

If not for profit,
for what and how?

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Social Entrepreneurship Motivation: A Quantitative Analysis of Nascent Social Entrepreneurs

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Abstract

Social entrepreneurship, defined in this study as the development of new enterprises with a focus on social and community outcomes as well as financial objectives, is increasingly becoming a focus of empirical research. Social entrepreneurs, individuals whose distinct and specific motivations have yet to be extensively studied, represent an essential component of such new business development. This research focuses on one aspect of the motivational base, personal fulfillment motivation, of nascent social entrepreneurs, those that are first-time social entrepreneurs. Using data from the Panel Study of Entrepreneurial Dynamics II (PSED II), the results of this study suggest that there is a significant and positive association between being a nascent social entrepreneur and being motivated to start a new enterprise due to a motivation to fulfill a personal vision. These findings build upon prior qualitative work regarding social entrepreneurship motivational profiles and contribute to an emerging foundation for empirical research in this area.

Keywords: Nascent Social Entrepreneur, Social Entrepreneurship Motivation, Quantitative Analysis, PSED

INTRODUCTION

Social entrepreneurship (SE) is an increasingly popular practice that integrates principles of private enterprise management with social sector goals and objectives. The domain of SE includes a variety of activities that are designed to create social impact as well as remain financially self-sustaining, such as traditional nonprofit organizations launching for-profit subsidiaries, hybrid-type organizations mixing nonprofit and for-profit initiatives, for-profit companies keeping social objectives of the business paramount, and so forth (Germak & Singh, 2010; Robinson, 2006; Robinson, 2008). While acknowledging that the field of SE is still striving for an agreed-upon conceptualization, for the purposes of this study, SE is defined somewhat broadly as the development of new enterprises with a focus on social and community outcomes as well as financial objectives.

Importantly, SE is considered a distinct form of entrepreneurship even though it may share some characteristics with commercial entrepreneurship (Austin et al, 2006). Consequently, as Duncan (2009) purports, social entrepreneurs are distinct from commercial entrepreneurs and deserving of specialized research attention. Further, the popular media often portray social entrepreneurs as restless, mission-driven individuals that strive to change the world, their cities, and their communities by implementing sustainable business ventures designed to create social impact – not the typical profile of a commercial entrepreneur. Indeed, the most visible social entrepreneurs, such as Muhammad Yunus of Grameen Bank fame, seem different to us in many ways than their commercial counterparts, such as Steve Jobs, founder of Apple, for instance.

Following this logic and building upon recent exploratory, qualitative work on the subject of social entrepreneurship motivation (Germak & Robinson, 2012), this study seeks to further investigate what drives nascent social entrepreneurs to engage in SE, and how this drive is similar to or different from that of commercial entrepreneurs. Specifically, the current research will examine personal fulfillment motivation, a motivational base believed to be germane to social entrepreneurs.

Developing a clearer understanding of SE motivational bases, especially the desire for personal fulfillment, should help to close a gap in the literature regarding a subject that has received little empirical attention to date. In contrast, commercial entrepreneurship motivation is a construct that has received substantial attention in both theory development and empirical research (see Naffziger, 1994; Johnson, 1990; Carsrud & Brannback, 2011; and so forth). Importantly, from a practical standpoint, the current study will continue to help to build a generalizable profile of nascent social entrepreneurs, which, consistent with Collins et al (2004), should have practical implications for investors seeking SE talent for new social enterprises and for individuals contemplating becoming social entrepreneurs. Ultimately, the proliferation of SE practice will depend largely on the availability of suitable talent.

LITERATURE REVIEW

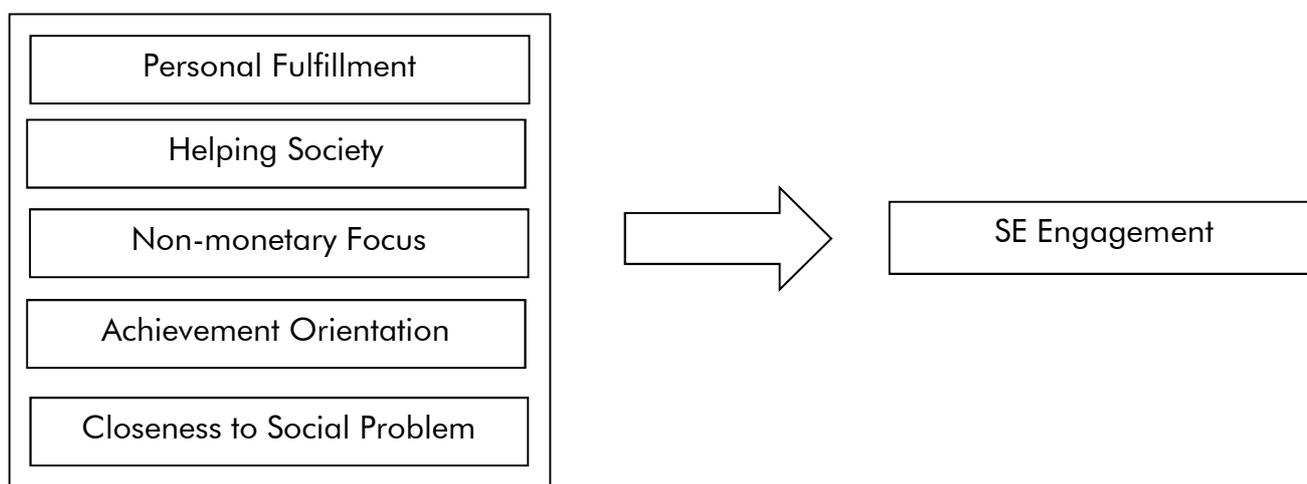
The number of social enterprises operating in the United States (Brooks, 2009; Kickul & Lyons, 2012) and in Europe (Ridley-Duff & Bull, 2011) has grown substantially over the past few decades. Other parts of the world, such as Asia, for example, have also seen growth in this phenomenon in recent years (Chan & Kuan, 2011; Wong & Tang, 2007). Research on this emerging field, although still evolving, has thus far explored various outcomes of SE, such as levels of social impact (Gras et al, 2011), as well as more recently some of the antecedents of SE, such as the motivations of social entrepreneurs (Germak & Robinson, 2012). Nonetheless, there is still a significant need for theory development and empirical research on all aspects of SE (Hoogendoorn et al, 2010).

Of specific interest in this current research stream is an attempt to understand more about the makeup of social entrepreneurs, who they are, and what drives their work. The focus of this paper is SE motivation, which is believed to play a key role in social entrepreneurial outcomes, a domain that

is of great interest to both entrepreneurship and SE scholars. Hechavarria et al (2012) suggest that entrepreneurial outcomes are first driven by an individual's motivation to start a business. While other factors, such as social networks, availability of financing, and geographic attributes influence the entrepreneurial process, it is an individual's motivation that leads the nascent entrepreneur to act and pursue opportunities. Hence, understanding SE motivation is arguably an important precursor to understanding the broader spectrum of SE activity, including outcome measurements.

In a recent qualitative study involving in-depth interviews with self-identified nascent social entrepreneurs, Germak and Robinson (2012) identified a common profile of SE motivation that included the following motivational bases: a need for personal fulfillment, the desire to help society, a non-monetary focus, achievement orientation, and closeness to the social problem at hand. Each of these motivational bases was found to be salient in the social entrepreneurs that were interviewed. A blended motivational profile comprised of these motivational bases was suggested and can be seen in Figure 1. Given this qualitative groundwork, it is therefore pertinent to begin empirically testing the salience of each of these motivational bases among social entrepreneurs. Personal fulfillment motivation will be tested in the current study and it is suggested that the other motivational bases be tested in future studies. Before presenting the findings and analysis, the following is a brief background on relevant entrepreneurship motivation theory.

Figure 1. Social Entrepreneurship Motivation Framework



Theories of need, such as Maslow's hierarchy (Maslow, 1943), which culminates in the need for self-actualization, could explain an entrepreneur's motivation on several levels. For example, the basic need to make money to provide for oneself or one's family could explain why certain individuals launch businesses even if such businesses can only pay their salaries and do not result in extraordinary financial payoffs or economic growth (Zanakis et al, 2012). Hessels et al (2008) describe this as a basic necessity driver of entrepreneurship in which basic life needs are the primary motivators for entrepreneurial behavior. Needless to say, this level of need is most likely not found in social entrepreneurs; however, it could explain the motivation of certain commercial entrepreneurs.

However, Maslow's self-actualization concept (Maslow, 1943) could explain what drives people to start businesses, especially social enterprises; individuals might only feel satisfied if they can run their own businesses, work independently, and fully actualize their potential as human beings. It is plausible to think that social entrepreneurs might pursue their work with a need for self-actualization, as this would allow for social entrepreneurs to satisfy needs beyond basic, necessity-related ones. In fact, the presence of the double or triple-bottom line in SE may necessitate a more complex level of motivational bases; it would not be enough, for example, if the social entrepreneur were motivated by satisfying him or herself alone without some greater self-actualizing purpose.

The concept of self-actualization, therefore, is related to personal fulfillment motivation. A social entrepreneur might be more driven than would a commercial entrepreneur to self-actualize or act out of a desire to become personally fulfilled. This is distinct from the desire to help society or the concept of compassion (Miller et al., 2012) in that self-actualization is still a personal need as opposed to a pro-social desire albeit one that extends beyond basic life necessities.

In addition, research on public service motivation (PSM) purports that certain individuals are drawn to public-social sector work by way of a so-called calling or civic duty to work in this milieu as opposed to more corporate settings, and in a sense they give back to society through their work (Perry & Wise, 1990; Denhardt et al., 2009). While research on PSM is not often used in entrepreneurship settings, the idea that social entrepreneurs respond to a service-related calling is associated with the concept of personal fulfillment motivation. Unlike commercial entrepreneurs, social entrepreneurs may pursue their work out of a personal call or desire to fulfill some very personalized vision through their work.

Finally, research indicates that parents can have a significant influence on their children's motivation to achieve, which could in turn lead to a propensity toward entrepreneurship for children of entrepreneurs (Maqsood & Coleman, 1993). In fact, Nicolaou et al. (2008) purport that entrepreneurial behavior is hereditary and children of entrepreneurs are more apt to become entrepreneurs themselves. Other scholars have explored the many connections between family influences and entrepreneurial behavior (Dyer & Handler, 1994). For these reasons, this study includes a test of an interaction effect between being a social entrepreneur and having entrepreneurial parents. It is believed that having entrepreneurial parents may moderate, indeed amplify, the relationship between being a social entrepreneur and being motivated to achieve a personal vision.

The theories of motivation briefly discussed here have only been thus far empirically applied to commercial entrepreneurs and managers, or to public-social sector practitioners as in the case of PSM. There is a dearth of empirical literature specifically pertaining to social entrepreneurs and their motivations for SE, especially the motivation for personal fulfillment.

STUDY MOTIVATION, RESEARCH QUESTION, AND HYPOTHESES

The impetus for the current study is an attempt to further a burgeoning stream of research into better understanding what motivates nascent social entrepreneurs to begin the process of engaging in SE. Put simply, why do social entrepreneurs choose to do the work they do? Concurrently, it is necessary to understand whether nascent social entrepreneurs and nascent commercial entrepreneurs differ in their motivations and in what ways they differ. Responding to calls for more rigorous quantitative, deductive research in the field of SE (Bacq et al, 2013; Hoogendoorn et al, 2010; Germak & Singh, 2010), the current study uses quantitative methods to address the following primary research question: How is being a nascent social entrepreneur versus being a nascent commercial entrepreneur related to an individual's motivation for personal fulfillment when establishing a new enterprise? It is hypothesized that nascent social entrepreneurs will demonstrate higher levels of personal fulfillment motivation when starting new enterprises than will commercial entrepreneurs. It is also hypothesized that there will be an interaction effect between being a social entrepreneur and having entrepreneurial parents; the relationship between being a social entrepreneur and the level of personal fulfillment motivation will be moderated by whether one's parents are or were entrepreneurs.

METHODS

Data

The sample (N=1,013) used in this study is derived from the Panel Study of Entrepreneurial Dynamics II (PSED II) dataset, administered by the Institute for Social Research at the University of Michigan. This dataset is comprised of a longitudinal survey, consisting of five waves over so many years, of individuals in the United States that are in the early stages of business formation, thus classified as nascent entrepreneurs. These survey data were collected between 2005 and 2010. A total of 31,845 adults were randomly selected for initial screening using random digit dialing techniques. The screening process then identified those in the process of starting a new business to yield a final dataset with 1,214 observations. Due to rigorous and scientifically sound data collection procedures, PSED II is considered a dataset that is representative of the United States population of adults in the early stages of business formation. These data are widely used in the entrepreneurship literature to study the business start-up process, including the entrepreneurs at the heart of this process. Scholars of social entrepreneurship have also begun to use these data for empirical analysis (Gras & Lumpkin, 2012). The measures selected for this study contain cross-sectional data that were collected only during the first wave of data collection – October 2005 through February 2006.

Sample

The final model sample was 1,013. There were no explicit sample exclusions although 201 observations were excluded from the final sample due to missing responses within these observations. More than half of these observations (103) contained missing responses on the income variable alone. The remaining missing data points were spread out over the rest of the variables included in this study with no particular patterns of note that would negatively impact the findings as far as could be understood.

Measures

Personal fulfillment motivation (PFM). Respondents were asked, "Indicate the extent to which fulfillment of a personal vision was important to you for establishing this business." Responses were recorded on a 5-point Likert-type scale where 1=no extent; 2=a little; 3=some; 4=a great; 5=a very great extent. In addition, PFM was dichotomized into a binary variable in which 1=high PFM and 0=low PFM. Responses of "1," "2," and "3" were considered low PFM. Responses of "4" and "5," "a great extent" and "a very great extent," respectively, were deemed high PFM. PFM is the main outcome variable in this study.

Social entrepreneur. This is a binary independent variable of interest that was constructed based on methods presented in the social entrepreneurship literature (Gras & Lumpkin, 2012) in which "1" represents a social entrepreneur and "0" represents a commercial (non-social) entrepreneur. Those qualifying as social entrepreneurs responded "help others; help community" or "aid in economy; economic development" when asked why they wanted to start a business at the beginning of the survey. Therefore, these individuals are classified as social entrepreneurs as their entrepreneurial goals primarily involve non-commercial elements. This is the independent variable of interest in this study.

Demographic control variables. The binary variable, sex, was coded as male=1 and female=0. Age is a categorical variable derived from the survey, which originally contained 13 age brackets. The new categorical variable includes the following categories: (1) 34 years old and under; (2) 35 through 54 years old; and (3) 55 years old and over. Race is a binary variable with white=1 and non-white=0. Education is a categorical variable derived from the survey question related to educational background, which was originally split into 7 categories. The new categorical variable

contains the following components: (1) high school degree or below; (2) some college; and (3) college or graduate degree. Annual household income contains the following categories: (1) under \$40,000; (2) between \$40,000 and \$59,999; (3) between \$60,000 and \$99,000; and (4) \$100,000 and over. *Born in USA* is a binary variable where yes=1 and no=0.

Other control variables. The categorical variable, *employment sector*, is comprised of the following sectors in which the nascent entrepreneur most recently worked: (1) public/government, (2) nonprofit, and (3) for-profit. *Entrepreneurial parents* is a binary variable in which 1=yes, parents owned a business; and 2=no, they did not. *Entrepreneurial relatives* and *Entrepreneurial friends* are both continuous variables in which respondents were asked to agree with a statement that my [relatives, friends] have started businesses. Responses were recorded on a Likert-type scale from 1=strongly agree to 5=strongly disagree. Coding was reversed for ease of analysis so that 1=strongly disagree and 5=strongly agree. *Community support* is a continuous variable comprised of responses of levels of agreement with a statement related to perceptions that the community is supportive of personal success where 1=strongly agree; 2=agree; 3=neither; 4=disagree; 5=strongly disagree. Coding was reversed for ease of analysis so that 1=strongly disagree and 5=strongly agree. *Community leadership* is based on responses of levels of agreement with a statement about whether community leaders own their own businesses, where 1=strongly agree; 2=agree; 3=neither; 4=disagree; 5=strongly disagree. Coding was reversed for ease of analysis so that 1=strongly disagree and 5=strongly agree. *State/local government support* is also a continuous, Likert-type variable in which respondents answered a question stating level of agreement with whether state or local government in their community is supportive of business start-up. Responses to this statement ranged from 1=strongly agree to 5=strongly disagree. Again, coding was reversed for ease of analysis so that 1=strongly disagree and 5=strongly agree.

Analytic strategy

First, three Ordinary Least Squares (OLS) regression models were estimated to test the effects of the main independent variable and covariates on the dependent variable, personal fulfillment motivation (PFM). Model 1 is the bivariate model showing the association between the main independent variable of interest, social entrepreneur, and the dependent variable, PFM. In Model 2, covariates are added. Model 3 tests the interaction effect of being a social entrepreneur and having entrepreneurial parents. Next, the above models (1, 2, and 3) were estimated using a Linear Probability Model (LPM) and a binary version of the dependent variable, PFM. The following are descriptive and regression results from the OLS and LPM models, which are presented also in Tables 1, 2, and 3, respectively.

RESULTS

Sample description

Table 1 lists the percentage or mean, and standard deviation for all variables in this study. Sample size for all variables is 1,031. PFM has a mean of 3.56 and a standard deviation of 1.25 on a 1 to 5 scale, where higher scores represent higher levels of PFM. The dichotomized version of PFM shows that some 61 percent of respondents have high levels of PFM. The percentage of the sample classified as social entrepreneurs is 8.39 percent. Males represent some 63 percent of the sample. In addition, just over 76 percent of the sample is white. Those that are 34 years old and younger represent approximately 27 percent of the sample, while those that are between 35 and 54 years old represent nearly 53 percent of the sample, and some 20 percent are 55 years old or over. Educationally, some 29 percent hold a high school degree or less, approximately 25 percent have had some college experience, but did not graduate with a degree, and approximately 45 percent hold a college or graduate degree. Some 37 percent of the sample has an annual household income of \$40,000 or less, approximately 24 percent has an annual household income between \$40,000 and \$59,999, nearly 24 percent between \$60,000 and \$99,999, and 15 percent has an

annual household income of over \$100,000. The vast majority of individuals in the sample – nearly 95 percent – were born in the USA. As for sector of most recent employment, just over 24 percent come from the public/government sector, 7 percent from nonprofit, and almost 69 percent from the for-profit sector. Just over half of the sample – 52 percent – indicated that they had entrepreneurial parents. The mean score, on a 1 to 5 scale where higher scores indicate more agreement, for those agreeing that their relatives are entrepreneurial is 2.88 with a standard deviation of 1.21. Indication of agreement with a statement that their friends are entrepreneurial has a mean of 2.98 and a standard deviation of 1.15. Community support has a mean of 3.83 and standard deviation of 1.03. Community leadership has a mean of 3.44 and standard deviation of 1.07. Finally, state/local government support has a mean of 3.24 and standard deviation of 1.29.

Table 1: Descriptive Statistics, N=1,013		
	% or mean	SD
Personal fulfillment motivation (1=strongly disagree; 5=strongly agree)	3.56	1.25
Personal fulfillment motivation (1=high; 0=low)	60.90	
Social entrepreneur	8.39	
Sex (male)	63.08	
Race (white)	76.31	
Age		
34 and under	27.05	
35 through 54	52.81	
55 and over	20.14	
Education		
high school degree or less	29.52	
some college	25.27	
college or graduate degree	45.21	
Annual household income		
under \$40,000	37.12	
between \$40,000 and \$59,999	24.28	
between \$60,000 and \$99,999	23.59	
\$100,000 and over	15.00	
Born in USA	94.87	
Employment Sector		
public/government	24.19	
nonprofit	7.01	
for-profit	68.81	
Entrepreneurial parents	52.52	
Entrepreneurial relatives (1=strongly disagree; 5=strongly agree)	2.88	1.21
Entrepreneurial friends (1=strongly disagree; 5=strongly agree)	2.98	1.15
Community support (1=strongly disagree; 5=strongly agree)	3.83	1.03
Community leadership (1=strongly disagree; 5=strongly agree)	3.44	1.07
State/local government support (1=strongly disagree; 5=strongly agree)	3.24	1.29

Multivariate results – OLS Regression

First, Model 1 regresses PFM on the main independent variable of interest, social entrepreneur. Being a social entrepreneur is associated with a 0.457-point increase in the scale measuring the dependent variable, PFM. This suggests that social entrepreneurs are inclined to rate PFM higher

than non-social, commercial entrepreneurs do when asked about the importance of fulfilling a personal vision when starting a new business. R^2 for Model 1 is 0.010. Therefore, one percent of the variance in PFM can be explained by this bivariate model; the remaining variance is unexplained by this bivariate model. Table 2 contains results from the OLS regression of PFM on social entrepreneur and covariates.

	Model 1	Model 2	Model 3
Social entrepreneur	0.457** (3.25)	0.439** (3.11)	0.607** (3.16)
Social entrepreneur* Entrepreneurial parents			-0.363 (1.29)
Sex (male)		-0.062 (0.77)	-0.065 (0.81)
Race (white)		-0.359*** (3.85)	-0.364*** (3.90)
Born in USA		0.099 (0.56)	0.085 (0.48)
Entrepreneurial parents		-0.044 (0.55)	-0.014 (0.16)
Entrepreneurial relatives		0.035 (1.02)	0.033 (0.97)
Entrepreneurial friends		0.071* (2.00)	0.070* (1.97)
Community support		-0.045 (1.13)	-0.046 (1.16)
Community leadership		0.064† (1.68)	0.068† (1.79)
State/local government support		-0.022 (0.72)	-0.020 (0.65)
R-squared	0.010	0.037	0.038
N=1,013			
Figures in table are OLS coefficients (t-test statistic in parentheses)			
†p<.1; *p<.05; **p<.01; ***p<.001			
Model 1: bivariate; Model 2: covariates; Model 3: interaction effect			

Model 2 introduces the covariates sex; race; whether the respondent is born in the USA; entrepreneurial parents, relatives, friends; community support and leadership; and state/local government support into the regression model. The main variable of interest, social entrepreneur,

remains significant in this model and the value of its coefficient decreases only slightly. Being a social entrepreneur is associated with a 0.439-point increase in the scale measuring PFM holding all other variables constant. Also significant in this model is race. Being white, compared to non-white, is associated with a 0.359-point decrease in the PFM scale holding all else constant. Entrepreneurial friends is significant and each point increase in this scale is associated with a 0.071-point increase in PFM. Lastly, community leadership approaches significance; for every point increase in its scale there is an associated 0.064-point increase in the PFM scale. R^2 for Model 2 is 0.037. Therefore, 3.7 percent of the variance in PFM can be explained by this model; the remaining variance is unexplained by this model.

Model 3 tests the interaction of social entrepreneur and entrepreneurial parents. This interaction is not significant and therefore Model 2 is the appropriate model for interpretation.

Multivariate results – LPM Regression

Model 1 regresses the binary version of PFM on the main independent variable of interest, social entrepreneur. Being a social entrepreneur is associated with an 18.3 percentage point increase in the likelihood of high PFM. R^2 for Model 1 is 0.011. Therefore, approximately one percent of the variance in PFM can be explained by this bivariate model; the remaining variance is unexplained by this bivariate model. Table 3 contains results from the OLS regression of PFM on social entrepreneur and covariates.

Model 2 introduces the covariates sex; race; whether the respondent is born in the USA; entrepreneurial parents, relatives, friends; community support and leadership; and state/local government support into the regression model. The main variable of interest, social entrepreneur, remains significant in this model and the value of its coefficient decreases only slightly. Being a social entrepreneur is associated with a 17.6 percentage point increase in the likelihood of high PFM. Also significant in this model is race. Being white, compared to non-white, is associated with a 16.1 percentage point decrease in the likelihood of high PFM holding all else constant. Entrepreneurial relatives and community leadership are both approaching significance in this model. Every point increase in the entrepreneurial relatives scale is associated with a 2.4 percentage point increase in the likelihood of high PFM. Every point increase in the community leadership scale is associated with a 2.7 percentage point increase in the likelihood of high PFM. R^2 for Model 2 is 0.041. Therefore, 4.1 percent of the variance in PFM can be explained by this model; the remaining variance is unexplained by this model.

Model 3 tests the interaction of social entrepreneur and entrepreneurial parents. This interaction is not significant and therefore Model 2 is the appropriate model for interpretation.

Table 3: Linear Probability Regression Models of PFM on Social Entrepreneur and Various Control Variables

	Model 1	Model 2	Model 3
Social entrepreneur	0.183** (3.32)	0.176** (3.19)	0.228** (3.03)
Social entrepreneur* Entrepreneurial parents			-0.111 (1.00)
Sex (male)		-0.004 (0.13)	-0.005 (0.15)
Race (white)		-0.161*** (4.41)	-0.163*** (4.45)
Born in USA		0.073 (1.06)	0.069 (1.00)
Entrepreneurial parents		-0.021 (0.67)	-0.012 (0.36)
Entrepreneurial relatives		0.024† (1.79)	0.023† (1.74)
Entrepreneurial friends		0.017 (1.20)	0.016 (1.18)
Community support		-0.017 (1.10)	-0.017 (1.12)
Community leadership		0.027† (1.82)	0.028† (1.90)
State/local government support		-0.010 (0.79)	-0.009 (0.74)
R-squared	0.011	0.041	0.042
N=1,013			
Figures in table are OLS coefficients (t-test statistic in parentheses)			
†p<.1; *p<.05; **p<.01; ***p<.001			
Model 1: bivariate; Model 2: covariates; Model 3: interaction effect			

Multivariate results – Robustness Checks

More covariates were added to check whether the magnitude and significance of the main independent variable of interest, social entrepreneur, would hold given the addition of these additional variables. Three models were tested: OLS regression with continuous version of PFM (Model 1); LPM regression with binary version of PFM (Model 2); and LPM regression with binary version of PFM testing the interaction effect of social entrepreneur with entrepreneurial parents (Model 3). Even with the addition of covariates (age, educational level, annual household income, employment sector), social entrepreneur remained significant across all models. In fact, the

magnitude of the social entrepreneur coefficient actually increased over the prior OLS and LPM estimates even with the additional covariates added to the models. The results of these robustness checks are shown in Table 4.

Table 4: Robustness Check Regression Models of PFM on Social Entrepreneur and Various Control Variables

	Model 1	Model 2	Model 3
Social entrepreneur	0.470** (3.31)	0.185** (3.32)	0.239** (3.16)
Social entrepreneur*			-0.117 (1.06)
Entrepreneurial parents			
Sex (male)	-0.062 (0.76)	-0.007 (0.21)	-0.008 (0.24)
Race (white)	-0.324*** (3.41)	-0.151*** (4.04)	-0.152*** (4.08)
Age			
35 through 54	-0.124 (1.32)	-0.018 (0.49)	-0.018 (0.48)
55 and over	-0.261* (2.20)	-0.072 (1.55)	-0.071 (1.52)
Education			
some college	-0.138 (1.29)	-0.053 (1.26)	-0.054 (1.28)
college or graduate degree	-0.014 (0.14)	-0.022 (0.57)	-0.024 (0.61)
Annual household income			
under \$40,000	0.075 (0.60)	0.029 (0.58)	0.028 (0.57)
between \$40,000 and \$59,999	0.147 (1.11)	0.019 (0.36)	0.018 (0.36)
between \$60,000 and \$99,999	0.098 (0.75)	0.012 (0.24)	0.013 (0.26)
Born in USA	0.128 (0.72)	0.078 (1.12)	0.074 (1.06)
Employment sector			
public/government	-0.105 (1.13)	-0.046 (1.28)	-0.048 (1.32)
nonprofit	0.173 (1.10)	0.013 (0.20)	0.013 (0.21)
Entrepreneurial parents	-0.051 (0.63)	-0.022 (0.70)	-0.012 (0.37)
Entrepreneurial relatives	0.024 (0.69)	0.020 (1.50)	0.02 (1.45)
Entrepreneurial friends	0.081* (2.25)	0.020 (1.39)	0.019 (1.36)
Community support	-0.039 (0.98)	-0.014 (0.88)	-0.014 (0.90)
Community leadership	0.063† (1.67)	0.026† (1.73)	0.027† (1.82)
State/local government support	-0.016 (0.51)	-0.008 (0.68)	-0.008 (0.62)
R-squared	0.048	0.048	0.049
N=1,013			
Figures in table are OLS coefficients (t-test statistic in parentheses)			
†p<.1; *p<.05; **p<.01; ***p<.001			
Model 1: additional covariates; Model 2: binary dependent variable; Model 3: interaction effect w/ binary DV			

DISCUSSION

A few noteworthy limitations require that the results of this study be interpreted with some caution. First, because cross-sectional data were used, there is no way to determine causality of the relationship between social entrepreneur and PFM. One could be a social entrepreneur first or possess PFM first; we cannot infer causality. Next, the PSED II data favor entrepreneurs in the for-profit space over those operating in government or nonprofit sectors. There are many social entrepreneurs operating in the government and nonprofit sectors many of whom would not be captured in these data. Finally, due to the dataset, these findings can only be generalized to the United States, which leaves out many parts of the world where social entrepreneurship is prevalent.

Nonetheless, results from the regression analyses presented in this study suggest that there is a significant positive relationship between being a nascent social entrepreneur – albeit defined within the constraints of the PSED II data – and being motivated to pursue entrepreneurship because of the desire to fulfill a personal vision. In contrast, this study suggests that non-social or commercial nascent entrepreneurs are less motivated than nascent social entrepreneurs to pursue entrepreneurship for reasons of personal fulfillment.

The strong and significant relationship between being a nascent social entrepreneur and PFM endured across all regression models even when checking for robustness by adding new variables as controls, such as sector of employment, age, income, and so forth. Moreover, the strength of the relationship remained relatively constant across models – even increasing in the model with the most covariates – indicating that the control variables selected do not act to weaken the effect, but the effect actually becomes stronger as more controls are added.

There was no significant interaction effect found between being a social entrepreneur and having entrepreneurial parents. There are various reasons for why this might be the case. First, perhaps all entrepreneurs – both social and commercial – are influenced by their parents. Therefore, one would not see a significant difference between social and commercial entrepreneurs on this variable. Further, this may not serve as a moderating factor but more of a direct effect on entrepreneurship motivation. More theory building and empirical analysis needs to be done to explore the effects of entrepreneurial parents on nascent entrepreneurs.

This study has implications for research on social entrepreneurship motivation by helping to make a modest contribution to the literature related to this issue, which should lay the groundwork for future study. Practically, these findings may have some implications as far as informing funders or investors about certain attributes of social entrepreneurs, at least those in the beginning, nascent states of social entrepreneurship. Indeed, much more research is needed to understand what other motivating factors contribute to the motivational base of social entrepreneurship, and which factors are more at play for commercial entrepreneurs. Perhaps commercial entrepreneurs are more motivated by money, power, prestige, and so forth than are their social entrepreneur counterparts. Future research should explore such questions.

CONCLUSION

This was a quantitative study of SE motivation that utilized a large public dataset from the United States, the PSED II, to explore the relationship between being a nascent social entrepreneur and the motivation to pursue a new enterprise because of a desire for personal fulfillment. The results of this study suggest that there is a significant and positive association between being a nascent social entrepreneur and being motivated to start a new enterprise due to personal fulfillment motivation. These findings build upon prior qualitative work and test one of the motivational bases for SE, personal fulfillment, found in a recent qualitative study. Future research should explore other SE motivational bases and test hypotheses using representative datasets.

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