

MASTER'S THESIS

Course code: BE307E_2

Name: Shesan Baraili

Balancing Dual Objectives of Social Enterprises: A Case Study

Date: 28.11.2022

Total number of pages: 80

Sammendrag

Organisasjoner med hybride mål har eksistert i kooperativer, sykehus og universiteter i århundrer, men forestillingen om "sosialt entreprenørskap" ble populær først på 1980- og 90-tallet. Fremveksten av sosialt foretak har vakt stor interesse blant forskere og offentlige myndigheter, finansierer og forbrukere, ettersom sosial virksomhet kan skape både sosiale og økonomiske verdier. Sosiale entreprenører må møte relativt spesifikke utfordringer sammenlignet med konvensjonelle entreprenører. Dette er fordi sosiale virksomheter må forholde seg til kompleksiteten som følge av deres jakt på felles oppdrag. Ulike forskere har vært enige om at manglende balanse mellom de sosiale og økonomiske målene øker risikoen for misjonsdrift, som fører til at den sosiale virksomheten mislykkes. Denne studien tar sikte på å forstå hvordan sosiale virksomheter balanserer sine doble mål for å forbli vellykket til tross for deres utfordringer. Spesifikt studerer denne forskningsartikkelen en sosial virksomhet basert i Norge for å forstå hvordan organisasjonen har opprettholdt sine doble mål. Et teoretisk rammeverk ble utviklet basert på tidligere litteratur for å forstå hva den sosiale virksomheten har gjort for å balansere sine doble mål og unngå risikoen for oppdragsdrift. Case studietilnærming ble brukt for å studere den sosiale virksomheten, da den tillater en dybdeforståelse av konseptene som brukes. Dataene som ble samlet inn ble analysert ved hjelp av den tematiske analysemetoden. Funnene antyder at klare sosiale og økonomiske mål, strukturerte aktiviteter, resultatvurderinger, velvalgte teammedlemmer og partnerskap er viktige for suksess for sosiale virksomheter.

Søkeord: sosialt entreprenørskap, sosiale foretak, sosial oppstart, hybrid organisasjon, sosial innovasjon, balansering av felles oppdrag, utfordringer med to mål, misjonsdrift

Preface

This master's thesis has been written to fulfil the graduation requirement for a Master of Science in Business degree at Nord University. Writing this thesis has been an excellent opportunity for me to learn about the field of research. I have been fascinated with social innovation and enterprises since I joined my master's degree. So, I decided to write my thesis on a topic related to social enterprises.

I want to thank my supervisor, Bjørn Willy Åmo, for his support and guidance throughout the process of writing this thesis. I am grateful that he provided me with great learning opportunities. I am also thankful for his constructive feedback, which helped me to work harder and improve my work. I also want to thank Steven Macgregor Balmbra, the founder of Banter AS, for his availability to provide me with the information required for this study. He has shown me immense kindness and constant support throughout the whole process.

I want to thank my family for believing in me. Their support has helped me get through all the challenges I have faced. Finally, I want to give special thanks to my partner, Nikki. I would not have completed my thesis without her constant love and support.

Nord University Business School, 28.11.2022

Abstract

Organizations with hybrid objectives have existed in cooperatives, hospitals, and universities for centuries, but social entrepreneurship' gained popularity only in the 1980s and 90s. The rise of social enterprise has sparked considerable interest among researchers and public authorities, funders, and consumers, as social enterprise can create both social and economic value. Social entrepreneurs face relatively specific challenges in comparison to conventional entrepreneurs because social enterprises deal with the complexities brought forward by their pursuit of joint missions. Various researchers have agreed that failure to balance the social and economic goals increases the risk of mission drift, leading to the social enterprise's failure. This study aims to understand how social enterprises balance their dual objectives to remain successful despite their challenges. Specifically, this research paper studies a social enterprise based in Norway to understand how the organization has maintained its dual objectives. A theoretical framework was developed based on past literature to understand what the social enterprise has been doing to balance its dual goals and avoid the risk of mission drift. Case study approach was used to study the social enterprise as it allows an in-depth understanding of the concepts used. The data collected was analysed using the thematic analysis method. The findings suggested that clear social and economic goals, structured activities, performance assessments, well-selected team members, and partnerships are important for the success of social enterprises.

Keywords: social entrepreneurship, social enterprises, social start-up, hybrid organization, social innovation, balancing joint mission, challenges of dual objectives, mission drift

Table of Contents

| | |
|--|----|
| 1. INTRODUCTION | 1 |
| 1.1. The Research Problem | 3 |
| 1.2. The purpose | 4 |
| 1.3. The Research Question | 5 |
| 1.4. The perspective | 5 |
| 1.5. Context of study: Banter AS | 5 |
| 1.6. Structure of the study | 7 |
| 2. LITERATURE REVIEW | 8 |
| 2.1. Social entrepreneurship | 9 |
| 2.2. Social entrepreneurship in Norway | 11 |
| 2.3. Understanding the challenges of pursuing joint social and commercial goals | 13 |
| 2.3.1. Internal tensions | 15 |
| 2.3.2. External tensions | 16 |
| 2.4. Balancing the dual objectives of social enterprises | 17 |
| 2.5. Set organizational goals | 19 |
| 2.6. Structure organizational activities | 20 |
| 2.7. Select and socialize organizational members | 21 |
| 2.8. Communication | 22 |
| 2.9. Partnerships | 23 |
| 2.10. Combined theoretical framework | 24 |
| 3. RESEARCH METHOD | 26 |
| 3.1. Research Methodology | 26 |
| 3.2. Research Philosophy | 26 |
| 3.3. Research approach | 27 |
| 3.4. Research method and strategy | 27 |
| 3.5. Framework for qualitative research | 28 |
| 3.6. Time horizon | 29 |
| 3.7. Data source | 30 |
| 3.7.1. Primary data | 30 |
| 3.7.2. Secondary data | 30 |
| 3.8. Sample | 31 |
| 3.9. Open-ended question design | 31 |

| | | |
|---------|--|----|
| 3.10. | Data analysis | 32 |
| 3.11. | Ethical considerations | 34 |
| 3.12. | Credibility of findings | 35 |
| 3.12.1. | <i>Triangulation</i> | 36 |
| 3.12.2. | <i>Member-checking</i> | 36 |
| 3.13. | Transferability | 36 |
| 4. | Empirical findings | 37 |
| 4.1. | Theme 1- Motivation for starting a social enterprise | 39 |
| 4.2. | Theme 2- Need to blend social and business activities to sustain | 39 |
| 4.3. | Theme 3- Distinct organizational goals | 41 |
| 4.4. | Theme 4- Structured business activities | 43 |
| 4.5. | Theme 5- Select team members | 44 |
| 4.6. | Theme 6- Communication | 45 |
| 4.7. | Theme 7- Partnerships | 45 |
| 4.8. | Progress | 47 |
| 5. | Discussions | 48 |
| 5.1. | Motivation to start a social enterprise | 49 |
| 5.2. | Need to blend social and financial activities to sustain | 50 |
| 5.3. | Distinct organizational goals | 51 |
| 5.4. | Structured business activities | 52 |
| 5.5. | Select team members | 54 |
| 5.6. | Communication | 55 |
| 5.7. | Partnerships | 56 |
| 5.8. | Progress | 57 |
| 6. | Conclusion and Implications | 58 |
| 6.1. | Conclusion | 58 |
| 6.2. | Theoretical implications | 60 |
| 6.3. | Practical implications | 62 |
| 6.4. | Limitations and future recommendations | 63 |
| | References | 65 |
| | APPENDIX A. INTERVIEW GUIDE | 68 |
| | APPENDIX B. THEME GENERATION | 69 |
| | APPENDIX C. NSD APPROVAL | 73 |

List of Tables

Table 2-1 Tensions in hybrid organizations 15
Table 2-2 Pillars of hybrid organizing (Battilana, 2018) 17
Table 3-1 Interviewee details 30
Table 3-2 Six phases of qualitative data analysis 33

List of Figures

Figure 2-1 Mechanisms for managing conflicting objectives of SEs (Eiselein and Dentchev, 2020) . 18
Figure 2-2 Combined theoretical framework based on past theories 25
Figure 3-1 Qualitative research framework followed in this study 29
Figure 4-1 Data structure based on Siebold et al. (2019) 38

1. INTRODUCTION

The first chapter of this research paper provides relevant background information for the study and explains the purpose of the study. The context of the study and the structure of the study follows the research question. This chapter briefly describes the research problem and the gap in existing literature, which helps to construct the research question that this paper will try to answer.

In recent times, social enterprises have gained attention due to their focus towards alleviating social problems while also interacting with commercial entrepreneurship (Estrin et al., 2013, p. 376). Social entrepreneurship can have different meanings to different parties, thus raising ambiguity in its definition. The absence of a precise dimension of social entrepreneurship has made it difficult to separate it from other phenomena like philanthropy, sustainability, corporate social responsibility, social innovation, and commercial entrepreneurship (Saebi et al., 2018). Social entrepreneurship has been associated with various problems, issues, and forms. Thus, narrowing the definition of social enterprise can limit the problems and issues it could address and the forms it could take (Kerlin, 2009, p. 2). But consequently, social entrepreneurs are driven by the motive to create improved social outcomes (Phillips et al., 2014).

Social entrepreneurship, in contrast to business entrepreneurship, creates a growing business organization that is interested in changing the social systems (Alvord et al., 2004), and the activity of such an enterprise is characterized by innovation through the creation of a new combination of products, services, organization, or production (Phillips et al., 2014). As change agents in society, social entrepreneurs use innovation to bring about change (Phillips et al., 2014). Social innovation provides an immense number of opportunities to the enterprise. Many researchers have shown a growing interest in business innovation, particularly technological innovation, but there is comparatively less research regarding social innovation (Phillips et al., 2014). The use of technology in social innovation has been widely popular among social entrepreneurs. Social tech start-ups are gaining popularity worldwide and representing a new generation of ventures (Arena et al., 2018).

Social tech start-ups are social enterprises aiming to develop technology-based solutions to address social needs while safeguarding financial return (Arena et al., 2018). Due to the recent COVID-19

pandemic, many professionals are exploring the possibilities that digital-based communication methods can have on their work to adapt to the COVID -19 reality (Balmbra and Raimundo, 2021). Despite the growing popularity, social entrepreneurs face barriers such as a lack of financial resources, complex administrative procedures, and a lack of start-up information (Hoogendoorn et al., 2019). In the early stage of social tech start-ups, the volume of sales and capital is equal to zero, but the expenditure required for technical, economic, and administrative work is present (Arena et al., 2018). In such a situation, it is highly challenging to balance the social and commercial objectives of the start-up. There is always a possibility of tensions developing regarding ideology, performance, human resources, and identity or even reducing growth opportunities (Eiselein and Dentchev, 2020). For most social entrepreneurs, social and commercial activities are less integrated, so there is a high possibility of trade-offs between the two components of their hybrid mission (Eiselein and Dentchev, 2020). Thus, it is necessary to understand how the conflict between the social and economic goals of the enterprise can affect its growth and success.

Like the rest of the world, social entrepreneurship is also gaining popularity in Norway. Despite earning a critical position in government policies and international organization policies, social innovation is still hindered due to the dual nature of social enterprises. Various researchers and organizations doubt whether they can balance their social and economic objectives or eventually face the risk of drift, leading to abandoning their social mission to focus on profit (Battilana, 2018). According to Battilana (2018), social enterprises must manage the tensions that arise from internal and external pressures due to their pursuit of joint social and commercial missions. This paper aims to understand what social enterprises in Norway do to sustain the joint pursuit of social and commercial goals.

Several scholars have argued that conflicting objectives of social enterprises can be managed by focusing either on the individual level or overall team performance (Battilana, 2018, Eiselein and Dentchev, 2020). Battilana (2018) proposed four pillars for managing the challenges of hybrid organizations- set organizational goals, structure organizational activities, select organizational members, and socialize organizational members. Similarly, Eiselein and Dentchev (2020) brought forward four mechanisms for managing conflicting objectives of social enterprises- agile structure, partnerships, fit of values, and communication. This paper aims to create a conceptual framework based on existing mechanisms to investigate the research problem for this study.

1.1.The Research Problem

The hybrid organizing in social entrepreneurship allows it to create both social and economic values (Mitra et al., 2017). Past research suggests some entrepreneurs intentionally pursue social entrepreneurship while some are driven to pursue it, primarily due to decreased funding and grants from the state, public bodies, and private institutions to start a public enterprise (Mitra et al., 2017). No matter the cause, social entrepreneurship is gaining popularity worldwide as it addresses the enterprise's social and economic objectives. Despite increasing recognition of social entrepreneurship's contributions to society, there have been considerably fewer research efforts regarding social entrepreneurship (Phillips et al., 2014) and its dual objectives (Battilana, 2018). However, in recent times, the duality problem and goal paradox associated with social enterprises have been the focus of theoretical research and critical goals of entrepreneurs (Zheng et al., 2020).

Many scholars have expressed doubts about whether social enterprises can attain both social and commercial goals in the long run (Battilana, 2018). According to Battilana (2018), it is essential to understand the challenges faced by social enterprises due to their hybrid nature and how they overcome such challenges. Such research is vital for social entrepreneurs, as there is a considerable increase in consumers, non-profit organizations, and the government asking companies to provide social value in addition to profit.

Scholars argue that the hybrid nature of social entrepreneurship has led them to face specific challenges related to their dual identity causing mission drifts (Mitra et al., 2017). Due to these reasons, investors tend to be sceptical about giving funds and investing in social enterprises. Due to the legitimacy concern, external investors face ambiguity and uncertainty on whether to invest in such tech start-ups (Di Paola et al., 2018). Scholars have tried to explain how social entrepreneurs have more difficulty acquiring investors than commercial entrepreneurs (Mitra et al., 2017). Therefore, it is imperative to investigate how social entrepreneurs can balance social and commercial goals in the long run and during the start-up and growth phases.

Similarly, researchers have yet to acknowledge the diversity of social entrepreneurship to recognize the effects of the barriers that social entrepreneurs face in the initial phase (Hoogendoorn et al., 2019). The impact of the hybridity of social entrepreneurship has not been well-researched in the past (Mitra et al., 2017), so it is difficult to understand the problems and challenges social

entrepreneurs can face in balancing their dual objectives. Even though in the last century, researchers have gathered a lot of knowledge on how to maximize one goal, which is usually profit, there has been scant research on how to successfully pursue joint economic and social goals (Battilana, 2018). Even so, some past researchers have studied the differences between the social and financial value of a social enterprise, but such understanding is insufficient to realize how such differences can create tensions in the organization and how such tensions can manifest and integrate back into the coordination of strategies formed by social enterprises (Yin and Chen, 2019). According to Yin and Chen (2019), this can be considered a rather significant void in the literature as knowledge about such interdependence between tensions and business can be a way to achieve organisational sustainability.

This paper will attempt to contribute further to the existing literature on the still largely unexplored area of social entrepreneurship in Norway despite its popularity. This study investigates how social start-ups can balance their different social and commercial objectives in their initial phases. The paper will examine a social start-up in Norway to understand better how they attempt to balance their social and commercial goals to gain organizational success.

1.2. The purpose

When it comes to a social enterprise, there is always a looming question of whether the company can sustain both financial and social goals over time or if it will face the risk of drift. It is essential to answer this question not just to understand how social enterprises overcome the challenges they face but also because consumers, non-profit organizations, and governments expect companies to provide social value to society and gain profit for the company (Battilana, 2018).

With the growing popularity of social entrepreneurship in Norway and the rest of the world, it is important to realize how to balance the duality of the objectives of social entrepreneurship. This research paper intends to investigate the core challenges social entrepreneurs face due to the hybrid nature of social entrepreneurship. The paper's primary focus is to understand how social enterprises, in their start-up phase, design a business strategy that helps them to balance their social and commercial goals.

The Nordic countries represent an exciting history and vast development in social entrepreneurship and social enterprises (Malin et al., 2016, p. 2). The Nordic countries have extensive public welfare

structures and a high degree of public participation in public affairs, leading to increasing interest in social entrepreneurship. Despite the public welfare structures and agenda on government policies, social entrepreneurs still face frustrating challenges in their initial phase due to their hybrid nature. Understanding how to overcome challenges brought forward by the dual objectives of social enterprises is important. This paper aims to understand the Norwegian context of social entrepreneurship and how social entrepreneurs balance their social and business aims.

This paper is interesting because it is an in-depth study of a Norwegian social enterprise with an aim to provide family therapy innovatively. The paper investigates the strategies social start-ups use to balance their social and commercial objectives to be successful social enterprises. This paper wants to contribute to the existing literature on social enterprises by providing a Norwegian perspective on a social enterprises' approach to dual goal management to achieve organizational viability.

1.3. The Research Question

This research paper aims to investigate how a social tech start-up can succeed. A social start-up's success depends mainly on how they balance its dual mission as it not only reflects if the company works as a social enterprise but also plays a vital role in gaining funds and attracting shareholders. Thus, it is crucial to investigate how the start-up balances its social and business agendas. The following research question has been developed for this paper based on the research problem discussed above-

- a. How do social enterprises balance their social and economic goals to achieve organizational success?

1.4. The perspective

The study is conducted from the organization's perspective. Thus, the data is collected and analysed from the standpoint of a social entrepreneur in Norway.

1.5. Context of study: Banter AS

Banter AS is a limited liability company located at Bodinveien 56, Bodø, Norway. It was established in March 2017 with a share capital of NOK 30 000. The company is owned by Steven

Macgregor Balmbra, a retired child, family, and group psychotherapist with over 40 years of experience working in mental health and relationship counselling. It comprises a highly qualified international team dedicated to Banter's aims and ethos. Banter is a social enterprise aiming to produce products and training for professionals within health, social, educational, and organisational services and is primarily oriented towards providing assistance rather than accruing profit. The primary objective of Banter AS is to promote constructive dialogue about relationships through active and visual methods. Banter's product, 'People in my Life', builds upon the experience and knowledge that Steven gained during his career in the health and family guidance sector, in particular his success in the use of visualisation with small figures in consultations about relationship difficulties.

People in my Life figure sets employ figures as a visual means of expression in an ongoing conversation and have their roots in family sculpture, collaborative and narrative approaches (Balmbra and Raimundo, 2021). People in my life is a comprehensive set of about 300 figures designed to represent a wide range of people of different ages, styles, gender, and backgrounds. Figure sets are effective in arriving at relevant issues, bringing out narratives, and encouraging creative and constructive dialogue. They are developed for professional consultations, family therapy, relationship guidance, health clinics and hospitals, schools, and child protection. Banter also provides training and supervision in the use of 'People in my Life' and supports the development of theory and methods concerning the use of figures in family therapy and other forms of relationship counselling (<https://www.peopleinmylife.org/>).

Banter AS is also working to digitally provide the 'People in my life' figure sets, making it a social tech start-up. The COVID-19 pandemic has pushed psychotherapists into adapting to online therapy since digital healthcare has been essential due to psychological stress (Burbach and Pote, 2021). Hence, Banter AS also aims to provide digital solutions to family therapy and relationship counselling. It will be easily accessible as a digital application, and a brief version will be provided for free as a trial. Once the application is ready, carrying a box of figures will not be necessary while making an assessment or consultation. Instead, people can use it through their mobile phones, tablets, laptops, and PCs.

Banter AS aims to genuinely contribute to professional relationship counselling and therapy by providing visual conversational tools, training, and supervision. Banter AS is planning to

overcome the adverse effects of the Covid-19 pandemic and achieve financial stability. Even though Banter AS is a start-up company, it has been able to attract customers and receive positive feedback. Banter AS is currently not in a liquid position and is in debt to its owner. The company needs support to finance marketing operations and updating of the data product. Banter AS intends to seek financial help from organizations and investors supporting social enterprises to contribute to development testing and promotional costs.

1.6. Structure of the study

Chapter one: Chapter one provides background information on the research problem studied in this paper. The chapter explains what a social enterprise is and how the hybrid nature of such an enterprise can create challenges for the company. It further illustrates the importance of balancing the dual objectives of social enterprise for its success. Finally, it describes the gaps in past literature, how this paper aims to fill them, and why.

Chapter two: The second chapter starts with a literature review which is followed by a theoretical framework for the study. Studying past literature on the research topic is essential to better understand a particular research area and build a foundation for the study.

Chapter three: The third chapter illustrates the research model used in the study. This chapter has a well-described model and an explanation of the research method used for conducting the research. The chapter also briefly explains the data analysis tools used in this research paper.

Chapter four: Chapter four will have a clear description of the findings of the study. The results from the research will be analysed and explained to come up with a conclusion.

Chapter five: Chapter five includes discussions of the findings by relating them to past literature to understand the theoretical framework's usefulness.

Chapter six: The sixth and final chapter of the study will present the conclusion to the research based on findings and theory. The managerial and theoretical implications of the findings are explored along with the study's limitations that will prove helpful to future researchers.

2. LITERATURE REVIEW

This chapter illustrates past literature that will be the foundation for this study. The chapter will start with a definition of the study's core concept, followed by an explanation of the core theories used to develop the theoretical framework. This section ends with a combined theoretical framework developed by combining two core theories used in this study.

Organizations with hybrid objectives have existed for centuries in cooperatives, hospitals, and universities, but the notion of ‘social entrepreneurship’ gained popularity only in the 1980s and 90s, and now social enterprises have an ecosystem developed and grown around it (Battilana, 2018). Social entrepreneurs are gradually becoming more aware of the opportunities to create business models to generate profit while also addressing social needs through social innovation (Arena et al., 2018). At the same time, social innovation is also increasing the popularity of technological innovation, thus, creating an interrelationship between social innovation and technological innovation (Arena et al., 2018). Moreover, to adapt to the recent COVID-19 reality, many professionals are exploring the possibilities that digital methods of communication can provide to their work (Balmbra and Raimundo, 2021). Social tech start-ups are thus getting formed in large numbers.

The rise of social enterprise has sparked a considerable amount of interest among researchers, public authorities, funders, and the general public as they believe social enterprise is a promising alternative to creating both social and economic value at a time with growing economic inequalities, cultural recognition gaps, and environmental degradation (Battilana, 2018). Thus, it is not unusual for social enterprises to get tangled in the state’s welfare policy and are highly dependent on state funds for start-ups (Pelucha et al., 2017). Moreover, due to the mixture of social and commercial objectives in social entrepreneurship, social entrepreneurs are likely to face relevant financial and functional challenges (Arena et al., 2018, Pelucha et al., 2017). The dual mission can create confusion among possible investors and shareholders, forcing the start-up to depend mainly on funds. Likewise, social entrepreneurs also face functional problems due to a lack of knowledge and skills regarding social start-ups (Pelucha et al., 2017). Thus, social entrepreneurs need to have a clear and distinct balance between the social and economic goals of the start-up.

Social entrepreneurs face rather specific start-up challenges than regular entrepreneurs because they aim to achieve their personal and social values (Hoogendoorn et al., 2019). According to Hoogendoorn et al. (2019), such entrepreneurs face more financial, administrative, and informational barriers during start-ups than regular entrepreneurs. Thus, it is very likely for social entrepreneurs to lose their balance between the dual objectives they aim to achieve. Researchers have highlighted the possibility for organizations to drift away from their social mission in pursuit of their organizational growth, survival, and efficiency, which causes them to stray from their dual mission and focus only on one, especially the financial goals at the expense of social goals (Battilana, 2018, Eiselein and Dentchev, 2020).

The managers of social enterprises have to deal with the complexities brought forward by their mission to create both financial and social value while also adopting and implementing appropriate business strategies to keep the organization viable, as do traditional profit-oriented enterprises (Habaradas and Aure, 2016). Even though a large number of literature has studied how social enterprises differentiate between social and business goals, understanding such differences is still insufficient to find out how these tensions present themselves in social enterprises and are used to make business strategies for social enterprises (Yin and Chen, 2019). Maintaining both social missions and economic growth is central to the success of social enterprises (Raisiene and Urmanaviciene, 2017). Researchers have argued that social enterprises that do not seek to balance both social and economic objectives are less sustainable and competitive (Leung et al., 2019). This research paper aims to understand how social start-ups in Norway balance their social and business goals to incorporate successful business strategies by analysing the strategies used by Banter AS to balance their dual mission.

2.1. Social entrepreneurship

There are various reasons businesses tend to engage in corporate social responsibilities. Some firms engage in corporate social initiatives to promote advocacies or to address issues important to their company's target stakeholders, and some engage in enhancing their competitive contexts, while others do to meet global expectations (Habaradas and Aure, 2016). However, there are some businesses for whom achieving social value is their primary goal and keeping them profitable is essential for the operation of the business. Such businesses are known to be social enterprises (Habaradas and Aure, 2016).

The meaning and definition of social entrepreneurship are far from easy to specify (Malin et al., 2016, p. 2). Social entrepreneurship is a multi-dimensional and dynamic construct (Zeyen et al., 2013, Bacq and Janssen, 2011, Nicholls, 2006). The traditional one-dimensional entrepreneur has only one aim- to maximize profit, which is in contrast to social entrepreneurs who are multi-dimensional (Nicholls, 2006, p. 1). A social enterprise differs from a traditional company as they prioritize its social mission over its economic mission even though they pursue both. At the same time, it also differs from conventional non-profit organizations because they earn profit from financial activities rather than relying on charity, donations, and government subsidies (Battilana, 2018).

Various researchers have defined social entrepreneurship based on different perspectives. Some researchers have focused on social entrepreneurship as a combination of a commercial enterprise with social impacts, and others argue social entrepreneurship is innovating for social impact. Those focused on social innovation create innovative initiatives, build new social arrangements, and utilize resources to respond to social problems (Alvord et al., 2004). Social entrepreneurship is generally associated with social value creation with commercial activities and social innovation. A social entrepreneur aims to have a social impact while also generating a profit through innovation. Therefore, the three principal dimensions of social entrepreneurship are sociality, innovation, and market orientation (Nicholls, 2006, p. 103).

Economist Joseph Schumpeter argued that entrepreneurs reform and revolutionize production patterns by exploiting an invention or technological possibility for producing new products or finding new ways to produce the old products by finding new supply sources, new outlets, and so on (Dees et al., 2001, p. 3). Social entrepreneurs are, thus, who reform the patterns of production or service to create a social impact. The concept of social entrepreneurship emerged from the work of Bill Drayton, CEO of Ashoka (an international organization that funds social entrepreneurs), and Ed Skloot at New Ventures (an organization consulting non-profits on how to explore new sources of income) during the 1980s (Dees, 2007). The combination of having a social impact on society and generating specific revenue for the company's future is what makes a company a social enterprise and differentiates it from non-profit organizations (Neessen et al., 2021). A social enterprise's organisational characteristics constitute economic characteristics that involve

continuous production, revenue flow, financial risk, etc., and social characteristics that help provide benefits to society.

2.2. Social entrepreneurship in Norway

The local, regional, national, and international governments and organizations have heavily stressed the importance of social innovation and entrepreneurship. Scholars have argued that past researchers have different approaches to social entrepreneurship based on their geographical origins (Bacq and Janssen, 2011). Some researchers (e.g., (Hermelin and Rusten, 2018)) have adopted a place-based approach to understanding the impact that interplays between local and multi-scalar relations have on social entrepreneurship initiatives. Where social entrepreneurship is located conditions the capacities and possibilities of social entrepreneurship. In other words, the location impacts the level of challenges a social entrepreneur faces and how well the social entrepreneur can handle those challenges.

According to EU discourse, there are three perspectives on social innovation; the first is an approach to how social innovation supports disadvantaged groups, the second refers to a broader understanding and covers various forms of innovation in welfare development, and the third focuses on the relationships between different social institutions and stakeholders (Hermelin and Rusten, 2018). Several European countries have set organizational frameworks based on the entrepreneurial initiatives set by the EU's policy agendas (Hermelin and Rusten, 2018, Bacq and Janssen, 2011). In the Nordic countries, the public sector has a significant role in framing the development of social enterprises by ensuring the availability of resources in the form of funding, advice, managerial support, and facilitating procedure that helps the entrepreneur and clients to meet each other for local social entrepreneurship initiatives (Hermelin and Rusten, 2018, Malin et al., 2016, p. 5).

Norway provides a large safety net for entrepreneurs, which reduces the economic risk of business failures (Clausen et al., 2010, p. 13). Norway has a large public sector that provides universal services to its citizens (Saetre, 2022). In Norway, social enterprises and social entrepreneurship are much less developed than in several European countries (Defourny and Nyssens, 2021, p. 166); however, in the early 2000s, social enterprises emerged in Norway and have steadily increased to approximately 300-400 social enterprises (Saetre, 2022). At the turn of the 21st century, due to the

influence of market-oriented approaches found in the US and the UK and the impact of European initiatives rising from social-economy tradition, Norway started experiencing the rise of social entrepreneurship (Defourny and Nyssens, 2021, p. 166).

There has been increased attention towards social entrepreneurship in Norway by setting up social organizations, publishing literature, and establishing internet resources, blogs, etc., that provides exposure to social entrepreneurs (Malin et al., 2016, p. 9). The welfare state of Norway has many actors like NGOs, the government, entrepreneurs, and social incubators that facilitate and support social innovation and entrepreneurship.

Statistics on Norwegian social enterprises are based on information from central actors and information available in public registers, as there is no specific register of social enterprises (Defourny and Nyssens, 2021, p. 170). According to Defourny and Nyssens (2021), two prominent social enterprise models are based on the voluntary and business sectors' ideologies. Between 40% and 50% of social enterprises are joint-stock companies, registered either as limited companies or as limited non-profit companies, while the second most common form of organisation is the non-profit organisation (28% to 33% of SEs), followed by the legal structure of foundation (11% to 15%), while 2% to 5% of social enterprises are also operating as personal businesses and the remaining social enterprises are cooperatives.

Increased public awareness and activity characterize the field of social innovation. More and more companies are being recognized as social enterprises, with growing interest from both the public and academic sectors and some private companies. But there are still differing views on what social innovation and entrepreneurship mean, what role the public sector should play, and how best to support the industry. However, there has been increased attention towards social entrepreneurship in Norway by setting up social organizations, publishing literature, and establishing internet resources, blogs, etc., that provide exposure to social entrepreneurs (Malin et al., 2016, p. 9). The welfare state of Norway has many actors like NGOs, the government, entrepreneurs, and social incubators that facilitate and support social innovation and entrepreneurship. Various organizations and incubators support various social enterprise initiatives in different ways by providing funds and investing in their enterprise or supporting them in other ways by providing expertise, office sharing, or networking (Defourny and Nyssens, 2021, p. 172).

2.3. Understanding the challenges of pursuing joint social and commercial goals

Social entrepreneurs perform an essential role in dealing with society's current social problems by engaging in a highly decentralized innovation, experimentation, and problem-solving activity that expands the options available in society regarding solving social problems (Zeyen et al., 2013). However, according to Zeyen et al. (2013), having social entrepreneurs is not enough, and the success of social entrepreneurship depends on the legal, political, cultural, and organizational environment that helps in improving the effectiveness of social entrepreneurs. Social entrepreneurs require extensive knowledge of management, administration, and strategy formulation to balance the focus on a joint mission and not drift, which leads to focusing on only one mission. Social entrepreneurship is running against assumptions and biases due to a lack of proper knowledge regarding such a multi-dimensional construct (Dees, 2007).

In the past, the company's success was mainly measured by financial performance for shareholders, but in recent years, the multiple value perspective has gained popularity (Neessen et al., 2021). Social entrepreneurs need to balance social and economic goals, and their decisions are crucial for the survival and development of the enterprise (Zheng et al., 2020). Researchers believe in applying a 'shared value principle' where economic value is created in a way that also provides social value, thus giving rise to social enterprises.

Social entrepreneurs have specific challenges that might be more difficult to overcome than commercial entrepreneurs. The main challenge for social enterprises is managing the daily tensions that arise from dual objectives. The duality of entrepreneurship makes it challenging to gather proper start-up information and business vision from prospective investors, funders, and social entrepreneurs. Pursuing dual goals over time often proves challenging when the surrounding ecosystem mainly comprises profit and non-profit organizations (Battilana, 2018). Even though the changing legislation and social expectations offer considerable opportunities to social enterprises, existing laws, policies, regulations, funder mindsets, and monitoring systems often tend to hinder the pursuit of joint missions (Battilana, 2018).

Social enterprises have to manage the tensions that are likely to arise due to their pursuit of joint social and commercial missions on a daily basis (Battilana, 2018). According to Battilana (2018), these tensions arise from both internal and external pressures. Internal pressure is created due to

the social enterprises' dual identity, which can create conflict among members of the organization, and external pressure can be created due to the pressure of proving both economic and social legitimacy to various partners and clients. Other scholars like Eiselein and Dentchev (2020) have supported the work of Battilana. They believe that conflicting objectives originate internally and externally and can be managed at the individual level or overall team performance. At the individual level, the role of founders and board members is essential to balance the joint goals as some shareholders might favour commercial objectives, whereas some might favour social goals, which creates tensions (Eiselein and Dentchev, 2020). The team performance level is the dynamics between the individuals in the social enterprise, and conflicts among the team members can be managed by dividing the responsibilities for social and commercial objectives (Eiselein and Dentchev, 2020). According to Battilana (2018), most social entrepreneurs acknowledged that their social and economic goals did not always align, which caused intense tensions. The tensions can be regarding resources or identity (Eiselein and Dentchev, 2020, Battilana, 2018).

Some of the tensions faced by the social enterprise are also supported by other researchers. Various researchers agree that there can be performing tensions (e.g. divergent outcomes such as goals and stakeholders), organizing tensions (e.g. divergent internal dynamics such as values, cultures, practices, and processes), belonging tensions (e.g. divergent identities among subgroups and the organization), and the learning tensions (tensions of growth) (Yin and Chen, 2019, Smith and Lewis, 2011).

When social entrepreneurs accept the existence of tensions rather than deny them, it can help them to set up a mindset to create more creative strategies. For instance, accepting rather than denying the existence of tensions helps set up a perspective to develop more creative strategies, which can include structurally separate opposing demands, deciding which one to engage with before, and finding ways to integrate them (Smith and Lewis, 2011). In an ideal hybrid organization, social and economic missions are fully integrated and are argued to have removed the difficult choice for entrepreneurs between social value and profit generation, and such integration of social and economic value leads to a continuous cycle of profit and reinvestment in the social mission which in the long term facilitates social change in extensive scale (Siebold et al., 2019). Therefore, it is important to investigate tensions to understand how a social enterprise can overcome such tensions that will ultimately help them to balance their dual objectives.

| | Identity | Resources |
|-----------------|---|---|
| Internal | Value clashes Multiple discourses Emotional stress | Conflicted resources allocation |
| External | Ill-fitting legal status Reduced legitimacy Divergent expectations from various audiences | Difficulty finding funding Difficulty finding talent |

Table 2-1 Tensions in hybrid organizations

2.3.1. Internal tensions

Internal pressures are created due to the dual identities, primarily if opinions differ on whether the social or financial objective is important (Battilana, 2018). Individuals hold their own set of personal values that guide their choices and behaviour (Eiselein and Dentchev, 2020). This can create conflict between a social enterprise's social and economic objectives. It is only natural for people to find it challenging to put aside their personal values and work with dual objectives. The combination of dual objectives in hybrid organizations can create internal tensions since there are chances that fulfilling the demands of one goal may require defying the demands of another, which can provoke internal tensions among organizational members and create problems in decision-making (Saetre, 2022). The dual objectives of social enterprise can generate identity tensions among the team members because they have to adjust their values which can often be conflicting and cause emotional stress (Battilana, 2018). Internal tensions limit social enterprises due to their articulation of multiple goals (Lallemand-Stempak, 2017). According to Battilana (2018), an individual with social work background tends to emphasize the social aim, whereas an individual with a banking background tends to emphasise the enterprise's financial purpose. There are often chances that members emphasize their values and focus on one of the two objectives which can paralyze their company.

Generating revenue while also developing social value in the context of limited resources can be a significant source of tension and conflict among the organization members (Lallemand-Stempak,

2017). In addition, intangible identity issues tend to manifest themselves into tangible resources in a way that resource allocation can be complex and might involve trade-offs due to the pursuit of economic and social goals (Battilana, 2018). This can bring forward a sense of dispute among the organization's members. when it comes to attaining resources, social enterprises can sometimes respond to organizational demands arising from commercial objectives, which in turn fails to attend to demands arising from social objectives (Raisiene and Urmanaviciene, 2017, Ebrahim et al., 2014).

2.3.2. External tensions

The multiple identities of hybrid organizations can also create tension in the relationship between organizations and their external environments (Battilana, 2018). Various researchers argue that the dual objectives can also create challenges linked to the organisation's legitimacy with external partners (Battilana, 2018, Saetre, 2022). It is ideal for hybrids organizations to be seen as legitimate in both the business sectors and social sectors to survive and thrive, but because they have a dual mission, hybrids hold a risk of disappointing the different expectations of their varying stakeholders (Battilana, 2018).

Legitimacy is also essential for social enterprises to receive funding. Due to dual objectives, access to human and financial resources is a huge challenge for social enterprises (Battilana, 2018). When social entrepreneurs lack performance in terms of social or economic value, it can create legitimacy issues among public and private capital providers, creating financial difficulties for the enterprise (Hoogendoorn et al., 2019). According to Battilana (2018), commercial investors may doubt the social enterprise's activities that they deem unprofitable, while philanthropists may be sceptical about an organization with a social mission focused on earning a profit. This can also be true for human resources. Organizations can face similar problems and setbacks while trying to hire talent for the team. It is also imminent that some stakeholders might prefer the commercial value provided by the social enterprise, while others might prefer the social objective of the social enterprise, which in turn will develop tensions (Eiselein and Dentchev, 2020). Therefore, social entrepreneurs should balance the conflicting goals of their organization to arbitrate between contradictory demands (Lallemand-Stempak, 2017, Battilana, 2018, Eiselein and Dentchev, 2020). Moreover, a study shows that hybrid organizations might develop their logic rather than adapting logic from public

or private for-profit sectors, and even though these multiple logics vary, they can be complementary (Lallemand-Stempak, 2017).

2.4. Balancing the dual objectives of social enterprises

Social entrepreneurs should focus on both internal and external tensions since focusing on the external environment can help to accurately keep track of market conditions, identify potential partners, strengthen cooperation for value cocreation, make suitable strategic choices, and earn legitimacy and reputation, while focusing on internal tensions can help the enterprise to use existing resources and competencies fully, enhance its corporate image, and gain the recognition of stakeholders (Zheng et al., 2020). Various researchers argue that organisational members' values and principles are essential for balancing the dual objectives of a social enterprise (Neessen et al., 2021, Battilana, 2018, Siebold et al., 2019). According to Battilana (2018), there are four pillars of hybrid organizing that helps in the creation and maintenance of an organizational culture that helps in the pursuit of joint objectives for social enterprises- **setting organizational goals, structuring organizational activities, and selecting and socializing organizational members.**

| Pillar | Practices |
|--|--|
| Setting organizational goals | Establishing social and financial aims Tracking social and financial performance |
| Structuring organizational activities | Integrating or differentiating social and financial activities Combining integration and differentiation approach |
| Selecting organizational members | Recruiting individuals who are hybrids with knowledge of both social and financial fields, individuals who are specialists in either social or financial fields, and/or individuals who are blank slates |
| Socializing organizational members | Training members in hybrid organizing Rewarding members for hybrid organizing Enabling interactions among team members with different profiles |

Table 2-2 Pillars of hybrid organizing (Battilana, 2018)

Battilana (2018) argues that it is important for social enterprises to identify and establish clear social and financial aims. Careful selection of a meaningful dual mission for the entrepreneur and the organization is important for balancing the dual objectives (Siebold et al., 2019). Various researchers argue that avoiding vagueness regarding the dual missions (Habaradas and Aure, 2016) and having high identification with the dual missions of the social enterprise can balance their dual objectives (Eiselein and Dentchev, 2020). According to Battilana (2018), it is essential to track social and financial performance to balance the dual mission. Such a creative way of measuring performance is also deemed necessary by other researchers (for example- (Habaradas and Aure, 2016)).

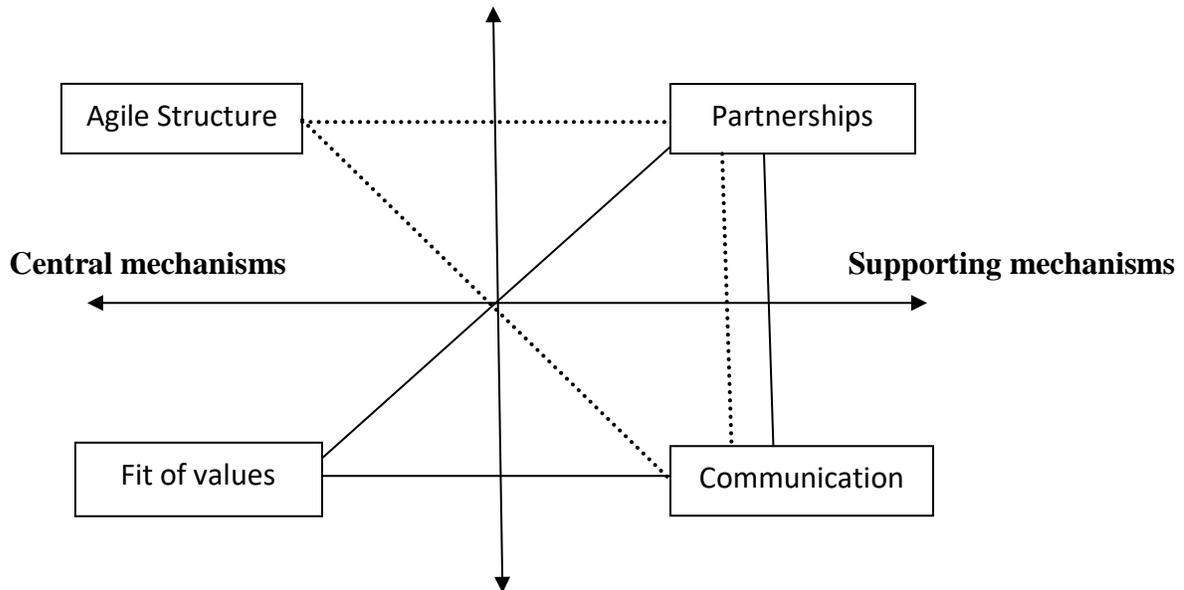


Figure 2-1 Mechanisms for managing conflicting objectives of SEs (Eiselein and Dentchev, 2020)

In addition, Battilana (2018) argues that selecting and socializing organizational members also helps balance the dual missions of social enterprises. It helps to recruit specialists in either social welfare or economic domains or hybrid individuals with expertise in social and economic activities

(Battilana, 2018). It is important to invest time and energy to create a committed team to succeed as a hybrid organization (Habaradas and Aure, 2016, Dees and Anderson, 2003). Similarly, training and rewarding team members for specializing in hybrid organizing is also beneficial (Battilana, 2018, Ebrahim et al., 2014). Moreover, enabling communication among various organisational stakeholders is also a key strategy for balancing hybrid organizations (Battilana, 2018, Ebrahim et al., 2014, Siebold et al., 2019, Eiselein and Dentchev, 2020). Communication can not only be used to resolve conflicting objectives but also to transmit and present the overall goals of social enterprises clearly to its employees, founders, or board members who actively participate in various networking events. According to Eiselein and Dentchev (2020), creating partnerships with external social and commercial-minded partner organizations can be helpful to balance the dual mission of hybrid organizations. Social enterprises can attract various for-profit, non-profit, and governmental organizations that can provide financial and human resources, expertise, or networks vital for social enterprises' success and growth.

Based on previous literature and study of the **Four Pillars of Hybrid Organization** by Battilana (2018) and Four Mechanisms of **Managing Conflicting Objectives of SEs** by Eiselein and Dentchev (2020), a combined theoretical framework is formed which will help to understand how social enterprises in Norway can balance their dual missions.

2.5. Set organizational goals

The economic/ social divide has deep roots not only in academia but also individual, organizational, and institutional life (Battilana, 2018). According to Battilana (2018), the central challenge for hybrid organizations is understanding the factors that help with multiple goal scenarios presented among social entrepreneurs. Failure to set distinct organizational goals will lead to mission drift. Mission drift is when the social enterprise's mission becomes too focused on either financial profit or social welfare, such that the other mission is no longer a priority (Raisiene and Urmanaviciene, 2017). It is essential that social entrepreneurs set distinct goals after careful consideration so that there is no risk of mission drift. Many social enterprises are launched with vague missions which will allow each stakeholder to see what they want, but while this vagueness may make it easier to attract resources, it will create conflict in the future (Dees and Anderson, 2003).

A clear and distinct mission that is communicated effectively helps social enterprises to screen prospective investors, employees, and customers and guide critical strategic decisions (Dees and

Anderson, 2003). The dual missions should be based on shared values, market analysis, and previous experience (Siebold et al., 2019). Recent studies examine dual organizational goal setting, intending to understand how social enterprises can focus on both social and economic goals (Battilana, 2018). According to Raisiene and Urmanaviciene (2017), various social enterprises might compromise the social mission in search of profit, while some organizations might focus more on the social mission and not manage their economic operation to the extent that the company gets bankrupt. Therefore, social enterprises need to set distinct goals for social and economic missions and ensure they work together rather than drift and focus on just one objective.

In addition to setting distinct goals, it is important to examine dual performance. Another important side of setting distinct goals is the set of metrics that measure the performance and progress of work toward achieving the dual mission (Battilana, 2018). Assessing social performance is much different than evaluating financial performance (Battilana, 2018, Ebrahim et al., 2014). There are various ways to track financial performance using financial and accounting measures like sales, revenue generation, profit, return on investment, etc. (Ebrahim et al., 2014). On the other hand, assessing social performance does not have any common currency to rely on and has very few benchmarks to rely on (Ebrahim et al., 2014). The social performance is assessed based on dialogues with stakeholders that identify and care about the organisation's social mission by measuring the company's impact on its workers, customers, suppliers, community, and the environment (Battilana, 2018).

2.6. Structure organizational activities

In social enterprises, it is important to establish a structured business model to clearly separate commercial and social activities, which will enable their performance to be examined separately (Ebrahim et al., 2014). Social enterprises can manage dual objectives by prioritizing a specific mission before the other or by dividing the responsibility for social and economic objectives into different activities (Eiselein and Dentchev, 2020). A structured business model is built around opportunities where there is potential for harmony between social and economic value creation, which can be difficult, but social entrepreneurs can develop strategies by linking cost savings to productivity improvement, serving neglected markets, or targeting socially oriented customers (Dees and Anderson, 2003).

Hybrid organizations have various activities ranging from activities that help to advance social goals to activities that help to advance financial goals to those that can support both goals (Battilana, 2018). Establishing an agile organizational structure is central to managing the conflicting dual objectives at an internal team level (Eiselein and Dentchev, 2020). According to Eiselein and Dentchev (2020), it can be obtained through distinct shared responsibilities for team members upholding both the social and financial values of the organization, reducing power distances between various team members, including employees, managers, founders, board members, and even volunteers, and proper communication among team members and other stakeholders. In an integrated structure, hybrid organizations can combine both economic and social activities, whereas, in a differentiated structure, social and economic activities are assigned to distinct groups (Battilana, 2018, Habaradas and Aure, 2016, Ebrahim et al., 2014). However, a recent study shows that social enterprises can combine integrated and differentiated approaches over time (Battilana, 2018). An organization model called the embedded social enterprise model shows that social programs and commercial activities are synonymous such that the social and economic activities simultaneously pursue the money-mission relationship, while the integrated social enterprise model shows that instead of working synonymously, the social and economic parts only share costs, assets, and attributes, and external social enterprise model shows social programs and business activities are entirely separate from each other (Habaradas and Aure, 2016).

The lack of a proper and well-structured business model will lead to unstructured organizational activities, increasing the risk of mission drift. Having a structured business model will have two distinct focuses in the organization such that activities of one mission will not adversely affect the other; instead, they will complement each other, minimising the risk of mission drift. Therefore, a well-established business model is an important focal point in social organizations (Raisiene and Urmanaviciene, 2017).

2.7. Select and socialize organizational members

Organizational culture consists of shared values and norms regarding how team members of an organization should behave and work. The theory of personal values shows that there should be an alignment between individual and organizational goals and values so that individuals can support and collaborate with overall organizational goals (Eiselein and Dentchev, 2020). Individuals that share the same set of values tend to have a sense of trust, and cooperation among each other which

can be of great help when considering team members and stakeholders (Eiselein and Dentchev, 2020). Organizations that can create and maintain a hybrid organizational culture that includes the joint pursuit of social and economic value tend to be successful and avoid goal drift.

Team members are the most crucial to any business's success, and it is undoubtedly true for social enterprises that must blend skills and values from both social and economic fields (Dees and Anderson, 2003). Organizational members are those individuals who undertake the organisation's activities and include employees, managers, and board members (Battilana, 2018). To reconcile both the social and business missions of the social enterprise, it is necessary to invest in the selection and development of a committed team and managerial competencies to maintain a strong focus on the dual objectives and strategies of the social enterprise that must be shared throughout the organization and to ensure efficient communication with their stakeholders (Raisiene and Urmanaviciene, 2017). According to Dees and Anderson (2003), to create a high-performance committed team, it is important to invest in selective hiring, have performance-based compensation policies, train employees, and have a balanced advisory board to increase the chance of success. To pursue dual missions, social entrepreneurs need to hire individuals who can work with both missions, understand the opportunities and challenges of social enterprises, and embrace the values created by both social and business sectors (Battilana, 2018).

Finding the right team member will not only build organizational skills but also send a signal to outsiders like investors, customers, etc. since personal reputations and credentials can add credibility to the organization (Dees and Anderson, 2003). In addition, the socialization of team members is a primary way social enterprise teaches the desired values and behaviours among the team members (Battilana, 2018). Some social entrepreneurs pursue a hybrid profile approach and seek individuals who already value both the social and commercial missions of the organization, while some pursue a specialized profile approach to recruitment where they hire experts from either the social or the business field (Battilana, 2018).

2.8. Communication

Social enterprises should find individuals that align with the internal and external stakeholders and not just the individuals with the right fit of values (Eiselein and Dentchev, 2020). Communication is key to balancing the social and economic missions of the social enterprise. It is important to adopt open and clear communication with both internal and external stakeholders. However,

communication is not just the key to lessening the effects of conflicting objectives but also to clearly presenting the dual goals of social enterprises to the team members (Eiselein and Dentchev, 2020).

It is crucial for social enterprises to share the organization's dual mission, its social impact, its business model, and its performance assessment clearly with the stakeholders as it can reduce distrust among the internal and external stakeholders (Dees and Anderson, 2003). According to Dees and Anderson (2003), it can be beneficial for social enterprises to give the key stakeholders a voice to express their concerns through regular communication. It is important to create a working environment that nurtures compromises and trust between individuals by creating channels and different occasions where various stakeholders can openly discuss the activities of the social enterprise (Eiselein and Dentchev, 2020). According to Eiselein and Dentchev (2020), this intensifies the shared values that individuals follow in an organization, the agile structure, and the business model of social enterprises, which enables partnerships too.

2.9. Partnerships

Partnerships with trusted partners are a central mechanism for managing a social enterprise's conflicting social and economic objectives (Eiselein and Dentchev, 2020). Enterprises can compensate for their organization's lack of resources and capabilities by collaborating and establishing partnerships with other organizations (Choi et al., 2018). As an enterprise grows, brand credibility serves as a way to develop the company's reputation. Credibility can be borrowed through other partner organizations, and in the case of social enterprises, forming strategic alliances with like-minded organizations can help with their credibility and also express their commitment towards the social value among the customers (Dees and Anderson, 2003). According to Dees and Anderson (2003), strategic collaboration can help social enterprises pursue social impact while also ensuring profitability. Even creating social benefits with profitability can be difficult. Besides its direct benefits, partnerships can be a positive catalyst of social change (Sanzo-Pérez and Álvarez-González, 2022).

Social enterprises can attract non-profit or for-profit organisations that can benefit their social or economic objectives (Eiselein and Dentchev, 2020). Such partnerships can provide resources, knowledge, expertise, or network access that are important for social enterprises to sustain their operations and thrive and grow (Dees and Anderson, 2003, Eiselein and Dentchev, 2020). Most

social start-ups depend on donations, charities, or funds from outside organizations, which might limit the sustainability of social enterprises, while collaborations or partnerships with other organizations can be an excellent strategy for resource attainment and mobilization (Park et al., 2018). Collaborating with trusted partners might also help the organization gain the public and the customer's trust (Dees and Anderson, 2003). The partnership between a social enterprise and a more prominent corporation can be an attractive option for resource attainment and mobilization for the enterprise (Park et al., 2018). Likewise, partnerships with non-profits may allow the organization to better serve its social and economic goals through philanthropic support (Dees and Anderson, 2003). Past literature shows that there is a positive relationship between partnerships with government and non-profit organizations and the performance of the social enterprise, whereas there is a negative relationship between partnerships with for-profit organizations and the social performance of the social enterprise (Choi et al., 2018).

2.10. Combined theoretical framework

The four pillars of hybrid organizations by Battilana have been considered successful in maintaining social and financial goals by various researchers. Battilana studied various hybrid organizations in the US over a period of time to recognize their internal and external tensions to come up with a successful mechanism to balance their joint objectives. Furthermore, the theory by Eiselein & Dentchev also provides mechanisms for conflicting objectives of social enterprises by studying three Belgian social enterprises that were recognized for their success by renowned organizations like the UN and Ashoka. It can be said that their mechanisms can be successful in the Belgian economy. But the question raised in this research paper is whether the strategies provided by Battilana can be successful for social enterprises in Norway, especially start-ups. Social entrepreneurs can use the combination of these two theories in Norway to be successful.

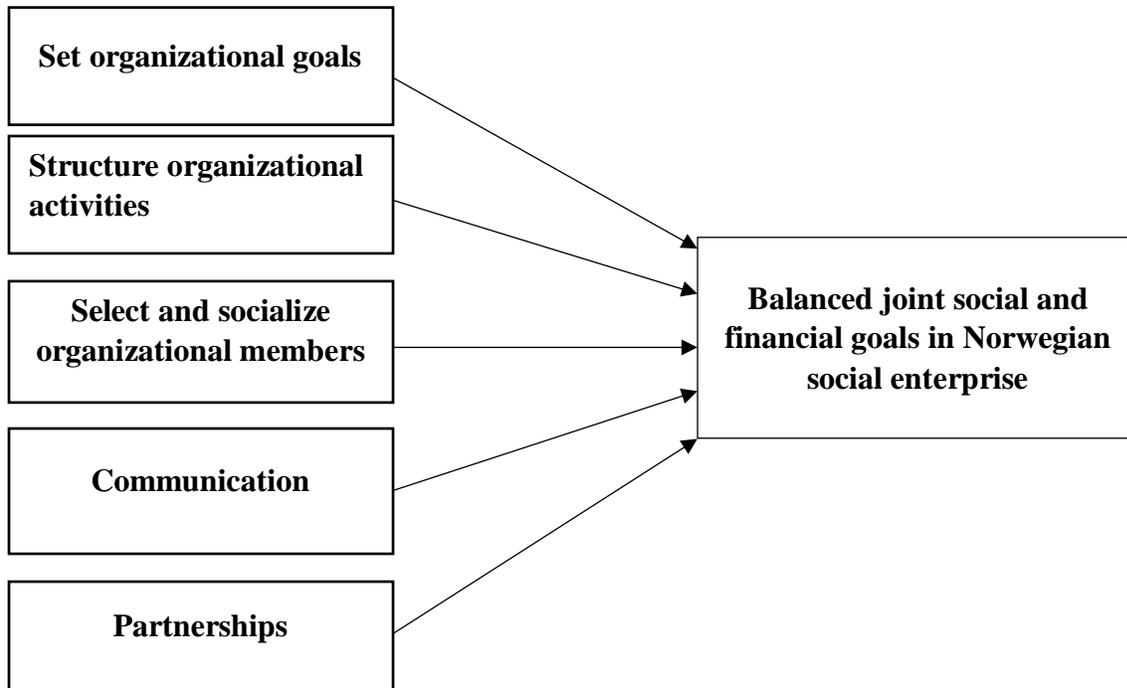


Figure 2-2 Combined theoretical framework based on past theories

As shown in Figure 2-2, past theories have been used to establish a combined theoretical framework to study how social entrepreneurs in Norway balance their joint social and economic goals. For this study, the *four pillars of hybrid organizing* by Battilana (2018) and *four mechanisms for managing conflicting objectives of social enterprises* by Eiselein and Dentchev(2020). This research paper aims to study whether previously studied factors like *set organizational goals*, *structured business activities*, *selection and socialization of team members*, *communication*, and *partnerships* can help social enterprises in Norway pursue their joint mission without the risk of drift.

3. RESEARCH METHOD

This chapter of the dissertation describes the research methodology and the philosophy on which the research will be based, followed by the research method and strategies for the study. This chapter will explain about the sampling, data collection method, and data analysis and how the analysed data's credibility can be ensured.

3.1. Research Methodology

A research model known as 'The Research Onion' model can be used to understand how research should be conducted. The model is like several peels of onion. Researchers should start from the outer layers consisting of philosophies, approaches, strategies, time horizons, and techniques and peel them off bit by bit to reach the centre. Saunders, Lewis & Thornhill developed the model to create an organized methodology for conducting research.

3.2. Research Philosophy

Research philosophy is the set of principles on worldview based on which research can be conducted. The research philosophy contains assumptions about how a researcher views the world, which helps to figure out which research strategy and method to use (Saunders et al., 2007, p. 101). The philosophical study of what can be said to exist (Sekaran and Bougie, 2016, p. 23) and how the world operates (Saunders et al., 2007, p. 108) is called ontology. Epistemology concerns what constitutes acceptable knowledge, while ontology concerns the nature of reality (Saunders et al., 2007, p. 108). Whereas epistemology concerns valid information in a particular area of study (Saunders et al., 2007, p. 102).

This research paper aims to understand how social enterprises can balance their joint social and economic mission amidst the challenges of such joint missions. The core concept here is that social enterprise has dual goals, which means there will be joint organization culture that cannot and should not be manipulated. Instead, it should be structured for them to work together or separately as needed. Therefore, it is best to use ontological assumptions. Ontological assumptions can have subjectivism or objectivism philosophies. Objectivism argues that social entities exist external to

social actors, whereas subjectivism argues that social phenomena are related to perceptions of social actors (Saunders et al., 2007, p. 108). So, it is best to use the subjectivism philosophy for this research paper as subjectivism views organisational culture as something the organization is, in contrast to objectivism, which believes that organizational culture is something the organization has (Saunders et al., 2007, p. 109).

3.3. Research approach

After choosing the appropriate philosophical assumption for the study, it is important for researchers to choose an appropriate research approach. There are two types of research approaches- deductive approach and inductive approach. The deductive approach starts with studying and observing previous literature and theories to develop hypotheses. After formulating hypotheses, data is collected and analysed to understand if the hypotheses can be accepted or rejected. Meanwhile, the inductive approach works quite the opposite of how deductive research works (Sekaran and Bougie, 2016, p. 22). Inductive research starts with observing the data collected to create a new theory (Saunders et al., 2012, p. 124). With the inductive approach, the theory results from the research (Bell et al., 2022, p. 23).

In this research paper, the deductive research approach will be used to understand whether past theories that have been successful in other countries can be successful in the case of social enterprises in Norway. A theoretical framework has been developed using past literature to understand what past theories suggest can help manage the conflicting dual objectives of social enterprises and balance the joint mission. After the data is collected and analysed, the result will be linked against the theories to see if a new research model is necessary for social entrepreneurs in Norway.

3.4. Research method and strategy

Research can be of three types- mono, mixed, and multiple. The Mono method uses only one research strategy, either qualitative or quantitative research strategies. The mixed method uses both qualitative and quantitative research, and the multi-method uses more than one quantitative or more than one qualitative strategy. For this research paper, the mono method is appropriate. The nature of the study requires a qualitative research strategy as it is based on subjectivism philosophical assumptions. Likewise, the research method also requires researchers to classify the purpose of

their research, which can be classified as exploratory, explanatory, and descriptive (Saunders et al., 2007, p. 133). This research will be exploratory as previous theories will be combined to see if it works for social enterprises in Norway to balance their joint mission will be figured out and, if not, what other theories or strategies can.

Next, it is important to select the appropriate method of research strategy for the paper. There are usually three widely used strategies in the qualitative study- focus group, interview, and observation (Denny and Weckesser, 2022). However, case study research method is the most suitable method for data collection for this research paper. The case study strategy can be helpful to those who wish to understand the concept used in the research (Saunders et al., 2007, p. 35). It can be single or multiple, and a single case study will be conducted for this paper. This research is a case study on Banter AS. Case study strategy is the most suitable for this study as researchers like Habaradas and Aure (2016) and Siebold et al. (2019) have used it previously to study social enterprises and what they do to balance their joint mission. In addition, case study is the appropriate method for a smaller sample size. Likewise, this research method provides an in-depth understanding of a particular issue in a real-life context. In simple words, case studies help to generate detailed information about a specific issue. The purpose of case studies is to understand complex processes as they naturally occur within the framework of the study.

In case study data collection technique, data can be collected through interviews, observations, focus groups, and written responses. In this study, we will use semi-structured interviews with open-ended questions. Personal interviews allow the researcher to study a real-life event and attain rich, personalized information (Neessen et al., 2021). According to Neessen et al. (2021), through personal interviews, researchers can gain additional information through non-verbal communication like tone of voice, body language, eye contact, supportive gestures, intonation, etc., and at the same time, the answer will be spontaneous.

3.5. Framework for qualitative research

The following figure illustrates an outline of the steps that the researchers will be following in this qualitative study.

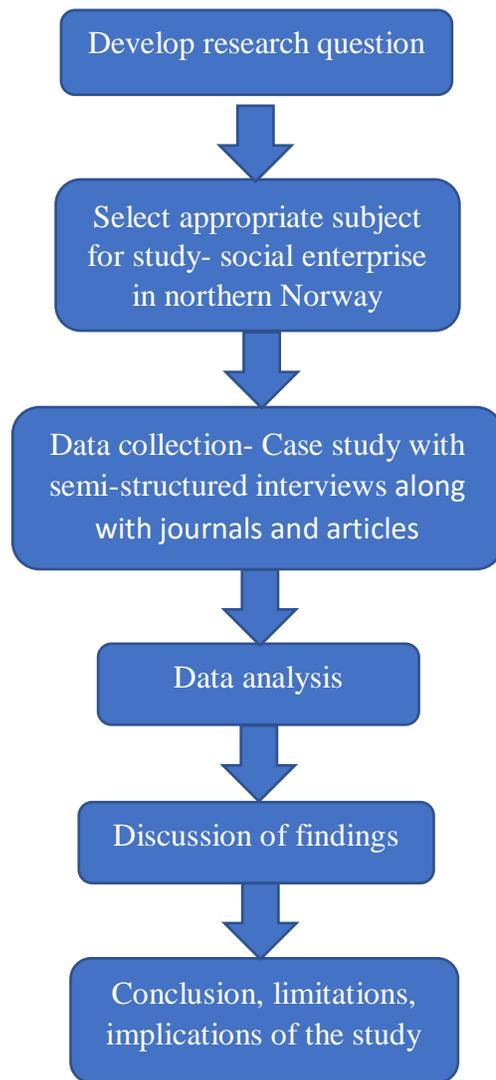


Figure 3-1 Qualitative research framework followed in this study

3.6. Time horizon

Observations are usually cross-sectional or longitudinal. The longitudinal data is used when observations are from different time frames, whereas cross-sectional data is used when all the observations are collected simultaneously. In this study, longitudinal data is used due to the nature of the social enterprise being studied for this paper. Longitudinal data can study change,

development, and progress (Saunders et al., 2007, p. 148). Even though a master’s degree dissertation has a relatively limited amount of time to complete, it was necessary to conduct a longitudinal study as the company was beginning a new business model. A second interview was required for the follow-up to study the progress.

3.7. Data source

This study requires both primary and secondary sources of data

3.7.1. Primary data

Primary data is basically the first-hand data collected by the researchers. In this research paper, the data is collected through semi-structured interviews. The founder of Banter AS was interviewed. The interview, however, required a follow-up so that the social start-up's progress could be studied. The first interview lasted approximately 45 minutes, while the follow-up interview was only 10 minutes. The interview was recorded and transcribed verbatim. The interview questions asked were based on various topics that would help to understand (1) the history of the company and its founder, (2) why the firm decided to start a social enterprise, (3) the current state and activities of the enterprise, and (4) how they are balancing their joint mission. The follow-up only included a few questions regarding the success of the new business model they established.

| Interviewee | No. of years in the organization | Employment history | Date of interview | Duration of interview | Platform |
|-------------------------|----------------------------------|--------------------------|-------------------|-----------------------|--------------|
| CEO of Banter AS | 6 | Retired family therapist | 04.08.2022 | 45 minutes | Face-to-face |
| | | | 16.10.2022 | 10 minutes | Phone call |

Table 3-1 Interviewee details

3.7.2. Secondary data

Secondary data is the data created by past researchers that are available for general research and the academic community, and other materials that help in research. Every primary data collected and added to the existing collection of knowledge is identified as secondary data. For this research

paper, we first collected organizational documents prepared by the team members and articles written by the founder to gain background information about the founder and the social enterprise. The documents were retrieved from their social media profiles, YouTube, and company website. The articles written by the founder were provided directly by him. Other external data required for the research were obtained through publicly available articles and journals.

3.8. Sample

Sampling helps researchers select a small part of the population to observe and study so they can estimate something about the whole population (Thompson, 2012, p. 1). Sampling is usually more related to the quantitative study as it helps to select a population sample for surveys or interviews. In qualitative sampling, a researcher must know if there is enough knowledge in one qualitative study to transfer it to others. Sample size in qualitative data refers to the number of people being observed or interviewed. Various researchers argue that a sample size of just 1 is enough to gather generalizations (Sandelowski, 1995), as any sampling in qualitative research can be purposeful sampling (Coyne, 1997). However, since this paper is a single case study, the case company was selected based on the location and nature of the company. It was challenging to have multiple participants because of (1) the lack of time, (2) the complexity of finding appropriate social enterprises locally, and (3) the unavailability of other social enterprises during the time frame of the research.

The social enterprise selected is based in Bodø. The company has been dealing with challenges regarding dual goal management since it started in 2017. Only the founder is interviewed to better understand the company, as his team is relatively new. The participant is a British- Norwegian family therapist. He is currently 68 years old and has over 30 years of work experience as a family therapist.

3.9. Open-ended question design

For the interview, there are open-ended questions related to the concept and theories we are using in the research paper. Open-ended questions mean the questions do not have yes/no answers, instead, they are highly subjective. The questions are targeted to answer the research question. The interview questions are shown in Appendix A.

3.10. Data analysis

Qualitative data analysis is one of the most complex stages of conducting qualitative research. Qualitative data analysis starts even before researchers collect data as the researchers as the interview transcripts and other secondary data are foundations of how the researcher will analyse them (Sandelowski, 1995, p. 582). The data analysis goes hand in hand with data collection since researchers get the opportunity to carefully read as interviews are transcribed and make notations directly on the document by highlighting, bolding, or noting in some way (Sandelowski, 1995, p. 582).

There are various methods of analysing qualitative data. Some of them are- Qualitative content analysis, Narrative analysis, Discourse analysis, Thematic analysis, and Grounded theory (GT). Researchers need to find the right method for analysing the data, as much of the results depend on how well the data was analysed.

Qualitative content analysis is an approach that describes the meaning of the qualitative data (Flick, 2013, p. 170). Qualitative content analysis assigns parts of the data to the categories it links with the help of codes. GT emphasises an inductive approach (Vogt et al., 2014, p. 369) as it was developed to build an explanation or a theory based on the central themes of the analysed data (Saunders et al., 2007, p. 499). For this method, previous theories are not involved, instead, a new theory is developed based on the data from participants. Moving on, thematic analysis refers to a method for the quantitative measure of qualitative data, which possesses a wide variety of qualitative data analysis methods based on identifying recurrent themes and patterns (Clarke et al., 2015, p. 222). This method is best suitable for interviews and subjective data. Next is discourse analysis, which covers various approaches that analyse an individual's language in a social context (Saunders et al., 2007, p. 502). This method identifies how social contexts, like culture, history, age, etc., can affect how individuals speak about a certain concept or matter. Narrative analysis is based on individuals' accounts of their experiences and how they explain their interpretations of the events (Saunders et al., 2007, p. 504). This approach to data analysis is simply about listening to people's stories and analysing and interpreting what that means.

The data is analysed with Thematic Analysis as it is widely used and recognised. Thematic analysis not only refers to a method for analysing concepts of scientific knowledge but also to a wide variety

of qualitative data analysis methods based on identifying recurrent themes and patterns (Clarke et al., 2015, p. 222). Thematic analysis is well known for its uniqueness, flexibility, and status as an analysis technique that can be used in various approaches (Clarke et al., 2015, p. 222). Hence, the thematic analysis technique is used for this study. Based on this, the stages of data analysis are presented in the table below.

| Phase | Description |
|---------------------------------------|---|
| Get familiarized with the data | In the first phase, the researcher must get familiarized with the data by reading and re-reading transcripts, listening to audio recordings, and keeping notes. |
| Generate codes | The second phase involves generating codes. Coding is the first step in identifying themes and patterns. It is crucial to create many codes to identify interesting patterns. |
| Searching for themes | The third phase involves clustering codes to create a potential theme. |
| Reviewing themes | In the fourth phase, researchers pause the process of searching themes and check whether the identified themes fit together with the coded data and the entire data set. |
| Defining and naming themes | The fifth phase involves summarising the themes and giving them names for clarity. |
| Writing the report | In the final phase, the researchers write down the report based on the analytic narrative and data extracts. |

Table 3-2 Six phases of qualitative data analysis

As shown in Table 3-2, the six phases of thematic analysis can provide a clear pathway for researchers to analyse qualitative data. Coding and searching for themes/patterns can be very beneficial for researchers to have a structured process for data analysis. To find the pattern or theme in qualitative data analysis, search for similarities among the data you collected (Leavy, 2014, p. 584). When looking for themes, researchers should not be looking for something that is already there, instead, they should aim to create a plausible thematic mapping of the data by finding the similarities (Smith, 2015, p. 236). For effective theme development, it is essential to have a systematic coding process as it is the foundation for the searching theme (Smith, 2015, p. 234). Codes function as a foundation for patterning, classifying, and developing themes for further analysis (Leavy, 2014, p. 584).

3.11. Ethical considerations

Research ethics guide the researchers in formulating a research topic, designing the research, collecting data, process and storing data, analysing the data, and writing the report (Saunders et al., 2007, p. 178). Most researchers are familiar with research ethics due to the research guidelines and regulatory requirements as they inform researchers about consent, privacy, and confidentiality (Cascio and Racine, 2018). Ethics is concerned with duty, honour, integrity, virtue, and justice, and thus, ethics in the research focuses on the standard of conduct between right and wrong, a state of character, and an excellent approach to decision-making (Resnik and Shamoo, 2009, p. 14). During the past decade, the scope and importance of ethical consideration in research have significantly widened (Meurman, 2016). Research ethics provide moral and social dimensions in a study by guiding their conduct to make reasonable, responsible, and well-informed choices throughout the research process (Resnik and Shamoo, 2009, p. 4).

According to Resnik and Shamoo (2009), the principles for ethical conduct in research are (1) Honesty, (2) Objectivity, (3) Openness, (4) Confidentiality, (5) Carefulness, (6) Respect for colleagues, (7) Respect for intellectual property, (8) Respect for law, (9) Respect for research subjects, (10) Stewardship, (11) Social responsibility, and (12) Freedom. According to Saunder et al. (2007), the general ethical issues are as follows-

1. Privacy of participants
2. Voluntary participation and right to withdraw

3. Consent of participants
4. Maintenance of confidentiality
5. Reaction of participants
6. Behaviour and objectivity of the researcher

This research paper will follow the principles mentioned above. The research data and results will not be fabricated, and the collection and analysis of data will be done carefully without risk of error. The research paper will also protect the confidentiality of the participant involved in the research. The interview with the participant will only be recorded with the participant's consent, and if the participant doesn't want their identity to be shared, it can be anonymous. Before the interview, the research context and the subject's basic structure will be explained to the participant so they can understand what they are giving consent to. The confidentiality of the participant and the interview is of the highest priority. The recorded interview will only be available to the participant and the researcher. The video recording and the transcription will also be safely stored.

The participant will be informed that they can withdraw their consent at any time they want without any consequences. Furthermore, the semi-structured nature of the questions will enable participants to present their thoughts and inquiries freely. In addition, they will be provided with a copy of the interview to check if they need to add or correct any information. The participants will not be manipulated for answers in any way, nor will the researcher express biases in analysing the data.

3.12. Credibility of findings

Credibility is seen as the most important aspect of establishing trustworthiness. This is because credibility requires the researcher to link the research study's findings clearly with reality. Researchers must ensure they reduce the possibility of getting the answer wrong (Saunders et al., 2007, p. 149). Credibility means focus must be put on reliability and validity. Validity is mainly concerned with quantitative data, so this paper will not focus on it. On the other hand, reliability can be maintained by ensuring there is no participant error, participant bias, observer error, and observer bias (Saunders et al., 2007, pp. 149-150). To avoid the threats to reliability and maintain credibility in this study, the focus is put on the two most important methods- triangulation and member checking.

3.12.1. Triangulation

A qualitative researcher should be familiar with the concept of triangulation as it involves using multiple methods, data sources, observers, or theories to gain a more complete understanding of the phenomenon under study. Researchers use triangulation to make sure their findings are robust and well-developed. There are four types of triangulation techniques- methods triangulation, triangulation of sources, analyst triangulation, and theoretical triangulation. Methods triangulation involves utilizing different data collection methods to ensure the consistency of findings. Triangulation of sources involves utilizing different data sources. Analyst triangulation involves another analyst reviewing the findings. Finally, theoretical triangulation involves using multiple theoretical perspectives.

3.12.2. Member-checking

This technique informs participants of their interpretations, conclusions, and data. Participants can clarify their intentions, correct errors, and provide additional information if necessary. For this research paper, member-checking will play an important role in providing credibility to the findings. The participant will be allowed to check and clarify their intentions so that any error in analysis can be corrected. The participant will also be allowed to give additional information related to the research.

3.13. Transferability

Besides credibility, transferability is another way to ensure the trustworthiness of the research. Various researchers have argued that case-to-case transferability is a common term for a qualitative study's generalisation (Flick, 2013, p. 541). According to Fick (2013), transferability is not so much about a finding or a theory being valid but more about transferring knowledge from a study to a specific new situation. It can also be known as reader generalizability, where the responsibility of generalizing about a theory or a finding shifts from the researcher to the potential reader or user of said research. The transferability of research depends upon the explication of the theory and how it can be applied across settings (Finfgeld-Connett, 2010). In other words, the concept must be delimited where the theory must be clear and explicated, and the conclusion should be drawn in a way that will allow it to have meaning across immediate settings (Finfgeld-Connett, 2010).

4. Empirical findings

This chapter describes the empirical findings of the data collected by interviewing the participant of this case study. The data collected is categorized under different codes first and then represented as different themes using the thematic analysis method.

In this research, the primary data was collected by conducting semi-structured interviews, and the collected data were analysed using a thematic analysis approach. As mentioned before in this study, the six phases of thematic analysis are used for analysis. After the interview, the audio recording was transcribed, coded, categorized into themes, reviewed, and analysed to be presented as findings.

A social enterprise in Bodø, Norway, has been selected for this case study. The social enterprise has been chosen because it is a start-up company that has recently started new business strategies to maintain its dual objectives. The company's founder was selected as the participant for this research as the team members were only recently selected to join the team, and just the founder was running the company for the first few years. The interview was conducted to understand what the founder has been doing as a social entrepreneur to make the start-up successful in managing the dual objectives. He was asked about the strategies he has been using to manage the problems he had faced as a social enterprise during the start-up phase. Likewise, he was also asked some questions prepared using the theoretical framework to get more profound knowledge about the company's current situation.

After the interview, the recording was transcribed and read thoroughly to get familiar with the data collected. The second step was to prepare codes for important information in the transcribed data. The coding for the analysis was done to categorize the data into different themes. The themes were developed based on the interview and the literature review due to the deductive nature of the research. The various codes used for the analysis and the process of theme generation, along with the raw data transcribed for the themes, are described in Appendix B. The structure of the data analysis is shown below in a figure.

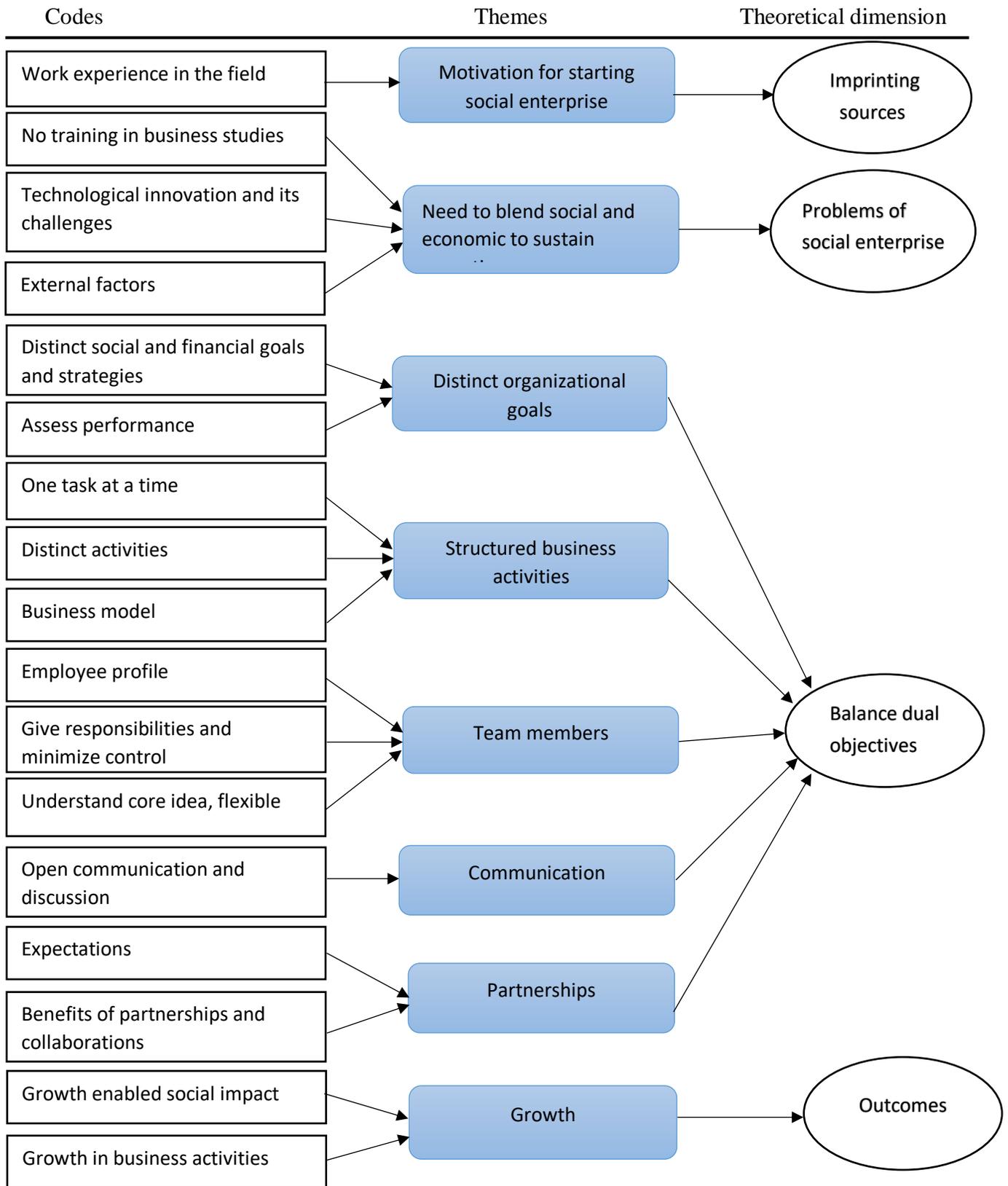


Figure 4-1 Data structure based on Siebold et al. (2019)

4.1. Theme 1- Motivation for starting a social enterprise

The participant was initially asked to describe about the company to understand why they started a social enterprise. Social entrepreneurs can have various reasons for starting a social enterprise despite its conflicting nature. In the case of Banter AS, the founder had over 30 years of experience in family therapy and relationship counselling. His lifelong work experience motivated him to design products that can help therapists and counsellors to encourage children and young adults to communicate with them.

His experience has encouraged him to provide value to society through a social enterprise. To quote him, *“The drive for me to start Banter AS is because of my engagement in professional area of child and family counselling, not just as sort of business to make money. So, I started calling it social enterprise because the main goal is not just about making profit but also about providing something good for the area that I have worked with.”* The participant also believes that with Banter, he will be able to help many therapists while also accruing profit. He decided to make his company a social enterprise because he realized that he needed financial gains to run his company which in turn would help him to achieve the social objectives. So, he decided to market his product as sales bring in revenues that can help to provide his expertise and products to the world. To quote him, *“I started to market it so that I can increase its professional development, and my goal is international, not just here in Norway.”*

The analysis shows that Banter AS was primarily started to help other family therapists with enhanced communication and counselling. But the focus was also on financial aspects to maintain the company's operation. The social value seems to depend highly on economic activities and revenue earned by the company unless the company wants to shift to a non-profit organization and rely solely on funds and grants.

4.2. Theme 2- Need to blend social and business activities to sustain

Social enterprises have various problems during their start-up phase. Among the various problems of starting a social enterprise, some are- lack of credibility, lack of finances, lack of expertise, and lack of resources. Most of these issues arise due to the main challenge of social enterprise, which is managing its dual objectives. Banter AS faced similar problems during the start-up phase. The participant believes that starting a social enterprise in Norway is very difficult. He believes that

even though there are people or organizations to help you, it can be difficult if your enterprise's sole aim is not to profit. To quote him, *"there are expenses for lawyers and accountants who want to be well paid. If you are not aiming to strongly earn profit, then it is difficult. And you also have to have another source of income yourself to start a company because you won't be making a profit to pay yourself in the beginning."*

The founder of the company focused more on the company's social aspect. According to him, *"I had been more focused on the social aspect and developing the idea about the product itself that I didn't have the right time and quality to focus on business side."* Initially, he had not focused on the business side, but he has now realized that the business side is equally important to the social side, as, without financial gains, it will not be possible to sustain the company's operations. To quote him, *"Business is not only about making profit it is about progressing, expanding, and sustaining. So, without the business side, the other side doesn't move forward."*

He also mentioned that somebody suggested that using technology would be a good idea to communicate with young people as they are comfortable with using it due to their daily use habits. To quote him, *"They (children) are so used to using technology in their day-to-day life, so we thought it could be good to use technology in conversation about themselves. We think it's comfortable for them to use technology. And it's sort of positive and innovative way of adding something new to the area."* The founder thought it would increase the enterprise's social impact, but with innovation came new issues like financial and human resource challenges. He hired a programmer to build an application as a digital version of the figure set he developed. However, that didn't go as well as he had planned. According to him, *"we were making the app, but the platform to make the app became obsolete, and we had to re-programme it. The programmer who was responsible was not capable of continuing the project as he agreed to."*

The participant wants to contribute to the field of relationship counselling through his products, expertise, and knowledge. He believes that his products can help therapists worldwide and, at the same time, generate financial gains as the product has good scope in the market. However, he lacked proper knowledge about the business aspect of social enterprise. His education qualification and work experience are perfect for the social aspect, but he has no training in the business aspect. The business side of the social enterprise is difficult for him to understand. To quote him, *"my position was completely unbalanced because its business side of it was completely new for me. So,*

I had to have a lot of support and advice. I haven't had any training in business studies. Often when I got advice, it was different advice from different people, so it was difficult for me to understand which the best way was to go." The participant realized the importance of balancing the joint mission but didn't have the expertise, training, or knowledge to do it.

He also mentioned that his not being young had affected his sharpness, so he could not learn about business as quickly as he could have when he was younger. At the same time, he mentioned the negative adversaries of the COVID-19 pandemic, which delayed various marketing activities he had planned. Travel restrictions stopped him from attending conferences, which was his main strategy for marketing his idea. To quote the participant, *"when the time came around to show the product, COVID came along, and all the conferences had been closed down, so the marketing strategy that I had sort off fell apart."*

The exciting aspect of the participant's answer was how much the founder's knowledge of both business and social aspects is essential for the success of a social enterprise. Another interesting aspect is the external factor. Among various challenges of managing dual objectives, the external factors that social entrepreneurs cannot control can change the dynamics of the organization, and the strategies used by the social enterprises can fall apart.

4.3. Theme 3- Distinct organizational goals

After the participant was asked about the social enterprise and their problems, the questions were directed toward strategies that help to manage the dual objectives. This section will explain thoroughly if having distinct organizational goals has been useful for Banter AS in managing the conflicting dual objectives of the start-up. The questions targeted how Banter has been setting distinct social and financial goals and has successfully managed the problems he has faced.

As explained earlier in the literature review section, having different personal values can create friction among the team members. For example, someone in the team may prioritize social goals, while the other may prioritize financial goals, creating conflict among them. In the case of Banter AS, there have not been any significant conflicts regarding the dual objectives, but previously focus had been put on social aspects more than financial aspects. But they quickly realized their problem and decided to change their actions.

According to the participant, the first thing they did after they received a grant from Innovation Norge during their start-up phase was “*set up distinct social and financial budget and goals*”. Banter also selected some business students to provide the social enterprise with some counselling regarding business activities like business proposals and mission statements that can be very useful when presenting the company to investors. The founder had specific social goals like providing training to crisis centres and presenting his ideas at conferences. At the same time, the financial goals included product development and creating a digital product version. The enterprise also used conferences as a marketing strategy. Going to conferences will not only help to achieve their social goals but also their financial goals as they sell more products when they present their idea. According to the participant, “*With this kind of product, when people start using it, they find it useful, and they start talking with other people, and it spreads eventually. I was hoping to get that ball rolling so that in the end, I don’t have to do the vast amount of marketing because the product itself is so good and useful.*”

Another way to set distinct organizational goals is to be clear about social and financial objectives. According to the participant, “*I think it is very important to be clear about both sides.*” Banter has been focused on creating clear goals. Their social goal includes creating more tutorial videos so they can present their idea clearly to more therapists and counsellors. Their financial goal includes focusing on selling more products and finding investors.

While setting distinct organizational goals is important, it is also important to focus on performance assessment. Banter assesses their social performance by contacting their clients and customers and asking for feedback. To quote him, “*we contact our customers frequently to ask about their experience.*” The success of their social performance depends highly on whether their customers think their product has been helpful to them. Similarly, their financial performance is assessed through various accounting measures like profitability.

The interesting aspect of this section is that Banter AS has very clear and distinct social and financial goals. The issue of mission drift seems very unlikely as the social enterprise is highly focused on social goals, and financial success is very important to achieve those goals.

4.4. Theme 4- Structured business activities

Having structured business activities helps social enterprises balance their dual objectives and avoid the risk of mission drift. At Banter AS, various strategies have been used to have structured social and financial activities. One of their strategies was developing different websites for social and economic purposes. The ‘People in my life’ website’s sole purpose was to explain about their products and directly sell them, which means it is focused on financial value. At the same time, the ‘Relationship overviews’ website is about the theory behind his idea and how his product can help in conversations, so it is more focused on social value.

Another strategy they use is to present their idea at conferences. They can use platforms like conferences and seminars to present their idea to potential customers, which means it can help achieve social and financial goals. They can provide social value while also marketing their concept since it is considered unethical to market products during such conferences. The founder says, *“It’s a difficult market working with mental health. A lot of people have been sceptical about people trying to sell products, like medicines and stuff. They believe that the conversation itself is important. And so, if I went to one of these conferences and try to sell my product they would easily say- sorry we can’t have sales talk at our conference. So, what I can present is the idea about using these things.”*

Another way Banter structures its activities is by taking on one task at a time. According to the participant, *“I will do one thing at a time. I am not very good at multitasking but as I say, what I am doing depends on what I need to be doing at that moment.”* It is important that social enterprises do not take up many tasks simultaneously so that they don’t take wrong decisions and risk the balance of the organization.

From this section, it can be analysed that Banter AS is successfully following an embedded business model. The social enterprise has been working together synonymously such that their activities are important to each other. Their social and financial activities are simultaneous to each other. To quote the participant, *“we aim to create social values directly using our product”*. However, they are very flexible when it comes to some activities. Another interesting aspect is that the founder takes up one task at a time instead of multitasking which can be confusing and chaotic.

4.5. Theme 5- Select team members

Selecting team members is an important way of balancing the dual objectives of a social enterprise. When the participant was asked what qualities he looks for when he chooses his team members, he responded by saying, *“Well, there are several things I was looking for, but the first thing was they need to have good skills and information that I don’t have. So, people who are more good at the business side of things.”* For Banter AS, team members must be selected based on their business skills, like marketing, financing, administration, or accounting. The founder has the skills and expertise required to achieve social objectives. He needs team members who can work towards achieving the economic goals of the organization. So, the social enterprise follows a specialized profile approach while selecting its team members. To quote the founder, *“I think it’s absolutely necessary. If I got everything with myself, then why would I need other people? The point is you need people who are different and who see things differently.”*

Another critical aspect for Banter when they select team members is hiring people who understand what a social enterprise is and what Banter is trying to achieve both socially and financially. According to the participant, *“I also think that people who are engaged in the idea, who understand the core idea of the whole company is important. But it’s also about people who you can talk to, discuss things with and have the sort of flexible way of thinking and the good attitude is important.”* Having flexible team members is important for social enterprises. The duality of social enterprises requires team members to stay agile and have a good attitude.

Selecting the team member is not enough. It is also important to socialize them to keep them committed. When asked what Banter does to socialize with their team member, the participant responded, *“Well, I think it’s important to listen to people and what they have to tell you and to make them understand that you appreciate their point of view. It is, I think, one of the important things.”* The founder allows the team members to bring forward their ideas. Likewise, the company also gives responsibility to the team members and does not much too much control over them. To quote him, *“It’s also a matter of giving people responsibility in certain areas and let them work on their own premises. Trying to have too much control over other people always limits them.”* The social enterprise gives financial responsibilities to those with business expertise, while the social responsibilities fall upon the founder.

4.6. Theme 6- Communication

Communication is an important aspect of balancing the dual objectives of social enterprise. Researchers have said that it is necessary to invest in developing team members' human resources and managerial competencies to prevent the risk of mission drift (Raisiene and Urmanaviciene, 2017).

Banter AS wants to have a clear and open conversation among its team members. According to the participant, he ensures that everybody has an opportunity to present ideas. The discussions are open so the team members can provide constructive criticism to each other and the founder. To quote him, *“I think it’s also important to have some sort of open discussion about new ideas and things and provide constructive criticism about the discussion we have.”*

The founder of Banter AS believes in having open discussions, which, according to him, *“will create open and clear understanding of things.”* Social enterprises need to have a clear understanding of things, so there are no problems among them. The best way to socialize the team members and keep them from feeling unheard is by having frequent open conversations.

At Banter AS, they have weekly meetings so that they can freely put forward their ideas and talk about different agendas. Frequent communication is an important aspect of effective communication. It is also important to communicate frequently with other stakeholders, like customers. According to the participant, the customers are contacted frequently and asked about their experience with the product. They are encouraged to provide feedback and constructive criticism so that the product can be made better and more helpful in counselling and therapy.

The interesting thing about this section is that effective communication is an important part of social enterprise, like all other organizations. There is no new concept or way of effectively communicating in a social enterprise. It mostly depends on open and frequent communication like any other organization.

4.7. Theme 7- Partnerships

As discussed earlier in the literature review, partnerships with trusted partners and organizations effectively develop credibility among investors and potential clients. A social enterprise can have partnerships with various non-profit and for-profit organizations. Banter AS is affiliated with Kunnskapsparken Bodø, Inkubator Salten, and Innovation Norway. The team has also recently

started consultations with an experienced entrepreneur. According to him, *“I would have never got through where I am right now without Kunnskapsparken and the grant I got from Innovation Norge.”*

Partnerships with more prominent organizations like Innovation Norge help Banter to compensate for the lack of resources and expertise. Innovation Norge provided Banter AS with financial aid during the start-up phase, which allowed them with product development and hiring programmers to develop digital versions of the product. According to him, the commercialization grant they received helped them produce the physical product and hire a programmer to develop the digital application version. The grant also enabled them to attend conferences where they could market their idea. He also mentioned that Innovation Norge didn't expect them to make a profit out of it, rather, the grant was for the development of the enterprise. To quote him, *“We haven't had a big focus on making a profit but certainly expected to have more income. The funding we received was mostly for development purpose, and they expected us to develop our enterprise.”*

Likewise, Kunnskapsparken and Inkubator Salten provided them with expertise and advice, which helped the enterprise when there was only the founder and no other team member. It shows that what the founder lacked during the start-up phase was provided by partner organizations. The partners ensured that Banter was not focused solely on social value and helped with their financial activities. To quote him, *“It's been absolutely essential and important. The advice we received has been very good indeed. Having other people to work together with and also working with people who know about how business work is very important.”*

The lack of enough financial and human resources can be compensated by having trusted partners. In addition, partnerships also help with network building. According to the participant, Banter AS had the opportunity to develop a more comprehensive network due to Inkubator Salten, as many innovators and entrepreneurs are involved with the organization.

Similarly, the participant said, *“collaborating with trusted organizations will bring credibility to our social enterprise and develop trust among our potential customers. It will help to bring in new customers and investors as well.”* Banter is also working to collaborate with family refuge centres on a project that will train many similar organizations that work toward family safety and mental

health. This is an important opportunity for them to widen their network and develop a more customer base while also providing social value to more people.

This section provides essential insights into how collaborations and partnerships can be important for social enterprises. In the case of Banter AS, partnerships with non-profit organizations help them to achieve social value but also help with their financial goals, while partnering with other incubators helped them with the financial aspect of the company.

4.8. Progress

The growth of social enterprises must be measured both financially and socially. Growth is an integral part of any enterprise. For social enterprises, it is crucial that the enterprise grows with respect to its social impact while also growing financially. If a social enterprise shows growth concerning just one of its dual aspects, there will be a risk of mission drift. For example, if the social enterprise only has a better social impact than it did a year ago but has not shown financial growth, it means the company's focus has slowly shifted towards achieving social value only.

In the case of Banter AS, the company has been progressing in terms of customer base and social impact. According to the participant, *“Yeah, I think we have made important progress. Collaboration with other institutions was important. We started off by planning to make a digital app for the figure set to develop our products. Despite the progress going slowly, it's going somewhere. We developed our website, made tutorial videos, and presented our ideas and work in conferences. We are absolutely making some progress, but it's been slow and there is still a lot of barriers to overcome.”*

5. Discussions

This chapter includes discussions of the findings from the data collected. The findings are linked with the theory discussed in previous literature so that the core concept can be reviewed. In addition, new concepts are introduced in relation to the theoretical framework.

Social entrepreneurs have been gaining popularity due to their role in dealing with the problems in society while also being able to generate profit by engaging in innovation and experimentation (Zeyen et al., 2013). In the past, researchers have been focused on assessing financial performance as a way to measure the success of the company (Neessen et al., 2021), but in recent years, the success of social enterprises depends highly on their ability to balance their social and financial objectives (Zheng et al., 2020). Besides the challenges of sustaining operations in the long run, social enterprises also have to manage the daily tensions due to their dual objectives. Battilana (2018) argues that social enterprise tensions arise due to internal and external pressures. Eiselein and Dentchev (2020) also agree that tensions arise internally and externally and can be managed at individual or overall team performance levels. The internal and external tensions make it difficult for social entrepreneurs to balance their dual objectives. A research question was formulated based on the literature gap.

Various researchers have come up with strategies to balance the dual objectives. Based on the theory by Battilana and Eiselein and Dentchev, a combined theoretical framework was created to understand how social enterprises balance their dual objectives in Norway. The combined framework includes five mechanisms- setting organizational goals, structuring organizational activities, selecting, and socializing organizational members, communication, and partnerships. Based on the combined framework, a semi-structured interview was conducted with the founder of a social enterprise based in Bodø. The data collected was analysed using various codes, which were further grouped together using eight themes that recognized the problems faced by the social enterprise, the strategies they used to solve those problems, and realised if they were successful.

5.1. Motivation to start a social enterprise

The first theme explains why entrepreneurs get motivated to start a social enterprise. Most researchers agree that social enterprises are established to create social value, which also generates revenue for financial sustainability (Lall, 2019). The theme '*motivation to start a social enterprise*' shows that the participant had initially started the social enterprise with the dominant mission of creating social value. His lifelong experience of working with family therapy and relationship counselling led him to start Banter to enhance conversations during therapy and counselling.

The findings show that the founder created figure sets and introduced a unique and innovative way of using small figures in communication. After his retirement, he decided to add innovation to his lifelong experience in the field and create a visual tool that encourages conversations that will help therapists and counsellors to better communicate with children and young adults. This shows that the enterprise started with a social mission. This complements various researchers who argue social enterprises have an essential role in producing and supplying public-interest goods and services (Greblikaite et al., 2017).

However, the theme suggests that the participant realized the importance of having the financial stability to sustain their operations. He realized that he had to market his products to reach more therapists with his idea and generate sufficient revenue to operate his enterprise. The participant then started to call Banter AS a social enterprise. Social enterprises, after all, should have a hybrid form with the dual mission of social and financial value creation as an important concept to distinguish it from other related phenomena (Saebi et al., 2018). This also complements Eiselein and Dentchev (2020), who concluded that social and financial objectives are the central characteristics of a social enterprise despite their conflicting nature.

Battilana (2018) stressed the importance of understanding the motivations of those who start a hybrid organization instead of typical organizations. Regarding motivation to start a social enterprise, our findings have been complementary to previous findings. Banter AS seems to have initially started to create social value but soon realized the importance of financial value creation, which led the founder to make Banter a social enterprise. However, we have also found that previous work experience in the social field can motivate entrepreneurs to start social enterprises.

5.2. Need to blend social and financial activities to sustain

Battilana (2018) has pointed out the importance of leadership by stating how leadership plays an important role in both founding an organization and as they grow. This theme section mostly explains the problems Banter AS faced during the start-up phase and why they decided to blend social and financial activities. The theme shows that internal tensions consisted mostly of value clashes. The interviewee had only focused on the social value during the start-up period. When he, as a founder, only focused on the social side of the enterprise and didn't allocate enough time and resources to the business side, he faced various problems, which created problems like the inability to hire team members and growing differences with the programmer hired to develop the digital version of their product. The company was losing money but not making enough revenue and, at the same time, was not able to reach more customers.

The theme also suggests that the educational background and work experience of the founder of Banter led him to focus more on social value creation. This provides some insight into Battilana (2018) suggestion to understand how the background of leaders affects their approach to understanding and dealing with the challenges and opportunities of hybrid organizing. It can be said that the leader's background creates a particular way of approaching the joint mission. The founder of Banter AS was inclined to social value creation due to his lifelong experience working with family therapy. Financial gain may not be the ultimate goal for social entrepreneurs, but financial independence is important for the self-sustaining operation and progress of the organization (Permana and Mursitama, 2018). Our findings show that the founder's knowledge and background play an important role in the start-up and growth of a social enterprise. Entrepreneurs with expertise in social and economic aspects of social enterprise can face fewer difficulties than those who only come from one background.

In addition, the founder also had no previous experience with business management. The interview suggests that the business side was new for him and his lack of training in the business side negatively affected the social enterprise. This shows the external tensions in Banter that mainly consisted of a lack of credibility and an inability to find funding and hire team members. However, the theme suggests that the founder later decided to take advice from other entrepreneurs and receive help from mentors and incubators. Even so, he had difficulty understanding which suggestion was the best for his social enterprise.

Researchers have explained the importance of innovativeness, calculated risk-taking, and proactiveness in successful financial performance (Cheah et al., 2019). He also stressed the negative implication that the COVID-19 pandemic brought on his enterprise. The theme shows that he didn't have the expertise to deal with unexpected external events like the pandemic. However, the pandemic led him to follow suggestions from people to introduce technology to his enterprise. He hired programmers to develop a digital version of their products. This has brought more attraction to the social enterprise, and the founder believes it will add positive value to the enterprise in terms of both social and financial aspects.

The findings also suggest that starting a social enterprise in Norway is difficult despite the help social enterprises can get from other organizations. The founder explains how difficult it is to hire programmers and lawyers, which can be expensive. It isn't easy to start a social enterprise in Norway without another source of income during the start-up phase. The following sections explain how Banter AS dealt with the challenges of balancing a dual mission after the founder got help from team members and advisors.

5.3. Distinct organizational goals

This theme addresses the importance of distinct social and economic goals for the success of a social enterprise. According to Battilana (2018), an organizational culture committed to social good and operational excellence can help hybrid organizations survive over time. To have a hybrid culture, it is important to understand the personal values of the team members and the leaders and create an understanding among them to work together harmoniously.

The theme '*distinct organizational goals*' suggests that there have been no clashes in personal values among the team member of Banter so far. However, the personal value of the founder had previously led him to prioritize social values only. But as he understood the importance of both economic and social value, he created an organization model where he created distinct budgets and goals.

Setting distinct goals helped Banter to clarify what they were doing and who was responsible for what. According to the founder, he was responsible for going to conferences and training therapists on using small figures to enhance conversations with children and young adults. The financial goals like formulating marketing strategies, developing a digital version of their product, and finding

accelerators for the enterprise were developed. The responsibility for economic activities was given to other team members. The theme also suggests that Banter started focusing on making everyone in the organization clear about both the business and social side so they could work harmoniously.

Likewise, the measurement of financial and social performance is also an integral part of setting distinct organizational goals, as setting goal is not the end; it should also be assessed if the goals are being met. According to Battilana (2018), researchers should consider how social enterprises measure social and financial performance. The enterprise's accountant keeps the measure of financial performance, which is discussed with the founder in their meetings. The theme suggests that accounting measures like profitability measure financial performance.

While monitoring and measuring the financial performance of an organization is straightforward, measuring social performance is more complex and challenging (Lall, 2019). Social performance can be measured by monitoring the social impact the enterprise has. The theme suggests that Banter measures their social performance by contacting its clients and asking about their experience with its products. They have frequent contacts to understand if their product and idea have helped them have more engaging conversations with their clients. According to the founder, it is crucial for them to get feedback from their clients. If their clients have a positive experience with the product and believe that it has helped them reach out to them and produce engaging conversations, it can be said that they made a positive social impact. Likewise, it is also understood from the interview that the more therapists and counsellors they can reach, the more significant their social impact and financial performance.

Finally, as mentioned earlier, Banter AS now has very distinct about their social and financial goals. In addition, they are highly focused on the social impact, which requires them to be concerned about financial performance, too, as they understand that financial stability is essential to sustain their operations. Likewise, due to the integrated nature of their social enterprise, their social and financial activities are connected.

5.4. Structured business activities

This theme provides insight into the nature of Banter AS and how its embedded business model has helped them to structure its activities successfully. In the embedded business model, social enterprises have synonymous social and economic activities such that the organizational activities

simultaneously pursue the money-social mission relationship (Habaradas and Aure, 2016). The theme shows that Banter follows an embedded business model because their business activities directly impact achieving their social mission. The product they produce and sell is directly responsible for creating the social impact they intend to. It is clear that their financial gain and social impact are achieved simultaneously.

The embedded business model unifies social and economic activities. The theme suggests that Banter had to separate some of the activities despite the embedded model. During the interview, the founder stressed that it gets unethical and sceptical to market products related to mental health. He believes attending conferences is an excellent way to market his product, as word-of-mouth is a reliable and trustworthy concept among therapists. However, he cannot market his product, so he explains his idea at the conferences. This way, he creates social value by providing knowledge about using figures in therapy. At the same time, he gets approached by therapists and organizations working as a family refuge to get more information about his idea, allowing him to talk about his product and make sales.

The theme also shows that they created different websites for their social and financial principles. The website with social principles includes the theory behind using figures in therapy, while the other website includes information about the product and is a platform for ordering the product. This suggests that despite the synonymous nature of the social and financial activities, the social and financial side had to be separately shown to the potential investors and clients. This seems to create clarity in their activities while approaching investors.

The interviewee also explained how taking up one task at a time has made him more structured. He argues that instead of many tasks, each team member should take one task at a time to stay structured and not invite chaos and confusion.

It is clear from this theme that Banter has followed an embedded business model. However, the question is about the level to which the business model is followed, as suggested by Battilana (2018). Past research suggests that enterprises with flexible business models that allow re-adjustments are more likely to gain success than those who follow a perfect business model template (Alegre and Berbegal-Mirabent, 2016). Our findings have led us to present that even

though social enterprises follow a certain business model, there are still difficulties that can lead them to do certain things differently than the theory suggests.

5.5. Select team members

This theme is concerned with the selection and socialization of team members. Team members are an integral part of any organization. Human resources include employees, managers, and volunteers, and they all play an important role in the success of social enterprises (Napathorn, 2018). When it comes to social enterprises, selecting the right team members is essential, as they will be responsible for successfully managing conflicting social and financial missions.

The theme suggests that hiring the right team member is essential for the founder. Banter selects team members based on their business administration skills. The team members are mainly selected for their educational background and skill to understand and work with business activities like accounting, financing, marketing, and resource management.

When asked what qualities the founder looks for when selecting team members, he said that having qualities that differ from his is a must-have quality. Previous themes have shown that the founder does not have the skills to manage business activities. So, he wants to select team members who complement his lack of business management skills. The theme also suggests that the founder is careful not to hire too many people since they are still a small organization and have limited resources. He believes that the enterprise needs people who have different skills than him.

Besides this, the theme also shows that flexibility is an essential characteristic of team members. The founder wants people who understand what a social enterprise is, particularly what Banter is trying to achieve. It can be understood that agile and flexible team members can be integral to the success of Banter AS. He believes that flexibility is important as people can be trained in every aspect, language, or work competency.

Likewise, the theme also shows how Banter socializes with their team members. The founder believes in open communication and respects his team member's points of view. Being a therapist has made him eager to listen to his team members and appreciate their input and suggestions. This complements previous studies. Studies have underlined that a founder's traits are important in defining the leadership style (Alegre and Berbegal-Mirabent, 2016). The founder of Banter has

worked his whole life communicating and listening to people. His experience and traits have developed an open communication approach among team members. In addition, the founder believes in giving responsibilities to his team members and not controlling them too much as it can limit them. Having this kind of hierarchical structure has been successful in many organizations.

The findings suggest that Banter AS selects specialized team members. The founder gives priority to those with specialized skills but at the same time looks for a good attitude and their ability to be flexible. Another interesting finding from the interview is that Banter used internship programs as a recruitment channel. It is difficult for small social enterprises to recruit qualified candidates using other recruitment channels like advertisements and recruitment agencies as they lack financial resources (Napathorn, 2018). Banter has selected competent master's graduates in business from Nord University as his team members who were initially recruited as trainees.

5.6. Communication

This theme is related to the importance of having a good communication system among internal and external stakeholders. The findings suggest that Banter follows an open communication approach. The team members are free to present their ideas and suggestions. The founder believes that too much control limits the team's abilities, so he allows open discussions about new ideas and is open to constructive criticism.

The theme shows that open communication is essential for the founder as it allows a clear understanding of goals and tasks, which will prevent problems. The founder also explained that having frequent conversations will let the team members know their voices are heard, which will minimize the risk of friction among team members.

In addition, the findings also suggest the importance of communication with external stakeholders for Banter. The theme shows that Banter measures their social performance by monitoring their social impact. As mentioned in earlier themes, they assess their social impact by frequently contacting their customers. Customers are important external stakeholders for social enterprises, especially those who follow embedded business models. Social enterprises following the embedded business model have products that create social value. Such is the case of Banter AS too. Their product, the 'People in my life' figure sets, is used to create social value as the figure set enhances conversations and helps therapists and relationship counsellors.

The theme suggests that communication with team members is essential for Banter, just like it is for any other organization. Likewise, measuring social impact requires communication with customers, but it is already an integral part of measuring the social impact of social enterprises. So, the findings suggest that for social enterprises like Banter AS, communication is a part of other mechanisms to manage the dual mission.

5.7. Partnerships

This theme concerns the various partnerships and collaborations Banter has had throughout the years. The findings show that the founder is vocal about the importance of partnerships in their social enterprise. Banter AS is affiliated with Inkubator Salten, Innovation Norge, and Kunnskapsparken Bodø. Incubator Salten and Kunnskapsparken Bodø provided Banter with expertise and advice, while Innovation Norge provided them with financial aid during their start-up phase when they lacked resources. Previous studies have complemented this. Partnerships enable social enterprises to acquire external resources since emerging social enterprises have a shortage of resources (Choi and Chang, 2019).

The theme suggests that partnerships helped Banter AS focus on the financial aspect of social enterprises when the organization had solely focused on social value. Likewise, the findings also show that partnerships with incubators helped Banter with network building. Banter got access to many advisors and mentors who helped them develop a more comprehensive network. They also received help with developing the legitimacy of their social enterprise.

Partnerships between social enterprises and local communities are the most critical success factor for social enterprises (Esau and Tengeh, 2022). This has been true for Banter AS. The findings show Banter is currently collaborating with local family refuge centres to train refuge centres and similar organizations around Norway on the importance of using figures in therapy. The founder believes it will be essential to developing trust and credibility among potential investors and customers. According to Esau and Tengeh (2022), forming partnerships with local communities helps social enterprises to increase their social impact. The theme shows that Banter aims to do the same and increase their social impact around Norway and worldwide. This will also ensure their financial stability, which will help them sustain their operation.

The findings suggest that collaborating with non-profit organisations like family refuge centre will provide Banter with credibility, networking, learning opportunity, and access to new customers. This is complementary to past studies suggesting that partnering with non-profit organizations can provide social enterprises with visibility, credibility, cash, network, opportunities to learn, and innovation (Sanzo-Pérez and Álvarez-González, 2022). Habaradas and Aure (2016) also recommended that social enterprises must be open to collaborations with other businesses, government agencies, or NGOs, as it will help them to succeed.

Besides the opportunities that partnerships provide, the challenges that partnerships bring forward should also be explored. According to Battilana (2018), it is important to understand if receiving funds from impact investors changes how a hybrid organization behaves. The findings suggest that the funding and grants received during the start-up phase do not create profit expectations. The organizations that provide funds to social enterprises during the start-up phase are more interested in seeing the enterprise develop and grow.

5.8. Progress

The findings suggest that Banter AS has progressed in the last year. A year before, the founder did not clearly understand the business side. But with new members added to the organization, a new business model was established. Different strategies were introduced, as discussed in earlier themes. This has provided significant progress in terms of social impact as well as financial progress. The social enterprise has a more extensive customer base, which means it has made more powerful social impact and generated revenue. The findings show that the enterprise has now been able to collaborate with the local community and other incubators and accelerators. Likewise, the digital version is soon to be launched. It may seem slow, but there is definite progress. So, it can be said that the strategies used by Banter are in their favour and help them slowly develop.

6. Conclusion and Implications

This section focuses on explaining the conclusions that were drawn from the analysis of findings in conjunction with past research. The conclusion is followed by theoretical and practical implications. The chapter ends with the limitations of this research paper and recommendations for future researchers on this topic.

6.1. Conclusion

This research paper aims to understand how a social enterprise in Norway balances its conflicting dual objectives. Many scholars agree that balancing dual objectives and avoiding the risk of mission drift can be challenging for those social enterprises looking for growth (Siebold et al., 2019). Researchers have expressed the urgency to study the dual objectives of social enterprises since an increasing number of investors, shareholders, consumers, and public authorities want businesses to create social and economic value (Battilana, 2018).

This study focuses on Banter AS, a social start-up created by an individual entrepreneur that requires the government's and incubators' facilitation and support to develop and grow, which can be acquired through a proper balance between their social and business mission. The research was done by conducting a semi-structured interview with the founder of the social enterprise. The findings demonstrate interesting practical and theoretical insights into social enterprise.

Banter AS has scarce resources and is early in its business life cycle. The company is not liquid and has not yet reached a stable financial condition. The company received a commercialization grant from Innovation Norway, which extensively helped with manufacturing the physical products and hiring programmers to develop a digital version. Banter AS is affiliated with Kunnskapsparken Bodø AS and Inkubator Salten, who has been providing the company with expertise in finding funds, marketing the products, building trust and credibility, and building a network. In addition, Banter has also started collaborations with the local community to increase its social impact through projects to train therapists around Norway. The founder believes it will increase the social impact as well as the customer base of the enterprise. The partnership can be helpful during the start-up phase of the business life cycle as they expect growth from the enterprise instead of

expecting profit, which means the enterprise does not have to shift focus to financial gain more than thinking of social impacts.

Dees and Anderson (2003) also recommended that social entrepreneurs should be clear about their dual objectives and flexible about the strategies they use to achieve them. The founder's background or work experience also plays an important role in which aspect of dual objectives the enterprise focuses on. Banter was focused on the social side because of the founder's work experience in that field. The work experience also meant that the founder had significantly less knowledge about the financial side. The founder had no prior knowledge or training in business management. Social enterprises are more likely to succeed if the entrepreneur has some knowledge and skill about both the social and financial aspects of social enterprises. To compensate for his lack of knowledge about the financial part of social enterprises, Banter required a well-selected team to guide him and manage the business side of the social enterprise. The founder looked for individuals with specialized profiles. He believed that his team members should have knowledge he lacks but also be flexible. Another important finding of the study is that it can be difficult for small social enterprises to compete with larger companies in terms of hiring employees, but they can still hire qualified individuals through internship programs.

Banter AS have been flexible about its organizational activities even though they follow an embedded business model which unifies social and economic activities. Due to the nature of the organization, Banter has difficulty marketing its products, so they require flexibility in its business strategies. Their strategy to deal with marketing challenges needed them to create different websites for social and business aspects. The findings suggested that introducing technology in their products has helped them to overcome situations brought forward by the COVID-19 pandemic. Likewise, starting a social enterprise can also be challenging in Norway, as hiring lawyers, accountants, and programmers cost more.

The social enterprise has set distinct social and economic goals and responsibilities for the organization and team members. The enterprise also assesses the social and financial performance from time to time, it is important to monitor if the set goals are being achieved. As mentioned in the discussion chapter, Banter AS contacts customers to ask about their experience with their product which will help them to assess the social impact they have had. Likewise, they have accountants to measure and monitor their financial performance.

The founder of Banter AS has frequent open discussions with the team members. He believes it is important to listen to suggestions, ideas, and constructive criticisms of the team. This study shows that the background plays a crucial role in developing a leadership style that suits the hybrid organization. In the case of Banter, the leader realizes it is useful to listen to people and work with flexibility, which has been an essential attribute of the social enterprise.

The study provides a fascinating insight into the theoretical framework used to answer the research question in this paper. The theoretical framework based on the work by Battilana (2018) and Eiselein and Dentchev (2020) is a good framework for understanding how social enterprises can balance dual objectives. This study supports the combined theoretical framework in most ways. Social enterprises need to have distinct organizational goals, structured but flexible business activities, flexible team members, and partnerships to balance their dual objectives. However, the study suggests that communication does not have any new effect on the success of a social enterprise.

6.2. Theoretical implications

Dual goal management in social enterprises is a new area of research in Norway. So, this study is one of the first to contribute to the dual goal management of social enterprises in Norway. The study also contributes to the existing literature on social enterprises' challenges and how they manage their conflicting dual objectives.

Various previous researchers such as Battilana (2018), Eiselein and Dentchev (2020), Dees and Anderson (2003), Siebold et al. (2019), and Habaradas and Aure (2016) have studied how social enterprises balance their conflicting dual objectives. These studies have identified various strategies and mechanisms that help social enterprises to pursue joint social and financial goals and reduce the risk of mission drift. These studies have been based on countries like Belgium, the United States, the Philippines, etc., and the findings from these settings may not be heavily transferable to the Norwegian scene. This research paper, therefore, provides insights into a Norwegian social enterprise. The study also provides new and interesting additions to the current literature on social enterprises. The study combined two theories into one and created a larger scope for understanding the mechanisms that help social enterprises to manage their social and economic objectives.

The study suggests that clear social and economic goals, structured activities, assessment of performance, and well-selected team members are important for the success of social enterprises, as suggested by Battilana (2018) and Eiselein and Dentchev (2020). This also complements the work of Dees and Anderson (2003), who argued that if social enterprises are clear about their social and economic goals, measure their performances, and invest in hiring and developing the right people, they can be successful. This study stresses the role of the founder's background and work experience in producing or managing internal tensions in a social enterprise. The background directly affects the ability of the social entrepreneur to balance their dual objectives.

This research paper also provides exciting insight into the importance of flexibility in strategy. The study's findings suggest that the social enterprise used in the case study follows a business model but stays flexible regarding strategies and organizational activities to avoid rigidity and tackle challenges brought forward by external factors. This supports the work by Alegre and Berbegal-Mirabent (2016), who argued that social enterprises should be able to design new strategies which modify the rules set by the industry as their innovative dimension creates expectations to challenge the conventional knowledge of the concept.

This paper also supports the study by Dees and Anderson (2003), who argued flexibility and willingness to learn is vital for social enterprises. This paper does not agree with Battilana (2018), who argues that individuals who are a blank slate are better at socializing in a hybrid organization than those with a specialised profile. Having a specialised profile is helpful, especially during the start-up and growth phase, more so if the founder is only familiar with one of the areas of social enterprise. However, flexible team members are more eager to learn, so they adapt better. This shows that flexibility will allow team members to adapt to hybrid organisations better than those who are rigid and limited to their specialization. So, in addition to hiring specialised profiles, social entrepreneurs should also ensure that the hired team members are flexible.

The theoretical framework also had the socialization of team members and communication as mechanisms for managing the dual objectives of social enterprises. However, the study does not show any interesting findings regarding the importance of socialization and communication, even though it was an integral part of the theoretical framework. Communication is important for all organisations because it is as important for social enterprises as any other type of organisation. So, it does not necessarily have to be a critical mechanism for balancing dual objectives. This suggests

that other mechanisms are relatively more important than communication to balance the dual goals of social enterprises. However, the leader's background can play a vital role in their leadership approach. The question raised by Battilana (2018) about how the background of the leaders of social enterprises affects their approach is answered by this research paper. The background of the founders and leaders of the enterprise affects the leadership approach they use, their hiring process, their communication process, and their values and focus.

The study also suggests that partnerships are an important support mechanism for social enterprises, as indicated by various researchers like Eiselein and Dentchev (2020), Sanzo-Pérez and Álvarez-González (2022), Esau and Tenge (2022) and Habaradas and Aure (2016). Partnerships with other organizations help social enterprises to acquire financial resources, build the credibility of the enterprise among investors, build trust among potential customers, get access to network building, and opportunity to gain knowledge through mentorship.

6.3. Practical implications

The study provides practical implications for Banter AS and other social enterprises in Norway. With the growing popularity of social enterprises and the increasing demand for social value creation by governments, customers, and NGOs, it is important for social enterprises to balance their dual objectives to avoid the risk of drift. This study provides in-depth knowledge of how social enterprises can manage their conflicting goals.

The study also stresses the importance of the ability of social enterprises to stay flexible, which will allow them to fight adversities that grow both internally and externally. The findings also suggest that technological innovation can help social enterprises in situations like the global pandemic. However, it can bring financial and human resource challenges. Technological innovation can bring extra expenses to the enterprise when the resources are already scarce during the start-up phase.

This research paper also adds insights into the embedded business model. It is suggested that it is easier for social enterprises to monitor their social and financial performance if their product creates social value, which means that if they have an increasing social impact, it also means that they have a more extensive customer base. Social entrepreneurs with an embedded business model, however,

should also be aware of the challenges of rigid business models. They should stay alert and adopt flexible organization activities when needed.

Social enterprises also need to select the right team members. In many cases, it is essential to have team members with specialised profiles as they have extensive knowledge in either the social or business field. But the most critical characteristic of the team members is their ability to adapt and stay flexible. Finally, social enterprises should focus on partnerships and collaborations, primarily if they pursue growth. In Norway, support systems like Inkubator Salten, Kunnskapsparken, and Innovation Norge have played a vital role in helping social enterprises like Banter AS to grow by providing them with financial resources, access to the network, and mentorship for developing the enterprise. Accessing financial resources and a diverse, competent, and skilled workforce is a central challenge for entrepreneurs (Clausen et al., 2010, p. 93). This paper complements the study by Clausen et al. (2010), who suggest that Norwegian incubators actively serve as a door opener for entrepreneurs who seek access to financial resources and expertise within these firms.

6.4. Limitations and future recommendations

Even though this research paper has various theoretical and managerial implications, it has some limitations. The key purpose of the study was to understand how a social enterprise in Norway balances its social and economic objectives using a case study approach. Even though the findings provided extensive in-depth knowledge about how the studied social enterprise had balanced its dual objectives, the study is still limited to only one social enterprise. The findings only present one solution based on one type of social enterprise. There is the possibility of other approaches that could be used to balance the dual objectives. It is recommended that future researchers should study more than one social enterprise in Norway to develop more approaches that social enterprises can use. However, it is also recommended to do more in-depth research using a single case study method as it provided this study with context-specific findings that helped to contribute not just to theory but provide rich insights at the practical level. Conducting a single case study provided the analysis with richer knowledge about a certain kind of social enterprise and business model.

The studied social enterprise stressed the importance of managing external factors like the global pandemic. Future researchers may investigate external tensions like a pandemic or political factors directly affecting social enterprises. Future researchers can also investigate corporate social

responsibility. Likewise, future researchers could also investigate corporate social responsibility (CSR) in social enterprises because they share similar statuses among scholars. Researchers have argued that there has been minimal research on the potential overlap between CSR and social enterprises (Palakshappa and Grant, 2018). According to Palakshappa and Grant (2018), their study on links between social enterprises and CSR suggested that they share common sustainability aspirations in the sense of “humanity” in business by creating social value. They also indicated that the generation of importance is the central theme that links the two concepts. Future researchers can explore how social enterprises’ CSR focus could help balance their dual mission.

References

- ALEGRE, I. & BERBEGAL-MIRABENT, J. 2016. Social innovation success factors: hospitality and tourism social enterprises. *International journal of contemporary hospitality management*, 28, 1155-1176.
- ALVORD, S. H., BROWN, L. D. & LETTS, C. W. 2004. Social Entrepreneurship and Societal Transformation: An Exploratory Study. *The Journal of Applied Behavioral Science*, 40, 260-282.
- ARENA, M., BENGIO, I., CALDERINI, M. & CHIODO, V. 2018. Unlocking finance for social tech start-ups: Is there a new opportunity space? *Technological Forecasting and Social Change*, 127, 154-165.
- BACQ, S. & JANSSEN, F. 2011. The multiple faces of social entrepreneurship: A review of definitional issues based on geographical and thematic criteria. *Entrepreneurship and regional development*, 23, 373-403.
- BALMBRA, S. M. & RAIMUNDO, C. A. 2021. Show me! Using digital figures to facilitate conversations in systemic therapy. *Journal of family therapy*, 43, 256-271.
- BATTILANA, J. 2018. Cracking the organizational challenge of pursuing joint social and financial goals: Social enterprise as a laboratory to understand hybrid organizing. *Management (Paris, France : 1998)*, 21, 1278-1305.
- BELL, E., BRYMAN, A. & HARLEY, B. 2022. *Business research methods*, Oxford university press.
- BURBACH, F. & POTE, H. 2021. Digital approaches – a paradigm shift? *Journal of family therapy*, 43, 169-184.
- CASCIO, M. A. & RACINE, E. 2018. Person-oriented research ethics: integrating relational and everyday ethics in research. *Account Res*, 25, 170-197.
- CHEAH, J., AMRAN, A. & YAHYA, S. 2019. Internal oriented resources and social enterprises' performance: How can social enterprises help themselves before helping others? *Journal of cleaner production*, 211, 607-619.
- CHOI, Y. & CHANG, S. 2019. Resource acquisition partnership of nascent social enterprise for sustainability. *International journal of entrepreneurship*, 23, 1-8.
- CHOI, Y., CHANG, S., CHOI, J. & SEONG, Y. 2018. The partnership network scopes of social enterprises and their social value creation. *International journal of entrepreneurship*, 22, 1-21.
- CLARKE, V., BRAUN, V. & HAYFIELD, N. 2015. Thematic analysis. *Qualitative psychology: A practical guide to research methods*, 222, 248.
- CLAUSEN, T. H., RASMUSSEN, E. & RICE, M. P. 2010. The Link Between Open Innovation Policy and Entrepreneurship: The Case of Industry Incubators in Norway. CHELTENHAM: CHELTENHAM: Edward Elgar Publishing.
- COYNE, I. T. 1997. Sampling in qualitative research. Purposeful and theoretical sampling; merging or clear boundaries? *J Adv Nurs*, 26, 623-630.
- DEES, J. G. 2007. Taking social entrepreneurship seriously. *Society (New Brunswick)*, 44, 24-31.
- DEES, J. G. & ANDERSON, B. B. 2003. For-profit social ventures. *International Journal of Entrepreneurship Education*, 2, 1-26.
- DEES, J. G., ECONOMY, P. & EMERSON, J. 2001. *Enterprising nonprofits : a toolkit for social entrepreneurs*, New York, Wiley.
- DEFOURNY, J. & NYSENS, M. 2021. *Social enterprise in Western Europe: Theory, models and practice*, Taylor & Francis.
- DENNY, E. & WECKESSER, A. 2022. How to do qualitative research? Qualitative research methods. *BJOG*, 129, 1166-1167.
- DI PAOLA, N., SPANÒ, R., CALDARELLI, A. & VONA, R. 2018. Hi-tech start-ups: legitimacy challenges and funding dynamics. *Technology Analysis & Strategic Management*, 30, 363-375.
- EBRAHIM, A., BATTILANA, J. & MAIR, J. 2014. The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations. *Research in organizational behavior*, 34, 81-100.

- EISELEIN, P. & DENTCHEV, N. A. 2020. Managing conflicting objectives of social enterprises. *Social enterprise journal*, 16, 431-451.
- ESAU, H. O. & TENGEH, R. K. 2022. Key success factors for scaling social enterprises in South Africa. *Entrepreneurship and Sustainability Issues*, 9, 396-415.
- ESTRIN, S., MICKIEWICZ, T. & STEPHAN, U. 2013. Entrepreneurship, Social Capital, and Institutions: Social and Commercial Entrepreneurship Across Nations. *Entrepreneurship Theory and Practice*, 37, 479-504.
- FINFGELD-CONNETT, D. 2010. Generalizability and transferability of meta-synthesis research findings. *J Adv Nurs*, 66, 246-254.
- FLICK, U. 2013. *The SAGE Handbook of Qualitative Data Analysis*, London, London: SAGE Publications, Limited.
- GREBLIKAITE, J., GERULAITIENE, N., ZIUKAITE, Z. & GARCIA-MACHADO, J. J. 2017. Social Economy: the Potential and Challenges of Social Enterprises in Lithuania. *European integration studies (Kaunas University of Technology)*, 53-64.
- HABARADAS, R. B. & AURE, P. A. H. 2016. Managing social enterprises in the Philippines: Challenges and strategies. *Journal of legal, ethical and regulatory issues*, 19, 39-56.
- HERMELIN, B. & RUSTEN, G. 2018. A place-based approach to social entrepreneurship for social integration – Cases from Norway and Sweden. *Local economy*, 33, 367-383.
- HOOGENDOORN, B., VAN DER ZWAN, P. & THURIK, R. 2019. Sustainable Entrepreneurship: The Role of Perceived Barriers and Risk: JBE. *Journal of Business Ethics*, 157, 1133-1154.
- KERLIN, J. A. 2009. *Social enterprise: A global comparison*, UPNE.
- LALL, S. A. 2019. From Legitimacy to Learning: How Impact Measurement Perceptions and Practices Evolve in Social Enterprise–Social Finance Organization Relationships. *Voluntas (Manchester, England)*, 30, 562-577.
- LALLEMAND-STEMPAK, N. 2017. Rethinking hybrids' challenges: the case of French mutual insurance companies. *M@ n@ gement*, 20, 336-367.
- LEAVY, P. 2014. The Oxford handbook of qualitative research. *Handbook of qualitative research*. New York: Oxford University Press.
- LEUNG, S., MO, P., LING, H., CHANDRA, Y. & HO, S. S. 2019. Enhancing the competitiveness and sustainability of social enterprises in Hong Kong: A three-dimensional analysis. *China journal of accounting research*, 12, 157-176.
- MALIN, G., ROGER, S. & LINDA LUNDGAARD, A. 2016. *Social Entrepreneurship and Social Enterprises: Nordic Perspectives*, Taylor and Francis.
- MEURMAN, J. H. 2016. Ethics in Research. *Journal of dental research*, 95, 1205-1206.
- MITRA, P., BYRNE, J. & JANSSEN, F. 2017. Advantages of hybrid organising in social entrepreneurship: Evidence from Norway. *International Review of Entrepreneurship*, 15, 519-536.
- NAPATHORN, C. 2018. How do social enterprises recruit workers? The case of social enterprises in Thailand. *Journal of Asia business studies*, 12, 508-532.
- NEESSEN, P. C. M., VOINEA, C. L. & DOBBER, E. 2021. Business Models of Social Enterprises: Insight into Key Components and Value Creation. *Sustainability (Basel, Switzerland)*, 13, 12750.
- NICHOLLS, A. 2006. *Social entrepreneurship : new models of sustainable social change*. Oxford ;,New York: Oxford University Press.
- PALAKSHAPPA, N. & GRANT, S. 2018. Social enterprise and corporate social responsibility: Toward a deeper understanding of the links and overlaps. *International journal of entrepreneurial behaviour & research*, 24, 606-625.
- PARK, J., HWANG, K. & KIM, S.-J. 2018. Forming a social partnership between a small social enterprise and a large corporation: A case of the joint platform, H-JUMP. *Sustainability (Basel, Switzerland)*, 10, 3612.

- PELUCHA, M., KOURILOVA, J. & KVETON, V. 2017. Barriers of Social Entrepreneurship Development – A Case Study of the Czech Republic. *Journal of Social Entrepreneurship*, 8, 129-148.
- PERMANA, A. & MURSITAMA, T. N. 2018. The influence of ideological entrepreneurship to social enterprise's success. *IOP Conf. Ser.: Earth Environ. Sci*, 126, 12105.
- PHILLIPS, W., LEE, H., GHOBADIAN, A., O'REGAN, N. & JAMES, P. 2014. Social Innovation and Social Entrepreneurship: A Systematic Review. *Group & Organization Management*, 40, 428-461.
- RAISIENE, A. G. & URMANAVICIENE, A. 2017. MISSION DRIFT IN A HYBRID ORGANIZATION: HOW CAN SOCIAL BUSINESS COMBINE ITS DUAL GOALS? *EKONOMSKI VJESNIK / ECONVIEWS : REVIEW OF CONTEMPORARY BUSINESS, ENTREPRENEURSHIP AND ECONOMIC ISSUES*, 30, 301-310.
- RESNIK, D. B. & SHAMOO, A. E. 2009. *Responsible Conduct of Research*, New York, New York: Oxford University Press.
- SAEBI, T., FOSS, N. J. & LINDER, S. 2018. Social Entrepreneurship Research: Past Achievements and Future Promises. *Journal of Management*, 45, 70-95.
- SAETRE, H. S. 2022. How Hybrid Organizations Respond to Institutional Complexity: The Case of Norway. *Voluntas (Manchester, England)*, 1-12.
- SANDELOWSKI, M. 1995. On the Aesthetics of Qualitative Research. *Image J Nurs Sch*, 27, 205-209.
- SANZO-PÉREZ, M. J. & ÁLVAREZ-GONZÁLEZ, L. I. 2022. Partnerships between Spanish social enterprises and nonprofits: A rich hybridity-based setting for social innovation. *Technovation*, 110, 102376.
- SAUNDERS, M., LEWIS, P. & THORNHILL, A. 2007. Research methods. *Business Students 4th edition Pearson Education Limited, England*.
- SAUNDERS, M. N. K., LEWIS, P. & THORNHILL, A. 2012. *Research methods for business students*, Harlow, Pearson.
- SEKARAN, U. & BOUGIE, R. 2016. *Research methods for business: A skill building approach*, John Wiley & Sons.
- SIEBOLD, N., GÜNZEL-JENSEN, F. & MÜLLER, S. 2019. Balancing dual missions for social venture growth: a comparative case study. *Entrepreneurship and regional development*, 31, 710-734.
- SMITH, J. A. 2015. Qualitative psychology: A practical guide to research methods. *Qualitative psychology*, 1-312.
- SMITH, W. & LEWIS, M. 2011. Toward A Theory of Paradox: A Dynamic Equilibrium Model of Organizing. *The Academy of Management Review*, 36.
- THOMPSON, S. K. 2012. Sampling. 3rd ed. ed. Hoboken, N.J.: Wiley.
- VOGT, W. P., VOGT, E. R., GARDNER, D. C. & HAEFFELE, L. M. 2014. *Selecting the Right Analyses for Your Data: Quantitative, Qualitative, and Mixed Methods*, New York, New York: Guilford Publications.
- YIN, J. & CHEN, H. 2019. Dual-goal management in social enterprises: evidence from China. *Management Decision*, 57, 1362-1381.
- ZEYEN, A., BECKMANN, M., MUELLER, S., DEES, J. G., KHANIN, D., KRUEGER, N., MURPHY, P. J., SANTOS, F., SCARLATA, M., WALSKE, J. & ZACHARAKIS, A. 2013. Social Entrepreneurship and Broader Theories: Shedding New Light on the 'Bigger Picture'. *Journal of social entrepreneurship*, 4, 88-107.
- ZHENG, W., BRONSON, J. & LIN, C. 2020. How social entrepreneurs' attention allocation and ambidextrous behavior enable hybrid organization. *The International journal of conflict management*, 31, 509-528.

APPENDIX A. INTERVIEW GUIDE

1. Can you introduce yourself and Banter AS first?
2. How did you come up with the idea to start a social enterprise?
3. How do you think your professional career helped you with starting this social enterprise?
4. Have you faced any difficulties balancing a social enterprise's dual objectives so far in the start-up process?
5. What strategies have you been using so far to deal with the difficulties of managing the conflicting objectives?
6. Have you set distinct organizational goals targeting social and economic value? If so, how?
7. Do you find it important to have dual objectives for the success of your start-up?
8. What kind of qualities were you looking for when you selected your team members?
9. Do you believe hiring people with the qualities and competencies you lack is important?
10. How do you structure your organization's activities with two different kinds of objectives to achieve?
11. How do you communicate with your team and external stakeholders?
12. Does Banter AS have partnerships or collaborations with other organizations?
13. How has having partnerships and collaborations helped your social enterprise?

FOLLOW-UP INTERVIEW GUIDE

14. How difficult was it to start a social enterprise in Norway?
15. When you received funding from Innovation Norge, did they expect you to make a lot of profit?
16. Do you think Banter has made progress after introducing the new strategies?

APPENDIX B. THEME GENERATION

Theme 1. Motivation for starting a social enterprise

| Codes | Raw data |
|------------------------------|---|
| Work experience in the field | <i>“The drive for me to start Banter AS is because of my engagement in professional area of child and family counselling, not just as sort of business to make money. So, I started calling it social enterprise because the main goal is not just about making profit but also about providing something good for the area that I have worked with.”</i> |
| Work experience in the field | <i>“I started to market it so that I can increase its professional development and my goal is international, not just here in Norway.”</i> |

Theme 2. Need to blend social and economic objectives to sustain

| Codes | Raw data |
|---|---|
| No training in business studies | <i>“I had been more focused on the social aspect and developing the idea about the product itself that I didn’t have the right time and quality to focus on business side.”</i> |
| No training in business studies | <i>“Business is not only about making profit it is about progressing, expanding, and sustaining. So, without the business side the other side doesn’t move forward.”</i> |
| No training in business studies | <i>“my position was completely unbalanced because its business side of it was completely new for me. So, I had to have a lot of support and advice. I haven’t had any training in business studies. Often when I got advice, it was different advice from different people, so it was difficult for me to understand which the best way was to go.”</i> |
| Technological innovation and its challenges | <i>“They (children) are so used to using technology in their day-to-day life, so we thought it could be good to use technology in conversation about themselves. We think it’s comfortable for them to use technology. And it’s sort of positive and innovative way of adding something new to the area.”</i> |
| Technological innovation and its challenges | <i>“We were making the app, but the platform to make the app became obsolete, and we had to re-programme it. The</i> |

| | |
|---|--|
| | <i>programmer who was responsible was not capable of continuing the project as he agreed to.”</i> |
| Technological innovation and its challenges | <i>“there are expenses for lawyers and accountants who want to be well paid. If you are not aiming to strongly earn profit, then it is difficult. And you also have to have another source of income yourself to start a company because you won’t be making a profit to pay yourself in the beginning.”</i> |
| External factors | <i>“when time came around to show the product, COVID came along, and all the conferences has been closed down, so the marketing strategy that I had sort off fell apart.”</i> |

Theme 3. Distinct organizational goals

| | |
|--|--|
| Codes | <i>Raw data</i> |
| Distinct social and financial goals and strategies | <i>“With this kind of product when people start using it, they find it useful, and they start talking with other people, and it spreads eventually. I was hoping to get that ball rolling so that in the end, I don’t have to do the vast amount of marketing because the product itself is so good and useful.”</i> |
| Distinct social and financial goals and strategies | <i>“I think it is very important to be clear about both sides.”</i> |
| Distinct social and financial goals and strategies | <i>“set up distinct social and financial budget and goals.”</i> |
| Assess performance | <i>“We contact our customers frequently to ask about their experience.”</i> |

Theme 4. Structured business activities

| | |
|---------------------|--|
| Codes | <i>Raw data</i> |
| One task at a time | <i>“I will do one thing at a time. I am not very good at multitasking, but as I say, what I am doing depends on what I need to be doing at that moment.”</i> |
| Distinct activities | <i>“It’s a difficult market working with mental health. A lot of people have been sceptical about people trying to sell products, like medicines and stuff. They believe that the conversation itself is</i> |

| | |
|----------------|---|
| | <i>important. And so, if I went to one of these conferences and try to sell my product they would easily say- sorry we can't have sales talk at our conference. So, what I can present is the idea about using these things."</i> |
| Business model | <i>"we aim to create social values directly using our product."</i> |

Theme 5. Team members

| Codes | Raw data |
|--|--|
| Employee profile | <i>"Well, there are several things I was looking for, but the first thing was they need to have good skills and information that I don't have. So, people who are more good at the business side of things."</i> |
| Employee profile | <i>"I think it's absolutely necessary. If I got everything with myself, then why would I need other people? The point is you need people who are different, and who see things differently."</i> |
| Give responsibilities and minimize control | <i>"Well, I think it's important to listen to people and what they have to tell you and to make them understand that you appreciate their point of view. It is, I think, one of the important things."</i> |
| Give responsibilities and minimize control | <i>"It's also a matter of giving people responsibility in certain area and let them work on their own premises. Trying to have too much control over other people always limits them."</i> |
| Understand core idea, flexible | <i>I also think that people who are engaged in the idea, who understand the core idea of the whole company is important. But it's also about people who you can talk to, discuss things with and have the sort of flexible way of thinking and the good attitude is important.</i> |

Theme 6. Communication

| Codes | Raw data |
|-----------------------------------|---|
| Open communication and discussion | <i>"I think it's also important to have some sort of open discussion about new ideas and things and provide constructive criticism about the discussion we have."</i> |

| | |
|-----------------------------------|--|
| Open communication and discussion | <i>“will create open and clear understanding of things.”</i> |
|-----------------------------------|--|

Theme 7. Partnerships

| Codes | Raw data |
|---|---|
| Benefits of partnerships and collaborations | <i>“I would have never got through where I am right now without Kunskapsparken and the grant I got from Innovation Norge.”</i> |
| Expectations | <i>“We haven’t had a big focus on making a profit but certainly expected to have more income. The funding we received was mostly for development purpose, and they expected us to develop our enterprise.”</i> |
| Benefits of partnerships and collaborations | <i>“It’s been absolutely essential and important. The advice we received has been very good indeed. Having other people to work together with and also working with people who know about how business work is very important.”</i> |
| Benefits of partnerships and collaborations | <i>“Collaborating with trusted organizations will bring credibility to our social enterprise and develop trust among our potential customers. It will help to bring in new customers and investors as well.”</i> |

Theme 8. Progress

| Codes | Raw data |
|----------|---|
| Progress | <i>“Yeah, I think we have made important progress. Collaboration with other institutions was important. We started off by planning to make a digital app for the figure set to develop our products. Despite the progress going slowly it's going somewhere. We developed our website, made tutorial videos, and presented our ideas and work in conferences. We are absolutely making some progress, but it’s been slow and there is still a lot of barriers to overcome.”</i> |

APPENDIX C. NSD APPROVAL

Are you interested in taking part in the research project?

“The challenges of starting a social enterprise: A case study on a Norwegian Social Start-up”

This is an inquiry about participation in a research project where the main purpose is to understand the challenges faced by a social enterprise during start-up process. In this letter we will give you information about the purpose of the project and what your participation will involve.

Purpose of the project

This research is a master's thesis to complete my master's degree at Nord University. The personal data is collected with the sole purpose for the thesis.

This research paper intends to investigate the core challenges faced by social entrepreneurs due to the hybrid nature of social entrepreneurship. The paper's primary focus is to understand the financial and functional barriers of social enterprise in its start-up phase to design a business strategy that helps them to overcome such barriers. With the growing popularity of social entrepreneurship in Norway, as well as the rest of the world, it is important to realize how to overcome the initial challenges of social entrepreneurship.

The following research question has been developed for this paper based on the research problem-

- a. What are the impacts of financial and functional challenges faced by a start-up social enterprise in Norway?
- b. What measures can be taken to overcome such challenges?
- c.

Who is responsible for the research project?

Nord University is the institution responsible for the project.

Why are you being asked to participate?

The purpose of the paper is to understand the challenges for social start-ups in Norway. Your social enterprise is selected for this as it is currently in start-up process and has not reached growth stage. It is also selected as it is situated in Bodø. Keeping in view the time available to complete the thesis, it was important to select the participant I can easily meet with.

What does participation involve for you?

If you wish to take part in this research project, a face-to-face interview will be conducted. The survey will take approximately 1 hour. The interview will include some basic personal information like name, age, occupation, past employment, etc. Your answers will be recorded on paper along with a voice recording.

Participation is voluntary

Participation in the project is voluntary. If you chose to participate, you can withdraw your consent at any time without giving a reason. All information about you will then be made anonymous. There will be no negative consequences for you if you chose not to participate or later decide to withdraw.

Your personal privacy – how we will store and use your personal data

We will only use your personal data for the purpose specified in this information letter. We will process your personal data confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act).

- Besides me, my supervisor for the thesis will have access to the personal data. My supervisor is a professor at Nord University.
- I will replace your name and contact details with a code. The name, contact details and respective codes will be stored separately from the rest of the collected data.

You will be recognizable in publications as the owner of Banter AS. Personal details like contact information will not be disclosed but some personal information like your age, occupation, and past employment will be published.

AWA 14/2-22

What will happen to your personal data at the end of the research project?

The project is scheduled to end in May. The sound recordings will be deleted at the end of the research project.

Your rights

So long as you can be identified in the collected data, you have the right to:

- access the personal data that is being processed about you
- request that your personal data is deleted
- request that incorrect personal data about you is corrected/rectified
- receive a copy of your personal data (data portability), and
- send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data

What gives us the right to process your personal data?

We will process your personal data based on your consent.

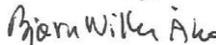
Based on an agreement with Nord University, NSD – The Norwegian Centre for Research Data AS has assessed that the processing of personal data in this project is in accordance with data protection legislation.

Where can I find out more?

If you have questions about the project, or want to exercise your rights, contact:

- Nord University via Bjørn Willy Åmo by email: bjorn.w.amo@nord.no or by telephone: +47 75517245 or +47 40466013.
- Our Data Protection Officer: Toril Irene Kringen by telephone: +47 75517000
- NSD – The Norwegian Centre for Research Data AS, by email: (personverntjenester@nsd.no) or by telephone: +47 55 58 21 17.

Yours sincerely,


Bjørn Willy Åmo 14/2-22
(Supervisor)

Shesan Barailli
(Student)

Consent form

I have received and understood information about the project *“The challenges of starting a social enterprise: A case study on a Norwegian Social Start-up”* and have been given the opportunity to ask questions. I give consent:

- to participate in face-to-face interview.
- for information about me/myself to be published in a way that I might be recognised.

I give consent for my personal data to be processed until the end date of the project, approx. May 2022.

 18.02.2022

(Participant, date)