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How Do Social Ventures Select New Customers and Contracts? Evaluation Criteria and the Role of Social Entrepreneurial Identity

Joern Block^a, Annette Blöcher^b, Patrick Nico Greß^c and Mirko Hirschmann^d

^aProfessur für Unternehmensführung, University of Trier, Trier, Germany; ; ^bDepartment of Management, Technische Hochschule Köln, Trier, Germany; ^cDepartment of Management, Technische Hochschule Köln and University of Trier, Trier, Germany; ^dInterdisciplinary Centre for Security, Reliability and Trust (SnT), University of Luxembourg, Esch-sur-Alzette, Luxembourg

ABSTRACT



To grow their business, social ventures in B2B and B2G contexts must frequently evaluate the attractiveness of new customers and contracts. But what criteria guide these evaluations, and how do they differ based on the social identity of the decision maker? We investigate this research question using a conjoint analysis comprising 888 decisions by 111 social entrepreneurs. Our results show that social impact and value alignment with the customer seem to matter more than financial impact and that social entrepreneurs' identities shape these criteria. Our study contributes to research on the evaluation of new customers and contracts by social ventures.

KEYWORDS

Social ventures; new customers; selection criteria; social identity; conjoint analysis

Introduction

Growth is a crucial challenge for social entrepreneurs (e.g. Hynes 2009; Teasdale, Lyon, and Baldock 2013). This is because social entrepreneurs often operate at the intersection of competing objectives, striving to balance financial performance with social impact (e.g. Dacin, Dacin, and Matear 2010; Kamaludin, Xavier, and Amin 2024). Therefore, the decision of which clients to serve and which contracts to pursue represents a pivotal strategic moment. These decisions require careful consideration of factors such as potential social impact, value alignment, and financial implications. While opportunity evaluation in social entrepreneurship has been extensively studied (e.g. Bacq and Alt 2018; Hockerts 2017; Urban 2020), the specific processes by which social entrepreneurs select customers and contracts remain largely unexplored, especially in the structured and high-stakes environments of B2B and B2G relationships.

CONTACT Joern Block  block@uni-trier.de  Professur für Unternehmensführung, University of Trier, Trier, Germany

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In these B2B and B2G settings, customer and contract selection is not solely driven by economic considerations; it also requires alignment with the venture's social mission (e.g. Kannothea et al. 2024; Vallaster et al. 2023). For instance, social entrepreneurs must often weigh the potential for scaling their impact against the risk of mission drift (e.g. Islam 2020a). These decisions, therefore, form an unique intersection of financial and social priorities, making them an especially important yet underexplored area of study. Understanding how social entrepreneurs navigate these choices provides an opportunity to advance the broader field of social entrepreneurial decision-making. This study seeks to answer a key question: *What criteria do social entrepreneurs use to select new customers and contracts?*

Additionally, the concept of entrepreneurial identity stirs intense debates and captures the attention of scholars nowadays, resulting in pivotal research on its influence on entrepreneurial behaviour (e.g. Fauchart and Gruber 2011; Pan, Gruber, and Binder 2019; Wry and York 2019). The pioneering work of Fauchart and Gruber (2011) on founder identity types has rekindled interest in the role of identity in shaping entrepreneurial decisions, leading to subsequent advancements such as Sieger et al.'s (2016) exploration of diverse pure and hybrid social identities. While substantial progress has been made in understanding entrepreneurial identity broadly, empirical research focused on the social identities of social entrepreneurs remains in its early stages (e.g. Alsos et al. 2019; Fauchart, Sieger, and Zellweger 2019). This gap is particularly significant given the distinct characteristics of social entrepreneurs compared to traditional entrepreneurs (e.g. Sastre-Castillo, Peris-Ortiz, and Danvila-Del Valle 2015; Smith, Bell, and Watts 2014). Exploring how social identities influence strategic decision-making therefore offers an essential avenue for advancing the field.

Existing literature indicates that social identities influence entrepreneurs' decision-making processes (e.g. Brändle, Golla, and Kuckertz 2019; Obschonka et al. 2012). Building on this, prior research has examined opportunity evaluation among social entrepreneurs, identifying their social identities and exploring the characteristics of their decision-making in specific contexts (e.g. Muñoz, Cacciotti, and Ucbasaran 2020; Rosca, Agarwal, and Brem 2020). However, how these identities shape the selection of clients and contracts remain unclear. This question is especially relevant in B2B and B2G contexts, where decision-making stakes and dynamics differ significantly from those in B2C environments (e.g. Vallaster et al. 2023). By addressing this gap, our study aims to provide novel insights into the interplay between social entrepreneurial identity and strategic priorities, specifically in the context of customer and contract selection. We hypothesise that these decisions are influenced by entrepreneurs' distinct social identities, which can be categorised into pure and hybrid identity types (e.g. Fauchart and Gruber 2011; Sieger et al. 2016). This leads us to two further research questions: *How are social entrepreneurs categorised across different pure and hybrid identities, and how do these identities influence their decision-making criteria for selecting new customers and contracts?*

To explore our research questions, we employ a multi-method approach, investigating social entrepreneurs from Germany. Initially, we conducted interviews with 15 social entrepreneurs to identify the key criteria they consider when assessing the appeal of new customers and contracts. Drawing on these insights and prior social

entrepreneurship literature, we pinpointed four main criteria for their decision-making process: social impact, financial impact, workload, and value alignment. Leveraging these established criteria, we crafted a metric conjoint experiment accompanied by a detailed survey, which was distributed to 158 social entrepreneurs. In the conjoint experiment, the participants decided on the attractiveness of new customers and related contracts. The survey further inquired into the participants' social identities, adhering to recent conceptualizations (e.g. Fauchart and Gruber 2011; Sieger et al. 2016).

Our findings show the social impact as well as value alignment emerge as paramount in their selection processes, surpassing considerations of financial impact and workload. Regarding social entrepreneurs' identities, we find that they primarily identify as either purely Communitarian, purely Missionary, or a combination of both. Crucially, we discover that the selection process is significantly shaped by the social entrepreneurs' identities. Individuals with high Missionary identity place a greater emphasis on the social impact of new contracts, in contrast to those that have a strong Darwinian identity, hence addressing higher importance to the financial impact of a contract. Our results are robust when limiting our sample to founders.

We contribute to prior research in two ways. First, our study enhances the body of knowledge regarding the characteristics and selection processes of new customers and related contracts of social entrepreneurs from the B2B and B2G sectors (e.g. Kannothe et al. 2024; Vallaster et al. 2023). Thus, our research delves deeper into the nuances of selection processes within the domain of social entrepreneurship, providing a clearer depiction of how social entrepreneurs select new customers and contracts. This aspect of our study not only broadens the dialogue around the initial individuals' evaluations of social entrepreneurial opportunities, as discussed in works like those of Bacq and Alt (2018) and Hockerts (2017), but by demonstrating the importance of different decision criteria (i.e. social impact, value alignment, and financial impact) it also sheds new light on the scaling activities of social entrepreneurs, further contributing to the discussions initiated by Mayer and Scheck (2018) and Smith, Kistruck, and Cannatelli (2016).

Second, we offer new insights on the role of social identity in the work of social entrepreneurs. While Smith, Bell, and Watts (2014) investigate the personality traits of social entrepreneurs, and subsequent studies have illuminated their differences from traditional entrepreneurs (e.g. Muñoz, Cacciotti, and Ucbasaran 2020; Parhankangas and Renko 2017; Pieniazek, Unsworth, and Dean 2024), we offer new perspectives on how the social identities of social entrepreneurs influence their behaviour. Thereby, our research contributes to the evolving discourse on social identity typologies as initially proposed by Fauchart and Gruber (2011). More precisely, our study sheds light on how these social identity types affect entrepreneurs' selection processes. Thus, we directly add to Brändle, Golla, and Kuckertz (2019), who illustrate how these types shape entrepreneurial orientation and complement the studies by Ko and Kim (2020) and Žur (2021), which apply the new social identity framework to study social entrepreneurs' identities. Finally, we expand upon the work of Sieger et al. (2016) by uncovering unique aspects of social entrepreneurs' social identity types when selecting new B2B and B2G customers and contracts.

Theoretical background and hypotheses

Decision-making by social entrepreneurs

Previous research explores the decision-making processes of social entrepreneurs from different perspectives. More specifically, there is a growing body of work on ethical decision-making. While Bacq, Hartog, and Hoogendoorn (2016) and Smith, Kistruck, and Cannatelli (2016) investigate this topic from a social entrepreneurial standpoint, this area is otherwise more concerned with ethical decision-making in traditional ventures (e.g. Frey 2000; Harrington 1997; Jones 1991). In addition, research began to explore how social entrepreneurs decide. Specifically, some studies explore how social entrepreneurs make effectual decisions (Rosca, Agarwal, and Brem 2020; Yusuf and Sloan, 2015). Rosca, Agarwal, and Brem (2020) examine female social entrepreneurs and show that they are highly prosocially motivated. Furthermore, relevant characteristics that influence social entrepreneurs' decision-making, among others, are their growth mindset, prosocial motivation, or their intrinsic and extrinsic needs (Douglas and Prentice 2019; Duncan-Horner, Farrelly, and Rogers 2022).

Furthermore, for social ventures, the ability to scale their existing offerings is of great importance and shapes their decision-making. Islam (2020b) and Perrini, Vurro, and Costanzo (2010) provide conceptual findings on how to define scaling decisions of social ventures. Also, this stream covers research on how they decide in resource mobilisation situations (e.g. Drencheva, Stephan, and Patterson 2022; Mayer and Scheck 2018) and how institutional framework conditions influence social entrepreneurs' scaling decisions (e.g. Scheuerle and Schmitz 2016). Next to institutional conditions, individual characteristics influence the scaling decisions of social entrepreneurs. Specifically, prior research suggests that moral beliefs as well as the desire for control are important factors in this regard (Smith, Kistruck, and Cannatelli 2016).

Recent studies have begun to explore decision-making specifics in B2B and B2G social ventures. For instance, research on work integration social enterprises (WISE) highlights the challenges of expanding into the circular economy within a B2B business model (Van Opstal et al. 2024). Similarly, Kannothea et al. (2024) examined market choices of B2B social ventures in emerging contexts, finding that these ventures often target domestic B2B customers with implicit social missions or international customers with explicit ones, with founder characteristics playing a key role. Most closely related to our approach, Vallaster et al. (2023) demonstrate that B2B relationships in social ventures are significantly influenced by the social identities of their founders, showing that specific identity styles increase the likelihood of engaging in such relationships and highlighting the relevance to explore these aspects in conjunction.

Besides these different perspectives of social entrepreneurs' decision behaviour, the selection processes of B2B and B2G social entrepreneurs when deciding for (new) customers and contracts have received less scientific attention. Therefore, in the following, we use elaborated prior findings to derive hypotheses on different criteria that might matter for social entrepreneurs when they select customers and contracts. Specifically, we hypothesise the importance of the social impact, value

alignment, and financial impact criteria for social entrepreneurs' selection processes. On the one hand, we choose these three important criteria in social entrepreneurs' decision making from a theoretical standpoint from the following reasons: (a) Social impact is central to social entrepreneurs' missions, as their primary goal is often to maximise societal benefit rather than profit (e.g. Dacin, Dacin, and Matear 2010), (b) value alignment is essential to avoid mission drift, particularly in long-term partnerships typical of B2B and B2G contexts (e.g. Ebrahim, Battilana, and Mair 2014), (c) Financial impact remains a pragmatic necessity, as even strongly socially driven ventures must maintain economic sustainability to survive and scale their impact (e.g. Hynes 2009). On the other hand, our openly guided interviews, which we conducted before designing the conjoint experiment verified the selection of these three main criteria (Section 'Expert interviews and conjoint experiment design').

Main hypotheses

Existing research indicates that the primary goal of social entrepreneurs is to achieve a social impact (e.g. André, Cho, and Laine 2018; Nason, Bacq, and Gra 2018). While there is no uniform definition of social entrepreneurship, there is broad consensus that social ventures and their respective entrepreneurs differ fundamentally from traditional entrepreneurs in this regard. For social ventures, integrating social welfare into their organisational core is not a secondary goal but a defining characteristic (e.g. Dacin, Dacin, and Matear 2010; Wry and York 2017). This prioritisation of social impact drives strategic decisions across the venture, including the selection of customers and contracts.

In B2B and B2G contexts, the stakes are particularly pronounced. Unlike B2C environments, where social ventures often interact directly with end-users, B2B and B2G social ventures typically form long-term partnerships with organisational clients, such as corporations or governmental entities (e.g. Kannothe et al. 2024). These partnerships often involve structured contracts with significant implications for the venture's ability to deliver social value. For example, a B2B social venture specialising in workforce integration for marginalised populations might prioritise contracts with corporate clients who demonstrate a strong commitment to inclusive hiring practices. Similarly, a B2G social venture focused on renewable energy might prioritise contracts with government agencies that align with their mission to combat climate change.

Choosing clients based on social impact in these settings is not without challenges. Contracts with high social impact may come with lower financial returns or higher operational complexity, particularly when working with public sector clients or mission-driven organisations. However, such decisions can strengthen the venture's reputation, build mission-aligned partnerships, and provide long-term opportunities for scaling impact. Conversely, engaging with clients whose practices conflict with the social venture's mission could result in reputational damage, mission drift, or weakened stakeholder trust – risks that are amplified in B2B and B2G contexts, where relationships are highly visible and have broader systemic implications. We argue that these aspects are prevalent for social entrepreneurs in B2B and B2G contexts and

that they therefore tend to place greater importance on new customers or high social impact contracts.

Consequently, we postulate the following hypothesis:

H1: Decision makers in social ventures will put a higher value on new customers and related contracts with a high versus low social impact.

Next, research demonstrates that social entrepreneurs often face ethical dilemmas when balancing competing objectives and remaining true to their core values and mission (e.g. Hota, Bhatt, and Qureshi 2023). For social ventures, core values serve as an essential guiding framework in navigating complex decisions, particularly in addressing global challenges and scaling their impact (e.g. Klein, Schneider, and Spieth 2021; Smith, Gonin, and Besharov 2013). In the context of B2B and B2G relationships, value alignment becomes even more critical, as these partnerships are typically long-term, highly visible, and can directly influence the venture's ability to uphold its mission. For instance, entering into a contract with a corporate client whose practices conflict with the venture's principles could lead to mission drift, reputational harm, and loss of overall stakeholder trust.

Value alignment is especially vital in the context of venture growth or when expanding into new markets, as scaling often involves forming partnerships with larger, more diverse organisations. While these partnerships can increase reach and resources, they also pose risks if the client's values deviate from those of the social venture. For example, a social venture focused on fair trade practices may prioritise customers committed to ethical supply chains, even if those contracts are less lucrative. By ensuring that clients share similar values, social entrepreneurs can safeguard the integrity of their mission while reinforcing their reputation and legitimacy within their ecosystem (e.g. Chen et al. 2021).

Thus, we hypothesise the following:

H2: Decision makers in social ventures will put a higher value on new customers and related contracts with a high versus low value alignment.

The acquisition of sufficient financial resources is crucial for all entrepreneurial endeavours, and social ventures are no exception to secure long-term survival (e.g. Bhattarai, Kwong, and Tasavori 2019; Staessens et al. 2019). In addition to pursuing the social mission and preserving values, building a financially sustainable business model is thus an important objective for social ventures (e.g. Block, Hirschmann, and Fisch 2021). Social entrepreneurs generally do not aim to enrich themselves but rather require sufficient financial resources to cover their expenses, pay salaries to their employees and suppliers, as well as overhead costs for office space, IT, etc. (e.g. Dacin, Dacin, and Matear 2010; Wry and York 2017). For these reasons, we believe that social entrepreneurs consider the financial impact carefully when deciding on new customers and contracts. Furthermore, in B2B and B2G contexts, financial impact plays a particularly significant role, as contracts in these settings often involve larger sums and greater operational demands. For instance, contracts with corporate clients that provide substantial financial returns can enhance the venture's capacity to invest in their social mission. Given these considerations, we argue that financial impact is a critical criterion for social entrepreneurs when evaluating potential customers and contracts.

Therefore, we propose the following hypothesis:

H3: Decision makers in social ventures will put a higher value on new customers and related contracts with a high versus low financial impact.

Social identity theory and social entrepreneurs' decision-making

Identity theory has its origins in social psychology, exploring the role of identities in the behaviour of people (e.g. Burke 1980; Gioia 1998; Tajfel and Turner 1986). Individuals strive to act in a manner consistent with their identity. According to identity theory, each individual possesses various identities derived from their membership in different groups and personal attributes. Each of these identities is associated with specific expectations, behaviours, and values, influencing how a person behaves in diverse contexts. Identity is not solely determined by biological factors such as age and gender but is also shaped by social factors like group affiliations and the roles played in various contexts (business, family, sports clubs etc.) (e.g. Gruber and MacMillan 2017; Stets and Burke 2000). Consequently, identity theory also provides a theoretical link between the entrepreneur's personality and his or her behaviour (e.g. Gruber and MacMillan 2017; Tajfel and Turner 1986).

Different perspectives on identity have been explored by prior entrepreneurship research (for comprehensive reviews see Mmbaga et al. (2020) or Radu-Lefebvre et al. (2021)). First, 'Role identity' focuses on a person's role-based relationships. For example, an entrepreneur can take on the role of a founder, an inventor, or a business developer (Cardon et al. 2013). Multiple studies applied role identity for example to investigate (social) entrepreneurs' motivation and opportunity evaluation (e.g. Gruber and MacMillan 2017; Mathias and Williams 2017; Wry and York 2017). Second, 'Personal identity' refers to personal behaviour that is characterised by individual traits. Personal identities are not tied to roles but are associated with certain characteristics such as benevolence and kindness, but also power, wealth or hedonism (e.g. Wagenschwanz 2021; Wry and York 2017). Third, in the context of entrepreneurship, 'social identity' is 'a leading theory of the situated human self' (Pan, Gruber, and Binder 2019, 213) and encompasses social, interpersonal behaviour that is determined by identification with a collective (Tajfel and Turner 1986). In order to achieve a sense of belonging and increase self-esteem, people try to find a social group with which they can identify. These groups are defined by certain characteristics and thus clearly distinguish themselves from people (groups) outside (Stets and Burke 2000).

Fauchart and Gruber (2011) use the social identity perspective to categorise founders into three identity types: Missionaries, Communitarians, and Darwinians. Their pioneering work is based on an in-depth exploratory study of 49 firm founders, each of whom had created a business in the sports-related equipment industry. Given the distinct meanings these individuals attached to their self-concepts as firm founders, they could be classified as belonging to one of the founder identities. Sieger et al. (2016) build on Fauchart and Gruber's findings and develop a scale to measure these different founder identities. In addition, research shows that founders' identity influences their strategic responses and therefore the way they make decisions about new contracts (e.g. Crosina, Pratt, and Lifshitz 2024; Gruber and MacMillan 2017; Powell and Baker 2014). Therefore, we use the social identity perspective of Fauchart and

Gruber in the following to hypothesise how the selection processes of social entrepreneurs might be influenced by their identity.

Moderating hypotheses

Missionaries seek to change the world for the better, relate to society and see the positive change they bring about as the basis of their self-assessment (Fauchart and Gruber 2011; Sieger et al. 2016). Their main interest is to advance a social purpose (Fauchart and Gruber 2011; Ko and Kim 2020; Žur 2021). As Fauchart and Gruber (2011) put it: 'To advance their cause, missionaries not only offer products but also see their whole firm and the way in which business is conducted as a role model for society' (Fauchart and Gruber 2011, 945). Accordingly, we assume that the social impact dimension of new customers and contracts is of particular importance for them, leading to the following hypothesis:

H4a: The value attached to social impact of new customers and related contracts is higher for social entrepreneurs with a high Missionary identity as compared to other social entrepreneurs.

Next, Communitarians are enthused by their ability to contribute to the community and by their concern for others. They view their actions as 'an important catalyst for the development of the community and for achieving recognition by their peers' (Fauchart and Gruber 2011, 943). In line with their strong identification with the community, Communitarians maintain that their venture's core asset lies in authenticity (e.g. EstradaCruz, VerdúJover, and GómezGras 2019; Fauchart and Gruber 2011). Communitarian founders leverage firsthand community insights to create products perceived as authentic, aiming to gain recognition and legitimacy from their audience (e.g. O'Neil, Ucbasaran, and York 2022). Consequently, we argue that it is of paramount importance to them that they can sustain the values of their organisation and thereby its authenticity. This should particularly be considered in their selection of new customers and contracts, resulting in the following hypothesis:

H4b: The value attached to value alignment of new customers and related contracts is higher for social entrepreneurs with a high Communitarian identity as compared to other social entrepreneurs.

Finally, Darwinians are motivated by their economic self-interest, see competitors as their frame of reference and evaluate themselves based on their professionalism. We assume that the Darwinian identity influences the importance social entrepreneurs attach to the financial impact of a contract. This is because individuals who fall into this category focus their attention mainly on establishing strong and profitable firms. Their primary motive is making profits and accumulating personal wealth (Fauchart and Gruber 2011). They most closely resemble the image of the traditional, profit-oriented entrepreneur, from whom social entrepreneurs typically differentiate (e.g. Ko and Kim 2020). Nevertheless, researchers demonstrate that this founder identity can also be found within social ventures (e.g. Bargsted et al. 2013; Žur 2021). In summary, we therefore propose:

H4c: The value attached to financial impact of new customers and related contracts is higher for social entrepreneurs with a high Darwinian identity as compared to other social entrepreneurs.

Figure 1 presents our conceptual framework, illustrating that social entrepreneurs’ perceptions of a new contract’s attractiveness are driven by three main factors: social impact, value alignment, and financial impact. We further argue that these relationships are moderated by the social identity of the social entrepreneurs – thus, whether they have a Missionary, Communitarian, or Darwinian orientations. Specifically, we posit that social entrepreneurs with a Missionary identity place heightened importance on the social impact dimension, those with a Communitarian identity emphasise value alignment, and social entrepreneurs with a Darwinian identity attach greater significance to the financial dimension.

Method

Expert interviews and conjoint experiment design

We applied a sequential multi-method approach integrating qualitative and quantitative methodologies in a structured manner to gain a greater understanding on the identity of social entrepreneurs (e.g. Seawright 2016), their decision-making approaches, and how these areas are interwoven. We started by conducting interviews with 15 social entrepreneurs (founders or managing directors) from Germany in the period from April 2021 to July 2021. Building on these qualitative findings, we then developed a conjoint experiment, which represented the quantitative part of our study.

The respondents of the interviews were contacted via email or through the career platform LinkedIn. Our main interest was in the nature of social entrepreneurs, the motivation of becoming a social entrepreneur and the goals they and their organisations pursue. We wanted to find out how they set their goals and consequently how they make decisions in different situations. Interviews were held until sufficient knowledge about the underlying questions could be gained. The interviews were

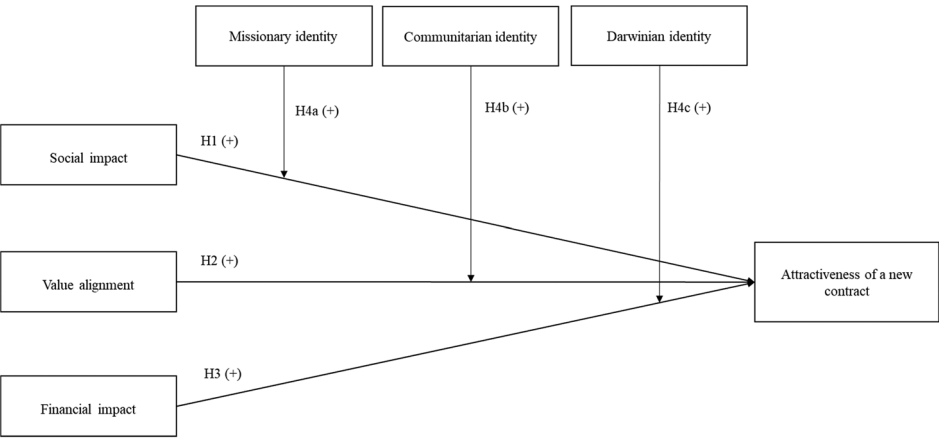


Figure 1. Conceptual framework.

semi-structured using an interview guideline (see [Appendix A.I](#)) with open-ended questions to ensure a free expression of the views and experiences of the experts (Galletta 2013). When selecting and approaching the experts, attention was paid to a broad diversity within the German social entrepreneurship scene, both in terms of industry affiliation (e.g. environmental protection, inclusion, education, health, development aid, integration support, anti-discrimination) and the degree of maturity of the companies (oldest social venture founded in 1998, youngest in 2021). The conversations lasted an average of 30 minutes.

The expert interviews were verbatim transcribed and subsequently coded using MAXQDA. The coding process followed an inductive approach, meaning that no pre-defined codebook was applied. Instead, codes emerged organically during the coding process, allowing for a data-driven categorisation of key themes. Examples of emergent codes include the different goals and motivations of social enterprises. More specifically, we identified the social impact and financial impact as crucial objectives of the SEs as well as managing workload, maintaining corporate values, scaling the organisation, and developing innovations. To learn more about the meaning of the attributes in relation to each other, further interviews were conducted with three German social entrepreneurs in October 2021. First, participants were asked to reflect on the decision criteria they personally consider relevant when selecting new customer contracts. Subsequently, they were presented with additional potential attributes and invited to share their views on their relevance and clarity. Based on this feedback, we decided not to pursue two attributes further: developing innovations, which was perceived as too abstract and difficult to link directly to customer selection, and scaling the organisation, which was seen as too context-dependent and not equally relevant across all phases of social enterprise development. The insights gained from the qualitative interviews, in combination with a review of prior research, thus formed the basis for the development of the conjoint experiment.

Conjoint studies are a quantitative method used to analyse decision-making processes by assessing how individuals value different attributes within a given choice (here: the attractiveness of a new contract). Instead of evaluating attributes in isolation, participants choose between hypothetical scenarios that combine multiple attribute levels, allowing researchers to infer relative preferences and trade-offs. This approach is particularly useful for capturing complex decision-making dynamics (e.g. Mitchell and Shepherd 2010; Wood and Mitchell 2018).

[Table 1](#) demonstrates the final selection of the four attributes on the evaluation of new customers and contracts for the conjoint analysis as well as the prior literature that underlines our rationale for inclusion. These include the (1) social impact, (2) value alignment, (3) financial impact, and (4) workload when deciding on incoming contracts of new customers. Next to basing our criteria on the interview responses, the selection of attributes is also strongly overlapping with research on supporters of social ventures. Specifically, Hirschmann, Moritz, and Block (2022) and Block et al. (2021) conducted similar conjoint designs and used the same social impact and financial impact criteria. The social impact attribute reflects the primary goal of social entrepreneurs to achieve a positive social impact (e.g. André, Cho, and Laine 2018). The alignment of corporate values captures the importance of staying true to the venture's core values when selecting customers and contracts (e.g. Hota, Bhatt, and

Table 1. Attributes and levels used in the conjoint experiment.

Attribute	Levels	Labels/explanations for respondents	Rationale for inclusion
Social impact (2 levels)	Low High	Describes the social and/or sustainable impact of new customers and contracts.	The social impact attribute captures that the primary goal of social entrepreneurs is to achieve a social impact (e.g. André et al. 2018; Nason, Bacq, and Gra 2018). Therefore, it reflects the extent to which new customers and contracts contribute to the social impact objectives of a social venture.
Value alignment (2 levels)	Low High	Describes the conformity of the social venture's values with those of new customers and contracts.	The value alignment attribute captures the goal of social entrepreneurs to stay true to their values (e.g. Hota, Bhatt, and Qureshi 2023; Klein, Schneider, and Spieth 2021). Therefore, it reflects the extent to which social ventures are driven by the preservation of their values when deciding on new customers and contracts.
Financial impact (2 levels)	Low High	Describes the financial impact of new customers and contracts on the social venture.	The financial impact attribute captures that another crucial goal of social entrepreneurs is to earn sufficient financial resources for the long-term survival of the social venture (e.g. Bhattarai, Kwong, and Tasavori 2019; Staessens et al. 2019). Therefore, it reflects the extent to which new customers and contracts contribute to the financial impact objectives of a social venture.
Workload (2 levels)	Low High	Describes the additional workload for the staff of the social venture if new customers and contracts are accepted.	The workload attribute captures the goal of social entrepreneurs to be able to accept as many new customers and contracts as possible and at the same time manage the workload in the team effectively (e.g. Godfroid, Otiti, and Mersland 2022; Nason, Bacq, and Gra 2018). Therefore, it reflects the extent to which contracts can be carried out with the existent workforce.

Qureshi 2023). The financial impact attribute highlights the need to secure sufficient financial resources for the venture's long-term sustainability (e.g. Bhattarai, Kwong, and Tasavori 2019). Lastly, the workload attribute reflects the goal of effectively managing contracts within the constraints of the existing workforce (e.g. Godfroid, Otiti, and Mersland 2022). Together, these attributes reflect central aspects of social entrepreneurship decision-making.

The primary focus of our analysis is on the first three attributes, while *workload* was included to create a realistic decision-making scenario. Each attribute can have two different values 'high' and 'low'. This study focuses on evaluating the attractiveness of new customer inquiries because, on the one hand, this task is so broad that it is familiar to all social entrepreneurs, regardless of their stage of development, sector, and objectives. On the other hand, it is so specific that the test subjects can empathise with the situation. The decision on the attractiveness of new contracts by the respondents on a 7-point Likert-type scale (from 'very unattractive' to 'very attractive') is the dependent variable, while the decision attributes are the independent variables.

Conjoint analysis has been used for decades in various research areas, especially also to explore the decision-making processes of entrepreneurs (Hsu, Simmons, and Wieland 2017). Conjoint methodology has also found its way into academic research on social entrepreneurs – for example, on the integrity (Achleitner et al. 2013) and motivation (Douglas and Prentice 2019) of social entrepreneurs or regarding the selection of social ventures by impact investors (Block, Hirschmann, and Fisch 2021) and by incubators (Hirschmann, Moritz, and Block 2022).

There are different types of conjoint experiments (including adaptive conjoint analysis, choice-based conjoint analysis etc.), whereby the choice of the appropriate analysis method depends on the attributes, characteristics and sample size used. This study is based on classic conjoint analysis, also known as conjoint value analysis (CVA) or rating-based conjoint analysis, taking into account the factors mentioned above (as applied in research in the field of social entrepreneurship, e.g. Douglas and Prentice 2019; Mayer and Scheck 2018).

Each decision situation was described by four attributes that varied across two levels, resulting in 16 (2^4) possible combinations of attribute levels. Because a full replication of these profiles would yield 32 decision scenarios, we employ Hahn and Shapiro's (1966) orthogonal fractional factorial design (for a similar approach see for instance Mitchell and Shepherd (2010)). This reduced design allows to test all the main effects of the decision attributes on the participants' assessments but decreases the number of profiles with unique combinations of attribute levels to eight. Furthermore, to check for test-retest reliability, we replicate half of the profiles to obtain 12 in total, in line with prior studies (e.g. Mayer and Scheck 2018). At the beginning of the experiment, an additional practice profile was included to familiarise respondents with the task. Furthermore, during the experiment, the respondents could always read explanations of the decision-making criteria by clicking on the respective criterion.

From April to June 2022, a total of three pilot studies of the experiment were conducted (twice with 16 students and once with 20 entrepreneurs) to rule out possible errors and clarify ambiguities in the formulations or sequence of the experiment. The manipulations for 'high' and 'low' were thoroughly tested and validated during the pre-tests to ensure they were perceived as intended by the participants. This process confirmed the effectiveness of the attributes and levels, enhancing the credibility of the experimental design. Final data collection took place between September 2022 and January 2023. To prevent possible issues resulting from the ordering of attributes within a decision task, we randomised the presented order across the participants while simultaneously keeping the ordering stable within an ongoing experiment.

Post experimental survey

After the experiment, each participant was asked to complete a questionnaire consisting of individual and organisational questions. They were asked about socio-demographic details such as the variables gender, age, educational background etc. to draw a differentiated picture of the participants, and about their identity to include this perspective in the analysis.

Sieger et al. (2016) developed a scale for measuring founders' social identities based on the work of Fauchart and Gruber (2011). The scale has been validated in multiple countries and regions, making it a valuable tool for researchers (e.g. Ko and Kim 2020; Žur 2021) and practitioners in the field of entrepreneurship. The authors focused on nascent entrepreneurs, allowing for a better understanding of the venture creation process and its outcomes.

Our sample differs from this target group in two ways: First, we included founders and managing directors of social ventures at multiple stages of maturity because experienced founders and managing directors are at least as relevant to our research questions as nascent entrepreneurs. Accordingly, we slightly adapted the 7-point Likert-type scale consisting of 15 items ([Appendix A.II](#)) and translated it to German. The wording is chosen in such a way that it fits people who have already founded a company or are managing a company (e.g. instead of ‘When managing my firm, it will be very important to me...’ from the scale of Sieger et al. (2016) we have used ‘When managing my firm, it is very important to me...’). However, the formulations were only minimally adapted where necessary and were otherwise left unchanged. Second, another difference in the samples is that we restricted ourselves exclusively to the field of social entrepreneurship, whereas Sieger et al. (2016) allowed for all types of (prospective) start-ups.

Sample construction

As mentioned before, there is no standardised definition of a social entrepreneurship, however, most agree that social venture entails the integration of social or sustainable welfare and commercial aims in an organisation’s core (e.g. Dacin, Dacin, and Matear 2010; Wry and York 2017). Definitions of social ventures at the individual level focus on the founder of the initiative, who is generally referred to as a change maker, acting upon an opportunity and gathering resources to exploit it (e.g. Sastre-Castillo, Peris-Ortiz, and Danvila-Del Valle 2015; Stevens, Kistruck, and Cannatelli 2015). Because it lacks an unique legal form of social ventures it also lacks a collection or database that provides a structured record of social ventures in Germany. Short, Moss, and Lumpkin (2009) write about this challenge: ‘Accessing large-scale databases has been particularly challenging when researching social entrepreneurship; creative solutions are needed to provide the adequate sample sizes necessary to utilise rigorous application of multivariate techniques’ (Short, Moss, and Lumpkin 2009, 176).

To address this challenge and develop a sufficiently large and robust database of social entrepreneurs and their organisations, we used various sources: social entrepreneurial associations and networks, incubators, impact investors and sustainable banks, job boards with focus on social ventures. All companies identified in the process were reviewed and included in the sample if they were sufficiently oriented towards social entrepreneurship. Through this process, we identified a total of 1,222 social enterprises in Germany that met our inclusion criteria. These organisations constituted the sampling frame, meaning they were contacted and invited to participate in the study. 161 social entrepreneurs completed the survey and provided all necessary responses for inclusion in the analysis.

To strengthen the validity of the study, we checked for non-response bias and late-response biases (e.g. Armstrong and Overton 1977). Using the variables *female*, *age*, and *university degree* and *educational background* both of which could be ruled out. In addition, the participants’ decisions were checked for reliability with the help of replications (in line with Mitchell and Shepherd 2010). Three participants did not make any reliable decisions and were excluded from the following analyses. The

resulting sample comprises a total of 158 participants (12.9% response rate) with a test-retest correlation of 0.88 (for reference: Mitchell and Shepherd 2010: 0.84). Each of the participants made eight unique decisions resulting in 1.264 decisions in total. In order to make the sample suitable for our study of customer and contract selection processes, those social entrepreneurs whose venture is based on a B2C business model were removed (47 in total) since in such a business, social entrepreneurs are not free to choose their own contracts. Therefore, our final sample comprises 111 social entrepreneurs that took 888 decisions in total.

Characteristics of the sample

Individual-level characteristics

Table 2 shows mean values, standard deviations, and correlations of the dependent variables and control variables used in this study and reveals more about the characteristics of the sample. For descriptions of our set of variables see Table A.III in the Appendix.

A total of 40% of the respondents are female and the average age is 45 years (Min = 24 years, Max = 82 years). Overall, the respondents are highly educated. Of all decision-makers, 88% have an university degree. 80% of the participants founded the social venture they are currently working for themselves whereas 92% are members of the board of directors or managing directors of the company, further 8% are on the supervisory board or in another management position. The participants of our study most often have a business (52%) or social science background (27%), all natural sciences together come to 28% (engineering, computer science, etc.), and some also have multiple of the mentioned educational backgrounds. The focus on business and social science is in line with the hybridity of the social and financial goals of social ventures.

Organisation level characteristics

On average, the companies in which the social entrepreneurs are employed or which they have founded are 13 years old (Min = 1 years, Max = 134 years). The variable 'number of employees' was asked in various categories (0, 1, 2–5, 6–10, 11–25, 26–50, 51–100, 101–250, 251–500, >500 employees.). On an average, the social ventures in our study employ between 11 and 25 employees. Around 69% of companies have a positive cash flow (the cash inflows from the company's operating activities regularly exceed the related cash outflows). 73% have a B2B customer relationship (B2G: 21%, other (not B2B, B2G or B2C): 6%). Only 22% receive external financing (e.g. from impact investors, business angels, venture capital, or venture debt funds), whereas 50% draw on their own savings. Around 59% of social ventures are active in the area of environmental sustainability, while other relevant impact areas include education, inclusion as well as child and youth welfare.

Results

Social identities of social entrepreneurs

As already mentioned, we use the scale by Sieger et al. (2016) to explore the social identities of social entrepreneurs of our total sample (158 individuals regardless their

Table 2. Descriptive statistics and correlations.

Variables	Mean	Std.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(1) Attractiveness of new contracts	4.002	2.022														
(2) Missionary identity	6.209	0.690	0.004													
(3) Communitarian identity	5.476	0.968	-0.021	0.190												
(4) Darwinian identity	4.541	0.978	0.071	0.114	-0.026											
(5) Female	0.396	0.489	-0.046	0.096	0.207	-0.041										
(6) Age	45.090	12.658	-0.015	-0.200	0.314	-0.103	-0.065									
(7) Founder	0.802	0.399	-0.036	0.183	-0.031	-0.160	-0.105	-0.100								
(8) University degree	0.883	0.322	-0.048	0.151	-0.076	0.041	0.123	-0.033	0.030							
(9) Educational background: Human sciences	0.811	0.392	0.005	-0.007	-0.100	-0.072	0.203	0.013	-0.125	0.039						
(10) Educational background: Natural sciences	0.279	0.449	0.044	0.004	0.134	-0.020	-0.217	0.138	-0.043	-0.023	-0.468					
(11) Company age	13.099	16.315	0.057	-0.277	0.167	0.035	-0.063	0.478	-0.492	-0.036	0.085	0.203				
(12) Number of employees	4.757	1.915	0.027	-0.113	0.101	0.193	-0.099	0.367	-0.335	0.071	0.143	-0.026	0.422			
(13) Positive cashflow	0.694	0.461	-0.021	0.026	0.290	-0.108	-0.101	0.303	0.013	-0.120	0.078	0.022	0.199	0.232		
(14) External funding	0.216	0.412	0.014	0.133	-0.141	0.310	-0.202	-0.173	0.206	-0.013	-0.082	0.015	-0.217	-0.036	-0.173	
(15) Impact area: sustainability	0.586	0.493	0.020	0.191	-0.154	0.005	-0.290	0.017	-0.005	-0.136	-0.126	0.116	0.105	-0.050	-0.004	-0.002

Notes: N = 111.

main customer relationship): Darwinian, Communitarian, and Missionary identities. These identity types are considered 'components' into which the various items 'collapse' (Sieger et al. 2016) and report the manifestation of the identities among the participants. The Missionary identity is the most pronounced among the social entrepreneurs in our sample (Mean = 6.233, Std. dev. = 0.672), followed by the Communitarian identity (Mean = 5.467, Std. dev. = 0.942), and the Darwinian identity (Mean = 4.538, Std. dev. = 0.962).

To examine the internal consistency of the items, we calculated Cronbach's Alpha for the different identities. The five Missionary items together exhibit a Cronbach's Alpha of 0.80 (Sieger et al. 2016: 0.84). The five Communitarian items lead to a Cronbach's Alpha of 0.81 (Sieger et al. 2016: 0.82), and the five Darwinian items have a Cronbach's Alpha of 0.63 (Sieger et al. 2016: 0.78). Except for the Darwinian identity, the identities exhibit a high degree of internal consistency. The Cronbach's Alpha could be lower for the Darwinian identity because this identity is comparatively poorly represented in our sample.

In addition to the three main components Darwinian identity, Communitarian identity, and Missionary identity, we investigated pure and hybrid founder identities as Sieger et al. (2016) did.¹ In pure identities, only one of the three types is prominent (the Pure Missionaries, Pure Communitarians and Pure Missionaries). Hybrid founders on the other hand contain a mix of characteristics from different identity types, leading to a more complex and nuanced approach to entrepreneurship. These hybrid identities reflect a blend of competitive, social, and purpose-driven motivations, creating an unique profile for founders who navigate between different values and goals in their entrepreneurial endeavours.

Table 3 shows the distribution of founder identities within our total sample (including B2C ventures) and the samples of Sieger et al. (2016) (German nascent entrepreneurs and nascent entrepreneurs from the Alpine region). In terms of Pure Darwinians, we find no representation of them in our sample, contrasting with Sieger et al. (2016), where they constitute 14.0 and 17.3% of the founders. Pure Communitarians in our sample account for 4.4%, while Sieger et al. (2016) report a higher prevalence at 8.3 and 9.2%, respectively. Pure Missionaries are the most predominant in our sample,

Table 3. Different social identity types and hybrid identities compared.

Identity types	Our sample	Sieger et al. (2016) GER	Sieger et al. (2016) AR
Pure Darwinians	0.0%	14.0%	17.3%
Pure communitarians	4.4%	8.3%	9.2%
Pure missionaries	38.6%	11.1%	13.1%
Total pures	43.0%	33.4%	39.6%
D/C hybrids	0.6%	3.1%	5.3%
D/M hybrids	3.8%	5.1%	3.5%
C/M hybrids	36.7%	11.4%	4.9%
D/C/M hybrids	8.9%	4.9%	11.3%
Total hybrids	50.0%	24.6%	25.1%
Total pures & hybrids	93.0%	58.0%	64.7%
N	158	350	282

Notes: This table shows the results of this study (complete sample, B2C social entrepreneurs still included) compared with selected results of Sieger et al. 2016. The researchers tested their scale on founder social identity types with different country samples within the Global University Entrepreneurial Spirit Students' Survey 2013/14 (GUESSS) data set. Nascent founders within the data set were identified with the question: 'Are you currently trying to start your own business/to become self-employed?'. 'GER' refers to the country sample Germany. 'AR' refers to a sample from the Alpine region (Switzerland, Liechtenstein and Austria). D: Darwinian; C: Communitarian; M: Missionary.

making up 38.6%, compared to 11.1 and 13.1%. The combined percentage of total Pures (Pure Darwinians, Pure Communitarians, and Pure Missionaries) is 43.0% in our sample, exceeding the 33.4 and 39.6% reported by Sieger et al. (2016).

Hybrid identities in our sample demonstrate a distribution of 0.6% for D/C Hybrids, 3.8% for D/M Hybrids, 36.7% for C/M Hybrids, and 8.9% for D/C/M Hybrids.² Except for the D/M Hybrids, the values are higher across the original study. However, the total Hybrids in our sample constitute 50.0%, surpassing the 24.6 and 25.1% reported by Sieger et al. (2016). Considering both pure and hybrid identities, our sample exhibit a substantial majority at 93.0%, in contrast to Sieger et al. (2016), where the combined percentage was 58.0 and 64.7%.

These findings suggest notable differences in founder identity distribution between our sample of German social entrepreneurs and the samples of nascent entrepreneurs from Germany and the Alpine region from the Sieger et al. (2016) study. First, we find no purely Darwinian founders in our sample. In line with several definitions of social entrepreneurship, this can be explained by the fact that social entrepreneurs are primarily motivated by their work for a community or a social mission and are not exclusively profit- and competition-orientated. Across all types, the Pure Missionary identity is the most represented and accounts for more than a third of all founders. Second, hybrid founder identities, in which the Darwinian type is present, are also underrepresented in our sample compared to those of Sieger et al. (2016), while C/M Hybrids are very pronounced and account for around one-third of the sample. Third, most of the participants in our study (93.0%) can be categorised into different types of founders. Compared to the other two samples, this is primarily due to the high proportion of D/M Hybrids.

Decision-making of social entrepreneurs

To explore our research questions on the decision-making behaviour of social entrepreneurs in relation to new customers and contracts, we conducted the conjoint experiment. Table 4 (Model 1) presents the results of the ordered logistic regression analysis of all 888 decisions made by 111 participants (B2C ventures not included from here on). The log-odds coefficient relate to the importance the social entrepreneurs attached to each attribute in our experiment. The results indicate that all three decision criteria – social impact, value alignment, and financial impact – are of importance to social entrepreneurs. High levels of the attributes are preferred over low ones (except for workload (control), where a lower level is preferred). These results support Hypothesis 1, Hypothesis 2 and Hypothesis 3. The social impact criterion (coeff. = 3.019, $p < 0.01$) is most important for them when they evaluate new customers and contracts (slightly more important than value alignment).

To better grasp the results, we sort the attributes according to their coefficients and present them graphically in Figure 2. Again, Figure 2 shows that social entrepreneurs consider social impact to be a key factor when deciding on new customer contracts, accounting for 30.52% of the decision. Ensuring alignment with the values of the customer is also of paramount importance, with a weight of 30.48% in the decision-making matrix for social entrepreneurs. The third most important decision attribute is the financial impact that new customers and contracts have on the social venture, constituting 28.15% of the total relative importance of the decision-making

Table 4. Main effects model and interaction effects model with founder identities.

Decision attributes		Model Attributes and levels						
			(1)	(2)	(3)	(4)	(5)	(6)
H1: H2: H3:	Main effects	Social impact: high	3.019 (0.194)***	3.015 (0.194)***	-2.292 (1.115)**	3.013 (0.194)***	3.026 (0.195)***	-2.345 (1.120)**
		Value alignment: high	3.015 (0.171)***	3.015 (0.173)***	3.069 (0.174)***	2.037 (0.923)**	3.039 (0.175)***	2.056 (0.962)**
		Financial impact: high	2.785 (0.175)***	2.784 (0.175)***	2.811 (0.176)***	2.786 (0.175)***	1.306 (0.771)*	1.261 (0.803)
		Workload: low	1.074 (0.148)***	1.073 (0.149)***	1.081 (0.152)***	1.077 (0.149)***	1.075 (0.149)***	1.086 (0.152)***
		Missionary identity		0.128 (0.160)	-0.381 (0.207)*	0.054 (0.163)	0.051 (0.164)	-0.387 (0.210)*
		Communitarian identity		-0.069 (0.103)	-0.028 (0.105)	-0.126 (0.130)	-0.035 (0.105)	-0.122 (0.133)
H4a: H4b: H4c:	Interaction effects	Darwinian identity		0.210 (0.116)*	0.203 (0.119)*	0.211 (0.118)*	0.049 (0.130)	0.035 (0.134)
		Social impact: high × Missionary identity			0.861 (0.182)***			0.873 (0.182)***
		Value alignment: high × Communitarian identity				0.180 (0.165)		0.191 (0.173)
		Financial impact: high × Darwinian identity					0.327 (0.161)**	0.346 (0.168)**
		N (decisions)	888	888	888	888	888	888
		N (decision makers)	111	111	111	111	111	111

Notes: Multi-level ordered logistic regression with random intercepts and random slopes. Estimated with robust standard errors. Dependent variable: attractiveness of a new contract. Control variables included: female, age, founder, university degree, educational background human sciences and natural sciences, company age, number of employees, positive cash flow, external funding, impact area sustainability. * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

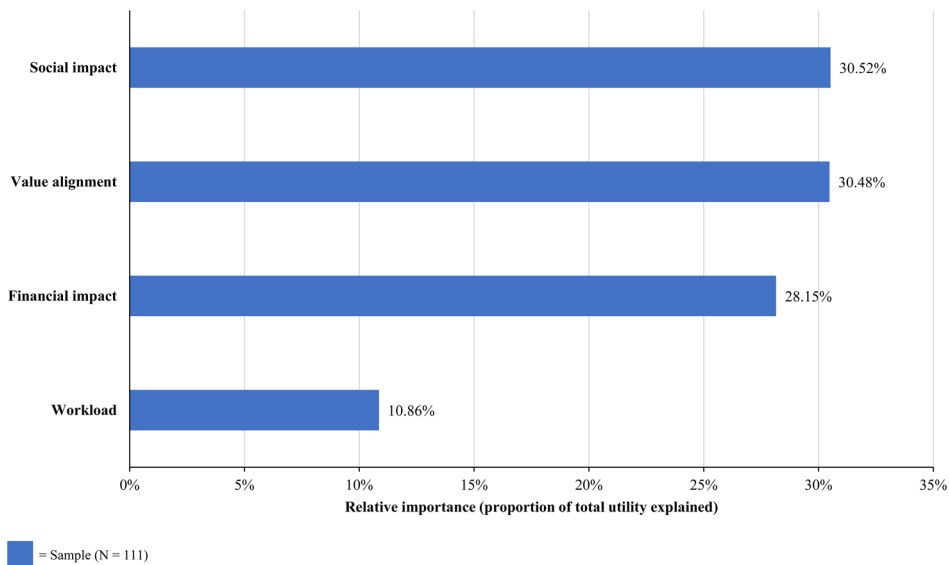


Figure 2. Relative importance of attributes for different groups. *Notes:* Calculated based on the coefficients of the main model (Table 3). Reading example: With a relative importance of 30.52%, social entrepreneurs overall consider *social impact* to be around 3 times as important as the attribute *workload* (relative importance: 10.86%) when deciding on new contracts. This value also signifies that the attribute *social impact* accounts for 30.52% of the decision maker's total utility.

criteria. The level of anticipated workload associated with new customer contracts is a less crucial consideration (10.86%). These findings highlight the nuanced balance social entrepreneurs strike between social and financial objectives, the pragmatic consideration of workload, and the necessity of upholding the core values of their ventures in the decision-making process related to new customers and contracts.

The interplay of social identities and decision-making

In the previous chapters, we identified indications of differences in founder identities and decision-making behaviour in relation to new customers and contracts. Our final analyses bring these findings together by investigating interactions between them. We looked into the three components Missionary, Communitarian and Darwinian identity of Sieger et al. (2016). In Model 2 (Table 4), the three identities were included as controls. In Model 2–4, Darwinian identity is the only significant of the three control variables ($p < 0.1$). The positive values indicate that Darwinians rate contracts as more attractive per se. In the following models, we estimated the interaction effects of them with the decision attributes. This allows us to make statements about the relationship between founder identity and decision-making behaviour.

In Model 3, we interacted the Missionary identity with the importance of the social impact criterion for social entrepreneurs' selection process. The results reveal a significant, positive effect (coeff. = 0.861, $p < 0.01$), indicating that social entrepreneurs with a high Missionary identity, compared to other social entrepreneurs, attribute a higher value to social impact. This result supports Hypothesis 4a. In Model 4, we

constructed an interaction between Communitarian identity and the value alignment attribute. The result demonstrates a positive direction, however, it is not statistically significant so that Hypothesis 4b cannot be confirmed. In Model 5, we did the same for the Darwinian identity and financial impact, with the result that there is a significant, positive effect (coeff. = 0.327, $p < 0.05$) supporting Hypothesis 4c. Last, we incorporated all three interactions into Model 6. The results corroborate the previous analysis: we find a significant interaction between Missionary identity and social impact (coeff. = 0.873, $p < 0.01$), as well as between Darwinian identity and financial impact (coeff. = 0.346, $p < 0.05$). A positive, but non-significant effect is present for the Communitarian identity and the alignment of corporate values.

Robustness tests

We have scrutinised the robustness of our results in two ways. First, we excluded from the sample all individuals who did not themselves found the social venture with which they are currently associated (CEOs, board members, etc.). This is more closely in line with Sieger et al. (2016) who also only investigate the founders of young ventures. Consequently, the sample size was reduced to 89 individuals, corresponding to 712 decisions.

The results, demonstrated in Table 5, confirm our previous findings for Hypothesis 4a: There remains a significant interaction between Missionary identity and social impact across the different models. However, the interaction between Darwinian identity and financial impact is no longer significant. The interaction between Communitarian identity and the alignment of corporate values is still marginally positive but remains non-significant.

Second, we created binary dummy variables for the various founder identities according to the scale of Sieger et al. (2016) and estimated interaction effects of them with the decision criteria. Among all identity types – whether pure or hybrid identities – we find only one significant interaction effect: Pure Missionaries. No statistically significant influence was found for any of the others.

Model 3 of Table 6 demonstrates again a significant, positive effect (coeff. = 1.050, $p < 0.01$) for Pure Missionary identity and social impact. Furthermore, the effect of Pure Communitarians remains insignificant too (see Model 4).

Discussion, contributions, and implications

Discussion and literature contributions

In this study, we explore the decision-making behaviour of social entrepreneurs when selecting new customers and contracts, with a particular focus on how these decisions are influenced by their social identities. Our findings demonstrate that social impact, value alignment, and financial impact are key criteria in the evaluation process in the structured and high-stakes environments of B2B and B2G contexts. Moreover, we show that social entrepreneurs with a high Missionary identity prioritise the social impact of new customer contracts, whereas those with a high Darwinian identity place greater emphasis on the financial impact. These insights contribute to

Table 5. Robustness check using solely founders of social ventures.

		Model		Attributes and levels					
		(1)	(2)	(3)	(4)	(5)	(6)		
		Log-odds (SE)	Log-odds (SE)	Log-odds (SE)	Log-odds (SE)	Log-odds (SE)	Log-odds (SE)		
Main effects									
Decision attributes	H1:	Social impact: high	3.146 (0.219)***	3.142 (0.220)***	-2.753 (1.730)	3.134 (0.220)***	3.139 (0.221)***	-2.754 (1.742)	
	H2:	Value alignment: high	2.905 (0.200)***	2.908 (0.201)***	2.954 (0.199)***	2.325 (0.996)**	2.915 (0.201)***	2.391 (1.028)***	
	H3:	Financial impact: high	2.764 (0.197)***	2.745 (0.197)***	2.770 (0.198)***	2.745 (0.196)***	2.067 (0.764)***	2.071 (0.791)***	
		Workload: low	1.156 (0.170)***	1.152 (0.171)***	1.170 (0.176)***	1.154 (0.171)***	1.152 (0.172)***	1.171 (0.177)***	
		Missionary identity		0.034 (0.190)	-0.505 (0.267)*	-0.032 (0.195)	-0.034 (0.196)	-0.503 (0.269)*	
		Communitarian identity		-0.091 (0.105)	-0.040 (0.108)	-0.104 (0.140)	-0.050 (0.108)	-0.093 (0.143)	
	Darwinian identity		0.215 (0.128)*	0.243 (0.129)*	0.250 (0.128)*	0.174 (0.130)	0.167 (0.134)		
Interaction effects									
H4a:	Social impact: high × Missionary identity			0.944 (0.273)***	0.108 (0.178)	0.152 (0.156)	0.945 (0.275)***		
H4b:	Value alignment: high × Communitarian identity						0.105 (0.184)		
H4c:	Financial impact: high × Darwinian identity								
	N (decisions)	712	712	712	712	712	712		
	N (decision makers)	89	89	89	89	89	89		

Notes: Multi-level ordered logistic regression with random intercepts and random slopes. Estimated with robust standard errors. Dependent variable: attractiveness of a new contract. Control variables included: female, age, university degree, educational background human sciences and natural sciences, company age, number of employees, positive cash flow, external funding, impact area sustainability. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 6. Robustness check using pure founder identities.

Model		(1)	(2)	(3)	(4)	(5)	(6)
Attributes and levels		Log-odds (SE)	Log-odds (SE)	Log-odds (SE)	Log-odds (SE)	Log-odds (SE)	Log-odds (SE)
Main effects							
H1:	Social impact: high	3.019 (0.194)***	3.019 (0.194)***	2.662 (0.216)***	3.017 (0.194)***	3.016 (0.194)***	2.663 (0.216)***
H2:	Value alignment: high	3.015 (0.171)***	3.014 (0.172)***	3.056 (0.171)***	3.024 (0.178)***	3.017 (0.172)***	3.062 (0.178)***
H3:	Financial impact: high	2.785 (0.175)***	2.784 (0.175)***	2.812 (0.177)***	2.784 (0.177)***	2.783 (0.175)***	2.813 (0.179)***
	Workload: low	1.074 (0.148)***	1.074 (0.148)***	1.087 (0.151)***	1.075 (0.148)***	1.075 (0.148)***	1.087 (0.151)***
	Pure missionaries		−0.064 (0.226)	−0.614 (0.298)	−0.081 (0.229)	−0.081 (0.229)	−0.613 (0.298)**
	Pure communitarians		−0.244 (0.456)	−0.191 (0.481)	−0.125 (0.728)	−0.196 (0.478)	−0.127 (0.729)
	Pure Darwinians		0.000	0.000	0.000	0.000	0.000
Interaction effects							
H4a:	Social impact: high × Pure missionaries			1.050 (0.293)***	−0.135 (0.731)	0.000	1.050 (0.293)***
H4b:	Value alignment: high × Pure communitarians						−0.123 (0.742)
H4c:	Financial impact: high × Pure Darwinians						0.000
	N (decisions)	888	888	888	888	888	888
	N (decision makers)	111	111	111	111	111	111

Notes: Multi-level ordered logistic regression with random intercepts and random slopes. Estimated with robust standard errors. Dependent variable: attractiveness of a new contract. Control variables included: female, age, founder, university degree, educational background human sciences and natural sciences, company age, number of employees, positive cash flow, external funding, impact area sustainability. * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

understanding the unique challenges social entrepreneurs face when balancing growth objectives, such as scaling impact, with the risk of mission drift. In the following discussion, we reflect on how these findings advance existing knowledge on founder identities and decision-making, particularly in the underexplored domain of customer and contract selection within social entrepreneurship.

Contributions to research on the decision-making of social entrepreneurs

First, by exploring the selection processes of social entrepreneurs, we tie on research that has shed light on the decision-making of social entrepreneurs in the past (e.g. Bacq, Hartog, and Hoogendoorn 2016; Smith, Kistruck, and Cannatelli 2016; Yusuf and Sloan 2015). Specifically, our findings align with the existing literature that argues that the social impact plays a central role for these individuals, as they are primarily motivated by pro-social objectives (Duncan-Horner, Farrelly, and Rogers 2022; Douglas and Prentice 2019). This has been demonstrated by Rosca, Agarwal, and Brem (2020), for instance, for female social entrepreneurs. With a broad sample of 111 social entrepreneurs who made 888 decisions, we were able to show that they indeed prefer contracts with a high social impact.

Less well-explored in the context of social entrepreneurs is the importance of maintaining values, particularly in the context of B2B and B2G contracts. Scaling in these contexts often involves unique challenges, as considerable ambiguity and inconsistency exist around the concept of scaling in social ventures (e.g. Islam 2020b; Perrini, Vurro, and Costanzo 2010). Prior research suggests that social entrepreneurs face dilemmas in the pursuit of their objectives (e.g. Hota, Bhatt, and Qureshi 2023; Hynes 2009; Klein, Schneider, and Spieth 2021; Smith, Gonin, and Besharov 2013; Teasdale, Lyon, and Baldock 2013) and that moral beliefs might play an important role in this regard (Smith, Kistruck, and Cannatelli 2016). Our study highlights that social entrepreneurs in B2B and B2G settings prioritise contracts from new customers with whom they share a high alignment of values. This indicates that, on the one hand, they aim to expand their offerings and reach a greater number of beneficiaries, while, on the other hand, striving to uphold their core values. Notably, fast growth driven by dubious customers – a potential ‘dark side’ of social entrepreneurship (Molderez and Fets 2023) – appears less relevant in these contexts, as maintaining alignment with their social mission remains a key priority.

The findings by Vallaster et al. (2023) provide a critical complement to this perspective. Their study emphasises that dissimilar social identity styles, particularly between Missionaries and Darwinians, are more likely to foster mutual B2B relationships than similar styles. Our research, however, demonstrates that social entrepreneurs with a strong Missionary identity care relatively more about social impact, while those with a Darwinian identity overemphasise financial impact in B2B and B2G environments. Additionally, Kannothe et al. (2024) explore how social enterprises in emerging economies address the tension between market expectations and social missions in B2B contexts. They highlight two primary models: integrated models for domestic clients with implicit social missions and decoupled models for international clients with explicit social missions. Our findings build on this by showing that social entrepreneurs in an advanced economy like Germany try to

align their contract selection processes by balancing market aspects and their core mission values.

Finally, the question arises as to whether social entrepreneurs also consider a certain financial stability essential for maintaining their business operations when deciding on potential contracts. From a business perspective, it is imperative that a financially sustainable business model and the acquisition of sufficient financial resources is crucial (e.g. Bhattarai, Kwong, and Tasavori 2019; Block, Hirschmann, and Fisch 2021; Staessens et al. 2019). Bacq, Hartog, and Hoogendoorn (2016) find that social entrepreneurs and traditional entrepreneurs do not differ in their perception of business opportunities. Our findings demonstrate that social entrepreneurs indeed pay close attention to the financial impact of new contracts, thus preferring financially promising contracts over those with less potential for profit.

Contributions to research about the role of social entrepreneurs' social identities

Second, we address the question of whether social entrepreneurs' social identities influence the selection of contracts. At the interface of social identity and entrepreneurial decision-making, there is a scarcity of knowledge thus far (EstradaCruz, VerdúJover, and GómezGras 2019). We therefore also respond to the call from Fauchart and Gruber (2011) and dig deeper into the decision-making process of social entrepreneurs.

To this end, we started by investigating the social entrepreneurs' identity in our study. Research in this field is still in its infancy. Even though researchers try to characterise social entrepreneurs better (e.g. Bargsted et al. 2013; Jones, Latham, and Betta 2008; Smith, Bell, and Watts 2014), there is limited focus on their social identity. So far, there have been few studies dedicated to the social identity of social entrepreneurs (e.g. Ko and Kim 2020; Smith and Woodworth, 2012; Žur 2021). Pan, Gruber, and Binder (2019) call for more research in this field and hope that 'the suggestion to employ social identity theory in the study of social ventures will encourage research that embraces, and is thus guided by, the richness of this important entrepreneurial phenomenon' (Pan, Gruber, and Binder 2019, 215). The presented exploratory study aims to fill this gap. Like Ko and Kim (2020) and Žur (2021), we have built on the work of Fauchart and Gruber (2011) and Sieger et al. (2016). Specifically, we respond to the call from Sieger et al. (2016), applied the scale for assessing founder identities to the field of social entrepreneurship, aiming for a deeper theoretical understanding of identity theory in this specific context.

On the one hand, we categorised the participants in our sample into various pure and hybrid types using the scale. To the best of our knowledge, there is no study that exhaustively explores all possibilities of the Sieger's scale using a quantitative approach. Ko and Kim (2020) state that they are 'overlooking the possibility of hybrid social entrepreneurial identities' (Ko and Kim, 2020, 422). Brändle, Golla, and Kuckertz (2019) also apply the scale and categorise founders into the three distinct entrepreneurial types. However, the researchers acknowledge that 'an interesting direction would for example be to observe the effect of hybrid identities' (Brändle, Golla, and Kuckertz 2019, 1446), a suggestion we have taken up. We have used a total sample of 158 social entrepreneurs from Germany to comprehensively categorise them into pure and hybrid founder types. Indeed, the scale by Sieger et al. (2016) effectively

applies to our sample as the great majority of participants in the study can be assigned to different founder types, offering new insights into their social founder identity. Pure Missionary identity is the most common, representing over a third of all founders. A similarly high proportion of founders have a hybrid identity of Communitarians and Missionaries. In this sample of social entrepreneurs, there are no purely Darwinian founders. Also, hybrid founder identities with Darwinian elements are less prevalent compared to studies that included traditional founders. However, social entrepreneurs are not free of any competitive or profit orientation either: after all, around one in eight social entrepreneurs has a hybrid identity with Darwinian traits. This adds to Bargsted et al. (2013) who identifies a strong career orientation among some social entrepreneurs, and to Žur (2021) who also reveals a significant degree of Darwinian identity among those social entrepreneurs, who are driven not only by a social cause, but also by professional ambition.

On the other hand, we have calculated the manifestation of the three founder identities – Darwinian, Communitarian, and Missionary – for each participant. These three components were employed in subsequent analyses to link the decision-making behaviour and identity of social entrepreneurs. In the models we designed we have interacted the two aspects with each other.

First, the results show that social entrepreneurs with a Missionary identity indeed attach higher value to social impact as compared to other social entrepreneurs. As the main focus of Missionaries is to advance a social purpose and to bring a positive change (Fauchart and Gruber 2011; Ko and Kim 2020; Žur 2021) they evidently prioritise social impact when selecting new contracts. This adds to prior research on Missionaries, as for example Ko and Kim (2020) who investigate the relationship between identity and social entrepreneurial intentions – with the result that Missionary identity increases the intention. We were able to take a step further by examining the decision-making behaviour of already active entrepreneurs and demonstrating that this identity unfolds in the professional routine of social entrepreneurs.

Second, we investigated the influence of the Communitarian identity. Communitarians are described as ‘user entrepreneurs’ because, as integral members of a community, they are so closely connected to the needs of the group that they themselves are considered users of their entrepreneurial offerings (EstradaCruz, VerdúJover, and GómezGras 2019). We assumed that, to be truly authentic, social entrepreneurs with a high Communitarian identity would attach higher importance to value alignment when selecting new contracts. However, we find no significant confirmation of our assumption.

Last, we analysed the decision-making behaviour of social entrepreneurs with a high Darwinian identity who are driven by economic self-interest and accumulating personal wealth. EstradaCruz, VerdúJover, and GómezGras (2019) demonstrate that Darwinians differ from Communitarians and Missionaries in that Darwinians primarily focus on their entrepreneurial and planned goals as their main motivation. While our results initially indicated that social entrepreneurs with a strong Darwinian identity place a higher value on the financial impact of contracts compared to other individuals, this interaction was not statistically significant for solely founders of social ventures. Overall, it demonstrates that such social entrepreneurs may resemble the image of the traditional, profit-oriented entrepreneur, from whom social entrepreneurs typically differentiate (e.g. Ko and Kim 2020).

In summary, the results extend prior knowledge on social entrepreneurship in several ways by demonstrating the influence of social entrepreneurs' identity on their decision-making behaviour, particularly regarding the crucial decision attributes of social impact, value alignment, and financial impact.

Practical implications

Drawing on our findings this chapter explores how these insights can be of practical relevance. First, the insights from this study benefit social entrepreneurs and their stakeholders in comprehending and navigating the field of social identity and decision-making behaviour in relation to new customers and contracts. The findings assist social entrepreneurs in better understanding their decision-making behaviour and that of their peers when choosing new customer contracts. This is particularly important in B2B and B2G contexts, where alignment with core values and social impact may face challenges due to the complexity of scaling operations. Also, this facilitates a beneficial discourse for their stakeholders, enabling a dialogue with the social entrepreneurs they back regarding the prioritisation of criteria deemed significant by the stakeholders themselves.

Policymakers can use these results to create more supportive environments for social entrepreneurs. For instance, providing targeted (financial) incentives or grants that prioritise social impact could appeal to social entrepreneurs with a high Missionary identity, while initiatives focusing on community development and value alignment may better support social entrepreneurs with a high Communitarian identity and their hybrids. In B2B and B2G contexts, such policy initiatives could include incentives for public-private partnerships or procurement frameworks that prioritise social ventures, thereby encouraging collaboration while reducing the risk of mission drift. This can help government funding programs to achieve a greater impact, which is ideally made visible using suitable measurement tools (e.g. Staessens et al. 2019). Also, investors interested in social ventures can apply the study's findings to refine their investment strategies. Understanding that social entrepreneurs prioritise different aspects can guide, for example, impact investors or impact incubators in aligning their funding and supporting approaches with the specific needs and motivations of these entrepreneurs (Block, Hirschmann, and Fisch 2021). For B2B and B2G-focused ventures, this alignment might also involve supporting scaling efforts that ensure contracts are both socially impactful and financially viable in complex markets. This alignment could improve investment outcomes and support the growth of ventures that have a meaningful social impact.

In addition, our findings are also pertinent to entrepreneurial training and development programs and are a contribution for academic and practical lecturing. The current curricula and instructional approaches in social entrepreneurship education exhibit significant diversity, lacking a consensus on the optimal practices within this field (e.g. Mir Shahid and Alarifi 2021). Recognising the diversity in social entrepreneurs' identities these programs can offer personalised coaching that aligns with the entrepreneurs' core motivations and values. For social entrepreneurs operating in B2B and B2G markets, such training could also address the unique complexities of strategic decision-making in these environments, including managing long-term contracts, partnerships, and procurement policies. This approach would help enhance their

decision-making processes, especially in balancing social impact with financial sustainability. In this context, specific tools for strategic decision-making in B2B and B2G scenarios could be further developed or designed to optimally support the work of social entrepreneurs.

Limitations and future research opportunities

Despite the valuable insights gained from this study on the identity of social entrepreneurs, our study has certain limitations that warrant consideration in interpreting the findings and, concurrently, pave the way for promising avenues in future research.

The methodological limitations of this study include the restricted sample size, consisting of 111 social ventures, and the geographical focus on Germany. As already Žur (2021) writes: ‘Future analysis, especially in different countries, can make important contributions to opening the “black box” of social entrepreneurs’ decision-making’ (Žur 2021, p. 21). Given the numerically and geographically limited sample, further investigations in this subject area should be conducted to validate our findings. In particular, examining the B2B and B2G contexts across different cultural and economic environments could reveal additional nuances in how social entrepreneurs make decisions. This would be particularly valuable for understanding how institutional frameworks influence the prioritisation of social impact, financial sustainability, and value alignment. For instance, our study would have benefitted from a larger group of Pure Communitarians who show relatively small representation within our sample. Subsequent research may profit from a targeted exploration of this specific founder type, thereby providing a more nuanced understanding of their unique decisions, motivations, and impact.

In addition, it is noticeable that another approach for future research lies in the scale used by Sieger et al. (2016) itself. Although it appears that we can categorise the majority of our sample according to the scale, the group of Darwinians is scarcely represented, meaning that Communitarian identity and Missionary identity better describe the social entrepreneurs. This raises questions about whether the scale fully captures the diversity of identity types in the B2B and B2G environments. It would be interesting to know if there are further subgroups within these categories that better characterise the identity of social entrepreneurs. It is possible that the spectrum of identity is significantly more diverse what would be of great relevance for the research and practice in the area of social entrepreneurship. A recommendation for further research would, therefore, be to further develop the scale or to find new approaches to measuring the social identity of social entrepreneurs.

Although conjoint experiments offer advantages in approaching causality, an additional limitation arises from the reliance on a hypothetical decision scenario in the utilised experiment. Only a limited number of decisions by each participant could be considered and only a limited number of four decision attributes could be utilised – in reality, additional factors such as long-term customer retention, innovativeness, etc., play in the selection of new customers or contracts (e.g. Hirschmann 2025). This limitation is particularly pronounced in B2B and B2G scenarios, where contracts often involve multiple stakeholders and long-term partnerships, introducing complexities that may not be fully captured in hypothetical decision-making experiments. Participants were placed in a simulated decision-making context, introducing a potential gap

between stated preferences and actual behaviours (e.g. Mitchell and Shepherd 2010; Wood and Mitchell 2018). Moreover, our decision scenario assumes that social entrepreneurs have a strong order situation and can freely decide on contracts, which – as the crises of recent years have demonstrated – may not always be the case. To address this limitation and deepen the understanding of social entrepreneurs' decision-making behaviours, future research could incorporate diverse scenarios and quantitative methodologies. For instance, incorporating scenarios that simulate crisis conditions, funding constraints, or shifts in market demand could provide a richer understanding of decision-making in dynamic and uncertain environments.

This study is merely the beginning of understanding the decision-making behaviour of social entrepreneurs in relation to new customers and contracts. Future research could investigate additional situations where decisions might have far-reaching consequences. For example, this includes the balancing act between social and financial goals, such as in the context of the mission drift discussion (e.g. Klein, Schneider, and Spieth 2021; Staessens et al. 2019). Furthermore, research could focus on decision-making behaviour in scaling scenarios specific to B2B and B2G environments, where mission alignment is critical to sustainable growth.

Notes

1. Respondents were regarded as having a pure identity when their agreement to all five items was at 5 or higher (on our 1–7 scale), with no such agreement to other identity types. Hybrids are respondents who exhibit the corresponding ">5" agreement for all items that belong to the same identity type for at least two different identity types. For instance, a respondent who ticked at least "5" for all Darwinian items and for all Communitarian items is considered as having a hybrid identity. This logic has been adopted from Fauchart and Gruber (2011) and Sieger et al. (2016).
2. D represents "Darwinian", C "Communitarian" and M "Missionary".

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Appendix A

A.I. Interview guideline

1. Characteristics of the interviewee
 - (a) Please describe yourself briefly: Who are you?
 - (b) What do you associate with social entrepreneurship?
2. Your own motivation and goals
 - (c) What led to your interest in and commitment to social entrepreneurship?
 - (d) What motivated you to set up a social venture?
 - (e) What are your personal goals, independent of the company's goals?
3. Goals of the social venture
 - (f) What is the long-term, primary goal of the company?
 - (g) What are the other goals of the organisation and how are these goals weighted?
 - (h) What leads to changes in these goals?
 - (i) How and by whom were goals defined?
 - (j) To what extent are all internal and external stakeholders aware of these goals?
4. Closing questions
 - (k) What else do you think could be relevant to this research project?
 - (l) What questions should be asked in future interviews?
 - (m) Finally, what questions and suggestions do you have?

A.II. Translated survey

Please note: Scala for measuring founders' social identities adopted from Sieger et al. (2016) can be found under the segments 2. and 3. of this study.

Study: Attractiveness of customer orders.

Dear participants, welcome to our research project.

Thank you for helping us find out what makes a customer order attractive. Your participation is extremely valuable. The survey takes approximately 20 minutes to complete.

As an incentive, we offer you *individual benchmarking* of your responses compared to other participants as well as a *study summary*. Additionally, for every completed survey, we will either plant 10 trees or provide mosquito nets to protect 10 people from malaria. At the end of the study, you can share your preferences and provide your email address for the benchmarking.

The survey is *anonymous*, and the collected data will be kept strictly confidential and used exclusively for research purposes in accordance with the General Data Protection Regulation (GDPR).

Please do not hesitate to contact us at any time if you have any questions or suggestions.
Warmly,

Please imagine the following scenario:

You are responsible in your company for assessing the attractiveness of orders from potential new customers.

Your company currently has a sufficient order volume. You can freely decide whether to accept new orders. Not accepting a customer order is not expected to result in any significant consequences.

Please evaluate the attractiveness of several incoming new customer orders from your company's perspective.

The orders differ only with respect to the four characteristics listed below. Otherwise, the orders are comparable.

1. Social impact: This characteristic describes the social and/or sustainable impact of the order (high or low).
2. Alignment of corporate values: This characteristic describes the alignment of your company's values with those of the new customer or contracts (high or low).
3. Financial impact: This characteristic describes the financial impact of the order on your company (high or low).
4. Workload: This characteristic describes the additional workload for your company when accepting the order (high or low).

Several conjoint tasks follow at this point.

The question is always 'How attractive is this customer order from a new customer for your company from your perspective?'

Here is an original question with the four attributes in the two versions and a decision situation ranging from not at all attractive to very attractive (in German):

Wie attraktiv ist dieser Auftrag eines Neukunden aus Ihrer Perspektive für Ihr Unternehmen?

Hinweis: Durch Berühren von "hoch" bzw. "gering" mit dem Mauszeiger erscheint jeweils eine kurze Erklärung.

Übereinstimmung der Werte:	<u>hoch</u>
Arbeitsbelastung:	<u>hoch</u>
Finanzielle Wirkung:	<u>gering</u>
Soziale bzw. nachhaltige Wirkung:	<u>hoch</u>

überhaupt nicht attraktiv, sollten wir auf keinen Fall annehmen
 nicht attraktiv
 eher nicht attraktiv
 weder attraktiv noch unattraktiv
 eher attraktiv
 attraktiv
 sehr attraktiv, sollten wir auf jeden Fall annehmen

☐
☐
☐
☐
☐
☐
☐

1. Please answer a few questions about yourself

Are you a founder of your company?

- Yes
- No

Please indicate your current position in your company.

- Executive Board/Board Member
- Managing Director

- Supervisory Board Member
- Management Position
- Project Management with Personnel Responsibility
- Project Management without Personnel Responsibility
- Other (Please specify.)

2. In a professional context, it is very important for me to ...

	Do not agree at all	Do not agree	Rather disagree	I neither agree nor disagree	Rather agree	Agree	Fully agree
To advance my career.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To solve a specific problem for a group of people that I identify strongly (e.g. friends, colleagues, club, community).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To play a proactive role in shaping the activities of a group of people that I strongly identify with.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To play a proactive role in changing how world operates.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To operate my firm on the basis of solid management practices.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have thoroughly analysed the financial prospects of my business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To offer a very useful product/service to a group of people that I strongly identify with.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To be a highly responsible citizen of our world.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To make the world a 'better place' (e.g. by pursuing social justice, protecting the environment).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. When managing my firm, it is very important to me ...

	Do not agree at all	Do not agree	Rather disagree	I neither agree nor disagree	Rather agree	Agree	Fully agree
To have a strong focus on what my firm can achieve vis-à-vis the competition.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To establish a strong competitive advantage and significantly outperform other firms in my domain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have a strong focus on a group of people that I strongly identify with.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To support and advance a group of people that I strongly identify with.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have a strong focus on what the firm is able to achieve for society-at-large.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To convince others that private firms are indeed able to address the type of societal challenges that my firm addresses (e.g. social justice, environmental protection).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Stakeholders

Companies focused on social or sustainable goals sometimes have two different target groups: 'customers' and 'beneficiaries'.

With the customers, the company primarily generates revenue, while the beneficiaries are the ones for whom the social or sustainable impact is achieved.

The two target groups can (a) be identical, (b) overlap, or (c) be distinct. Please indicate how the two target groups relate to each other in your company:

- The two target groups 'customers' and 'beneficiaries' are identical.
- The two target groups 'customers' and 'beneficiaries' overlap.
- The two target groups 'customers' and 'beneficiaries' are distinct.

Please evaluate how strong the pressure towards *social/sustainable orientation* is that the following stakeholder groups exert on your company:

	Very low	Low	Rather low	Neither high nor low	Rather high	High	Very high
Investors/Owners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
End customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beneficiaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Authorities or other government institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Citizens/Society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please evaluate how strong the pressure towards *financial orientation* is that the following stakeholder groups exert on your company:

	Very low	Low	Rather low	Neither high nor low	Rather high	High	Very high
Investors/Owners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
End customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beneficiaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Authorities or other government institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Citizens/Society	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Company goals

How important are the following goals for your company?

	Very low	Low	Rather low	Neither high nor low	Rather high	High	Very high
Social/sustainable goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To what extent do you agree with the following statement?

'The social/sustainable and financial goals of my company go hand in hand in daily business – when one is achieved, the other is also achieved'.

Strongly disagree	Disagree	Rather disagree	Neither agree nor disagree	Rather agree	Agree	Strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Please answer a few questions about yourself and your company

In which year was your company founded? (year in the format YYYY)

How many people does your company currently employ (full-time equivalent)? Please enter the number of your employees.

Does your company already generate a positive cash flow from its operating activities?

For clarification: A positive cash flow occurs when the cash inflows from the company's operating activities regularly exceed the related cash outflows.

- Yes
- No
- Other (please specify)

What types of financing does your company currently use? (Multiple selection possible)

- Own saving
- Family & friends
- Donations
- Foundation funding
- Internal financing (financing from operational cash flow)
- Crowdfunding/Crowdinvesting
- Incubator, company builder, accelerator
- Business angel
- Impact investment
- Bank loans
- Venture capital
- Venture debt
- Other sources of capital (please specify)

What is your company's primary customer relationship?

- B2C (business-to-consumer, business relationships between companies and private individuals)
- B2B (business-to-business, business relationships between two or more companies)
- B2G (business-to-government, business relationships between companies and public institutions)
- Other primary customer relationship (please specify)

In which area does your company aim to make an impact or operate? (multiple selection possible)

- Sustainability & environment
- Food supply & nutrition
- Health
- Economic development & poverty reduction
- Child & youth support
- Education & awareness
- Social inclusion
- Other (please specify)

7. Closing questions

What is your highest educational qualification?

- No school degree
- Secondary general school (Hauptschule)
- Intermediate secondary school (Realschule)
- General university entrance qualification (Allgemeine Hochschulreife)
- Bachelor's degree
- Master's degree
- Doctorate or higher

Please specify your main field(s) of education. (Multiple selection possible)

- Business/Economics
- Law
- Social sciences
- Humanities
- Computer science
- Other natural sciences
- Engineering/(Electro)technology/Mechanical engineering
- Other (please specify)

Which gender do you identify with?

- Male
- Female
- Diverse

Please enter your year of birth. (Year in the format YYYY)

As a small token of appreciation: Which purpose should your participation in this study benefit?

- Plant 10 trees (via 'Eden Reforestation Projects')
- Provide mosquito nets to protect 10 people from malaria (via 'Against Malaria Foundation')

If you are interested in benchmarking your responses compared to those of other participants afterward, please enter your email address.

You have now reached the end of the survey and can close the window.

Thank you very much for your participation!

Table A.III. Variables and descriptions.

Variable	Description
Dependent variable	
Attractiveness of a new contract	Ordinal variable that captures how a social entrepreneur evaluates the attractiveness of a new contract (7-point Likert-type scale).
Independent variables (decision attributes)	
Social impact	Binary variable that captures if the social and/or sustainable impact of the contract is high (= 1) or low (= 0).
Value alignment	Binary variable that captures if the alignment of the social venture's values with those of the new customer is high (= 1) or low (= 0).
Financial impact	Binary variable that captures if the financial impact of the contract on the social venture is high (= 1) or low (= 0).
Independent variables (social identity moderators)	
Missionary identity	Continuous variable that captures the Missionary identity of a social entrepreneur (mean of 5 items with a 7-point Likert-type scale).
Communitarian identity	Continuous variable that captures the Communitarian identity of a social entrepreneur (mean of 5 items with a 7-point Likert-type scale).
Darwinian identity	Continuous variable that captures the Darwinian identity of a social entrepreneur (mean of 5 items with a 7-point Likert-type scale).
Control variables	
Workload (decision attribute)	Binary variable that captures if the additional workload for the staff of the social venture if the contract is accepted is high (= 1) or low (= 0).
Female	Binary variable that captures whether the social entrepreneur is female (= 1) or not (= 0).
Age	Discrete variable that captures the age of the social entrepreneur.
Founder	Binary variable that captures if the social entrepreneur is the founder of the venture (= 1) or not (= 0).
University degree	Binary variable that captures if the social entrepreneur has a university degree (= 1) or not (= 0).
Educational background: Human sciences	Binary variable that captures if the social entrepreneur has an educational background in human sciences (= 1) or not (= 0).
Educational background: Natural sciences	Binary variable that captures if the social entrepreneur has an educational background in natural sciences (= 1) or not (= 0).
Company age	Discrete variable that captures the age of the venture of a social entrepreneur.
Number of employees	Ordinal variable that captures the number of employees of the venture of a social entrepreneur in categories e.g. 2–5 employees, 6–10 employees etc.
Positive cashflow	Binary variable that captures if the venture of the social entrepreneur has a positive cashflow (= 1) or not (= 0).
External funding	Binary variable that captures if the venture of the social entrepreneur has received an external funding (i.e. impact investment, business angel investment, venture capital, venture debt) (= 1) or not (= 0).
Impact area: sustainability	Binary variable that captures if the venture of the social entrepreneur addresses a sustainability (i.e. environmental) impact area (= 1) or not (= 0).