

SOCIAL ENTERPRISES' DILEMMA: NAVIGATING TENSIONS THROUGH AND BECAUSE OF STAKEHOLDER ENGAGEMENT

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Introdução

Social enterprises face unique challenges balancing financial sustainability with social impact (Battilana, 2018). Tensions can emerge from divergent stakeholders' demands when these organizations work to solve social and environmental problems using market mechanisms. In this context, stakeholder theory has been applied to understand how social enterprises navigate tensions, and stakeholder engagement can be an important tool to manage tensions in social enterprises.

Problema de Pesquisa e Objetivo

Despite recognition that stakeholder engagement can help manage tensions in social enterprises, empirical understanding of this relationship remains limited. Research gaps exist regarding how social enterprises overcome tensions through stakeholder interactions and how engagement activities specifically help navigate these challenges. Our research question addresses: How and why is stakeholder engagement associated with tensions in social enterprises?

Fundamentação Teórica

Social enterprises experience tensions from diverging stakeholder demands regarding financial results and social impact (Battilana, 2018). Stakeholder theory provides a framework for understanding how different groups contribute to tension emergence and can be engaged to address these challenges (Gigliotti & Runfola, 2022). Stakeholder engagement operates at informational, responsive, and involvement levels (Stocker et al., 2019), serving as a potential management tool for navigating stakeholder demands.

Metodologia

Single case study using constructivist epistemology, analyzing Central da Visão, a Brazilian social enterprise providing affordable ophthalmological treatments. Data collection included secondary data, mystery shopping, and 17 in-depth interviews with shareholders, employees, physicians, investors, and clients. Analysis employed inductive and deductive content analysis using Gioia methodology, resulting in 20 first-order categories grouped into eight second-order categories.

Análise dos Resultados

Five tensions were identified, grouped into "How to Grow" (future-focused) and "How to Manage" (present-focused) categories. Stakeholder engagement operates through three mechanisms (content, format, interdependency) with two primary aims. The relationship between engagement and tensions is paradoxical: engagement both mitigates tensions through expectation alignment and creates new tensions when serving marginalized stakeholders requires additional investment.

Conclusão

Stakeholder engagement has a complex, multi-directional relationship with tensions in social enterprises. Before using engagement to mitigate tensions, organizations must define boundaries between social impact and financial results and identify value-aligned stakeholders. The study reveals that engaging marginalized stakeholders can paradoxically create tensions, highlighting the need for appropriate management approaches.

Contribuição / Impacto

Eight theoretical propositions advance understanding of stakeholder engagement-tension relationships. The study identifies involuntary demands from marginalized stakeholders and establishes stakeholder engagement mechanisms. Managerial contributions inform decision-making for social enterprise managers, potentially strengthening partnerships. Social contributions may encourage government actions fostering social entrepreneurship relevant for Sustainable Development Goals.

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