GENERATION IMPACT: STUDENT PREFERENCES TO START SOCIAL OR TRADITIONAL VENTURES

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ACADEMIC ABSTRACT

This paper introduces a classification scheme of reasons for preferring social versus traditional entrepreneurship. Our research uncovers significant drivers of social and traditional start-up entrepreneurship and contributes on two levels. First, we offer empirical evidence that the two types of entrepreneurship are clearly differentiated by motivation to act. Second, we initiate a discourse on social entrepreneurship education and suggest that entrepreneurship education, in general, is disconnected from the current student generation’s need for making a social impact, acting according to personal values, and balancing social and economic aspects of business.

EXECUTIVE SUMMARY

This paper introduces a classification scheme of reasons why business school students prefer participating in social versus traditional ventures. Following a methodology used by Kolvereid (1996) to identify reasons for becoming organizational or self-employed, our research uncovers the significant drivers of social or traditional start-up entrepreneurship. The classification scheme clearly differentiates between students with the preference for becoming traditional or social entrepreneurs. Prospective social entrepreneurs are motivated by reasons that fall into three broad categories: (1) desire to make impact, (2) alignment with personal values and interests, and (3) aspirations to balance social and economic aspects. Prospective traditional entrepreneurs are also motivated by personal values and interests but tend also to emphasize monetary outcomes, opportunity and feasibility.

We discuss and interpret our findings with regard to pedagogical implications and in the light of generations literature. We chose the generational context since we believe that the identified reasons correspond to the values, attitudes, and beliefs commonly shared by “Generation Y.” According to our findings, the characteristics usually ascribed to Generation Y are closely associated with our conceptualization of a “Generation Impact.” The difference between the generations literature and our own work is that the former does not delve into reasons, preferences, and intentions for starting ventures.

Our research makes contributions on two levels. First, we offer empirical evidence that social entrepreneurship and traditional entrepreneurship are clearly differentiated by motivation to act and provide a classification scheme depicting drivers of students’ entrepreneurial preferences. Second, we initiate a discourse on social entrepreneurship education. We suggest that entrepreneurship education, in general, is disconnected from the current student generation’s need for making an impact on the world, acting according to their personal values and interests, and balancing social and economic aspects. Based on our results, we develop suggestions as to the what and how of social entrepreneurship education.

INTRODUCTION

Social problems are often perceived as the domain of government. But when government fails to adequately intervene and solve some of our most pressing social dilemmas, people turn to the
private sector. Soon the private sector stands at attention, offers creative solutions and business models to generate not only social value as the problem is attacked but also economic value as new business activity impacts job and wealth creation. This is the new form of entrepreneurship that is so aptly named social entrepreneurship. It draws attention from all parts of the globe, has garnered the attention of the Nobel peace prize committee, and is the main theme for a growing number of books and articles in both the academic and the popular press. The social entrepreneur is emerging as a new hero—an enlightened problem solver and warrior carrying the weight of the world on his shoulders but with the strength and moral fiber to fight oppression, save the children, empower women, reduce poverty, and preserve the environment for future generations. This mythical side of social entrepreneurship is balanced by its reality: social entrepreneurship seeks to solve complex social problems that require new business models, new ways of thinking, new forms of collaboration, and a willingness to embrace social and economic impact concurrently. But let us be clear. Social entrepreneurship is not the other entrepreneurship nor is it the good entrepreneurship. Social entrepreneurship is, for the time being, the name of what the current generation of young entrepreneurs is aspiring to.

Institutions of higher education are taking note. In particular business schools are seeing a growing number of students interested in both social and environmental causes. Entrepreneurship programs around the world are building curricula to meet the needs of a new generation of students. We call this generation of students Generation Impact because impact is the prime mover for traditional and social entrepreneurship. Students with a strong desire to make an impact on the world are attracted to social entrepreneurship curricula because they want to create a business that balances social and economic value. Thus, a new educational imperative is emerging that will require business schools to rethink entrepreneurship education and its role in educating a new generation of problem solvers that create a new set of opportunities for a complex, crowded, and flat world. Before considering what we teach we must understand who we teach—a generation with the desire to leave their mark in a way that is different from previous generations. Therefore, we aim to identify and understand the main reasons students provide for their intention to follow an entrepreneurial path.

For the purpose of our research, social entrepreneurs are defined as founders who establish a venture on the premise to solve a social problem (Neck et al., 2009). This can include profit- and non-profit venture activities as long as the entrepreneur gives higher value to promoting social value while economic value creation is regarded as the necessary condition to ensure financial viability (Mair & Martí, 2006). Compared to traditional entrepreneurs, social entrepreneurs start with a different mission in mind: While traditional entrepreneurs create companies to achieve economic impact, social entrepreneurs create companies to solve social problems. This means that social entrepreneurs make a personal choice that mitigating a social or societal problem is more important to them than maximizing profits. Social entrepreneurs bring their own values into the economic sphere. While the traditional economic rationality is perceived as value free and purely economic (Ulrich, 2008), social entrepreneurs take their normative, ethical, and personal values and combine them with proven business principles.

Thus, we hypothesize that the reasons why people choose to become social entrepreneurs differ from the reasons why people choose to become traditional entrepreneurs. We seek to provide more insights into these differences by developing a classification scheme of reasons for
preferring a social versus a traditional entrepreneurial path. Our findings are placed in the context of generations research. In particular the work aspirations of Generation Y closely align with the social entrepreneurship aspiration of Generation Impact discussed in this paper. We next present a review of the literature on career choice and generations. We then discuss our research methodology and summarize results. Finally, we conclude with a discussion of implications for social entrepreneurship education in higher education.

**LITERATURE REVIEW**

Academic interest in social entrepreneurship has seen considerable growth in popularity, but there is little agreement on what social entrepreneurship is or who is a social entrepreneur (Mair & Martí, 2004; Austin & Stevenson, 2006). Social entrepreneurship for a period of time seemed to be the domain of nonprofit organizations (Dees, 1998) including government organizations catalyzing systemic change (Waddock & Post, 1991). But the seminal work of Mair and Martí (2006) suggests that the entrepreneurial process is fundamental to the identification of opportunities that seek to solve social problems regardless of profit orientation. As social entrepreneurship becomes more accepted as a method to not only create social value but also create economic value via profits (Neck et al., 2009), the nature of entrepreneurship education is likely to change because our students today have a different vision of entrepreneurship and, in general, their career. Social entrepreneurs are assuming an important role in addressing societal problems and business schools should therefore support this development (Tracey & Philipps, 2007, p. 270).

We begin with relevant literature as it relates to studies about career choice reasons for pursuing an entrepreneurial career and generational literature analyzing the values, attitudes, and expectations of today’s student generation towards their (work) lives.

**Career Choice and Reasons to Start a Company**

Relevant reasons for the formation of a company have been analyzed by various researchers. Scheinberg and MacMillan identified six different factors leading to the founding of a new company: (1) need for approval, (2) perceived instrumentality of wealth, (3) degree of communitarianism, (4) need for personal development, (5) need for independence, and (6) need for escape (Scheinberg & MacMillan, 1988). Two studies (Cooper et al., 1989; Reynolds & Miller, 1988) reviewed the literature and summarized a more parsimonious view of factors contributing to the choice of starting a new venture. They showed that the various reasons identified by researchers could be reduced to three factors: (1) challenge, (2) wealth, and (3) autonomy. Furthermore, it was shown that groups of entrepreneurs could be identified based on their goals when they started the company, namely “independents” and “organization builders” (Woo et al., 1991). Another empirical study which was presented by Brenner, Pringle, and Greenhaus (1991) found that business college graduates perceive operating one’s own business in a positive light since they enjoyed such outcomes as a feeling of accomplishment, intellectual stimulation, advancement, and independent and creative work.

While the aforementioned studies analyzed the reasons for becoming self-employed Kolvereid (1996) captured the differentiating reasons for preferring self-employment versus organizational
employment. Based on an analysis of career choice intentions of business school students he developed a scheme of reasons for preferring self-employment versus organizational employment. The classification scheme consists of 11 classes of reasons: (1) security, (2) social environment, (3) work load, (4) avoid responsibility, and (5) career were reasons usually provided for preferring organizational employment. For those respondents preferring self-employment Kolvereid found the following: (6) economic opportunity, (7) authority, (8) autonomy, (9) challenge, (10) self-realization, and (11) participation in the whole process (i.e., following a task from a to z). Kolvereid used an open-ended research process to develop an exhaustive and empirically based classification scheme which was capable of distinguishing between students who prefer self-employment and students who prefer organizational employment. We followed a similar methodology that will be discussed later.

Generations Research

Career choices are influenced through values, expectations, and attitudes which are not only shaped by individual experiences but also through socialization processes and experiences shared by people belonging to one generation. We know from generations research that those currently living are split into four different generations: Matures (1909-1945), Baby Boomers (1946-1964), Generation X (1965-1979), and Generation Y, the latest generation also known as “Millennials” or “Echo Boomers” (Pekala, 2001). The majority of students presently enrolled as bachelor or master students belong to Generation Y, were born between 1977 and 1994 (Noble et al., 2009), and are now between 15 and 32 years old.

Our review of the generations literature helped us to identify work related attitudes, expectations, values or entrepreneurial ambitions which are typical of Generation Y. Also, we tried to determine what sets Generation Y apart from Generation X, the preceding generation. While most of the generations literature is concerned with marketing (e.g., identifying consumer patterns) or management issues (e.g., understanding today’s generations for intergenerational management) the literature, nevertheless, provides valuable insights regarding potential attitudes and intentions for entrepreneurship as a career choice.

Generation X is already more inclined to entrepreneurship than prior generations (Pekala, 2001, Miniter, 1997). Before they reached adolescence the members of Generation X already experienced difficult situations. They were socialized as latchkey kids and were thus forced to become more independent at a very early age. Also, they saw how the companies of their parents were downsized (Eisner, 2005). Holding a job position was no longer a guarantee for having a lifetime workplace and big corporations partly lost their attraction as potential lifelong and loyal employers. At the same time becoming an entrepreneur became a more attractive path. Members of the Generation X pioneered the free-agent workforce who believed that job security is for people who can keep their skills current and competitive (Eisner, 2005). Although members of Generation X were sometimes accused to be “slackers”, they became the most entrepreneurial group of all prior generations (Pekala, 2001). “Men and women born between 1961 and 1981 are starting business at younger ages and in greater number than their predecessors” (Miniter, 1997, p. 38).
Generation Xers possess a characteristics conducive for an entrepreneurial career: they are outcome-focused and actively seek specific and constructive feedback (Allen, 2004); they have a great desire for change, freedom, and room for personal growth (Francis-Smith, 2004). Also, they grew up when technology was rising and introduced at rapid rates (Eisner, 2005); and, as a result, are more technology savvy than prior generations.

Some of the characteristics attributed to Generation X are even truer for Generation Y. With the omnipresent 24/7 media world, Generation Y has witnessed and felt the impact of major social problems: the Columbine high school and Virginia Tech shootings, the 9/11 attacks on New York City, the war against terrorism, and global warming. Those characterized as Generation Y have also experienced more personal social stressors such as parental divorce or one-parent homes (Eisner, 2005). But Generation Y is not only passing Generation X in terms of what they have seen in a very early age but also in education and cultural diversity: Generation Y is the most educated and most technically literate generation (Eisner, 2005). And it is an ambitious generation. They have a need to succeed and are actively seeking intellectual challenge. They strive to make a difference, and measure their success on goals they have personally set for themselves. They are not motivated by making money but rather have a stronger desire for contributing to society (Allen, 2004). Generation Y strives to do meaningful work that betters the world and work with co-workers who share their values (Eisner, 2005). In terms of management or working styles they prefer immediate feedback, dislike slowness (Francis-Smith, 2004) and like interactivity (Martin & Tulgan, 2006). They are “optimistic and enthusiastic about the future” and are described as having “a solid work ethic and entrepreneurial bent” (Eisner, 2005, p. 9).

It is evident that the attitudes and typical characteristics of Generation Y are conducive for entrepreneurship, but there are several additional factors which might explain the growing interest in social entrepreneurship. Generation Y is the community service generation. Members have a strong sense of morality, are socially conscious and volunteer-minded (Eisner, 2005), and are more idealistic than Generation X (Baldonado & Spangenburg, 2009). Given the cultural diversity of the generation (Wolburg & Pokrywczynski, 2001), with a large percentage of people belonging to minorities (34%), it is the first generation which can be described as a “truly global generation” (Eisner, 2005, p. 6). The exposure to different cultures, attitudes, and ideologies has increased individuals’ tolerance towards diversity of values, beliefs, and lifestyles (Morton, 2002) and thus contribute to their increased interest in mitigating global scale problems. And they possess another important precondition for entrepreneurship: self-efficacy (Chenn et al., 1998). GenYers have been told and believe that they can reach anything they want (Martin & Tulgan, 2006).

If Generation X is characterized as entrepreneurial and results-driven, then Generation Y has the same zest for entrepreneurship plus the desire for results that are more meaningful on both a personal and societal level.

RESEARCH DESIGN

Research Objectives
We seek to identify and understand the primary reasons students provide for their intention to become social or traditional entrepreneurs. We aim to develop a classification scheme of reasons on which we can then develop recommendations for the design of social entrepreneurship programs which are relevant for the career choices of our students. Specifically, we address the following two research questions:

**Research Question 1:** What are the reasons why the current student generation prefers to pursue a career as a social or as a traditional entrepreneur?

**Research Question 2:** What do the results imply for the design of social entrepreneurship education programs?

**Measurement**

Kolvereid (1996) developed a classification scheme of reasons for preferring self-employment versus organizational employment and we follow a similar protocol. Instead of using self-employment and organizational employment as the two ends of the scale as Kolvereid did, we used social versus traditional entrepreneurship as the two career options. To measure intention we used a single-item, seven-point scale as suggested by Ajzen and Fishbein (1980) and applied by Kolvereid in his career choice analysis (1996). The question was phrased as follows:

**Question 1:** If you were to choose between becoming a “traditional” entrepreneur and becoming a “social” entrepreneur, what would you prefer? (1=Wwould prefer to become a traditional entrepreneur; 7=Wwould prefer to become a social entrepreneur)

To obtain reasons for the employment status choice intention stated in question 1, the following open-ended question followed:

**Question 2:** Regarding the previous question, what are the reasons for your preference of one path over the other? Please order your reasons from most important to least important.

To ensure that respondents had a comparable understanding of social entrepreneurship the cover page of the questionnaire showed the following definitions for traditional and social entrepreneurship:

Traditional and social entrepreneurs start with different missions in mind: While traditional entrepreneurs create companies to achieve economic impact, social entrepreneurs create companies to solve social problems. Even though traditional entrepreneurs can have a social market impact and even though social entrepreneurs can achieve economic goals, the opportunities they act upon differ: Traditional entrepreneurs identify and exploit opportunities based on their economic potential, while social entrepreneurs identify opportunities to solve social problems. Social entrepreneurs start both for-profit and not-for-profit ventures.

We believe that intentions are an appropriate way to capture career decisions since intentions have been identified as appropriate predictors of planned behavior, particularly if the behavior is
“rare, hard to observe, or involves unpredictable time lags” (Krueger et al., 2000, p. 411). All of these characteristics apply to entrepreneurship. To identify and to develop an opportunity for a social venture and to eventually start as an entrepreneur are clearly activities of planned behavior.

Sample

During the spring term of 2009 questionnaires were given to bachelor and master students of a business school highly ranked in entrepreneurship. To increase the likelihood to gain reasons for both types of entrepreneurship respondents were either enrolled in social (68% of the sample) or traditional entrepreneurship classes (32% of the sample). All entrepreneurship classes were electives; therefore, we assume that students have a predisposed interest in starting a venture at some point in their career.

To verify the representativeness of the sample we compared the total number of the students in the classes with the number of respondents. We also checked the representativeness concerning the respondents’ gender. TABLE 1 gives an overview over the sample’s representativeness. The table includes all 151 respondents who indicated their career choice intentions.

<table>
<thead>
<tr>
<th>Groups</th>
<th>Number of students in class</th>
<th>Number of respondents</th>
<th>Response rates</th>
<th>Number of females in class</th>
<th>Female students in sample</th>
<th>Response rate of females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social entrepreneurship classes</td>
<td>121</td>
<td>109</td>
<td>90%</td>
<td>37</td>
<td>33</td>
<td>89%</td>
</tr>
<tr>
<td>Traditional entrepreneurship classes</td>
<td>57</td>
<td>42</td>
<td>74%</td>
<td>25</td>
<td>16</td>
<td>64%</td>
</tr>
<tr>
<td>Sum</td>
<td>178</td>
<td>151</td>
<td>85%</td>
<td>62</td>
<td>49</td>
<td>79%</td>
</tr>
</tbody>
</table>

Of the 151 respondents 93 (61.2%) indicated a tendency towards social entrepreneurship. Forty students (26.3%) showed an inclination to traditional entrepreneurship and 18 (11.8%) of the answers showed indecisiveness, i.e. the respondent chose 4 on the scale. One or more career choice reasons were provided by 138 students. The average age of the respondents was 27 years (range 20–48).

Research Process

The 7-point Likert question (#1) allowed us to separate the group into those that preferred social entrepreneurship and those that preferred traditional entrepreneurship. Next, the open-ended question (#2) gave us a list of reasons the students provided for their respective choice. Since our aim was to find differentiating reasons for preferring one type of entrepreneurship respondents
who were indecisive in their preference (i.e., they chose the midpoint on the 7-point-scale) were excluded from the further procedure. Also, responses which did not talk about the underlying reasons for becoming a social or a traditional entrepreneur were excluded (e.g., would desire a combination of both but aim towards a social tilt). Our exclusion of unfit responses follows Kolvereid’s (1996) methodology.

The final list included 168 reasons provided by 112 different respondents. The reasons were inputted into a table. If respondents provided more than one reason each reason was placed in a separate line. If one statement or sentence contained more than one reason the statement was split and interpreted as two or more reasons. If the splitting would have made the statement difficult to interpret it was copied and the two different aspects were underlined respectively. For example, a student stated the following: “I think there is a growing trend towards businesses that are more socially responsible and it gives a stronger feeling of achievement.” Two different entries would be made on the spread sheet.

_**Entry 1:**_ I think there is a growing trend towards businesses that are more socially responsible and it gives a stronger feeling of achievement.

_**Entry 2:**_ I think there is a growing trend towards businesses that are more socially responsible and it gives a stronger feeling of achievement.

One of the authors and two independent raters were asked to sort the reasons into as many categories as they felt necessary for an adequate classification. The raters were asked to put each reason into one category only but could create as many categories as they thought necessary. To ensure the comparability of the method the raters were provided with a description of the procedure. All raters were professors in the business arena and were familiar with similar procedures. The raters built 5, 6, and 13 categories respectively. Some categories were very similar in their labeling and meaning. For example, two of the authors created classes comprising reasons about having an impact. The labels suggested by two authors were (1) impact on world and (2) societal/global impact respectively. These categories were comprised in a category labeled Impact.

The coding was consolidated and served as the basis for developing a first version of the classification scheme for preferring social versus traditional entrepreneurship. The criteria for the building of the categories were distinctiveness and comprehensiveness. Distinctiveness describes the “degree to which the classes consisted of distinctly different and mutually exclusive forms of responses” while comprehensiveness describes the degree to which the classes are “exhaustive and capable of capturing the entire range of the observed responses” (Terpstra & Olson, 1993, p. 12).

We analyzed differences and similarities across raters to identify the first version of the coding scheme, which was comprised of the following ten categories: (1) balance social and economic aspects, (2) market feasibility, (3) personal feasibility, (4) impact, (5) monetary outcome, (6) opportunity, (7) personal values and interests, (8) philanthropy, (9) social network, and (10) success.
The reasons and the classification scheme including short definitions and examples of reasons were then separately given to three new raters to assess the reliability of the classification scheme. The average inter-rater reliability was 54% which was not sufficient to maintain the integrity of the data. Therefore the two authors analyzed the causes for disagreement, refined the categorization scheme and had again three new raters sort using the same data and directions provided to the previous three raters. The reliability rate increased to 72%.

Following Kolvereid's (1996) open-ended approach allowed us to capture the most conclusive list of reasons to engage in social entrepreneurial activity. Without the open-ended nature of the study, we would have had to include predetermined categories for preferring social versus traditional entrepreneurship with the likelihood that we would not capture all relevant reasons.

RESULTS

The final coding scheme consisted of seven categories of reasons. The reasons along with descriptions and examples are depicted in TABLE 2.

TABLE 2: Categorization Scheme

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Impact</td>
<td>Believe that your entrepreneurial actions will have an impact on people, the society, or the world.</td>
<td>contribute to society, provide value to society, have an effect on others, make a difference, solve problems</td>
</tr>
<tr>
<td>(2) Personal values and interests</td>
<td>Believe that with your entrepreneurial actions you can act according to your personal values, motives, passions, and interests.</td>
<td>reach personal fulfillment, feel good about own actions, be passionate about something, motivation</td>
</tr>
<tr>
<td>(3) Balance social and economic aspects</td>
<td>Believe that with your entrepreneurial actions you can balance social and economic aspects.</td>
<td>possible to make money while contributing to society, triple bottom line, doing well by doing good</td>
</tr>
<tr>
<td>(4) Opportunity</td>
<td>Believes about opportunities in social or traditional entrepreneurship.</td>
<td>existing opportunities, problems which need to be solved, growth opportunities</td>
</tr>
<tr>
<td>(5) Philanthropy</td>
<td>Believe that your entrepreneurial actions help you to give back to society.</td>
<td>give back to society, first earn money and then give back, donate money</td>
</tr>
<tr>
<td>(6) Monetary outcome</td>
<td>Believe about the monetary outcomes of your personal behavior.</td>
<td>make money, get rich, make a living</td>
</tr>
<tr>
<td>(7) Feasibility</td>
<td>Believes about the personal or the market feasibility of conducting the entrepreneurial behavior.</td>
<td>market feasibility: barriers to enter, market rules/personal feasibility: necessary skills, knowledge, know-how</td>
</tr>
</tbody>
</table>
A cross-table including the tendency (social; traditional) and the classes of reasons (e.g., impact, personal values and interests) was used to calculate the actual counts and the expected counts (see TABLE 3). A Chi-square test was used to see whether the reasons distinguish between students who tend towards social and traditional entrepreneurship. The results clearly indicate that this is the case (Chi-square: 38.777; p<0.000).

The reasons typically mentioned by persons who preferred social entrepreneurship were: (1) impact, (2) personal values and interests, and (3) balance social and economic aspects. Reasons typically mentioned by students who tend towards traditional entrepreneurship were (2) personal values and interests, (6) monetary outcome, (4) opportunity, and (7) feasibility. Except for category #2 (i.e., personal values and interests), which was mentioned by both groups, the categories were clearly preferred by either of the two groups (i.e., that the number of counts is higher than the expected count), thus indicating that the categories are each distinct and comprehensive.

### TABLE 3: Results of Cross-table

<table>
<thead>
<tr>
<th>Tendency</th>
<th>Count</th>
<th>Expected count</th>
<th>% within tendency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tendency</td>
<td>social</td>
<td>traditional</td>
<td>Total</td>
</tr>
<tr>
<td>(1) Impact</td>
<td>55</td>
<td>46.1</td>
<td>40.4%</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>10.9</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>57.0</td>
<td>33.9%</td>
<td></td>
</tr>
<tr>
<td>(2) Personal values and interests</td>
<td>31</td>
<td>30.8</td>
<td>22.8%</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>7.2</td>
<td>21.9%</td>
</tr>
<tr>
<td></td>
<td>38.0</td>
<td>22.6%</td>
<td></td>
</tr>
<tr>
<td>(3) Balance social &amp; economic aspects</td>
<td>23</td>
<td>20.2</td>
<td>16.9%</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.8</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>25.0</td>
<td>14.9%</td>
<td></td>
</tr>
<tr>
<td>(4) Opportunity</td>
<td>12</td>
<td>14.6</td>
<td>8.8%</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>3.4</td>
<td>18.8%</td>
</tr>
<tr>
<td></td>
<td>18.0</td>
<td>10.7%</td>
<td></td>
</tr>
<tr>
<td>(5) Philanthropy</td>
<td>7</td>
<td>8.1</td>
<td>5.1%</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>1.9</td>
<td>9.4%</td>
</tr>
<tr>
<td></td>
<td>10.0</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>(6) Monetary outcome</td>
<td>5</td>
<td>9.7</td>
<td>3.7%</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>2.3</td>
<td>21.9%</td>
</tr>
<tr>
<td></td>
<td>12.0</td>
<td>7.1%</td>
<td></td>
</tr>
<tr>
<td>(7) Feasibility</td>
<td>3</td>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>
The results indicate that some reasons are more important than others. 80% of the reasons mentioned by students with a tendency towards social entrepreneurship fall among the following three categories: (1) impact (40.5%), (2) personal values and interests (22.8%), and (3) balance social and economic aspects (16.9%). For traditional entrepreneurship 78% of the reasons fall among the following four categories: (2) personal values and interests (21.9%), (6) monetary outcome (21.9%), (4) opportunity (18.8%), and (7) feasibility (15.6%). A category which included reasons provided by students with a tendency towards both social and traditional entrepreneurship is (2) personal values and interests. Table 3 indicates that the number of counts and the number of expected counts are similar for both forms of entrepreneurship; therefore, the category personal values and interest, though prominent, is not a differentiating factor.

**DISCUSSION**

We sought to illuminate the possibility that social entrepreneurship education needs to be designed in such a way that the learning outcomes map to the values and attitudes of the students. Traditional entrepreneurship courses offer the foundational skill set for all entrepreneurial ventures regardless of type. This content does not require repetition in social entrepreneurship classes. Rather, social entrepreneurship classes should focus on the specific issues uncovered in our research such as social impact, aligning personal values and interests with the entrepreneurial behavior and balancing social and economic aspects of business. Ironically, or perhaps not, we do not necessarily teach these categories in entrepreneurship and management education.

In the following sections we focus on the four categories which were addressed most often by the respondents (i.e., impact, personal values and interests, balance social and economic aspects of business, and opportunity). We discuss each category with regard to generations research. Afterwards, we discuss the implications for pedagogy.

**Impact**

The Impact category included reasons reflecting the belief that entrepreneurial actions can have a significant impact on people, societies, or the world in general. Example statements from students echoed sentiments for a desire to help others, contribute to society, provide value to society, have an effect on others, make a difference, solve problems, create change, or leave one’s own mark. If we want to support our students to live up to these beliefs we need to provide them with an environment where they can learn how to be effective change makers. In terms of social entrepreneurship that means to learn how to convince other stakeholders (customers, communities, investors etc.) to support their efforts but also to develop business models for social ventures with the capability to lead to systemic change and have a large scale impact without the need for constant fundraising.
Generation Impact, we argue, is a subcategory of Generation Y. They are the new entrepreneurs seeking something more. What that “more” is needs further research but we do know that the need to make some type of impact can be fulfilled through social entrepreneurship. Research supports that this generation of college students are likely to make a global impact more than any other generation given their openness to diversity and their existing networks across the globe (Eisner, 2005; Morton 2002). The boundaries that have separated the world for millennia seem to be blurring for this generation of future entrepreneurs. Combined with the self-confidence to do everything (Martin & Tulgan, 2006) and the unwillingness to accept the slowness (Francis-Smith, 2004) of governments and bureaucracy to solve social problems they developed a need for being tomorrow’s change makers.

**Personal Values and Interests**

The Personal Values and Interests category comprises reasons reflecting the belief that with your entrepreneurial actions you can act according to your personal values, motives, passions, and interests. Statements included notions to feel good about own actions, be passionate about something, to follow a greater goal in life, to reach personal fulfillment, live a full life, and doing things that matter to you.

Students for both traditional and social entrepreneurship fell into this category thereby supporting Generation Y research that characterizes the generation as one with a greater sense of morality with increasing levels of being socially conscious while also being idealistic (Eisner, 2005; Baldonado & Spangenburg, 2009).

**Balance Social and Economic Aspects of Business**

The Balance category reflects beliefs that a social venture can and should generate social and economic value. Reasons categorized in this class include the possibility to make money while contributing to society, bring a more holistic approach to life, help people while making profits, looking at business in a systemic or holistic way, considering the triple bottom line, and doing well by doing good.

As a generation for which contributing to society is more important than making a lot of money (Allen, 2004), Generation Y might be the first generation to make active decisions about balancing social and economic outcomes for themselves and for their (future) companies. This balance, perhaps, is the greatest challenge facing our entrepreneurship students today. Given the idealistic generation of students we are teaching it is logical for them to have a strong desire to do good in the world while making a profit. The balance seems feasible in the nascent stage of entrepreneurship but as the venture starts and begins to grow it can be very difficult to hold on to the mission of doing good at any cost. Perhaps the greatest contribution the field of social entrepreneurship can make is to create effective pedagogy to teach students how to manage the balance with the same rigor as managing financial aspects.

**Opportunity**
The Opportunity category comprises beliefs about existing business opportunities. For example, the students mentioned existing opportunities, problems which need to be solved, or growth opportunities.

On the one hand, the fact that opportunities are mentioned by only 8.8% of the students with a preference for social entrepreneurship seems alarming considering that opportunity recognition is the prerequisite for any entrepreneurial engagement. On the other hand, maybe students do see opportunities but do not regard them as opportunities as a determining difference to traditional entrepreneurship. The global problems of the world often addressed through social entrepreneurs are often viewed as tragic, dark, infringing upon human rights, unfair, inhumane—just to name a few adjectives. The word “opportunity”, however, is often perceived as positive, capitalistic, or wealth-generating. Therefore using “opportunity” in the same sentence as “social entrepreneurship” may not be readily accepted in the mainstream. Opportunities may be reserved as part of the traditional entrepreneurship vernacular. Time and teaching are necessary in order to convince students and other educators that social entrepreneurship will only be a source of systemic global change if we can create opportunities to solve social problems in a way that creates both economic and social value.

CONCLUSIONS, PEDAGOGICAL IMPLICATIONS & THE SO WHAT FACTOR

Teaching social entrepreneurship is different from teaching traditional entrepreneurship. This is our simple conclusion. The complexity increases when we address the process and content sides of teaching social entrepreneurship.

TABLE 4 provides an overview of the What and How of social entrepreneurship education which have been derived from our findings. We highlight specific content that should be covered as well as alternative pedagogies for teaching the content.

<table>
<thead>
<tr>
<th>Class</th>
<th>Implications for social entrepreneurship education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact</td>
<td>Being an effective change manager</td>
</tr>
<tr>
<td>Content – What</td>
<td>- Experiential learning combined with coaching, e.g., start a new venture with a social component or mission</td>
</tr>
<tr>
<td>Pedagogy – How</td>
<td>- Shadowing of change makers</td>
</tr>
<tr>
<td></td>
<td>- Mentoring concepts</td>
</tr>
<tr>
<td></td>
<td>- Role models</td>
</tr>
<tr>
<td>Business modeling</td>
<td>- Analyze business models of successful and unsuccessful social ventures</td>
</tr>
<tr>
<td></td>
<td>- Co-creation of actual social ventures</td>
</tr>
<tr>
<td></td>
<td>- Business models with the power to induce systemic change</td>
</tr>
<tr>
<td></td>
<td>- Business models for effective</td>
</tr>
</tbody>
</table>
and scalable impact
- Ability to adjust business models in the cause of the start-up phase

- Implementation and adjustments of business models

Social causes / Opportunity recognition
- Overview of regional, national, and global challenges
- Process knowledge of how to acquire a thorough understanding of a social cause

- Invite experts of selected social causes
- Self-selected projects to thoroughly analyze a social cause, including interaction with the target group

Social value measures
- How to measure social impact

- Assign projects to measure the social impact of selected social ventures

Personal values and interests

Personal values
- Develop a system of personal values and norms
- Reflect upon ethical standards in business

- Classroom discussions about values and norm, e.g., with the help of case studies or guests
- Discussions with social and traditional entrepreneurs

Personal interests
- Find out about personal interests and how they could be transformed into an own venture

- Coaching
- Provide space for experimenting with different topics

Balance social and economic aspects

Business modeling
- How to design business models providing financial viability while contributing to society

- Analyze business models of successful and unsuccessful social ventures

Controlling
- Controlling systems helping to keep track of a triple bottom line, discuss standards for economic, ecological, and social account (e.g. UN standard)

- Analyses of annual reports/sustainability reports of social ventures
- Development of an own controlling system for a self-selected social venture

Opportunity

Enacting opportunities
- How to create opportunities to solve social problems while creating economic and social value

- Develop business models mitigating social causes

Becoming an effective change maker can be described as a social competence (in contrast to method, technical, or personal competence) which cannot be learned from a textbook alone. Entrepreneurship, in general, cannot be learned from a textbook because it is an applied
discipline where theory and practice collide. Over the past 30+ years entrepreneurship educators have made great strides to experiment with pedagogies that allow students to “do entrepreneurship” and many of the methods are not that different from those presented in Table 4. The question now becomes what pedagogical tools are needed to help students feel and experience social entrepreneurship. In some respect the changes will be minor. For example, a course that requires students to start a new venture as part of the course work may now require each venture to have a social component or a social mission. This seems easy on the surface but social entrepreneurship attacks very complicated problems. As a result the nuances of social entrepreneurship may not be captured using a similar pedagogy used, for example, to teach students how to open up the next t-shirt business, restaurant, ecommerce site, or record label. The portfolio of stakeholders increases in quantity when we seek to address large scale problems. It requires collaboration across many different types of people and entities and value, social or economic, must be generated for all stakeholders if systemic change is to occur.

Entrepreneurship education has always applauded experiential learning but falls short on the reflective component that is so important for long-term and sustained learning. Complementary phases of reflection and coaching could support the learning taken from experiential learning. Members of Generation Y are supposed to acknowledge and admire authority and to feel an affinity to Matures (Pekala, 2001) which means that shadowing social entrepreneurs, mentoring concept, or inviting role models might be appropriate methods to understand how change can be initiated and channeled.

So What?

Our research uncovers the significant drivers aligned with social and traditional start-up entrepreneurship and makes contributions on two levels. First, we offer empirical evidence that the two types of entrepreneurship are clearly differentiated by motivation to act. Second, we initiate a conversation on social entrepreneurship education and suggest that entrepreneurship education, in general, is disconnected from the current student generation’s need for making an impact, acting according to personal values, and balancing social and economic aspects.

The “So What” is that our research leads us to five learning outcomes necessary for social entrepreneurship education:

1) Students learn how to be effective change makers able to mitigate societal challenges.
2) Students demonstrate a deeper understanding of their personal values and how these can manifest in starting and running a new venture.
3) Students effectively measure and monitor social impact with the same rigor and discipline used to measure profit and economic impact.
4) Students create and shape business models that balance economic and social aspects concurrently.
5) Students understand the depth and root cause of social problems in order to make or find opportunities to solve, or contribute to the solution of, global social and environmental problems. Students recognize the importance of stakeholders in co-creating ventures to solve social problems.
The current generation of college students has grown up in a flat world which has increased their awareness of global challenges combined with opportunities to build a better future and the self-confidence to shape this future makes social entrepreneurship a viable career path for many. As educators it is not about our choice of what to teach but rather it is about our responsibility of how to teach in order for our students to develop a skill set to solve problems that will only increase in severity for future generations—generation Z and beyond. Our recommendations illustrates quite clearly that, if we take the reasoning of our students seriously, social entrepreneurship education has hardly anything to do with upfront teaching but a lot with experiential learning, discussion teaching, integration with liberal arts, and support for personal understanding and growth. Social entrepreneurship students have strong personal values that are driving them to desire a career path with significant social impact. Entrepreneurship educators must be willing to guide students to capture opportunities in new spaces, balance social and economic aspects of business, and create and measure impact personally and professionally.
REFERENCES


