibility can severely impair their ability to meet resource requirements (e.g., funding, stakeholder support), which in turn endangers their survival on the market.

Given the threat of mission drift, scholars conclude that growth for the sake of growth is not the best way to achieve the greatest impact, as it can squander resources and increase financial risk taking, and thus prevent social ventures from creating any impact at all (Austin et al. 2006; Doherty et al. 2014). Increasing financial performance does not guarantee an increase in social impact, but an increase in social impact may not be achievable without economic growth (Chambers 2014). This relation points towards the difficulties in achieving and maintaining a norm of perpetual social venture growth (Haigh and Hoffmann 2014). Many scholars and practitioners therefore view social venture growth as a very complex process
(Perrini et al. 2010; Vickers and Lyon 2012), which is inhibited by several growth barriers at the individual, organisational and institutional levels (Davies, Haugh and Chambers 2018).

In their attempts to grow, studies show that social ventures need special organisational capabilities and capacities (Bacq and Eddleston 2016; Bloom and Chatterji 2009), engage in bricolage to mobilise resources (Bojica et al. 2018; Tasavori et al. 2018) and target specific niches or communities (Palomares-Aguirre et al. 2018; Vickers and Lyon 2012). Whilst these studies provide insights into the organisational capacities and actions required to grow social ventures, they do not examine the ways in which social entrepreneurs seek to balance dual missions without mission drift in their pursuit of growth or explain why some succeed while others do not. It remains unclear how and under which conditions dual missions can be balanced in the pursuit of growth. We attempt to fill this important gap by empirically exploring why, how and with what outcomes social ventures manage the balance of dual missions in the pursuit of growth.

**Research design and methods**

In order to answer this question, we applied a multiple case study research strategy (Eisenhardt 1989; Yin 1994) to investigate the ways in which six social ventures sought to manage dual missions in the pursuit of growth. This research design enables the investigation of a ‘contemporary phenomenon within its real-life context’ (Yin 1994, p. 13) and facilitates cross-case comparison to uncover emerging patterns (Eisenhardt 1989).

**Theoretical sampling**

We purposefully selected the six cases to ensure analytical generalisability (Eisenhardt 1989), using the following six criteria: ventures were required (1) to be new organisations (Gartner 1988), defined as younger than 10 years old (Davidsson 2005); (2) to be for-profit social ventures, enabling us to examine both social and economic elements (Doherty et al. 2014); (3) to offer physical products rather than nonphysical/online products or services; (4) to offer
different product categories, thereby avoiding results contingent on a single product category and industry; (5) to be new ventures, not spin-offs of incumbents, to avoid differences in legitimacy and resource acquisition (Davidsson 2005); and (6) to be social ventures with a B1G1 business model, providing unique insights into our research question. A case overview is provided in Table 1.

--- Please insert Table 1 around here ---

**Data collection**

The study is based on rich data collected from inquiry (interviewing) and examination (of secondary materials) (Wolcott 1994). Primary data were collected in two waves of semi-structured interviews with the founders of the selected social ventures, which resulted in 12 interviews (~300 single-spaced pages). In addition, we gained access to a full set of press releases (~37 single-spaced pages) and collected a comprehensive sample of secondary data (~470 single-spaced pages). Where possible, we triangulated and compared the different types of data to ensure the credibility of the information and statements extracted (Denzin and Lincoln 2005).

*Primary data.* We collected the primary data in two waves. We interviewed the six founders (or founding team) at two points in time, first in October 2014 and second in October 2015. This two-wave strategy allowed us to follow up and probe into the ventures’ development. Each interview lasted between 50 and 90 minutes and was transcribed verbatim. The interview questions asked in the first wave were based on five overall categories, geared to understanding (1) the history of the ventures and their founders; (2) the firms’ choice of social and economic missions and the relationship between these missions; (3) the rationale for and structure of each venture’s B1G1 business model; (4) the firms’ market positioning and operations in buying and donating markets; and (5) the firms’ concrete social and economic growth and profit indicators since founding. The second wave focused on five corresponding
categories: (1) the ventures’ development in the previous year; (2) potential adjustments to their social and economic missions and the B1G1 business model; (3) the relationships between their missions; (4) the founders’ perceptions and assessments of their ventures’ development and social and economic impact and (5) concrete social and economic growth and profit indicators.

Secondary data. We triangulated the primary data with myriad secondary data consisting of either organisational documents (prepared by the founders) or materials prepared externally. The organisational data were obtained from company websites, marketing materials, press releases, book chapters written by founders and social media accounts from the firms’ Facebook, Twitter and YouTube channels. The external data were obtained from publicly available media, newspaper articles, blog posts and radio/television interviews. We were able to access sources dating back to the inception of every venture, which helped us to obtain additional accounts of each firm’s development and dual mission management from inception onwards. These data provided important insights into (1) how the ventures pursued product development and diversification, distribution network expansion and branding strategies; (2) how the ventures adjusted their social and economic missions over time; (3) how the entrepreneurs engaged and interacted with stakeholders; and (4) how the ventures communicated their dual missions to stakeholder groups. The use of multiple secondary sources in addition to interview accounts mitigated respondent and retrospective bias, as the data were constantly compared and validated (Miles and Huberman 1994; Shepherd et al. 2014).

Data analysis

We undertook a rigorous coding and analysis process following established inductive procedures (Gioia, Corley and Hamilton 2013; Miles and Huberman 1994). Our coding process was supported by the QSR NVivo 10 software package, which we used to organise, code and analyse the data. To ensure interrater reliability, two of the three authors physically wrote case descriptions and discussed and assigned codes together. Throughout the process, the third
author remained an outsider to retain an objective stance on the data (Gioia et al. 2013) when critically assessing the coding. To further ensure trustworthiness (Lincoln and Guba 1985), we asked an experienced entrepreneurship researcher to join several coding sessions to question and evaluate our analyses, interpretations and conclusions.

At the beginning of the coding process, two of the authors read and reread the transcripts and documents collected during the first wave of interviews to familiarise themselves with the data and cases. Second, a detailed timeline was constructed for every case, enabling the authors to construct a common understanding of the cases’ development over time, and a detailed case description was written for each case. We also used attribute coding at this stage to code factual information on the entrepreneurs and ventures, such as age, gender, founding year, business sector, type of business model, organisational growth and impact since founding (Lofland and Lofland 1995). To capture organisational growth, we calculated the arithmetic difference between the current number of employees and the number of employees at founding (Bojica et al. 2018). This measure was chosen primarily because (i) it is commonly used in the literature on organisational growth, especially for entrepreneurial ventures (Gilbert, McDougall and Audretsch 2006; Shepherd and Wiklund, 2009) and (ii) it offers an objective quantitative measure (Bojica et al. 2018). The organizations’ social impact was determined by the donated products to beneficiaries to date. In addition, we examined the geographical reach of the social mission. The availability of this information in each case was dependent on the venture’s own measurement and documentation of its impact.

During discussion between the authors at this early stage, we realised that although the founders all of all six ventures had growth ambitions and the ventures used the same business model, they managed their dual missions differently, which may have affected the performance of their social and economic missions in terms of growth and impact. We created coding memos to record our first observations and patterns. In this initial step, we treated our secondary data in the same way as our interview data.
After the second round of data collection, the two authors that had been involved in writing the initial case descriptions extended them using data from the new round of data collection, and engaged in a coding process with several iterative cycles: we worked recursively with the data, emerging patterns and existing theory. In the first coding cycle, we used open-coding techniques to systematically categorise the data from the case descriptions and interviews (Miles and Huberman 1994). We assigned representative theme names (codes), which resulted in 47 open codes. After settling on this set of open codes, we organised the data into larger tables. The rows of these tables presented the open codes, the columns specified the cases and the cells covered corresponding segments of text from interviews or other data. At this point, we assessed the organisational outcomes of the cases (two cases had achieved balanced growth, two cases had experienced growth with mission drift and two cases intended to reorganise or cease their business operations) and grouped the cases accordingly. Using the coding matrix, we then undertook cross-case comparison to allow for the emergence of differences between case groups that could potentially explain the variation in organisational outcomes. In this process, we recoded the data to give 23 first-order codes, with which we continued to work.

In the next step, we categorised the first-order codes into second-order themes. This allowed us to identify differences between cases. For example, we were able to determine variance in how the case companies had selected their dual missions and why and how this affected their dual mission management. As the final step in our analysis, we increased the level of abstraction to form an initial view of the relationship between aggregated theoretical dimensions. We began arranging the theoretical concepts, iterating between the data obtained, the literature and the emerging dimensions to examine their fit (Denzin and Lincoln 2005). We again used matrix tables to compare the cases and case groupings according to their organisational outcomes across the derived theoretical dimensions. We assumed that theoretical saturation had been reached when the information, constructs and relationships were exhausted.
(Eisenhardt 1989). In Figure 1, we provide a visual display of the process described above in the form of our final data structure (Gioia et al. 2013), showing the themes and categories from which we developed our findings and the relationships between them.

=== Please insert Figure 1 around here ====

**Findings**

Of the six cases studied in this research project, two social ventures grew in terms of organisational size and impact without experiencing a drift in their dual missions (*balanced growth*), two grew in terms of organisational size but diverged from their social missions over time (*growth with mission drift*) and two intended to reorganise or cease their operations towards the end of our study due to an overemphasis of the social mission and a related lack of economic sustainability (*no growth*). In our attempt to understand how social ventures can successfully manage dual missions and achieve economic growth and social impact, we first analysed the individual-level factors informing dual mission selection. Second, we explored the relationships between these individual-level factors and the degree to which founders connect and intertwine their dual missions, and explain the mechanism of MSEs that facilitate the selection, connection and intertwining of dual missions over time. Third, we present how social ventures’ distinct approaches to the management of dual missions lead to different organisational outcomes in terms of organisational growth and mission drift. On the basis of our findings, Figure 2 displays a model of the foundations and processes of dual mission management in social ventures.¹ In the following three subsections, we discuss each part of the model.

=== Please insert Figure 2 around here ====

---

¹ Similar to other qualitative studies (e.g., Nag, Corley and Gioia 2007), we provide a model at the beginning of our findings section, despite its emergence from an inductive process. We do this to provide clarity and structural coherence for the reader.
Individual-level Facilitators of Dual Mission Management

The first stage of our model displays individual-level factors, explaining how the founders’ backgrounds varied and how this facilitated the selection of social and economic missions. Two imprinting sources determined how founders selected the two types of mission. The first imprinting source was the social motive for founding a hybrid venture, which we understand as a hypothetical construct explaining the direction, amplitude and persistence of the founders’ behaviour (cf. Graziano et al. 2007). Whilst all of the founders in our study aimed to improve others’ well-being, three main social motives led them to start up their social venture: (1) wanting to change the world, (2) wanting to give back to the world and (3) wanting to prove themselves to the world. For example, ‘wanting to change the world’ was expressed by the founder of GloriousFashion through the choice of an educational social mission and their belief to thus contribute to the improvement of the lives of children for good. In contrast, ‘wanting to give back to the world’ was, for example, based on GrandShoes founder’s heritage in the third world, who believes to have experienced many privileges living in the first world and therefore having to contribute to the roots of origin. Last, ‘wanting to prove themselves to the world’ was, for example, emphasized by the founder of NoLights, who worked for many years for a large-scale profit-maximizing firm and now wanted to show that doing good by doing well is indeed feasible in the commercial sector.

The second imprinting source was the founders’ emotional attachment to their social and economic missions. We observed that the greater the founders’ emotional attachment to first- and third-world offerings (i.e., customers and beneficiaries), the more likely their ventures were to blend the two missions sustainably. We categorised founders’ emotional attachment as strong, moderate or weak. A strong emotional attachment meant that the founders were deeply connected to their products, beneficiaries and customers, because they had developed intense long-term relationships with the chosen groups, regions or causes. This strong emotional attachment was, for example, formed through previous long-term work experiences by the
founders of GreatHealth. Founders with a moderate emotional attachment cared about their products, beneficiaries and customers but did not build long-standing and ongoing relationships. This moderate emotional attachment was, for example, formed through travel experiences to the beneficiaries regions by the founder of GraceArt. Founders with a weak emotional attachment were relatively distanced from their products, beneficiaries and customers, with rather loose and exchangeable relationships. This distance was, for example, caused by NeverTextile’s founders’ choice of mission based on rational facts rather than personal experiences. In Table 2, we illustrate these differences and provide examples from all cases. As we detail in the following subsection, we found that social ventures that grew without experiencing mission drift had the social motive of wanting to change the world and a strong emotional attachment to both types of mission, which enabled them to connect and intertwine their dual missions sustainably.

--- Please insert Table 2 around here ---

**Balanced growth.** The founders of the social ventures that experienced balanced growth expressed both a strong social motive to make a lasting difference in the world and a strong emotional attachment to both their first-world offerings and their third-world target groups. The social motive to ‘change the world’ was common among the founders, as expressed below.

‘GreatHealth will bring about a change in health. We know that this is where we can make a difference as women and as business students’. (GreatHealth blog 2015)

When the founders talked about their social motives, they tended to be positive and passionate, showing sincere care for the world’s problems and great awareness of the needs of others. In addition, the founders had worked concretely with the social causes they supported for many years before founding the social ventures we studied. The founders of GreatHealth had lived for two years in the third-world target region of their chosen beneficiaries to meet them at eye level and understand their needs and circumstances. Therefore, their social mission was
reported to be close to their hearts, and they had the opportunity to acquire the in-depth knowledge, understanding and networks required to fulfil this mission.

Similarly, the founders showed a strong connection with and knowledge of their economic missions. One of the founders of GloriousFashion had worked for well-known fashion brands and acquired extensive industry-specific knowledge. In addition, the founders were business savvy due to their business education and prior work experience. Our data indicate that this business mind-set may explain why the founders did not generally believe in charity as a sustainable solution to social problems, leading them to choose a B1D1 business model to serve their social cause.

*Growth with mission drift.* The founders of the social ventures that grew with mission drift expressed the common motive ‘to give something back’ to the world. For example, some of the informants reported that they had a guilty conscience or regretted previous behaviour and now had the desire to improve others’ well-being by giving something back.

‘In the beginning [the founder] had a guilty conscience. He thought increasingly about his trips around the world, and felt that it was not fair to take pictures of people without their consent and without their benefiting [from the sale of the images]’. (GraceArt press release 2012)

Compared with the narratives of the founders of social ventures that experienced balanced growth, the discourse here is more rational and thoughtful, showing a certain distance from the underlying social issues. This rationality was mirrored in the founders’ moderate emotional attachment to their chosen social target groups or domains of social venturing. For example, the founder of GrandShoes had roots and personal contacts in the third-world market, but no relationships and thus no interpersonal exchange with the venture’s beneficiaries. Thus, the founder made informed and rational evaluations rather than emotional ones, resulting in considerate decisions about the choice of business model, beneficiary groups or product portfolio.
‘We have decided to offer shoes to our customers as well as beneficiaries because people only [seldom] donate shoes’. (GrandShoes interview 2014)

In addition, the founders had a strong emotional attachment to their economic mission, which seemed to be grounded in their previous work experience and appeared as the driving force for their entrepreneurial engagement.

No growth. The founders of the social ventures that had experienced no growth were motivated by the belief that it was now time for them to be socially active and ‘prove to the world that social venturing is the best way to do business’. When the founders talked about their motives, they expressed deep concern about harmful business practices that could negatively affect the world, as illustrated in the following quotation.

‘In the textiles industry, experts do not believe that companies can comply with social and environmental standards and be competitive in the long term. We want to prove them wrong!’ (NeverTextile website 2015)

These founders displayed a strong attachment to their third-world markets and beneficiaries. They cared deeply about their social missions, typically because they had worked and lived in the target regions for a long time. For example, the founder of NoLights had worked for 20 years in the context of the venture’s beneficiary group. During this time, the founder became devoted to the group and developed a deep care about beneficiaries’ problems and social needs. However, the founders of these ventures were less attached to their economic missions, and their choice of commercial products was guided by a general ethical agenda rather than by a passion for the product, the industry or the needs of market customers. In the following, we offer reasons why the differences of founders’ social motives and emotional attachment matter for dual mission management.
Creating Mission Spillover Effects through Dual Mission Management

We found that the imprinting sources were the basis for the founders’ selection of social and economic missions. Once selected, the dual missions were connected and associated with varying degrees of MSEs. MSEs are the intended or partly unintended benefits that help a venture to realise its social mission as a consequence of pursuing an economic mission, and vice versa. In the management of dual missions, MSEs are achieved through the processes of (i) selecting dual missions, (ii) connecting dual missions and (iii) intertwining dual missions, as explained below.

Balanced growth. The founders of the social ventures that experienced balanced growth were very engaged and careful in selecting both types of mission. The founders selected dual missions that were meaningful both to themselves and also to their customers. This is illustrated in the following statement.

‘When we developed our first plans, we thought about which products would help to support the kids. We opted for fashion, as we and every woman have an emotional attachment to fashion – as well as to kids’. (GloriousFashion interview 2015)

The careful selection based on the founders’ knowledge of both commercial and donation markets enabled them to connect the two types of mission and the corresponding first- and third-world offerings on a value basis. Indeed, the founders were unable to separate the social from the economic missions of their ventures, as the following quotation shows.

‘Yes, naturally, our overall goal is to support children in Africa. But one needs to find a way to make this attractive to customers. Here design and quality come into play, as they are very important, but combining them [with the social mission] gives a high identification factor. So customers can really identify with GloriousFashion products... It’s the mix that’s does the trick. I really couldn’t say what is more important or that one is more important than the other. It all hangs together; nothing works without the other’. (GloriousFashion interview 2014)
To achieve a substantial social impact, the ventures spent between 35% and 50% of their margins on their social missions. As the ventures had to stay competitive in the first-world market, they could not overcharge their first-world offerings to finance their social missions but instead had to find creative solutions to reduce prices and thus set purchase incentives for their market customers. GreatHealth reached this by connecting its missions through the involvement of its beneficiaries in co-designing and producing its first-world offering. This connection of missions at an activity level not only created an additional income source for the beneficiaries, but also helped the venture to save production costs and remain price competitive.

These initial connections build the basis for social ventures that achieved balanced growth to intertwine their dual missions over time and reach multiple two-sided MSEs. Their social missions helped the ventures to acquire resourceful, high-status partners, achieve cost reductions and obtain favours from key stakeholders. For example, GreatHealth was able to use a partner’s production facility for just a fraction of the usual price, and GloriousFashion’s distribution partner offered free shipping for the first year. In addition, both case companies received a great amount of pro bono support from business advisers.

‘Due to our social mission, we have a huge network that supports us. We have very experienced [advisers] who give us advice because they like what we do so much’. (GreatHealth interview 2014)

Similarly, they received a lot of support in the third-world market:

‘Something similar happened when we applied for a visa. Usually, you wait for months and probably have to bribe someone, but when we told our story we had our visas after just a couple of weeks. I think that was because we were able to convince a wide range of people about our cause, it wasn’t as hard as we expected to start business. We received a lot of support along the way.’ (GreatHealth interview 2014)

In addition to positive spillover from social to economic missions, we also found that the ventures’ economic missions supported and leveraged their social missions. Extending the
preceding examples, cost reductions enabled the social ventures to offer more competitively priced first-world products. This increased the demand from market customers, and through an increase in sales, the ventures generated more earned income to channel into their social missions. Accordingly, their social and economic missions reinforced each other consistently over time.

We found empirical evidence that attaining MSEs is an ongoing process, and that our case companies made an effort to continually reinforce to connect and intertwine the two types of missions. Whilst our case ventures first pursued connections at the mission level, they soon added connections at the operational level and extended them to their stakeholders. They were eager to instil in their key stakeholders a sense of the importance of the connection between both missions. For example, the founders and employees of GloriousFashion travelled to their third-world beneficiaries every year to become better informed about local needs, amplify their social impact and increase their employee retention rate. GreatHealth’s advisors reached out directly to the venture’s beneficiaries to support the educational efforts needed to ensure their long-term impact. During these processes, the ventures’ missions became more and more intertwined and multiple two-sided mission spillover effects were achieved. Table 3 displays examples of two-sided MSEs.

--- Please insert Table 3 around here ---

_Growth with mission drift._ Our analysis shows that the social ventures that grew with mission drift selected their economic missions based on their previous work experience and proven customer needs. A strong attachment to their economic missions resulted in an effective customer orientation, whereas they selected their social missions first and foremost as an additional value proposition for their first-world customers. Viewed as a mere supplement to their first-world offerings, their social missions were treated as interchangeable. Our informants reported that if their first-world customers requested a change in social cause, they were willing to select another mission.
‘Another social mission would just be as good, as long as it can be as easily explained. As a company we primarily look at administrative effort. [We would like] to be able to control exactly what’s happening’. (GrandShoes interview 2015)

When social missions were perceived as interchangeable, the ventures’ organisational activities were shifted towards the economic side and the operational work for social missions was outsourced to partners.

‘We don’t know our partners personally. We cannot spend time on that. Efficiency is the main selection criteria for partnering.’ (GraceArt interview 2015)

Outsourcing and distance prevented the two types of mission from being well connected. As economic and social missions were operated independently by these ventures, they could not be intertwined, and thus achieved only limited and one-sided MSEs i.e. from the social to economic mission. Social missions were very often used to persuade key stakeholders to invest in the ventures and gain publicity, especially through the use of storytelling.

‘In comparison with other brands, we have the advantage of being able to tell a story…. And thus for many journalists we are an interesting topic. We have been covered in various nationwide newspapers and on various television shows, [and] hope to collaborate even more with television stations in the future’. (GrandShoes interview 2014)

Our results also show that these ventures tended to use their social missions strategically to attract employees willing to work for lower salaries to support social causes, which further increased their cost advantages. However, in contrast with the ventures that grew without experiencing mission drift, they were not able to continually reinforce employees’ commitment to their social missions and thus experienced a higher employee turnover where many employees left within their first year.

No growth. The social ventures that experienced no growth selected their social missions based on their previous work experience with social organisations, long-term experiences in the
local regions and an in-depth understanding of how social impact could be created. Indeed, their social missions entirely drove their venturing.

‘Our social mission is the core motivation behind NeverTextile. Our [first-world] product is secondary. If we could help someone [in need] by selling cat food, we would also do that. But we decided to go into the textile industry, as this industry faces serious ethical problems’. (NeverTextile interview 2014)

These ventures perceived economic missions as interchangeable and thus lacked commitment to the selection of this mission. They also failed to connect the two types of mission consistently over time. Rather, the founders believed that the role of their economic missions was exclusively to finance their social mission, and their social mission therefore determined their decision making, organisational activities and overall venture management. They perceived the B1G1 business model to be such an innovative way of conducting business that customers would be willing to finance their social missions by paying for their products at a price premium.

‘All we need is for people to hear about us. Then they will automatically buy from us because our [business model] approach is so cool’. (NeverTextile interview 2015)

In contrast with the ventures that grew with mission drift, the ventures with no growth focused on social missions as their main value propositions and drivers, creating only limited and one-sided MSEs. For example, the founder of NoLamps explained that newspaper articles were sometimes written about the venture due to its public relations value, but due to moral concerns, the venture refused to deliberately take advantage of its social mission to gain publicity. Similarly, the venture was approached by ‘social’ celebrities who wished to become brand ambassadors. Whilst related activities reinforced the venture’s ‘socialness’, it did not take the opportunity to develop a strategically driven communication campaign to retrieve additional economic value from its social venturing. In the following, we offer reasons why the differences in MSEs matter for the organizational outcomes that these ventures achieved.
Organisational Outcomes of Dual Mission Management

Our results show that the case ventures differed in their management of dual missions and unlocked varying degrees of one-sided and two-sided MSEs, which influenced their growth performance and lead to differences in the social impact created. Whilst two social ventures managed to have two-sided MSEs that benefitted both types of mission and resulted in balanced organisational growth and an increase in social impact, the remaining four obtained only one-sided MSEs that favoured one mission at the expense of the other and resulted in growth with mission drift or no growth as well as minor or no increase in social impact.

Balanced growth. Our data indicate that social ventures that achieved balanced growth managed their dual missions in a specific way: selecting dual missions based on common values, connecting and intertwining them over time through two-sided MSEs that strengthened and reinforced the interdependence of both missions. Through this interdependence, these ventures unlocked MSEs that enhanced their resource bases and assets, allowing them to increase the number of employees and thus grow their organisational structure as well as extend their activities and networks. For example, motivated by the ventures’ social mission, their business partners offered lower prices for supplies and services, leading to cost advantages for them. The cost advantages improved their competitiveness and, at the same time, freed money the ventures utilized to extend their social offerings and thus increase their impact depth. GloriousFashion used their savings on supplies and services to develop a donation programme that considered not only the fees enabling kids to attend a full school year but also financed books, uniforms, meals, and transportation, which were needed to build a comprehensive educational support system.

‘To act against abuse and violence that kids experience on their long and unsafe way to school, we will now also finance the safe bus transport for one year’.

(GloriousFashion blog 2016)
Our findings reveal that these ventures improved their economic performance, which allowed them to also enhance their social impact. These improvements in social performance, in turn, allowed them to differentiate their commercial offerings in a stronger way, which was rewarded by greater customer loyalty and attracted new customers, thus gaining a larger market share. As a result, the social and economic mission grew in tandem and the interdependence between the missions protected these ventures from mission drift.

*Growth with mission drift.* Social ventures that experienced growth with mission drift engaged in dual missions that remained independent and analytically separable. With the help of their social mission, these ventures grew as they attracted a larger customer segment. In fact, the founders reported that up to 50% of their customers bought their products because of their added social missions. First-world customers were central to these ventures’ development. From the inception of the ventures, customer feedback had guided their commercial product development and over time, it also shaped the social missions. GraceArt implemented a system that allowed its first-world customers and suppliers to suggest new social projects, some of which had already been funded during our data collection period. Consequently, these ventures slowly drifted away from their original social missions and developed into ventures without a definite social mission; if customer preferences changed, they aimed to adapt social offerings accordingly, when it was administratively feasible for them. Rather than pursuing their own social missions, these ventures sought to fulfil their customers’ expectations. ‘Doing something good’ ultimately helped founders to relieve their guilty consciences but the social mission was not the driving element of their venture.

*No growth.* Similar to the social ventures that grew with mission drift, the social ventures that experienced no growth pursued dual missions that were independent and clearly separable. The ventures only reached a very specific niche customer segment, typically comprising extremely dedicated, socially conscious customers. According to our data, this niche segment was too limited in its purchase power to grow the ventures to the point of breaking even or
beyond. Due to their strong focus on achieving their social missions, the ventures rejected important market input such as feedback from customers or advisors and occurring market trends, which could have helped them re-adjust their market offering to be appealing to a customer segment beyond the niche segment. This created an unsustainable financial situation, which led to a time-limited support of their social missions.

**Discussion**

In recent years, social ventures have received increasing attention for their ability to foster large-scale positive change (e.g., Bacq and Janssen 2011; Barth et al. 2015; Friedman and Desivilya 2010; Perrini et al. 2010; Smith and Stevens 2010). To achieve both growth and social change, these ventures have to be capable of balancing social and economic missions. Accordingly, researchers are interested in questions such as: *Why, how and with what outcomes do social ventures manage dual missions in the pursuit of growth?* Through a case study, we provide novel insights into the balance of dual missions and make several contributions to research on social entrepreneurship, dual mission management and social venture growth. First, we address the *why* component of our research question by demonstrating the individual-level factors that imprint on social ventures with hybrid structures; second, we address the *how* component of our research question by untangling dual mission management processes and revealing emerging MSEs; and third, we address the *outcome* component of our research question by exploring the effects of dual mission management on organisational growth and mission drift, which we discuss as follows.

**Individual-level factors that influence dual mission management**

Mirroring the emergence of research on social entrepreneurship and hybrid organising at the individual level (e.g., André and Pache 2016; Bacq and Alt 2018; Conger et al. 2018; Wry and York 2017), we find that founders’ social motives and emotional attachment have an imprinting effect (Stichcombe 1965; Marquis and Tilcsik 2013) on their ventures and thus influence dual
mission management. The first individual-level factor, *social motive*, influences the selection of social missions. Whilst some studies show that social entrepreneurs are driven by self-oriented and other-oriented motives (Bacq and Alt 2018; Germak and Robinson 2014), others suggest that negative emotions may also constitute a motive (Miller et al. 2012). In our study, founders who experienced balanced growth differed from those with mission drift in that the former were motivated primarily by the desire to positively change the world, whereas the latter were driven by the negative feeling of guilt. Guilt is known to drive pro-social behaviour (Tangney, Stuewig and Mashek 2007; Xue, Begue and Shankland 2011), and its role has recently also been acknowledged in social entrepreneurship research. Therefore, Miller et al. (2012, p. 632) ask whether ‘social enterprises differ when more negative emotions motivate their founding?’ Our findings indicate that negative emotions lead to a separation of work processes in dual mission management, and they make founders flexible in exchanging their social missions according to the preferences of market customers.

The second individual-level factor, emotional attachment, influences the founders’ engagement with social and economic missions. In our study, founders reported a strong emotional attachment due to previous work experiences, education and private life events. This extends Lee and Battilana’s (2013) finding that hybrid structures are imprinted upon by the previous work experience of the founder and the founder’s parents as well as the founder’s professional education. Battilana and Dorado (2010) argue that hiring employees committed to both types of mission and ‘socialising’ them to acquire the desired value system are crucial to social ventures’ success. We extend this argument by suggesting that founders must undergo the same socialisation process to create a resilient and intrinsically dualistic organisation (Miller and Wesley, 2010) that fosters a balance between dual missions in the pursuit of growth. Moreover, by connecting individual with organisational elements (Perrini et al. 2010), we empirically complement the conceptual work of Wry and York (2017), showing that a strong
initial attachment to both types of missions is necessary to balance dual missions successfully in post-launch venture management over time.

**Managing the balance of dual missions in the pursuit of growth through MSEs**

Our analysis shows that although all of the ventures in our sample use the B1G1 business model to combine their social and economic missions, the management of dual missions varies considerably between the cases. In particular, our results highlight that even within the confines of the B1G1 business model, the ventures showed considerable differences in selecting, connecting and intertwining their missions. These differences led to varying degrees of MSEs, which had implications for the ventures’ growth performance and potential mission drift.

Social ventures that achieved balanced growth are able to select and unify seemingly contradictory social and economic missions, connecting them harmoniously to create a venture built around the common values of commercial offering and social service. In the *selection* process, such ventures identify and commit to values held common between missions. Previous research suggested that social ventures should establish a strong ideological congruence across hybrid structures (Maibom and Smith 2016). Our results show that an ideological congruence can be successfully established by selecting common values to forge an overarching, consistent theme within the activities and processes of dual mission management. Especially for differentiated social ventures that pursue social activities separately from commercial ones (Ebrahim et al. 2014; Santos et al. 2015), ideals and values common to dual missions are not naturally available, which makes their selection and promotion throughout the entire organisation an important aspects of dual mission management.

In the *connection* process, social ventures that achieved balanced growth continuously focus on selective practices to couple dual mission. Pache and Santos (2013) revealed that work integration social enterprises selectively couple organisational elements to protect their legitimacy. Our study complements their work by showing how differentiated social ventures
selectively couple organisational elements over time. For example, we find that human connections enable social ventures to reduce knowledge barriers between major stakeholder groups and create engagement with both missions, which supports social entrepreneurs to enact social as well as economic value. Creating these connections helps to bridge the gap between commercial offerings and social services in dual value chains, and the hybrid structure helps to remain flexible in forming connections and adapting them to changing circumstances. While the case ventures start to connect selectively, they appear to foster these connections in most organisational areas over time. Due to the size of our sample we cannot state if there is a certain pattern among which organisational areas to select first for connecting activities and which should follow later.

In the intertwining process, social ventures that achieved balanced growth continuously engage in activities that unify social and economic missions. Whilst Santos et al. (2015) in their conceptual study of differentiated social ventures recommend a structural differentiation to perform commercial and social operations at the highest level of expertise, our empirical study finds that these ventures instead search for ways to integrate dual value chains. For the purpose of integration, financial and human resources are mobilized across dual missions and coupled in intertwined organisational activities. Such activities for instance engage employees, who are usually embedded in the sale of commercial products, temporarily in the distribution of social services to beneficiaries. Similarly, beneficiaries are in part integrated in the design and production processes of commercial products. Our study shows that differentiated social ventures are thus able to not only reduce tensions and trade-offs between their social and economic missions, but also create beneficial synergies among them.

In sum, our analysis reveals that the processes of selecting, connecting and intertwining dual missions can lead to the emergence of MSEs. Whilst our findings show that all of the social ventures in our sample unlocked MSEs, we find that in the ventures that experienced balanced growth, MSEs were two-sided. Analytically, we identify two-sided MSEs as a central
mechanism in dual mission management to pursue organisational growth, avoid mission drift and achieve social impact. Through the creation of two-sided MSEs, we find that social ventures use ventures elements such as product offering, human connections, income generation and pluralistic collaborations to achieve organisational growth; a finding that extends previous work on mobilizing resources through bricolage in the pursuit of growth (Bojica et al. 2018; Tasavori et al. 2018). Ultimately, social ventures implement dual missions that can reinforce each other, bringing them close to the concept which previous research referred to as the ‘hybrid ideal’ (Dees et al. 2002; Battilana et al. 2012). It is worthwhile noticing that this is not a status quo which remains once reached. Rather selecting, connecting and intertwining dual missions are recurring and long-term processes, involving the continuous adaptation of venture elements and practices.

Achieving growth and avoiding mission drift by balancing dual missions

Battilana et al. (2012) conceptually argued that, in a hypothetical organisation, the integration of social and economic value creation leads to a virtuous cycle of profit and reinvestment in the social mission, which facilitates large-scale social change. With our empirical study, we complement their work by revealing that for-profit social ventures select, connect and intertwine dual missions to create two-sided MSEs, realising synergies between their missions and fostering balanced growth of the organisation. The growth of the organisation, in turn, supports social ventures to successfully achieve a scale of their social impact. Interestingly, growth occurs as an organisational outcome for the social ventures in our study located in the first-world, while their created and scaled social impact contributes to the well-being of beneficiaries and communities in the third-world. In this way, growth of social ventures has positive implications beyond the embedded community and the regional scope of the initial organisation.
As previous studies identified mission drift to be a major risk in the pursuit of growth (Ebrahim et al. 2014; Kwong et al. 2017; Santos et al. 2015), social ventures have to carefully balance their duality on the mission and activity levels. Our results show that the founders of ventures that grew with mission drift or experienced no growth viewed the B1G1 business model as a natural connector. Whilst the B1G1 business model offers a combination of social and business activities (Marquis and Park 2014), it neither connects dual missions harmoniously nor automatically resolves trade-offs in day-to-day dual mission management. Based on this misconception, these ventures missed opportunities to detect imbalance between their dual missions and thus manage their objectives, assets and networks accordingly. Kwong et al. (2017) found the ‘financial-pull’ to be the only detrimental type of mission drift. We extend their work by additionally finding that a strong ‘social-pull’, a dual mission management practice where social value creation is overemphasised while financial viability is neglected, can be harmful. In our study, a ‘financial-pull’ led to organisational growth at the expense of created social impact, whilst a ‘social-pull’ led to no growth and a potential bankruptcy of the case ventures. With the economic foundation of their hybrid structure missing, these ventures had exhausted their resources and ultimately failed to deliver on both missions. As a hybrid structure requires an economic component to survive and grow, these ventures might have benefitted to a greater extent from a non-profit organisational form.

All in all, our study confirms that social venture growth is a complex and challenging process (Perrini et al. 2010). Growth seems promising as it may increase efficiency, improve market share and influence community development. However, four out of six cases experienced mission drift or failed in the pursuit of growth, which confirms that growth for the sake of growth is not helpful to social ventures. If dual missions are not managed with two-sided MSEs, growth can harm the core of what social ventures aim to achieve: creating social value and achieving social change.
Conclusion

In this study, we investigate the management processes undertaken by for-profit social ventures to balance their dual missions in the pursuit of growth. Scholars generally agree that balancing dual missions and avoiding mission drift poses major challenges for social entrepreneurs in the pursuit of social venture growth (Doherty et al. 2014; Ebrahim et al. 2014). We find that dual mission management is influenced by individual-level factors. Furthermore, our findings untangle the underlying dual mission management processes and show that two-sided MSEs are a central mechanism in dual mission management to pursue balanced growth and prevent mission drift. Ideally, MSEs should foster and benefit both missions equally and create mutually reinforcing mechanisms. However, the majority of ventures in our study did not attain balanced conditions under which their social missions benefited their economic missions and vice versa. Instead, their MSEs were one-sided and led either to mission drift or unsustainable financial situations.

Implications for theory

This study contributes to the body of work on how social ventures combine dual missions (e.g., Battilana and Lee 2014; Doherty et al. 2014). For future research, scholars could investigate the external factors that influence how social ventures can achieve and retain a balance between missions, especially when pursuing growth. One research route could develop along the lines of stakeholder theory. For example, an important question relates to the influence of key stakeholders on the selection, connection and intertwining of dual missions, investigating to which extent their interests and expectations affect and potentially change dual mission management and the further development of social ventures. Another relevant research question concerns the kinds of collaboration to which social ventures often commit (de Bruin et al. 2017). Whilst collaborations have been examined in social entrepreneurship from specific theoretical perspectives, such as bricolage (Kwong et al. 2017), or in certain industries, such as the fair-
trade sector (Huybrechts, Nicholls and Edinger 2017), it remains unclear how collaboration favours the balance between dual missions in the pursuit of growth, and which kinds of collaboration are most effective at which point of time in the development of a social venture. The effects of collaboration with commercial ventures and for-profit organisations may differ considerably from those with social initiatives and non-governmental organisations. Therefore, we recommend that comparative and longitudinal case study research (Günzel-Jensen and Holm, 2015; Holm and Günzel-Jensen, 2017) to be conducted to shed light on the governance and management of the growth of dual missions over time under the influence of key stakeholders at the micro, meso and macro levels.

Future research could also focus on the antecedents of social venture growth, especially individual-level factors that imprint on ventures. Whilst compassion (Miller et al. 2012) and empathy (Bacq and Alt 2018) have been found to support the choice to found a social venture, it seems reasonable to investigate the roles of positive and negative emotions at both the founding and the growth stage of social ventures’ development. Scholars could also consider examining context-related aspects that influence individuals in their decision making, which could be explored by looking into events in the lifetimes of social entrepreneurs and their influence on venture-related decision making. Therefore, we recommend that researchers conduct multilevel and multi-method studies to investigate the influence of individual-level antecedents on the combination and balancing of dual missions, as well on social venture growth and the scale of social impact.

**Implications for practice**

For practitioners, our findings indicate that social entrepreneurs can increase the likelihood of achieving sustainable social venture growth by identifying and promoting common values and overarching and consistent themes that intertwine their social and economic missions. Our findings suggest that the founders of differentiated social ventures should optimise their
founding teams and recruit employees to ensure a connection to both first-world commercial offerings and third-world social services. To balance their dual missions, social entrepreneurs should foster two-sided MSEs. As this can be challenging to achieve while pursuing growth, social entrepreneurs should install screening and monitoring mechanisms to detect sacrifices. With their help, investment in the social mission based on changes in profit distribution can be readjusted at an early stage to avoid mission drift. After all, two-sided MSEs and installed control mechanisms can enable growing social ventures not only to balance dual missions but also to embrace duality, foster innovation and potentially achieve competitive advantages.
References


<table>
<thead>
<tr>
<th>Case</th>
<th>Business Model</th>
<th>Core Activity</th>
<th>Est. year</th>
<th>Industry</th>
<th>No. of employees in 2015</th>
<th>Type of social impact created</th>
<th>Development of social mission</th>
<th>Geographical reach of social mission</th>
<th>Type of growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>GloriousFashion</td>
<td>B1D1</td>
<td>Fashion design and distribution</td>
<td>2012</td>
<td>Fashion</td>
<td>7 full-time employees</td>
<td>Education: provided education products to kids of school-age in Africa</td>
<td>Developed 7 complementary products to create a comprehensive education support system</td>
<td>Present in 1 country</td>
<td>Balanced growth</td>
</tr>
<tr>
<td>GreatHealth</td>
<td>B1G1</td>
<td>Hygiene product design and distribution</td>
<td>2011</td>
<td>Hygiene</td>
<td>11 full-time employees</td>
<td>Health and wellbeing: provided health supplements to girls in Africa</td>
<td>Introduced a complementary product to improve the usability of the original product</td>
<td>Present in 10 countries</td>
<td>Balanced growth</td>
</tr>
<tr>
<td>GraceArt</td>
<td>B1D1</td>
<td>Art and photography selection and distribution</td>
<td>2012</td>
<td>Art and photography</td>
<td>2 full-time employees; 2 freelance employees</td>
<td>Community development: supported small-scale development projects in Asia</td>
<td>Exchange of supported social projects according to first-world customer suggestions</td>
<td>Present in 1 country</td>
<td>Growth with mission drift</td>
</tr>
<tr>
<td>GrandShoes</td>
<td>B1G1</td>
<td>Shoe production and distribution</td>
<td>2013</td>
<td>Fashion</td>
<td>2 full-time employees; 3 student assistants</td>
<td>Health and wellbeing: provided clothing supplements to poor citizens in Afghanistan</td>
<td>Willingness to exchange social mission according to first-world customer preferences</td>
<td>Present in 1 country</td>
<td>Growth with mission drift</td>
</tr>
<tr>
<td>NeverTextile</td>
<td>B1D1</td>
<td>Textile design and distribution</td>
<td>2010</td>
<td>Textile</td>
<td>0</td>
<td>Education: supported small-scale education projects in India</td>
<td>/</td>
<td>Present in 1 country</td>
<td>No-growth</td>
</tr>
<tr>
<td>NoLights</td>
<td>B1G1</td>
<td>Lamp design and distribution</td>
<td>2007</td>
<td>Solar lamps</td>
<td>1 part-time employee</td>
<td>Health and wellbeing: provided household supplements to families in Africa and Latin America</td>
<td>/</td>
<td>Present in 3 countries</td>
<td>No-growth</td>
</tr>
</tbody>
</table>

a The ‘G’ as the first letter of the case ID signifies a for-profit social venture experiencing growth, while an ‘N’ signifies no or limited growth.

b We differentiate two types of social enterprise that fall under the label “B1G1” (Marquis and Park 2014): the original B1G1, in which an identical product is provided to the social target group, and buy-one donate-one (B1D1), in which a fixed percentage of the turnover is donated to the social target group (often provided via a partner organizations).

c The availability of this information in each case was dependent on the venture’s own measurement and documentation of its impact.
### Table 2. Representative data of individual-level factors

<table>
<thead>
<tr>
<th>Type of growth</th>
<th>Imprinting source 1: Social motive</th>
<th>Imprinting source 2a: Emotional attachment to economic mission</th>
<th>Imprinting source 2b: Emotional attachment to social mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced growth</td>
<td><em>Change the world</em></td>
<td>‘First-world strong’</td>
<td>‘Third-world strong’</td>
</tr>
<tr>
<td></td>
<td>‘Education is the main driver to change the life of children and thus to change the world. This is where we come into play.’ (Interview GloriousFashion 2014)</td>
<td>‘I have many years of experiences in the fashion industry and have strong connections to many important players. (…) I loved working there, but after giving birth to my first child I aimed for something more meaningful which would keep me close to the fashion industry.’ (Interview GloriousFashion 2015)</td>
<td>‘We have worked intensively with the economy of developing countries and had therefore chosen the theme “microfinance” for our (Ph.D.) thesis. After graduating we worked in big corporations. But we could not get away from what we had experienced in Africa.’ (Interview GloriousFashion 2015)</td>
</tr>
<tr>
<td></td>
<td>‘Fighting for the rights of girls and woman is what we set out to do and where we can contribute. We need to change the situation of girls and woman all around the world.’ (Interview GreatHealth 2014)</td>
<td>‘During my masters, I also learned that businesses don’t have to be evil. They can serve their community for the better. Before the program, I didn’t think any of this was possible, so it really opened my mind and made me consider, and eventually it let me start this venture.’ (Interview GreatHealth 2014)</td>
<td>‘(From an early age on), I was aware of the (health) challenges many girls faced. When I was little our neighbors collected money to buy (hygiene products) for the girls in the refugee camps. This topic became a companion of my life.’ (Interview GreatHealth 2015)</td>
</tr>
<tr>
<td>Growth with mission drift</td>
<td><em>Give back to the world</em></td>
<td>‘First-world strong’</td>
<td>‘Third-world moderate’</td>
</tr>
<tr>
<td></td>
<td>‘I had privileges, I grew up and was educated in Germany. I know the culture and language of the Afghani people. I need to give back.’ (Interview GrandShoes 2015)</td>
<td>‘I have founded a startup in the textile industry using the B1G1 business model before. (…) I know it’s strength. It is the simplicity and tangibility of an added social dimension that becomes a significant selling point.’ (Interview GrandShoes 2014)</td>
<td>‘I know from stories that the winter in Afghanistan is very cold. It can get minus 30 degrees. Shoes are very valuable in this kind of weather.’ (Interview GrandShoes 2014)</td>
</tr>
<tr>
<td></td>
<td>‘(After traveling) I was looking for the right platform for selling my pictures. I wanted to give something back to the people (whom I had taken pictures of), but there was no platform for that. (…) This is what our platform aims to do.’ (Interview GraceArt 2014)</td>
<td>‘Art and business have always been two passions of mine which I’m happy to combine now in my own venture.’ (Interview GraceArt 2014)</td>
<td>‘I have been traveling a lot and like joining local events, but honestly I do not have any personal connections to locals from my travels.’ (Interview GraceArt 2015)</td>
</tr>
</tbody>
</table>
Table 2. Representative data of individual-level factors (continued)

<table>
<thead>
<tr>
<th>Type of growth</th>
<th>Imprinting source 1: Social motive</th>
<th>Imprinting source 2a: Emotional attachment to economic mission</th>
<th>Imprinting source 2b: Emotional attachment to social mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>No growth</td>
<td>Prove themselves to the world</td>
<td>First-world weak</td>
<td>Third-world strong</td>
</tr>
<tr>
<td></td>
<td>‘In the textile industry, experts do not believe that companies can comply to social and environmental standards and at the same time be competitive in the long run. We want to prove them wrong!’ (Interview NeverTextile 2014)</td>
<td>‘Our product is not that important. If we could help someone by selling cat food, we would do so (...), but we decided to go into textiles as catastrophic circumstances predominate.’ (Interview NeverTextile 2014)</td>
<td>‘We are all religious and believe that we need to contribute socially. It’s what motivates us every day.’ (Interview NeverTextile 2015)</td>
</tr>
<tr>
<td></td>
<td>‘After many years working for a commercial enterprise and witnessing how money ruled the world I wanted to prove that you can do good while doing well.’ (Interview NoLights 2014)</td>
<td>‘After many years I’m still confused about how to approach (first-world) customers. And I really don’t care. (...) I just need to make it work.’ (Interview NoLights 2015)</td>
<td>‘I studied economics and have always been interested in development aid. (...) But I chose a classic career. After some years I started representing (my employer) in third-world countries. There I learned what works and what doesn’t. What really shocked me was that poor people in the rural areas needed to pay way more for products than richer people in the city. I broke my heart to witness these cycles.’ (Interview NoLights 2014)</td>
</tr>
</tbody>
</table>
Table 3. Examples of two-sided MSEs in our analysis and cases realizing them

<table>
<thead>
<tr>
<th>Venture Element</th>
<th>Examples of activities and processes in dual mission management</th>
<th>Examples of two-sided MSEs</th>
<th>Cases realizing two-sided MSEs</th>
</tr>
</thead>
</table>
| **Product Offering** | Use of an overarching, consistent theme across commercial and social product offering | SM – Stronger usage incentive for beneficiaries  
EM – Use of storytelling and decrease in marketing costs, stronger purchase incentives for a larger customer base | GreatHealth, GloriousFashion |
| | Involvement of beneficiaries in product design and production process | SM – Increase of beneficiary support  
EM – Increase of product authenticity, lower production costs | GreatHealth |
| | Setting of (low) symbolic prices for beneficiary product offering | SM – Higher valuation of beneficiary offering  
EM – Decrease of costs for ‘give-one’ product | GreatHealth |
| **Resource Mobilization** | Recruitment of socially-conscious employees | SM – Stronger commitment to social goals  
EM – Payment of lower salaries | GloriousFashion, GreatHealth |
| | Use of leftover materials for production process | SM – Decrease of ecological footprint  
EM – Decrease of production costs, higher willingness to pay | GloriousFashion |
| **Human connections** | Connection of beneficiaries and market customers through individual product tags | SM – Increase of beneficiary ties  
EM – Increase of market customer ties | GloriousFashion |
| | Connection of employees and beneficiaries through local visits in third world | SM – Better understanding of beneficiaries’ social needs and improvement of social offering  
EM – Lower employee fluctuation | GreatHealth, GloriousFashion |
| **Income Generation** | Pursuit of earned income, crowdfunding and award money | SM – Strengthen focus on creating social impact  
EM – Enlarged financial portfolio and network | GreatHealth, GloriousFashion |
| **Pluralistic collaborations** | Involvement of local partners (NGOs) to distribute social products and services | SM – Better access to beneficiaries due to lower access barriers  
EM – Decrease of distribution costs | GreatHealth, GloriousFashion |
| | Use of production facilities and transportation services from business partners | SM – Faster and secure delivery to beneficiary market  
EM – Decrease of production and transportation costs | GreatHealth, GloriousFashion |
| | Counseling from high-status business advisers | SM – Increase of effectivity  
EM – Increase of efficiency | GreatHealth, GloriousFashion |
| | Advertisements from celebrity brand ambassadors | SM – Increase of mission awareness in society  
EM – Increase of media coverage | GloriousFashion |
Figure 1. Data structure

<table>
<thead>
<tr>
<th>First-order Codes*</th>
<th>First-order Categories</th>
<th>Second-order Themes</th>
<th>Aggregated Theoretical Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indications of how entrepreneur uses their own means, or themselves as a starting point to have impact</td>
<td>A. Bird-in-hand (Effetuation)</td>
<td>1. Emotional attachment</td>
<td>Imputing sources</td>
</tr>
<tr>
<td>Statements of founders which problem of misalignment they encountered in the “1st”/“developed world”</td>
<td>B. 1st world disharmony</td>
<td>2. Motivation for founding a social venture</td>
<td></td>
</tr>
<tr>
<td>Statements of founders which problem of misalignment they encountered in the “3rd”/“underdeveloped world”</td>
<td>C. 3rd world disharmony</td>
<td></td>
<td>Dual mission management</td>
</tr>
<tr>
<td>Expressions of personal motives to contribute to a better world</td>
<td>D. Personal motive</td>
<td>3. Select</td>
<td></td>
</tr>
<tr>
<td>Statements of founders that they feel it is a good time to become a social entrepreneur</td>
<td>E. Trend of blending social and economic</td>
<td>4. Connect</td>
<td></td>
</tr>
<tr>
<td>Statements of how dual missions are based in common values, market analysis, or previous experience</td>
<td>F. Selection criteria of dual missions</td>
<td>5. Intertwine</td>
<td></td>
</tr>
<tr>
<td>Statements of how founders have carefully selected dual mission that are meaningful to themselves</td>
<td>G. Careful selection of dual missions</td>
<td>6. Benefits to other type of mission (social)</td>
<td></td>
</tr>
<tr>
<td>Descriptions of how founders aim to complement mission with each other in their daily practice and beyond</td>
<td>H. Coupling dual missions</td>
<td>Mission spillover effects and benefits</td>
<td></td>
</tr>
<tr>
<td>Description of centrality of common values to connect compatible venture elements across missions</td>
<td>I. Social and economic missions are compatible</td>
<td>7. Benefits to other type of mission (economic)</td>
<td></td>
</tr>
<tr>
<td>Statements of how social and economic missions become more integrated over time</td>
<td>J. Closer integration of dual missions over time</td>
<td></td>
<td>Organizational outcomes</td>
</tr>
<tr>
<td>Statements or indications that venture tries to create a community with their stakeholders across missions</td>
<td>K. Creating a dual mission community</td>
<td>8. Growth</td>
<td></td>
</tr>
<tr>
<td>Description of centrality of feedback for adjustments of dual mission practices over time</td>
<td>L. Learning and adjusting</td>
<td>9. Mission drift</td>
<td></td>
</tr>
<tr>
<td>Statements about how involving stakeholders (e.g., partners, media...) becomes easier with social cause</td>
<td>M. Coordinating stakeholders through social mission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data suggesting that emotions are used to convince stakeholders with social cause</td>
<td>N. Triggering emotions in stakeholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statement of how founders social and sustainable thinking make their product offering unique</td>
<td>O. Social thinking makes offering unique</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indications how creative solutions are found to save costs and enable higher donations</td>
<td>P. Business mindset to overcome constraints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suggestions: how founders use partners &amp; knowledge from the economic mission to create social value</td>
<td>Q. Cross-use of resources and knowledge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description of how to expand or grow in the economic and social mission</td>
<td>R. Expansion 1st and 3rd world</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expressions about how growing and scaling enables greater impact</td>
<td>S. Growth enables social impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description about how quick, how the venture has grown or not in terms of number of employees</td>
<td>T. Growth rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statements about the intent to distribute the venture’s profit e.g., earned in social mission, product, etc.</td>
<td>U. Profit distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indications that the social mission is the core driver of establishing and running the venture</td>
<td>V. Social motive comes first</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indications that one mission becomes more important than the other</td>
<td>W. Disequilibrium</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The first-order codes are either (1) statements, expressions, or descriptions that arise directly/explicitly from the data (no or limited interpretation by researcher), or (2) perceptions, indications, and suggestions that emerge indirectly/implicitly from the data, which require interpretation by the researcher.
Figure 2. Foundations and processes of dual mission management in social ventures