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Is Stereotyping Intrinsic to Firm Narratives? A CATA-Based Content Analysis of Social Business Venture Profiles

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Contents

1. Introduction

Social entrepreneurs provide entrepreneurial solutions to social problems (Dees, 1998). In contrast to the so-called non-profit organizations, who have traditionally worked in this space social entrepreneurs bring tools from the business sector to solve persistent social problems, which were considered wicked problems hitherto (Churchman, 1967). Studying social entrepreneurship has gained traction in the past few years. Scholars have tried to define the phenomenon in various ways. One of the first studies on the definition of social entrepreneurship started with Dees and Anderson (2003), who proposed the idea of for-profit social ventures. Two main features that formed the core of their definition were, 1) legal incorporation as for-profit, 2) explicit purpose to serve a social need. Further studies have contributed to the understanding of the social entrepreneurship phenomenon. For example, Mair and Marti (2006) highlight new resource combinations in order to explore and exploit opportunities to create social value. For this thesis, we make use of the definition proposed by Zahra and colleagues. It is based on the review of 20 definitions given by literature. 'Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner.' (Zahra, Rawhouser, Bhawe, Neubaum & Hayton's 2008, p. 118). Studying social entrepreneurship is important for many reasons. Since social ventures solve problems that are neglected by both governments and the private sector (Santos, 2012) they provide an essential alternative to societies in both the developing and developed world (Bacq & Janssen, 2011). Some of the challenges social ventures face have been researched including opportunity recognition (Perrini, Vurro & Costanzo, 2010; Corner & Ho, 2010), globalization (Zahra et al., 2009), legal form choice (Townsend & Hart., 2008), funding (Desa & Basu, 2013) and so on. In this thesis we focus on legal form choice (interchangeably used with legal form) of social ventures and the social judgements related to that.

Just like traditional businesses social ventures need the support of stakeholders. Stakeholders provide them with different necessary resources crucial for their existence (Austin, Stevenson, & Wei-Skillern, 2006). At the same time they judge whether the social ventures are desirable, acceptable and legitimate (Aldrich & Fiol, 1994). Customers, beneficiaries, governments and partners of social ventures are interested in whether the social ventures create the promised value (Santos, 2012). Furthermore, they are also interested in the capabilities of pursuing a successful business. Customers judge the quality and usefulness of the products (Shepherd & Zacharakis, 2003). Governments and beneficiaries want to make sure that the primary objective of the social venture is social value creation (Haugh, 2007). Partners make judgements about the firm's capabilities to serve their contractual obligations (Lambrich, Kroeger, Weber & Wallace, 2015). Thus social ventures are constantly subject to social judgments from their stakeholders. In essence, stakeholders are always interested in the true intent and capabilities of the ventures they support.

In this thesis we study social judgments made against social ventures regarding an important issue namely, the choice of the legal form. Choosing a legal form is a challenge to social ventures since each form comes with advantages and disadvantages (Defourny & Nyssens, 2010). They can operate as non-profit, for-profit organizations or take a hybrid form (Zahra et al., 2008). Both non-profit and for-profit forms suffer from certain constraints. For example, non-profit organizations are limited in raising capital. For-profit organizations may not be eligible for receiving funds or governmental grants. From the legal perspective social businesses main objective is social wealth creation. The second objective should be

economical wealth creation (Santos, 2012). Stakeholders make instinctive connection between legal form and the core purpose of the organization, which has real consequences. Previous empirical evidence suggests that for-profit organizations suffer from the prejudice of being greedy and selfish, mainly interested in increasing owners rather than societal wealth (Dees, 1998). On the other hand, non-profits might be perceived as organizations, which are not capable to operate efficiently on the market. They lack competencies of traditional businesses. Customers might even perceive them as firms that offer low quality products (Aaker, Vohs & Mogliner, 2010). Thus we argue that social judgments made by stakeholders have consequences whether it is attracting investors or getting customers to buy their products. For these reasons we argue that social judgments on these firms have to be studied systematically.

One of the research literatures that have studied social judgments is organizational legitimacy (Ashforth & Gibbs, 1990). This perspective informs us that constituents accord social judgments to the organizations. Especially in the new venture literature, overcoming liabilities of newness (Stinchcombe, 1965) is accomplished by attaining required levels of legitimacy. In spite of its contributions organizational legitimacy has several unresolved issues. Operationalization of the construct (Zucker, 1991) and level of analysis (Colyvas & Powell, 2006) are some of the important issues. Most of the research in legitimacy falls under macro-institutional level and very little is known about how stakeholders make their judgment (Tost, 2011). Signalling theory offers another perspective by which organizations can direct the perceptions of their constituents (Connelly, 2011). This theory places the responsibility on the entrepreneurs and their ventures to come up with the right kind of information to strategically influence their target audience. On the other hand, how people process these signals is not covered. To get a better perspective on how people form judgments and related consequences we apply a social cognition inspired theory. Stereotype content model (SCM) is used to study how people make social judgments about others as well as firms based on two fundamental dimensions consisting of warmth and competence (Fiske, Cuddy, Glick, & Xu, 2002; Cuddy, Fiske & Glick, 2008; Aaker et al., 2010). Recent empirical evidence supports the idea that customers stereotype firms based on their legal form (Aaker et al., 2010). These researchers found that customers base their buying decisions from firms on whether they are a for-profit or a non-profit. This is because they automatically perceive the for-profits as more competent than the non-profits. When provided with more information about the non-profit this bias is found to diminish. These results clearly show that our perceptions of warmth and competence form a solid basis for our social judgment on firms. The universality of these judgments makes our case more compelling. In other words, each and every stakeholder evaluating an organization could be making similar judgments on warmth and competence.

Even though, there is convincing evidence on firm stereotypes research on this subject is on its early stages. In spite of the universality of warmth and competence judgments from SCM, we do not know what features of the organizations could cause these perceptions. One of the important information sources through which stakeholders make judgments on warmth and competence is firm narratives. Past studies in entrepreneurship have analyzed firm narratives to ascertain funding success (Moss, Neubaum & Meyskens, 2014; Allison, McKenny & Short, 2013). We build on this literature to develop dictionaries for the constructs of warmth and competence (cf. Short, Broberg, Cogliser, & Brigham, 2010). Analyzing firm narratives for warmth and competence signals through word frequencies allows us to check if the stereotype conferred on the firms are due to the way they chose to express themselves. It also helps us to compare if social ventures that have registered under different legal forms express themselves in a similar way.

Therefore, in this thesis we ask the following research questions:

a) To what extent are the perceptions of *warmth* and *competence* of social business ventures intrinsic to their firm narratives?

b) To what extent do social business ventures subscribing to different legal forms differ in their expression of warmth and competence?

We use organizational narratives of successful social ventures that are supported by the Ashoka Foundation. According to the dictionary building procedure prescribed by Short et al. (2010) we first defined our construct of interest, assessed dimensionality based on literature, developed key words and validated our word-list. Following this, we assessed external validity of warmth and competence constructs by comparing our sample firm narratives (non-profit vs. hybrid firms). Next, we assess the dimensionality by conducting statistical analysis. From our analysis we find that successful non-profit and hybrid social ventures do not differ in the way they express warmth and competence. We contribute to the social entrepreneurship literature by bringing in a new perspective to assess whether the legal form is connected to purpose and intent of social ventures. This study is structured as follows; first, we explain the theoretical background relevant to social entrepreneurship and Stereotype content model. As a next step, we develop the dictionaries following the rules prescribed in literature. As a last step, we illustrate how to use computer-aided text analysis to demonstrate the unique elements of warmth and competence language in social entrepreneurship narratives.

2. Literature Review

In the following literature review we will first introduce the phenomenon of social entrepreneurship and list the challenges faced by social ventures in clarifying their intent and purpose. We will show that the issue of legal form is interrelated to the listed challenges. Next, we briefly explore the antecedents of choosing a legal form for social ventures and briefly describe the existing legal forms namely, non-profits, for-profits and hybrids. Finally we cover the literature on the two main theories that we use in this thesis, 1) Signalling theory and 2) Stereotype Content Model.

2.1 Social Entrepreneurship and Legal Form Choice

2.1.1 Defining Social Entrepreneurship

Traditional entrepreneurship aiming at economic development has been attracting scholars for a long time, while entrepreneurship mainly aiming to foster social progress has only recently attracted the interest of scholars (Dees 1998, Mair et al., 2006). The term social entrepreneur itself might be new, but the phenomenon is not (Dees, 1998). Entrepreneurs, who have integrated their passion of a social mission into the process of economic value creation, have existed for a long time, even if we haven't been calling them like that. This special type of entrepreneurs are able to address social problems and enrich communities as well as societies. Therefore, they are able to create social wealth (Zahra et al., 2009).

However, the definition of SE has sparked ongoing discussion and debate (Dees, 1998; Mair et al., 2006; Austin et al., 2006; Zahra et al., 2009; Dacin et al., 2011). Finding a universal definition is challenging, because social entrepreneurship means different things to different people. Dees (1998) builds his understanding of social entrepreneurship on the basic ideas of what entrepreneurship means. His definition is a combination of the emphasis on discipline and accountability with the notions of value creation taken from Say, innovation and change agents from Schumpeter, pursuit of opportunity from Drucker, and resourcefulness from Stevenson. Arguing that the mind-set created by these scholars can be applied to the social as well as to the business sector. According to Dees (1998) social entrepreneurs play the role of a change agent in the social sector by adopting new missions to create social value, recognizing novel opportunities to serve that mission, engaging in a process of continuous innovation, acting boldly, and exhibiting heightened accountability to the constituencies served and for the outcomes created.

Other definitions arise not from combining different characteristics of SE, but rather from pointing out common characteristics across all definitions (Austin et al., 2006). Looking at a narrow definition the phenomenon of SE refers to non-profit organizations creating social value through innovations and leveraging financial resources (Reis, 1999; Thompson, 2002). The main objective of a social entrepreneur is to raise social value rather than shareholder or personal wealth, by making use of innovations and not making use of replications or practices, which already exist. A broader conceptualization of SE by Austin et al. (2006) describes the phenomenon as an innovative, social value creating activity, which can occur within as wells as across non-profit, business or government sector.

In addition to that, Dacin et al. (2011) point out four key factors of SE, which are mentioned across a variety of definitions. These factors include the characteristics of 1) the individual

social entrepreneur, 2) their field of operations, 3) processes 4) as well as resources they make use of and 5) their overall mission. A crucial factor is the mission of the individual entrepreneur. While some argue that the main purpose is to create social value and ignoring economic output, others argue that creating economic value is also part of social entrepreneurs' focus. Focusing on economic value does not diminish the social value creation mission, in fact, it is necessary for achieving sustainability and continuously improving social wealth (Austin et al., 2006). This leads to the bottom line of creating social impact and simultaneously financial self-sustainability and profitability (Fuqua School 2005; NYU Stern, 2005). So doing well financially by doing good. Zahra et al. (2009) point out that social entrepreneurship is about making diverse contributions to societies by finding creative solutions to social problems and adopting business models. The authors give a clear definition stating that social entrepreneurship "encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner".

The discussions on definition highlight the struggle between good intent and the capabilities of running a successful business. This core issue is subject to social judgments by all the stakeholders involved. We expand on this in the following sections.

2.1.2 Perceptions on Purpose, Intent – intrinsic challenges in social entrepreneurship

Even though there are several challenges of social entrepreneurs mentioned in literature we focus on challenges that originate directly from firm's purpose and intents, because they are prone to social judgments. The issue of legal form recurs in each of these challenges and is hence relevant to our study.

The key mission of social entrepreneurs is to create social wealth next to their focus on economical wealth creation. Finding a balance between these two objectives creates both operational issues as well as ethical issues (Dees, 1998; Dacin et al., 2006). Researchers and practitioners agree on a best-case scenario in which social entrepreneurs create social impact by simultaneously operating efficiently on markets. The true challenge emerges from people believing that creating economic value shouldn't be close to creating social value. In their perception social entrepreneurs should only focus on serving a social need. Therefore, increasing economic productivity can shift the image of social entrepreneurs to regular business owners, interested in increasing profitability rather than doing good (Dacin et al., 2006; Marti et al., 2006). In fact, not being economically driven by raising grants or investments can hinder social ventures to stay on the market. Ethical issues concern the true intents and motives of social entrepreneurs. Are they on the market mainly to make profit or to help their community? Other ethical issues are related to the choice of financial resources social entrepreneurs decide to use. There is a difference in perception between working with donations and making use of investments. Donations might be perceived as more suitable than taking on investor money, which is bounded to reliabilities such as return and profitability. Additionally, legal regulators have failed in clarifying governance and control mechanisms for social ventures. It is difficult for legal entities to distinguish whether organizations are truly socially oriented or pretend to be. Therefore, it can be concluded that it is challenging to balance the entrepreneurs' motivation to create social wealth with the need for economic efficiency (Zahra et al., 2009) without causing operational or ethical issues.

Like traditional businesses also social ventures need to secure their financial resources. Companies operating in the social sector have the same costs as traditional businesses and

therefore financial power is equally important to them. Researchers note that even if social ventures are able to achieve financial strength it is difficult for them to capture these (Dees, 1998; Santos, 2012). Difficulties in building a sustainable business result from social ventures mostly targeting customers, who are not able to afford products and services offered to them (Seelos & Mair, 2005; Mair & Marti, 2006). Value creation is only possible if customers are able to pay more for the goods received than the actual producing value of the goods. Since social ventures naturally don't target wealthy customers they need to find alternative ways to finance themselves. Finding alternative financial resources other than their customers is challenging for social entrepreneurs for several reasons. First, there is huge competition and rivalry among social entrepreneurs fighting for grants. Funding is an important resource for SE, because it belongs to a unique set of resources needed to pursue an opportunity and run operations (Meyskens, 2010). Second, for-profit social ventures are not able to take on governmental funds and have difficulties to communicate their good intent to donors. Third, it is not easy for non-profits to convince donors funding them rather than other social businesses, because it is challenging for them to communicate 1) the crucial importance of their specific project, 2) successful use of donor's money to create social impact. Thus, we find that investors and donors are biased by the perceived intent and purpose of non-profits and for-profits.

Unlike for traditional businesses, the society and markets fail in valuing social improvements, public goods and harms (Dees, 1998). Commercial ventures are measured by their financial performance, but the success of social ventures depends on the benefits they create for their communities. Profitability of social entrepreneurship does not necessarily indicate efficient improvements of social conditions. Since valuing social improvements is harder than to measure financial performances it is challenging for social ventures to justify the amount of resources (i.e.: financial, material, personnel) they need (Busenitz et al., 2003; Mair et al., 2006). For-profit social ventures might have an advantage because they can refer to financial achievements in order to justify efficient use of their resources. From the perspective that for-profit social ventures are more likely to operate like traditional businesses existing and new investors might be attracted more than for non-profits. A positive bias of stakeholders' perception leads to easier argumentation for efficient use of various resources.

From the above discussion we can argument that the intent and purpose of social ventures is challenged by stakeholders' perception about differences in legal forms. We want to elaborate more on this topic and therefore provide further insights into the choice of legal form in the following sections.

2.2   The choice of legal form

Pursuing profit and serving a social objective play a major role in deciding on legal form. Choosing the "right" legal form suitable to organizational purpose is indeed a challenge. Literature indicates that a firm's legal form should be based on its mission. That would result in non-profits mainly focusing on social wealth creation and for-profits mainly on economical wealth creation. Furthermore, that leads to for-profit organizations being held as greedy, increasing profitability for founder's well-being, while non-profits might be seen as organizations, which have a social mission, but are not capable of staying on the market. Jane Chen (2013) explains, that social entrepreneurs struggle with deciding on registering as non- or for-profits. Like the researchers Townsend and Hart (2008), Chen, agrees on finding a suitable legal form based on firm's mission. According to Chen, social entrepreneurs need to

find alternative ways to manage their organizational structure. She also highlights that creating impact on social problems requires the ability to raise capital through private investments as well as take on grants. Therefore, the black and white structures of legal forms have become a new grey zone, called Hybrids. Hybrids imply the blurring of sector boundaries leading to new opportunities for social entrepreneurs. Discussions about choice of legal form for social businesses are thus connected to the debate about their true intention and purpose of existence.

2.2.2 Antecedents of Choosing a Legal Form

There are many reasons why various organizations serving in the social sector have different types of legal form rather than operating all under one single form. Even though, the purpose is the same some companies prefer to organize under a for-profit legal form while others prefer a non-profit legal form (Fukuyama, 1999). The lack of innovation in business models and poor performance caused non-profit organizations and government agencies to seek for new strategies and methods to run their operations. Non-profits try to find new ways for revenue generation and for-profits try addressing social issues. Researchers in the field of non-profits and for-profits have also increased their interest in studying a third legal form, which is born from non-profits and for-profits, namely hybrids (Townsend & Hart., 2008; Evers 2012; Jäger et al., 2014). Hybrid organizations are for-profit ventures, that serve in the social sector with a dual focus on economic wealth and social wealth creation. (Dees, 1998; Austin et al., 2006; Townsend & Hart., 2008). The increasing number of for-profit social enterprises challenges the traditional thinking of social entrepreneurship.

Scholars have been trying to point out how and why entrepreneurs choose one form over the other (Dees, 1998; Townsend & Hart., 2008). One driver could be the primary objective of the individual entrepreneur. Assuming there is no equality between increasing economic and social wealth, a for-profit form would be chosen in cases where profitability serves as the primary objective. On the other hand entrepreneurs, who are only interested in pursuing a social mission, might prefer a non-profit legal form. This aspect can only influence the choice of legal form if a dominant motivation of an entrepreneur exists. Meaning, the choice of legal form is based on founder's mission and objectives.

Townsend and Hart (2008) mention other antecedents of legal form. They state, that social entrepreneurs with a dual focus, so pursuing the achievement of social and economic value creation, will be influenced in their decision-making by their perception of ambiguous institutional factors, such as resource acquisition, stakeholder alignment and legitimacy, by the time of venture founding. We will explain each factor. First, resource acquisition is probably one of the biggest challenges non-profit social ventures face. Funds and charitable givings available so non-profit social businesses have decreased. This is due to the privatization trend, which shifts resources away to privatized for-profit social ventures. Even though, for-profits operate in the same sector as non-profits with the same set of operations, they have the advantage of reaching institutional legitimacy faster (Mort et al., 2003). As a net result, non-profit organizations are forced to pursue a for-profit strategy in order to be able to raise long-term venture capital (Townsend & Hart., 2008). Next to resource acquisition, stakeholder alignment can play a role while deciding on which legal form to choose. Stakeholders, who are preferably interested into the social mission, might favour non-profit organizations over for-profits. Some stakeholders believe, that a dual focus strategy of social ventures will shrink the social impact they should generate. On the other hand, stakeholders

such as investors or suppliers prefer a for-profit organization. They are attracted by the legal benefits and need to take on the risk of investment flowing into non-return projects. Hence, the legal form is also a matter of fit between stakeholder interests, which can be diverse, and firm intentions.

The informal (cognitive) as well as the formal legitimacy (socio-political) are both playing a role in the decision-making process of social venture legal form. According to Aldrich and Fiol (1994), cognitive legitimacy is about the passive acceptance of a firms being. Meaning that its mission and purpose of existence are congruent with social norms and customs. While, socio-political legitimacy is about the acknowledgement by relevant stakeholders and the achievement of active acceptance by meeting laws and regulations necessary for the legal existence of firms (Suchman, 1995). Both types of legitimacy are relevant for firms' short and long-term survival. A firm can reach formal and informal legitimacy if the core mission is reflected in their legal form. Therefore, organizations pursuing economic goals above their social mission should register as for-profits. Organizations merely pursuing a social mission should register as non-profits.

It can be concluded, that legal-form choice strongly depends on the true intentions of organizations and their abilities to stay efficiently in the market. In spite of that, suggestions on legal form choice from the literature has been predominantly perspective. But for the purpose of this thesis, our focus is mainly on the consequence of subscribe to a particular legal form. In the next section we will give a brief description of different legal form types: non-profits, for-profits and hybrids. Legal disadvantages and advantages of each form will be explained.

2.3 Description of available Legal Forms

2.3.1 Description of Non-Profit Organizations

There are a variety of non-profit organizations; these could be charities, NGOs, foundations and associations. Most commonly they are called 501(c)(3) in the US or e.V. (eingetragener Verein) in Germany. This type of organization is supposed to reinvest all the capital gained back into operation and into their mission rather than making surplus payouts to shareholders. They are also allowed to receive government and foundation grants. A downside of this type of organization is that they are limited on revenue generation. Additionally, they don't have the ability to take investments, because the rights of ownership cannot be transmitted. In some countries offering a tax deduction to donors is unfortunately not possible. An advantage of a non-profit legal form is, that it can apply for a tax exemption in some countries, in other countries this benefit is granted directly after the registration of the venture. Due to the fact that based on their legal forms, non-profit organizations are following the purpose of increasing profitability it is easier for them to avoid ethical concerns about their real ambitions. Ambiguities may occur here in a way, that it could seem like a non-profit venture is not capable of ensuring sustainability, because of their lack of motivation or expertise. In spite of the said constraints, non-profits are on the path of becoming more entrepreneurial (Dees, 1998). Major reduction in governmental funding is identified as the primary trigger for the adoption of entrepreneurial strategies (LeRoux, 2005). In order to become more entrepreneurial non-profits are also seen to develop new capabilities. For instance, to implement innovative strategies for the delivery of their services non-profits were observed to

develop new learning capabilities (Weerawardana & Mort, 2001). The governance issues within non-profits due to the introduction of entrepreneurial strategies are also discussed by scholars (Ebrahim, Battilana & Mair, 2014).

2.3.2 Description of For-Profit Organizations

Dees et al. (2003) define for-profit ventures as entities "with one or more owners who have a formal right to control the firm and who are entitled to its residual earnings and net assets. For-profit forms include proprietorships, partnerships, corporations, limited liability companies, and cooperatives." Which means that unlike non-profits, they are allowed to have owners, who can decide on the allocation of resources held by the company also among individuals. For-profit organizations have the benefit of raising capital from different sources and can attract them by offering ownership and return. Giving them the opportunity to grow faster and increase equity as well as assets, because their ability to raise revenue and profit is limitless. One major disadvantage is that for-profit organizations are not eligible for receiving funds or governmental grants. Another disadvantage is, that donation to them is not tax-deductible, which makes it hard for them to receive donations, because most likely donors set tax-deductions as a requirement for their donations. Registration of certain for-profit types is costly and time consuming. In addition to that, they are required to make tax-payments. A for-profit company signals that the company's purpose is strongly bounded to the thought of generating revenue and be an efficient and effective market-player, which doesn't exclude striving for a social mission at the same time. Within established for-profit companies social intrapreneurship is practiced on projects with a social mission (Kistruck & Beamish, 2010). New forms of business models in collaboration between for-profits and NGOs have been explored (Seelos & Mair, 2005).

2.3.3 Description of Hybrid Organizations

Research on hybrid organizations is still in its early stages (Jäger et al., 2010). This type of legal form allows companies to carry out business processes and operations serving social needs on a pro-bono basis under a non-profit business. Simultaneously, products and services offered to generate revenue can be carried out under a for-profit business. Legally they are not prevented from receiving donations, grants and governmental funds. Also they are capable to raise capital by offering ownership or other financial benefits to investors. Hence, hybrid organizations have a greater access to sources of funding or capital in form of investments. They also don't have any limit on generating revenue. Furthermore, organizing a hybrid organization is not a simple thing to do. Legally, the for-profit organization can make donations or move any type of intangible and tangible assets to the non-profit part, whereas the other way around is not possible. All operations accounted to charitable activities need to be recorded as such and also be treated accordingly. Similarly, operations and revenues made from the for-profit business need to be separated and treated accordingly. Starting off with a non-profit or with a for-profit arm, doesn't hinder ventures to also create the complementary part in order to become a hybrid. Research studies on hybrid organizations have looked at the tension between the for-profit, business-like orientation and the social mission (Battilana & Dorado, 2010; Pache & Santos, 2013).

2.3.4 New Country-based Forms; UK, US

As we have discussed in the last sections major challenges of social enterprises are related to their true purpose. Pursuing social mission and creating profit at the same time is also a legal concern. Legal forms, which were available in the past years have failed in giving a clear guidance about firm's responsibilities to their stakeholders. Social enterprises are restricted to country-based laws. In some countries governments have created new legal forms to help social ventures to balance economic and social wealth creation on a better way. The UK and US have established legal forms that enable social business a hybrid structure. The primary purpose of hybrid organizations should be their social mission.

UK

Governments have created legal forms for social ventures to enhance further possibilities and opportunities. The UK has crafted two new legal forms. In 2005 they established Community Interest Companies' (CIC), which was explicitly designed for social ventures that want to make use of profits and assets to enhance social impact. Even though they are eligible to make profit they are limited in dividend and interest payments to shareholders. Charitable Incorporated Organisation' (CIO) is another legal form established in 2012. It enables non-profit organizations to incorporate like businesses. There are two forms of CIO. A so-called 'Foundation CIO' is ran by a small group of members, who are voting members and charity trustees at the same time. Another form is the 'Association CIO', which has more members than the Foundation CIO, which are distinct from the trustees. A reason why the UK has developed such a form is to reduce risks and liabilities of charity founders. Also it simplifies reporting and filing, it offers easier restructuring of firms (i.e. mergers). Registration goes through the Charity Commission in the UK. They will screen the application on formalities but also on the main objective of the firm, which should be the social mission. The company needs to have a minimum yearly income of £5,000.

This type of legal form is made for new but also existing charities. According to the UK government, charities are able to pay salaries, deliver charitable services under contracts, enter commercial contracts as an own entity, and owe freehold or leasehold land. Trustees of those companies have limited or no liability. In practice, many founders of firms have reported that the process of registration and converting into a CIO takes too long. Disadvantages of CIOs arise through the immaturity and relatively new establishment of it.

US

In 2010 the US government established the 'L3C' or low profit limited liability company, which is a for-profit company with an embedded social impact. Since in the social sector for-profit types have increasingly been used also the American government introduced a legal form, which enables social business to access capital markets and attract investments. So far the new legal form has been established in 9 US states. Even though, L3Cs is known to be a hybrid company the social mission is central. These companies attract diverse groups of investors in order to raise capital. L3Cs might raise the attention of socially conscious customers more than purely for-profit organizations. Major disadvantage concerns the tax treatment. Unlike, non-profit L3Cs are not tax-exempt organizations.

Even more common in the States are 'Benefit Corporations'. This type of legal form was established in 2010 in over 30 US states and the District of Columbia. Benefit Corporations

enjoy the advantages of traditional corporations including all the tax benefits. Its main purpose though is not the increase of shareholder wealth creation but its impact on society and environment. Therefore, they are not only judged by financial performance but also social and environmental performance (Rawhouser, Cummings & Crane, 2015). Furthermore, Benefit corporations have to publish annual benefit reports at a transparent third-party standard. The companies are owned and directed by its shareholders and director, who are in charge of creating public benefits, by for example ensuring operations and money outflow for charity purposes.

We gave some examples of how governments try to legally enable social ventures to operate as common businesses. At the same time, new legal forms also require social ventures to pursue social needs as their primary motive followed by their profit-oriented objectives. Those legal forms create hybrid organizations trying to attract socially conscious investors and customers. Hybrid organizations signal a different message to stakeholders than for or non-profits do, because they bring along other opportunities and competences of firms.

2.4 Legal forms and their Signals

As we have shown in the previous sections social entrepreneurs have plenty options to choose a particular legal form. By the very action of choosing a particular legal form against the available alternatives they send some signals to their major stakeholders. The legal form choice signals underlying information of purpose and intent of social ventures. Beyond the legal form there are also other information, which the social ventures can publish to positively influence their constituents. Signalling theory offers an established perspective to study these efforts by firms. In this section we elaborate on the signalling theory literature.

2.4.1 Concept of the Signalling Theory

The signalling theory helps to understand how information is communicated between two parties by having access to different types of information. It also explains how information asymmetries between different parties can be reduced enabling decision makers to make better decisions. Companies can provide information, which helps their stakeholders to get a better insight into the firm's qualities and intent. As for an example, a high diversity in an organization's board of directors may signal social responsibility (Miller & Triana, 2009). Research has also shown how CEOs communicate the unobservable quality of their ventures to potential investors by publishing information about their financial statements (Zhang & Wiersema, 2009). In the following section we explain the key concepts behind signalling theory, including signaller (social ventures), receiver (stakeholder), signal (firm narratives) itself, and feedback. Furthermore, we apply the theory to our research problem.

Signalling Theory
The signalling theory has been used in various research fields such as corporate governance (Zhang et al., 2009), human resource management (Suazo, Martínez, & Sandoval, 2009), finance, economics management (Ross, 1977; Riley, 2001), marketing (Rao, Qu & Ruekert, 1999) and various other management studies (Connelly et al., 2011). Recently Moss et al. (2014) have applied the signalling theory in the field of social entrepreneurship. In their study

they conducted a computer-aided text analysis in order to demonstrate what information provided by microenterprises' narratives signals and how these signals influence potential investors (Moss et al., 2014).

Markets themselves do not provide full information about organizations. The different types of information available are not necessarily accessible to all parties. Decision-makers surrounding companies, such as customers or investors, will have access to two types of information helping them in their decision making process (Connelly et al., 2011; Stiglitz, 2000). The first type refers to the information, which is publicly available to all parties. The second type of refers to private information, which is not available to all parties. The private information type reduces information asymmetries, which exists between parties. There are two different types of private information, the first one is about characteristics (such as quality and reliability) and the second is about the intent (behavioural intention of a party). Meaning, that individuals lacking private information are affected by signals, which reflect unobservable characteristics or behavioural intentions (Moss et al., 2014).

Connelly et al. (2011) developed a signalling timeline (Fig.1), on which the time of action and process of signalling is explained, including the signaller, receiver and the signal itself. In this timeline, first, the signaller is depicted possessing information about person, product or firm. The signaller then sends out information to the receiver, who observes and interprets signals first. Based on that the receiver makes choices. These choices can be related to any decision-making process they are involved in, such as hiring people, purchasing goods, or making investments.

Figure 1 Signalling Timeline
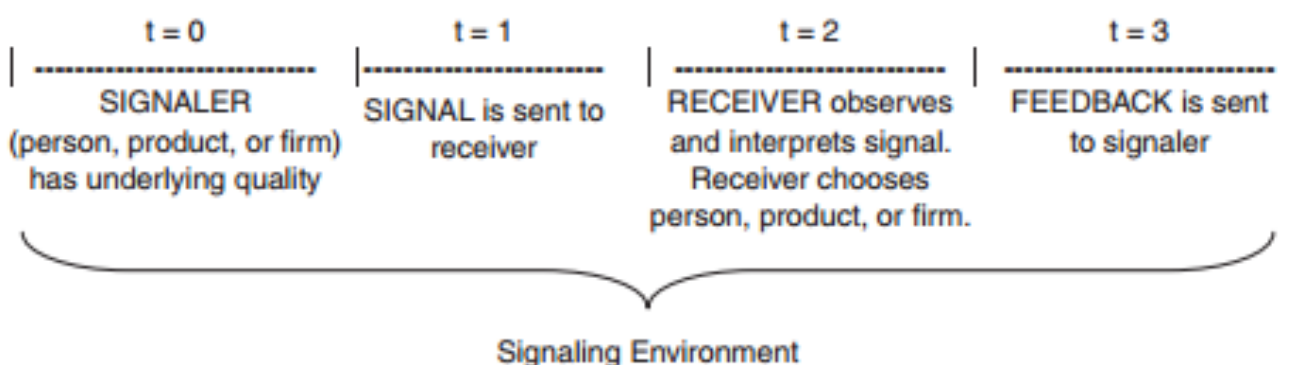
Source: "Signalling Theory: A review and Assessment", by Connelly, Certo, Ireland, and Reutzel, 2011

The Signaller
In the process of signalling information of private nature there a two different parties, who play a role. The *signaller* is an insider (e.g.: entrepreneurs or managers), who obtains information (e.g.: product, organization or individuals), which is not accessible to outsiders. Hence, the signaller is informed about the underlying quality of aspects of the organization, individuals or product, because of his profound internal knowledge about any positive as well as negative information. Signallers can decide whether they want to communicate information

to receivers, or not. Normally, insiders want to communicate positive rather than negative information about their organization. They also can select whom they want to reach out to and whom they don't want to provide with information. Even though, the intention of insiders is to strategically influence outsiders by delivering positive messages, sometimes insider's actions can send negative signals leading to unintended consequences. In order to achieve a strategic effect the signaller should benefit from actions taken in order to send out signals. Therefore, the focus of the signalling theory is mainly on the insiders' intent to communicate positive and imperceptible qualities to outsiders (Connelly et al., 2011; Moss et al., 2014).

Generally speaking a signaller can be anyone, who has the need to send out any kind of information. It can be a manager communicating to employees, colleagues who signalise information among each other, or employees that want to get a specific message across to customers, a company trying to communicate their level of quality which they deliver (Kirmani & Rao, 2000) and many more. Moss et al. (2014) take on the perspective of microenterprises as signaller. In our research signallers are several successful social ventures represented by the Ashoka Fellowship.

The Receiver
Another relevant party of the signalling process is the *receiver*. The receiver is the party, who is lacking information about the organization in question (Moss et al., 2014). Depending on the study the type of receiver changes. In entrepreneurship literature it can be the investor or shareholder of the company or debt holders. In human resource management the receiver might be the HR recruiter that decides who to hire. It can also be a customer, who seeks for product information in order to make a buy-decision. Moss et al. (2014) clearly are interested in how signals affect investors. Our research has a broader view on the term 'receiver' and does not narrow it down to a single group of decision-maker. We generally, are interested in the stakeholders of our selected social ventures, including potential investors, clients, future and current employees, donators, government, suppliers and many more.

The Signal
For the *signal* itself to be efficacious it needs to fulfill two key criteria. First, signal observability, which is related to the ability of the receiver to observe signals. Second, signal cost referring to the actual cost or effort companies need to make in order to communicate. Achieving certifications in companies is one example for signalling costs, where certain requirements need to be fulfilled to qualify for a certain certificate. The cost characteristic doesn't imply that all effort put into communicating signals need to be costly. There is also the possibility to reduce information asymmetry by sending less costly signals. Simple narratives can also be tools used for signalling (Cornelly 2011; Moss et al., 2014). In our research signals are within profile narratives of Ashoka Fellows.

Feedback
According to Connelly et al. (2011) the receiver can send information back to the signaller, concerning the effectiveness of the received signals. In literature that is called countersignal, with the underlying assumption that information asymmetries can be improved of it works two-ways so both parties signal information. In some studies authors refer to consumer behaviour when they elaborate on feedback (Connelly et al., 2011).

The signalling theory gives a profound explanation of what actually happens between two parties when one is sending out information. Also the theory has proven to be suitable in various research fields including social entrepreneurship. It can give insights to the process of signalling unobservable information through, for example narratives. It is limited to serve as a tool for explanation rather than actual measurement. In order to fill this gap, we bring together signalling and social judgment theories. Specifically we use the stereotype content model (Cuddy et al., 2000) from the literature on social judgments with signalling theory to build our dictionaries.

2.5   Social Judgment Theory

In the last section we discussed how the signaller sends out information (signals) to the receiver, who then interprets these and provides feedback (response). The main purpose of the signalling theory is to provide an explanation about how information asymmetries between parties can be reduced (Stiglitz, 2000). This means that companies can provide information, which gives stakeholders clarification about firm's quality and reliability as well as their behavioural intent (Moss et al, 2014). But defining what truly reaches the stakeholders through information provided to them and how it will influence their judgment is not within the scope of the signalling theory. The social judgment theory, on the other hand, explains how we perceive others, evaluate them and form impressions. Based on these impressions perceivers also provide a response. The signalling theory can be extended by the social judgment theory.

In order to take it a step further we use the stereotype content model (SCM). SCM clarifies how information is categorized and perceived by stakeholders. In this thesis, signallers represent SE ventures, who provide information about their organizations. The information source is firm narrative to their stakeholders (receiver). This information helps stakeholders to form impressions about organizations' intent and capabilities. Since we are interested in understanding how the information given in the narratives about organizations affect readers the following section will briefly explain the background of social judgment, explicitly the stereotype content model (SCM), and its underlying two dimensions (warmth versus competence) (Cuddy et al., 2008). Thus, we use the stereotype content model as a tool, supporting us in defining what is signalled in the firm narratives about intent and capabilities of different profiles.

2.4.2   Defining Stereotype Content Model

Perception refers to outcomes produced by sensory experiences (i.e., taste, smell, noises). In social psychology "perception can denote the downstream processes of forming and interacting with mental representations about people, such as categorizing or stereotyping in 'social perception' (Phillips, Weisbuch & Ambady, 2014, p. 103). Studies in this field range from self to interpersonal and to group perception (Cuddy et al., 2007), which is about how we categorize or stereotype groups and their members.

Emotions and behaviour of individuals and groups are based on social judgments (Cuddy et al., 2011). Social judgments including interpersonal, group and self-perception are based on

two fundamental dimensions (Cuddy, Fiske & Glick, 2008). Researchers refer to different names for the two dimensions. The difference in terminology mainly reflects the research field from which they emerge. Studies made concerning stereotyping use the distinction between warmth and competence (Judd et al., 2005; Cuddy et al., 2008; Fiske et al., 2006). Their terminology is based on Rosenberg's (1968) study on person perception in which the two fundamental dimensions are labelled as socially good-bad and intellectually good-bad (Fig.2). Some make use of the terms communion versus agency (Abele & Wojciszke, 2007), expressiveness versus instrumentality (Parsons & Bales, 1955). Some others make distinctions between other-profitability versus self-profitability (Peeters, 1992), which have been applied to evaluations of social behaviour (as in positive or negative behaviours).

Figure 2 Two-dimensional configuration of 60 traits, axes for properties of social desirability and intellectual desirability
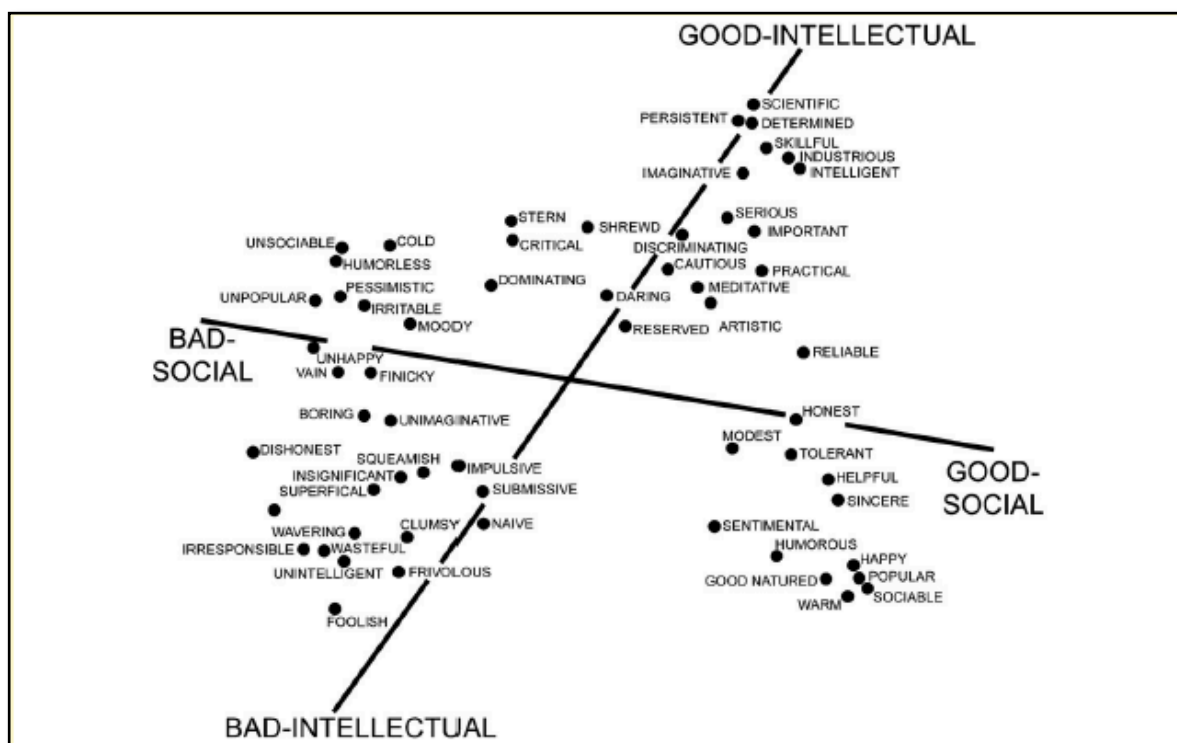
Source: "Universal dimensions of social cognition", by Fiske, Cuddy and Glick, 2006

Our focus is on stereotyping and therefore, we make use of the SCM definition given by Cuddy et al. (2008) based on the two fundamental dimensions of warmth and competence. On the basis of these two dimensions people differentiate and make sense of each other. Cuddy, Norton and Fiske (2005) used the stereotype content model to describe how different societal groups (i.e., elderly people, mothers, Americans, Jews) are sorted in the society and what types of prejudices they suffer from (Fig. 3). Coming from a psychological perspective, Mazar and Ariely (2006) talk about an internal judge, which decides on whether we punish or reward other individuals based on whether people comply with the norms and values we are familiar with. Therefore, the content of stereotype may not only reflect like but also dislike, respect and also disrespect (Fiske et al., 2002).

The two dimensions of the SCM simply answer two questions, on the warmth dimension: "What is this groups intention?" and competence dimension: "Is that group able to carry out its intention?" In order to encounter others, a person intends to first determine the intention of another person and then their ability to act on those intentions. Based on these two dimensions we make blank judgments and build stereotypes (Aaker et al., 2010). Rich people, for example, are perceived as competent but not warm. Elderly people are perceived as high on the warmth but low on competence dimension. Individuals and groups can also score high on the warmth as well as on the competence dimension.

Figure 3 Scatter plot and cluster analysis of competence and warmth ratings for social groups
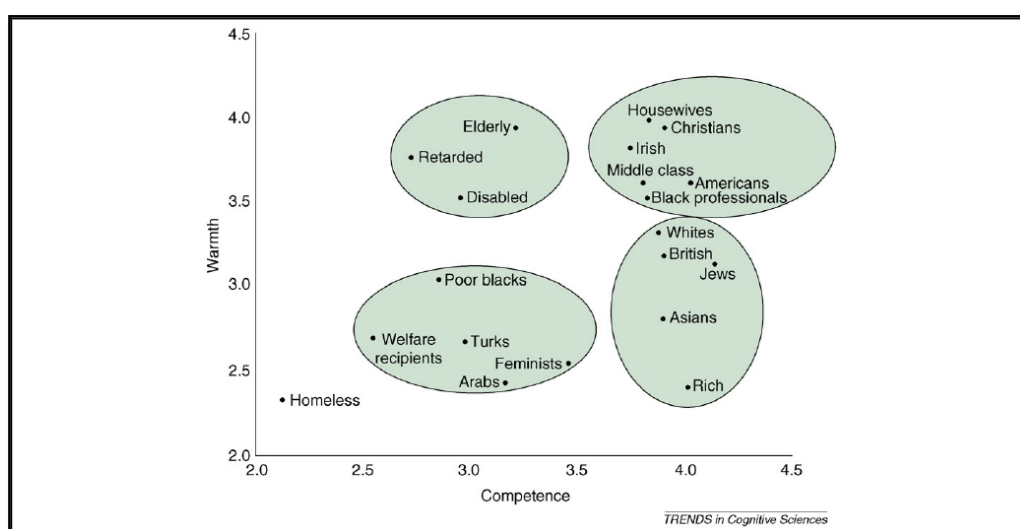
Source: "Universal dimensions of social cognition", by Fiske, Cuddy and Glick, 2006

2.4.3   Warmth and Competence

From organizational behaviour literature we know that people differentiate others based on warmth and competence judgments. Various definitions of the warmth dimension entail traits such as generosity, kindness, honesty, sincerity, helpfulness, trustworthiness, and thoughtfulness (Cuddy et al., 2006; Aaker et al., 2010; Grandey et al., 2005). The perception of these traits helps us to identify the intent of the other person or group (Cuddy et al., 2008; Aaker et al., 2010). Judgments on this dimension set the focus on others rather than the self and clarify if people are behaving accordingly to the norms and moral codes (Aaker et al., 2010).

From an evolutionary perspective it can be said, that warmth judgments are primary to competence judgments. Animals, for example, immediately distinguish between friend or foe in the other. They first decide whether the other has good or bad intents because this decision is crucial to survival. Therefore, it makes sense that warmth is judged before competence it also carries more weight in affective and behavioural reactions (Cuddy et al., 2008).

Furthermore, judgments about morality (warmth) are strongly related to the evaluation process of whether to approach or avoid someone (Peeters, 2001).

People retrieve warmth related judgments from the perceived motives of the other person. From a socio-cognitive perspective judgments about warmth are easier to make than judgments about competence, because information about the moral-social dimension is more cognitively accessible, easier to predict and also heavier weighted in evaluative judgments. Also the warmth dimension is responsible for judgments simply made for a positive or negative valuation of others.

The second dimension of the stereotype content model is competence. Competence related traits generally include confidence, effectiveness, intelligence, capability, skilfulness and competitiveness (Cuddy et al., 2006; Aaker et al., 2010; Grandey et al., 2005). This dimension is about whether the other person has the capabilities to act upon his intents. It is about the perceived abilities of other individuals or groups. After we have decided on the intent of the other people we also evaluate if they are competent enough to carry out their intentions. Therefore, the competence judgment comes after warmth judgment. Competence related interpersonal judgments measure how negative or how positive the other individual or group is perceived.

2.4.4 Consequences of Judgments in Organizations

Cuddy et al. (2011) describe in their paper how stereotypes can influence decision making in firms. For example, personnel decision-making concerning who to hire or who to assign to a certain job depends on the match between job and the associated stereotype. In jobs where high technical knowledge is asked and less social capabilities members from high competence and low warmth may be hired. Asian Americans are stereotyped as intelligent, hardworking and skilful people, who are on the other hand, selfish, nerdy and lack interpersonal skills. Evaluation and assessment of personnel are also influenced by stereotypes. Assessments and evaluations usually carry as notion in them. In this process people who are viewed as competent are automatically credited and judgments about cold (low on warmth) are excused. For leadership positions this ambivalence is not acceptable, because people in that position are supposed to fulfill traits within the two dimensions, warmth and competence. During teamwork it may happen that tasks are allocated between team members based on stereotypes. Women for example are perceived as more warm, possessing distinct social skills, and therefore, are given social roles.

Stereotypes can be beneficial for employees and employer. But they can also lead to biases influencing decision-making negatively. Judgments and prejudices made by people may lead to discrimination. Therefore, organizational leaders should avoid biases occurring through ambivalent stereotyping, by making fair decisions, develop non-discriminatory policies and evaluate and assess objectively.

2.4.5 Firm Stereotypes

Until now we have clarified how perceptions of individuals and groups are formed. Also we have briefly indicated the influence of stereotypes in organizational decision-making process and on emotions. Stereotyping reflects evolutionary pressure to judge 1) whether the other has

good or bad intents and 2) whether the other has the ability to enact its intentions (Cuddy et al., 2006). Impressions of warmth and competence are based on different traits (Rosenberg, 1968; Cuddy et al.; 2006; Fiske et al., 2002). These human-like traits can also be applied to firms. Companies' reputation is also formed by warmth and competence judgments.

Coming back to the signalling theory, we have already discussed that firms are able to communicate unobvious information such as firm's quality and trust. Signalling high quality attracts customers and also investors, because the firm seems to be competent. Next to that, reputation can also signal trust indicating to take the extra mile for customers, employees and environment (Cuddy et al. 2011; Aaker et al., 2010). Therefore, quality and trustworthiness influence perceptions of employees, customers, investors, suppliers and other stakeholders of the firm. Hence, it can be assumed that firms are also stereotyped.

In their study about stereotypes of for and non-profits Aaker et al. (2010) mention that legal form determines work practices and behavioural patterns. For-profit organizations hire employees based on their competencies. While, to non-profits commitment to social mission is core. Employees of non-profit organizations also are more sensitive to whether the organization cares about them as a person or not. Furthermore, has research indicated, that for profit organizations focus more on efficiency and costs than non-profits.

Legal form also influences buyer perceptions. For-profits are perceived to only pursue economic wealth creation, missing on communicating warmth. Therefore, consumers might think that they are greedy. Non-profit organizations influence purchase behaviour because they signal focus on the social cause. On the other hand, they might not be competent enough to deliver a good quality.

According to Aaker et al. (2010) stakeholders not only form firm stereotypes, but they also have an impact on their decision-making. Their study is an insightful example of how legal form signals warmth and competence. In which non-profit organizations are perceived as warmth but not competent and for-profit organizations are perceived as competent but now warm. Consumers are triggered by this information. Decision-making about whether to buy or not is primarily influenced by their perception of firm's quality (competence). Central to their research was how the two dimensions influence emotions. As we have already discussed in chapter 3.3scoring high in warmth and competence elicits admiration. Therefore, being perceived as warm and competent has a positive boosting effect for firms, leading to favourable conditions. Decision-makers of firms are way more attracted by companies who signal a good intent (social mission) and the capability to be a sustainable business (economic wealth creation).

We can conclude, that stakeholders' perception about firms' capabilities and intentions are influenced by stereotypes. We do not only judge individuals and groups but also companies. Legal forms, as in non-and for-profit, are judged differently on the two dimensions of the stereotype content model. Non-profit organizations are perceived high on the warmth dimension, whereas for-profits are perceived high on the competence dimension. Judgments about high score on both dimensions has a boosting, positive effect on decision-makers.

3 Methods: Content Analysis using Computer-aided Text Analysis

In this section we start with a brief introduction to content analysis and explain how it can be used to build dictionaries for theoretical constructs.

3.1 Relevance for Research

As a research method content analysis sees a growth in application particularly in the organization studies. Texts originating from an organization, such as CEO shareholder letters, mission statements or annual reports are typically used for content analysis (Duriau et al., 2007) to investigate research topics in corporate strategy and managerial attention (Short et al., 2010). The aim of content analysis is to objectively and systematically draw valid and replicable inferences from texts to the contexts of their use utilizing a set of procedures (Weber 1990; Neuendorf, 2002; Krippendorff, 2004).

Content analysis can be further distinguished into three methodologies: Human-scored schema, individual word count systems and computerized systems using artificial intelligence (Short & Palmer, 2007). This paper's focus is on the second type, Computer Aided Text Analysis (CATA). This one particular method to conduct content analysis is usable as an automated screening method for texts (Neuendorf & Skalski, 2010; Covin & Lumpkin, 2011). Initially the idea is that the frequency of words or concepts in a document gives researchers a measurable indication of importance or emphasis (Pollach, 2012). CATA thereby can be applied to an enormous number of texts with high reliability (McKenny et al., 2013). This ability resulted in a subcategory of CATA, namely content dictionaries, to study frequencies and importance of concepts more in-depth. It should be noted that there are various text-mining programs, but this paper focuses on the use of dictionaries within CATA. Researchers applying this method can either use existing dictionaries for analytic purposes or create their own dictionary based on theory that is specifically constructed to fit a certain research setting (Pollach, 2012). Researchers develop their own coding scheme based on the research question and consistently apply it to their unit of analysis (Short et al., 2010). Dictionaries of both types "list character strings as words in categories of what they have in common" (p. 54) and then cluster words of categories (Krippendorff, 2004).

Several authors have conducted research regarding the strong points of the CATA method. Duriau, Reger and Pfarrer (2007, p.155) have stated "the benefit of such techniques is that they can be applied to hundreds of documents of interest to compare organizations with nearly perfect reliability". Short et al., (2010) also emphasized that using the CATA technique provides the ability of processing large samples while guaranteeing both high speed as well as a high degree of reliability in comparison to human coding. Also, lower costs are involved when using the CATA technique instead of human coding (Short et al., 2010). However, the CATA method also provides limitations that should be taken into consideration. According to Neuendorf (2010), the CATA technique does not take the full accounting of contextual factors, negotiations or ambiguity into account, which might have an impact on the validity of the measures. Therefore, it is necessary to control the measures of using the CATA technique for ensuring that the measures have been tracked in the right context. Krippendorff (2004)

has also confirmed the limitation of capturing contextual factors. Short et al., (2010, p. 320 & 321) also argued "[...] inconsistent guidance exists to guide researchers through the use of this tool in a manner compatible with accepted methods used to validate constructs in a rigorous manner" and added " the fact that incorporation of such techniques represent the exception rather than the norm suggests that construct validation when using contextual analysis may be less than ideal and that scholars may not understand how to incorporate such analyses into their empirical tests".

Summarizing, CATA contributes to the analysis of characteristics concerning content-substance, content-form, producers of content, audience of content and effects of content (Popping, 2000). Appendix 1 presents a review of recent literature on research work conducted using word-based dictionaries. This list is not exhaustive in that it is limited to the field of entrepreneurship.

3.2 Dictionary Building for Warmth and Competence Constructs

In this section we will show the prescribed procedure for dictionary building and within each step also report on how the steps were applied in this thesis. Short et al. (2010) suggest to 1) conduct a deductive or inductive content analysis, 2) assess the external validity, 3) ensure reliability, 4) assess dimensionality of construct and if necessary to 5) assess predictive validity. In this thesis we made use of a deductive approach to CATA. In this research we did not examine whether our construct predicts other constructs, therefore, we do not assess predictive validity.

In the following section we provide a summary of each step of analysis for the creation of a warmth and competence dictionary. Also, we report our tables in this section.

Phase 1: Create word lists by deductive analysis – Assessing content validity

Short et al. (2010) suggest starting with a deductive approach to CATA. This course of action is essential especially when examining a new construct, which has not been analysed yet and therefore requires self-constructed dictionaries (Short et al. 2010; Pollach, 2012). As a starting point we screened relevant existing literature in order to define the construct of interest and its dimensionality. We make use of warmth and competence sub-dimensions, which emerge from the social and organizational psychology literature. The stereotype content model builds on Rosenberg's early work on social perception. As we already discussed in the literature review section the stereotype content model is a multidimensional construct.

In the next step we developed a list of key words of each conceptualized sub-dimension. We developed an exhaustive list of synonyms for the sub-dimensions by making use of Rodale's (1978) The Synonym Finder. Finally, we assessed the interrater reliability by conducting Cohen's Kappa. We went through this procedure a several time before we finalised our word-list.

Table 2 Word List for Stereotype Content Model Dimensions

SCM Competence Dimension	Content Analysis Words with Expert Validation
Capability	abilit*, acumen, aptitude*, apt*, brain, capacity, characteristics, cleverness, deftness, endowment*, endurance, forte, gifted, intelligence, knack, perspicacity, potential, proficienc*, qualit*, sagaci*, skill*, smart*, strength, talent*
Competence	abilit*, able*, adept*,adroit*, authorit*, capabilit*, capableness, competenc*, deft*, dexterousness, dexter*, effective*, effectivity, efficaciousness, efficacy, efficien*, expertise, expertness, finesse, know-how, knowledgeability, qualification, mastery, prepared*, proficienc*, readiness, responsibilit*, savvy, savoir-fair, skill*, soundness
Competitive	aggressiv*, ambitious*, compet*, combativ*, corival, dog-eat-dog, emulative, emulous, opposing, ready to fight, rival, striving, vying
Confidence	assertiv*, assur*, backbone, certain*, certitude, fortitude, freedom from doubt, grit*, mettle, pluck, reassur*, reliance, self-assur*, self-confid*, self-reliance unblinking, Unflinching, unhesitating, unwavering
Effective	capab*, cogent, competen*, effectual, efficacious*, efficien*, influential, powerful, remarkable, serviceable, standout, striking, adept*, adroit*, authorit*, deft*, dext*, dynamism, effective*, experience*, expertise, expertness, finesse, know-how, mastery, prepared*, productiveness, productivity, proficiency, qualification, readiness, skill*
Efficient	accomplished, adept*, adroit*, capable*, clever, competent, crackerjack, deft*, dexterous, dynam*, economical, effecting, effective*, effectual, efficacious, experienced, expert, fit, experienced, expert, fit master*, potent, powerful, prepared, productive, proficient, qualified, skilful, slick, talented, thrifty, trained, well-grounded
Intelligent	able*, ace, adroit*, agile, alert, apt*, astute, brainy, brilliant, capable*, clever*, commonsensical, competent*, conscious*, crackerjack, deft*, discerning, erudite, first-rate, foxy, gifted, ingenious, insightful, intellectual, intelligential, judicious, keen, knowing, knowledgeable, learned, lucid, luminous, penetrating, perceptive, percipient, perspicacious, prudent, quick-witted, sapiential, sagaci*, sage, sapient, savvy, sensible, sharp, sharp as a tack, sharp-witted, shrewd, smart*, talented, top-drawer, topflight, topnotch, versed, well-read. well-schooled, wise, educated
Skilful	able*, accomplished*, ace, adept*, adequate, adroit*, ambidext*, apt*, capable*, clever*, competen*, conversant, crackerjack, deft, dexterous, efficient, endowed, experienced, expert, first-rate, gifted, good at, hotshot, knowledgeable, learned, master*, practiced, professional, proficient, qualified, skilled, talented, topnotch, versed
SCM Warmth Dimension	
Generosity	Altruism, benefaction, beneficence, benevolence, big-heartedness, charitableness, charity*, donation*, gift*, giving, good deed, good will , grant*, humanitarianism, magnanimity, noble*, unselfishness
Helpful	aidful, aiding, benevolent, charitable, contributive , cooperative, friendly, helping, instrumental, kind , merciful, munificent, neighborly, philanthropic, supportive, valuable
Honesty	equitableness, equity, evenhandedness, evenness, fairness, forthrightness, frankness, free-speaking, free-spokenness, freedom from bias ,

	genuineness, guilelessness, honor, impartiality, ingenuousness, integrity, justice, justness, objectiveness, objectivity, open-heartedness, open-mindedness, openness, outrightness, plain dealing, plain-speaking, plain-spokenness, sincereness, sincerity, square dealing, squareness, straight shooting, straightforwardness, straightness　　truth-loving, truth-speaking, truth-telling, truthfulness, unabashedness, undeceitful[*], undeceptive[*], unequivocalness, uprightness, veraciousness, veracit[*]
Kindness	act of charity, act of grace, affability, affection, aid, almsgiving, altruism, amiability, amicability, beneficence, benevolence, benignancy, benignity, big-heartedness, bonhomie, bounty, brotherhood, brotherliness, brotherly love, charity, compassion, cordialit[*], courtesy, empathy, fatherliness, favour, fellow, feeling, fellowship, friendliness, friendship, generosity, geniality, gentilesse, gentleness, good deed, good turn, good will, good-heartedness, good-naturedness, goodness, graciousness, grandfatherliness, grandmotherliness, heedfulness, help, helpfulness, hospitality, humaneness, humanity, kind act, kindheartedness, kind[*], largesse, lionheartedness, love, lovingness, maternalness, mercy, mindfulness, motherliness, neighbourliness, niceness, paternalness, philanthropy, sisterhood, sisterliness, soft-heartedness, solace, tender-heartedness, tenderness, thoughtfulness, unselfishness, warm-heartedness, warmth
Sincerity	artlessness, dedication, down-rightness, earnestness, forthrightness, frankness, genuineness, guilelessness, honesty, honorableness, inartificiality, inartificialness, square dealing, square shooting, squareness, straight shooting　　straightforwardness, straightness, telling it like it is, trueness, truheartedness, trustiness, trustworthiness, undeceitful[*], undeceptive[*], unequivocalness, unpretentious[*], uprightness, wholeheartedness
Thoughtfulness	attentive, beneficent, benevolent, compassionate, considerate, deep, heedful, kind, kindhearted, kindly, mindful, regardful, respectful, reverent, sympathetic, tender
Trustworthiness	credibilit[*], credibleness, dependabl[*], faithful[*], goodness, honestness, honesty, honorableness, integrity, loyalty[*], morality, openness, probity, reliabilit[*], reliableness, right-minded[*], sincereness, sincerity, true-heartedness, trustiness, truthfulness, uprightness, upstandingness, veraciousness, veracity, truen

Source: Deductive word lists were developed with the aid of Rodale's (1978) The Synonym Finder. Two raters selected 503 words to represent stereotype dimensions. These words were used for further analysis.

Table 3 Cohen's Kappa Results for "Competence" Word List

Rating for Competence:	Percent Agreement	Cohen's Kappa	N Agreements	N Disagreements	N Cases	N Decisions
Capability	71.7%	0.561	43	17	60	120
Competence	74.4%	0.596	93	32	125	250
Competitiveness	100%	1	19	0	19	38
Confidence/confident	87.8%	0.751	86	12	98	196
Effective	93.3%	0.888	70	5	75	150
Efficient	91.2%	0.84	52	5	57	114
Intelligent	93.5%	0.822	72	5	77	154
Skilful	88.5%	0.754	46	6	52	104

Table 4 Cohen's Kappa Results for "Warmth" Word List

Rating for Warmth:	Percent Agreement	Cohen's Kappa	N Agreements	N Disagreements	N Cases	N Decisions
Helpful	58.5%	0.444	38	27	65	130
Kindness	81.1%	0.62	90	21	111	222
Sincerity	75.5%	0.562	37	12	49	98
Thoughtfulness	62.5%	0.589	40	24	64	128
Trustworthiness	83.8%	0.757	57	11	68	136

Phase 2: Narrative selection and definition of adequate sampling frame – Assessing external validity

1 Sampling

In our second phase we selected narrative texts, which are particularly applicable to the construct and chooses the sampling frame. Within social entrepreneurship an interesting data source on firm narratives comes from the Ashoka Foundation, an NGO, that provides a platform for successful SE ventures. Ashoka supports the largest network of social entrepreneurs located in over 70 countries. Based on social entrepreneurs' applications to the program the Ashoka staff builds company profiles. We use these profiles as firm narratives. From a personal conversation with an Ashoka employee we ascertained that the profiles are co-written between the social entrepreneur, their venture and the Ashoka representative of the country of operation.

Profiles consist of four different sections containing 800-2500 words in total. The first section

is about the main idea and objective of the firm. Followed by a part concerning the social problem addressed. In the third section the firm's strategy is described as in the goals they have and how they want to achieve them. The last part is about the founder's educational and professional background as well as motivation. Represented organizations are structured as non-profits, for-profits and also hybrids. The aim of the Ashoka Fellowship is to create further opportunities for already successful social entrepreneurs by giving them access to new resources and networks. Meyskens et al. (2010) made use of Ashoka fellow profiles in their study about social entrepreneurship and social wealth creation. Nevertheless, we are interested in comparing non-profit profiles with hybrid profiles. We developed a sampling strategy for choosing the two different legal forms of interest namely, non-profits and hybrids. The steps followed in the sampling process are as follows:

1. From the master list of Ashoka fellow profiles, using keyword searches on the profiles a short-list of profiles were made. The following key words were used: "for-profit", "business", "venture", "revenue", "business model", "foundation", "non-profit".

2. After this, each of the venture profiles was researched to ascertain whether they were for-profits or non-profits or hybrid ventures using their website content.

3. The status of the legal form was further triangulated by using information on the founders and the organization from other public sources found on-line such as linkedin profiles, media articles etc.

Profiles in which legal form was not clearly distinguishable were out sorted. Our study focuses on a sample of 99 non-profit profiles and 99 hybrid profiles. Sample division is based on legal form irrespective of country of operations, venture age, target population and sector.

In order to assess external validity we tested the sampling frames with the help of the following test statistic:
1)   One sample t-test for each dimension of the independent samples to evaluate the presence of language consistent with the construct in both samples.

Table 5 Evidence of Language Representing Warmth and Competence in Non-Profit and Hybrid Ashoka Fellow Profiles

	Hybrid Profiles				Non-Profit Profiles			
	N	Mean	SD	t Test	N	Mean	SD	t Test
Comp_Capability	99	5.83	4.58	12.66*	99	6.54	5.45	11.93*
Comp_Competence	99	5.96	3.93	15.05*	99	7.61	8.14	9.31*
Comp_Competitive	99	1.11	1.31	8.39*	99	1.21	2.94	4.09*
Comp_Confidence	99	.57	.74	7.70*	99	.42	.67	6.28*
Comp_Effectiveness	99	3.34	2.99	11.09*	99	3.76	4.85	7.72*
Comp_Efficient	99	3.14	2.47	12.61*	99	4.31	4.38	9.77*
Comp_Intelligence	99	1.63	1.72	9.41*	99	2.56	4.28	5.96*
Comp_Skilfulness	99	3.57	3.49	10.17*	99	3.98	4.37	9.06*
Warm_Generosity	99	1.48	3.24	4.54*	99	1.06	1.72	6.11*
Warm_Helpful	99	1.68	2.29	7.30*	99	2.01	1.98	10.06*
Warmth_Honesty	99	.83	1.48	5.60*	99	1.49	5.18	2.87*
Warm_Kindness	99	4.78	3.86	12.33*	99	6.28	4.60	13.58*
Warm_Sincerity	99	.04	.19	2.03*	99	.07	.25	2.73*
Warm_Thoughtfulness	99	.42	.67	6.28*	99	.46	.82	5.60*
Warm_Trustworthiness	99	.14	.42	3.28*	99	.25	.64	3.89*
Comp_Unidimensional	99	25.18	15.09	16.59*	99	30.42	27.37	11.05*
Warm_Unidimensional	99	9.40	7.76	12.05*	99	11.63	8.69	13.32*

Phase 3: Conduct the Computer-Aided Text Analysis – Assessing reliability

Phase 3 is the actual phase of text analysis using CATA. Comparisons between word-count and human-coder techniques have indicated a higher accuracy in CATA techniques. Therefore, the reliability is higher. We conducted our analysis with the help of a CATA software called CATScanner published by Short and McKenny. The software computed the word counts of the sub-dimensions.

Phase 4: Creating a correlation matrix – Assessing dimensionality

When examining constructs of multiple dimensions each dimension should be simultaneously distinct from and related to the other dimensions (Edwards, 2000). In the last phase we compared the multiple word lists by creating a correlation matrix of the CATA scores to reveal significant correlations between the dimensions.

Table 6 Correlations of Social Perception Dimensions to Assess Dimensionality

Based on Non-Profit and Hybrid Samples

Social Perception Dimensions									
HYB Sample	1	2	3	4	5	6	7	8	9
Competence									
1. Capability	1								
2. Competence	.676**								
3. Competitive	.177	.194							
4. Confidence	.162	.067	.049						
5. Effectiveness	.573**	.831**	.249*	.003					
6. Efficient	.379**	.557**	.092	.210*	.482**				
7. Intelligence	.236*	.331**	.103	.276**	.253*	.215*			
8. Skilfulness	.320**	.471**	.154	.126	.547**	.545**	.270**		
9. Competence Uni	.780**	.890**	.306**	.215*	.845**	.689**	.443**	.700**	1
HYB Sample	1	2	3	4	5	6	7	8	
Warmth									
1. Generosity	1								
2. Helpful	.228*								
3. Honesty	.050	.301**							
4. Kindness	.280**	.506**	.164						
5. Sincerity	.047	.039	.092	.082					
6. Thoughtfulness	.153	.147	.120	.086	.023				
7. Trustworthiness	.185	.118	.068	.043	.068	.179			
8. Warm Uni	.657**	.720**	.400**	.804**	.031	.270**	.216*	1	

*.Correlation is significant at the 0.05 level (2-tailed)

**. Correlation is significant at the level 0.01 level (2-tailed)

Table 7 Correlations of Social Perception Dimensions to Assess Dimensionality Based on Non-Profit and Hybrid Samples

Social Perception Dimensions

NP Sample	1	2	3	4	5	6	7	8	9
Competence									
1. Capability	1								
2. Competence	.509**								
3. Competitive	.377**	.805**							
4. Confidence	.682**	.066	.093						
5. Effectiveness	.598**	.869**	.739**	.124					
6. Efficient	.257*	.340**	.073	.003	.547*				
7. Intelligence	.341**	.804**	.822**	.029	.669**	.241*			
8. Skilfulness	.398**	.783**	.721**	.201*	.735**	.251*	.768**		
9. Competence Uni	.662**	.946**	.810**	.169	.899**	.442**	.832**	.845**	1

NP Sample	1	2	3	4	5	6	7	8
Warmth								
1. Generosity	1							
2. Helpful	.107							
3. Honesty	.041	.027						
4. Kindness	.228*	.290**	.174					
5. Sincerity	.079	.081	.049	.035				
6. Thoughtfulness	.116	.034	.057	.215*	.108			
7. Trustworthiness	.060	.042	.005	.041	.047	.027		
8. Warm Uni	.332**	.417**	.680**	.769**	.029	.205*	.102	1

*.Correlation is significant at the 0.05 level (2-tailed)
**. Correlation is significant at the level 0.01 level (2-tailed)

Social Perception Dimensions

Total Ashoka Profiles (N 2434)	1	2	3	4	5	6	7	8	9
Competence Dimension									
1. Comp_Capability	1								
2. Comp_Competence	.606**	1							
3. Comp_Competitive	.264**	.322**	1						
4. Comp_Confidence	.140**	.139**	.537	1					
5. Comp_Effectiveness	.673**	.736**	.344**	.144**	1				
6. Comp_Efficient	.258**	.448**	.104**	.099**	.320**	1			
7. Comp_Intelligence	.274**	.504**	.298**	.058**	.299**	.206**	1		
8. Comp_Skilfulness	.390**	.535**	.341**	.088**	.442**	.396**	.532**	1	
9. Comp_Unidemensional	.772**	.891**	.459**	.203**	.818**	.556**	.586**	.717**	1
Warmth Dimension	1	2	3	4	5	6	7	8	
1. Warm_Generosity	1								
2. Warm_Helpful	.143**	1							
3. Warmth_Honesty	.023	.049*	1						
4. Warm_Kindness	.208**	.384**	.123**	1					
5. Warm_Sincerity	.044*	-.010	.027	.018	1				
6. Warm_Thoughtfulness	.052*	.166**	.030	.175**	.002	1			
7. Warm_Trustworthiness	.053**	.027	.140**	.002	.061**	.023	1		
8. Warm_Unidimensional	.440**	.596**	.454**	.829**	.073**	.338**	.156**	1	

*.Correlation is significant at the 0.05 level (2-tailed)
**. Correlation is significant at the level 0.01 level (2-tailed)

In the this section we described how we have applied the methodology for building construct validation using content analysis by Short et al. (2009). First, we deductively created an exhaustive word list related to warmth and competence. Next, we described our sampling method and gave reasoning for choosing firm narratives from Ashoka Fellows. We reported a t-test. Furthermore, we assessed construct dimensionality by conducting a correlation analysis on non-profit and hybrid samples as well as on a master-list consisting of 2434 social venture firm profiles. Now we report the results of our statistical analysis.

In order to demonstrate validity two experts rated each word represented in our wordlist. The rating scale ranged from 1 (for strongly disagree) to 5 (for strongly agree). Results of this assessment are shown in the previous chapter. Short et al. (2009) suggests that Cohen's Kappa scores above 0.5 indicate an acceptable reliability of rating. As our tables show scores are all above 0.5 except for "helpful" in the warmth dimension (0.444). Since out percentage of agreement was high (58.5%) we decided to hold on to out word-list. Our word-list build the dictionaries, which were saved in CATScanner and run through our samples. With the reported word frequencies we conducted a t-test and an ANOVA. In the first instance the t-test (compared to a test statistic of zero) shows whether all dimensions being measured are also presented in the two samples. Our analysis illustrates that the language measured is consistence with the two dimensions of the stereotype content model. Furthermore, we can

report that both dimensions are communicated in the two samples (non-profit and hybrid profiles N 198).

In this section we report on the dimensionality of our construct. In the previous sub-section above, we reported the different correlation matrixes through which we assess dimensionality. According to the prescribed rules, if statistics show that dimensions correlated over .5, the construct may not be multidimensional (Short et al., 2010). Our results indicated a strong correlation of competence sub-dimensions. Consequently we considered collapsing sub-dimensions, just as literature advises us. Hence, we conducted studies with fewer sub-dimensions, which are not reported in this thesis. Even though, the theoretical construct of social judgment is two-dimensional, each dimension is individually measured with various sub-dimensions. We included in all our statistical measures a one-dimensional variable representative for warmth and competence. Table 7 and 8 show the results of correlations on the stereotype sub-dimensions based on non-profit (N = 99) and hybrid (N = 99) samples of Ashoka fellow profiles. Table 9 illustrates the results of correlations for our Ashoka profiles master list (N 2434). From our analysis we can conclude that warmth related traits don't show strong correlations, therefore, we have decided to treat warmth as multidimensional. Furthermore, we can report that sub-dimensions related to competence show high correlations. For example, effectiveness tends to correlate with capability (.598), competence (.869), competitive (.739), efficient (.547), intelligent (.669) and skilfulness (.735). Our second study (table 9) should highlight our findings from tables 7 and 8. Also here we can report that warmth related variables don't correlate over .5 among each other. Whereas the sub-dimensions related to competence show again a high correlation. The correlation matrix between the two constructs of warmth and competence based on the whole sample (N 2434) is reported in the appendix 2. There is no correlation above .5 between the sub-dimensions of warmth and competence.

4. Results

In order to answer the following research question: "Do social business ventures subscribing to different legal forms differ in their expression of warmth and competence?", we had to conduct further analysis based on our two samples. We observe from this large dataset that the scores on warmth and competence are not uniform among the firm narratives of various social ventures. In fact the standard deviation of the competence construct was 15.73 (M = 21.70) and that of warmth was 6.40 (M = 8.68). This supported our idea of performing a variance based study using this sample. As a small beginning we made two sub-datasets of firm narratives from hybrid (n = 99) and non-profit (n = 99) social ventures. Since the ventures came from all over the world and since there are uniform laws on the legal form, we were not able to ascertain the legal form of many ventures. In order to evaluate mean differences between the two samples we conducted a one-way analysis of variances (ANOVA) test (table 9). A parametric test assumes that the data fit a normal distribution. If data does not fulfil this assumption the chance of false positive results increases. ANOVA is less likely to be affected by the violation of this assumption, because it is less sensitive to deviations from normality. However, the histogram of our data indicates a normal distribution. Our ANOVA table shows that there are no significant differences in mean values between the two samples except for three sub-dimensions. Statistically speaking, non-profit social ventures show a significantly higher use of words related to the dimensions, efficient

(F(1, 98) = 5.351, $p<$ .05), intelligence (F(1, 98) = 4.010, $p<$ .05) and kindness (F(1, 98) = 6.127, $p<$ .05). We observe that non-profits and hybrids don't differ in the way the express themselves for the following competence sub-dimensions: capability, competence, competitive, effectiveness and skilfulness. Also, we can report that there is no significant difference for the following warmth related sub-dimensions: generosity, helpful, honesty, sincerity, thoughtfulness and trustworthiness. As a robustness check, we controlled for the word count of each firm narrative and repeated our ANOVA test. As a result the earlier stated differences in terms of efficient, intelligence and kindness disappeared.

Table 9 ANOVA Comparisons of Hybrid and Non-Profit Organizations on Stereotype Content Model Dimensions

	Non Profit Profiles (*M*) (N 99)	Hybrid Profiles (*M*) (N 99)	*F*
Comp_Capability	6.55	5.84	.974
Comp_Competence	7.62	5.96	3.323
Comp_Competitive	1.21	1.11	.097
Comp_Confidence	.42	.58	2.264
Comp_Effectiveness	3.77	3.34	.547
Comp_Efficient	4.31	3.14	5.351[*]
Comp_Intelligence	2.57	1.64	4.010[*]
Comp_Skilfulness	3.98	3.58	.516
Warm_Generosity	1.06	1.48	1.317
Warm_Helpful	2.01	1.69	1.121
Warmth_Honesty	1.49	.84	1.468
Warm_Kindness	6.28	4.79	6.127[*]
Warm_Sincerity	.07	.04	.861
Warm_Thoughtfulness	.46	.42	.143
Warm_Trustworthiness	.25	.14	2.040
Comp_Unidimensional	30.42	25.18	2.784
Warm_Unidimensional	11.64	9.40	3.633

[*] $p < .05$.
[**] $p < .01$.

5. Discussion

From our literature review of social psychology we showed that stakeholders form *blank judgments* instinctively about non-profit and for-profit firms. Also we found empirical proof that the firm stereotypes can have an effect on the performance of firms (Aaker et al., 2010). From the review of social entrepreneurship literature, we found that the choice of the legal form has implications for stakeholder perceptions on a venture's intent and purpose. We apply the Stereotype Content Model to better our understanding of social judgments made on social ventures. Based on this we formulated two research questions. The first research question asks if firm narratives contain within themselves signals regarding warmth and competence. To analyze this we first built a dictionary of terms that would capture the constructs of warmth and competence. Following the guidelines on dictionary building (Short et al., 2010) we assessed the external validity, reliability and dimensionality theoretical constructs. From the results of the t tests reported above, we were able to ensure that all the sub-dimensions of the constructs, warmth and competence, were represented in the sample text of our interest, firm narratives from Ashoka foundation. We can thus establish that firm narratives do signal warmth and competence. This answers our first research question. The second research question posed if social ventures registered under different legal forms differed in their expression of the stated constructs. We used the dictionaries developed in the previous step to

test this with the help of computer-aided-text analysis. From the results of ANOVA, we found that the firm narratives between social ventures that are registered as non-profits and hybrids did differ in some aspects. In the expression of words related to intelligence, efficiency and kindness there was a significant difference between them.

5.1 Implications for Theory and Practice

One of the main contributions of this thesis is the development of a dictionary. This has many uses. First, it can be used on large sample sets of text data to perform content analysis through CATA. This type of analysis is proven to be much more reliable than human coders (Short et al., 2010). This method has been increasingly used in the research fields of entrepreneurship (Short et al., 2010), social entrepreneurship (Moss et al., 2014; Allison et al., 2013), family business (McKenny et al., 2011), and organizational studies (Payne et al., 2011). We contribute to this line of literature from a methodological point of view. High construct validity ensures transferability of the dictionaries and this means that it can be used in other disciplines outside social entrepreneurship where we developed it.

The choice of legal form is an important point of discussion in social entrepreneurship. Previous lack of separate legal form for social ventures and it consequences has been pointed out (Nicholls, 2009). But governmental institutions around the world have introduced new legal forms. Very few studies have been conducted on this issue and the existing studies have been conceptual (Townsend & Hart., 2008). We have shown empirically that in the case of ventures that are performing well and are established, there is very little difference in terms of expression of warmth and competence. Thus we can argue that consequences of choosing a legal form can be mitigated by the use of the right firm narratives.

Problems related to choice of legal form are not only of legal nature. Simultaneously problems derive from unobservable stakeholders' perceptions of warmth and competence (Cuddy et al., 2008; Aaker et al., 2010). Firms' true intentions and competence are of various stakeholders' interest. Different emotions and behavioural patterns follow from warmth and competence judgments (Cuddy et al., 2008). Some might think, that non-profit organizations are not capable of creating a sustainable business because they lack competence. Whereas, others perceive for-profit social businesses as greedy, mainly interested in increasing founder's wealth rather than doing good. However, accessing more company-related information can influence firm decision-makers. Many other studies have showed, that social ventures are judged, on the organizational-level, based on their published narratives (Short et al., 2009; Moss et al., 2010). In the past researchers have measured perceptions of warmth and competence using survey based instruments (Rosenberg, 1968; Fiske et al., 2002) in which the subjects rated social subgroups or firms (Aaker et al., 2010). This method of data collection is susceptible to sampling issues, missing or invalid data and other types of response biases (Creswell, 2014). Furthermore, it is a measure of the constructs from the eyes of the audience. The dictionaries we have developed compliment this by offering a way to assess the intrinsic expression of warmth and competence. This way it is now possible to compare the perception of the audience with the information provided by the firms especially since we know that the audience react differently based on information provided (Aaker et al., 2010).

Social entrepreneurship is a developing research field. Scholars have called for the application of new theoretical perspectives from other established disciplines to study the phenomenon (Dacin, Dacin & Matear, 2010). We answer to this call by taking insights from social psychology namely, the stereotype content model, to study social ventures. Furthermore, there have been calls to perform large scale quantitative studies since the earlier studies within social entrepreneurship have been largely case study based (Austin et al., 2006; Short et al., 2009). The introduction of CATA is a good solution to this problem. Using the dictionaries that we developed, we were not only able to analyze the texts of 198 social ventures but we were also able to check the validity of our construct using a large dataset of 2434 firm narratives from the foundation. Within social entrepreneurship studies that apply content analysis on various kinds of organizational narratives in form of text such as mission statements, loan applications (Allison et al., 2013) are on the rise in recent years. Researchers have shown that entrepreneurial orientation of social ventures, measured using dictionaries, can affect who receives funding from online microlending platforms (Allison et al., 2013). These studies have provided empirical proof that attention must be paid to the way the narratives are written to differentiate themselves to get funding. Our study adds to this literature by providing an additional set of theoretical constructs from social psychology. In doing this, we have brought together signaling theory and stereotype content model. To the best of our knowledge this has not been done before. Our solution provides a complementary perspective to organizational legitimacy theory which has been widely used to study audience perceptions (Nicholls, 2009; Suchman, 1995).

Firm stereotyping based on legal form is an issue being tackled by management researchers currently (Aaker et al., 2010). Some crucial business related tasks such as sales-based revenue, venture philanthropy investments need a for-profit orientation. Registering as for-profit or expanding from a non-profit to a hybrid can send the right signals to customers and funders. But previous empirical evidence in this regard is not always positive. Gras and Mendoza-Abarca (2014) found that when the earned revenues of non-profits go beyond 50% of total revenue, the chances of survival decrease to a considerable extent. When the earned revenue size increases some stakeholders are worried if the social venture is straying away from its original intent and purpose of serving a social mission (Dorado, 2006; Nicholls, 2009). Therefore, the debate on intent and purpose of social ventures and their ways of operation are constantly under examination. We have provided a way to view this problem from the angle of stereotype content model which gives researchers a new way to assesses the social ventures and their perceived intent with the use of text analysis of firm narratives.

For practitioners, first of all, some firms due to the geographical location also are limited in their legal choice but at the same time have to assemble the necessary resources. The appropriate use of firm narratives can send the right signals to the stakeholders. This can allow non-profits to beat the stigma of being perceived as just warm and for-profits of being seen as inconsiderate. The results of our study would help in the construction of appropriate firm narratives that signal competence as well as warmth. On the other hand, investors can also use the dictionaries to make assessments on the orientation of the narratives of not just social ventures but also other entrepreneurial or established companies. Governmental regulators can use the dictionaries to assess the orientation of companies applying for a separate legal form such as benefit corporation or the community interest corporation. Legal form choice can be a practical decision made by the social entrepreneur depending on many factors such as the industry sector, country of operations, local laws etc. Based on our results, we can inform that no matter what legal form is opted, it is best to present a positive firm

narrative in which both competence and warmth are emphasized. The fact that all the Ashoka participants are high performers supports this idea.

5.2 Limitations

Like any other research our study also faces limitations. We were able to draw conclusions on how non-profit and hybrid social ventures express themselves, but we don't show how they truly behave (c.f. Aaker et al., 2010). The analysis conducted is limited to organizational self-expression from which we draw back conclusions on stakeholder perceptions. Our study is primarily based on literature review and word counts/ frequencies. We have not included the context and we also don't offer a rich understanding for instance through qualitative coding. Nevertheless, computer-aided text analysis seemed to be the most effective tool to examine a broad range of narratives available on the Ashoka Fellowship website (Moss et al., 2010; Short et al., 2009). Our sampling method sets the limit of generalizability, because findings might not count for firm narratives represented on other social venture communities other than Ashoka. By virtue of choosing firm narratives from Ashoka we included only those social ventures that are already successful. Therefore, we cannot make any claims about the SCM dimensions on differential firm performance. Another limitation derives from computer-aided text analysis itself as a chosen method. Literature has not indicated how to treat significant word count differences of a sample. Conducting further research as elaborated in the following section can mitigate some of the shortcomings of this study.

5.3 Future Research

Two important questions arose at the completion of our study which we think can be followed up by future research. Do audience perceptions of warmth and competence judgments correlate with firm signals of the same constructs? This can be empirically tested. Does the expression of competence and warmth matter to firm performance? Based on these questions we have the following suggestions for future research. One of the first things that we could perform now is a comparison study between audience perception through survey methods and firm signals via dictionaries. Then we can explore if there are any differences. Provided there would be any differences then we can test if the differences can be connected to variables that relate to firm performance. Second, since we compared only those ventures that are successful, future studies can compare the expression of competence and warmth and see if these factors can be related to firm performance. Thirdly, data expansion is a promising direction. Future research could try to increase generalizability by examining narratives represented by other social venture communities than Ashoka. There are alternative foundations and affiliates available such as Skoll, Schwab and the Aspen Institute (Dacin et al., 2011). Fourth, we would suggest putting more effort into assessing who actually writes the firm narratives. It would be interesting to distinguish between social venture's self-expression and a third party creating narratives of social ventures. Our study could be extended by the examination of extra-organizational firm narratives. These could be narratives available on websites, self-made brochures, annual reports and other. By that, researchers are able to analyse the consistency of firm self-expression. Furthermore, we suggest to conduct studies related to actual behaviour and relationship between firms and stakeholders. Theoretically we have indicated how perception can influence emotions and behaviour, but due to time limitations we were not able to examine the relationship between expression and stakeholder reactions, such as investments, sales, and funds.

6. Conclusion

People make judgments about firms in same way as they might judge individuals and groups. The stereotype content model from social psychology presents two fundamental dimensions of warmth and competence to study social judgments. We applied this to the discipline of social entrepreneurship to check if the ventures themselves signal warmth and competence via firm narratives. On many occasions, social judgments are made on firms based on their legal form. The legal form could be an indicator for many opportunities but at the same time places several constraints on the firms. Past research is largely prescriptive on what legal form should be chosen if firms were to communicate their true intent. This has led to largely a positive perception on for-profit form in comparison to non-profits. We challenge this notion using the dictionary we developed for checking the frequencies of words that signal warmth and competence dimensions. Thus we were able to investigate if there is any difference between social business ventures registered under two different legal forms. Our study illustrates, that successful non-profit and hybrid ventures use almost the same way of self-expression. Future research could be performed using the dictionaries we have developed to examine if the differences in self-expression and perceptions based on warmth and competence in firm narratives can affect firm performance.

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