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### The Comparisons on Incubation between Social and Business Enterprise: Same, Different or Both?

Su-Chuan Liu<sup>1</sup>, Chia-Jung Chang<sup>2</sup>, Hwa-Nan Chang<sup>3</sup>, Yu-Hsin Liu<sup>4\*</sup>

<sup>1</sup> Department of Marketing and Logistics Management, Chaoyang University of Technology

<sup>2</sup> Department of Business Administration, National Taiwan Normal University

<sup>3</sup> Department of Golden-Ager Industry Management, Chaoyang University of Technology

<sup>4</sup> Department of Social Work, Toko University

\* Corresponding Author: Yu-Hsin Liu, Toko University, 51, Sec. 2, Xuefu Rd., Puzi City, Chaiayi County 61363, Taiwan

E-mail: [brianelse@gmail.com](mailto:brianelse@gmail.com)

**Abstract:** This study aims to compare the similarities and differences between business enterprise incubation and social enterprise incubation, and propose a more inclusive incubation framework. To understand the selection of social enterprise incubation and the business support, a semi-structured interview was employed in this study. There were 9 interviewees, 4 of which were the managers of social enterprise incubation and the other 5 were social enterprise investors. MAXQDA10 is employed as data analysis tool. This study found that on the selection of social enterprise incubation, it is primarily “social mission” and “economic goal”, followed by “customer oriented” and “resource oriented”. Business support was seen as a continuum from “refusal” to “strong intervention”. Based on the consensus of the double bottom line, “company” and “customization” may be used in incubation support. On the contribution to theory, this study proposes the trait of social enterprise incubation is mainly the balance of the double bottom line. On the contribution to practice, this study revises the incubation framework, and recommends that social enterprise incubators may set aside the mindset of business enterprise incubation and develop the potential social enterprise market.

**Keywords:** Social Enterprise; Social Entrepreneurship; Incubation; Entrepreneurial Ecosystem; double bottom line

#### I. INTRODUCTION

Entrepreneurial ecosystem is a key factor which would not merely motivate individual entrepreneur to start new ventures (Suresh and Ramraj, 2012), but stimulate the whole economic prosperity (Isenberg, 2011). In forefront of entrepreneur ecosystem, incubators provide a bridge between policy, investors and

entrepreneurs. Incubator has become a vital support for start-ups and early growth small and medium enterprises (SMEs) (Autio and Klofsten, 1998), and, of course, for social enterprises (SEs) (Bhatli and Cumberland, 2015), forming a support ecosystem for innovation and social entrepreneurs (SErs) (Sonne, 2011).

While the development of incubators grows rapidly, the researchers started to find its roles or classification models (Grimaldi and Grandi, 2005; Scillitoe and Chakrabarti, 2009). However, the incubation process is not clearly defined in recent literatures (Theodorakopoulos, Kakabadse, and McGowan, 2014). That is, incubation was thought of as a black box, focusing on external performance without internal working.

Bergek and Norrman (2008) proposed that a framework of the best practice for business enterprise (BE) incubator, which includes three components: 1. Selection: distinguished between idea-focused selection and entrepreneur-focused selection as well as between “picking-the-winners” and “survival-of-the-fittest” selection. 2. Business support: seen as a continuum from “laissez-faire” to “strong intervention; and 3. Mediation strategies: focusing on technological, regional or cluster. Bergek and Norrman (2008) considered the framework was applied to 16 Swedish incubators. But did it applied to SE incubation for SErs, too?

This study is skeptical of the applicability of framework above in SE incubation based on three reasons: 1. SE refers to hybrid structural enterprise forms, which are mixed with social and commercial approaches and emerge across the non-profit and for-profit sectors (Dees, 1998). Does the framework apply to SE incubation and all kinds of SE? 2. The mission of SErs is creating social value but rather for maximized profit (Austin, Stevenson and Wei-Skillern, 2006). So, how to explain why the double bottom line (DBL), social and economy goals by “picking-the-winners” and “survival-of-the-fittest” becomes a controversial point. 3. Let us take it further, how the incubator provides assistances to balance the DBL for SE from laissez-faire to strong intervention? Is there any alternative business support other than laissez-faire and strong intervention?

In summary, SE incubation is still an emerging issue and lacks of a theoretical underpinning. The core question we try to answer is: to what extent is a Bergek and Norrman’s framework an appropriate model to apply to the SE incubators? We argue that the differences between SE incubation and BE incubation have prompted each of incubators to diversify their strategies for SErs and their startup SEs. This study aims to: 1. identify features of SE incubation, so as to modify BE incubation framework, and 2. propose a more inclusive incubation framework.

## **II. LITERATURE REVIEW**

### **2.1. Entrepreneurial Ecosystem**

An entrepreneurial ecosystem is a concept of using holistic view to understand the dynamics of the business organisms in social and economic environment (Spigel, 2015). Isenberg (2011) suggested domains of entrepreneurial ecosystem include polices, finance, culture, supports, human capital and the market, each element associating with one another. According to the definition of Mason and Brown (2014) about the entrepreneurial ecosystem, there are three elements: 1. a core of large established businesses, 2. the entrepreneurial recycling, which means successful cashed out entrepreneurs reinvest their resources in supporting new entrepreneurial activity, and 3. a rich information environment for all.

Although the literatures have described the entrepreneurial ecosystem in several ways, the complicated interaction of the ecosystem and entrepreneurship affect entrepreneurship revolution. Isenberg (2011) proposed an ideal entrepreneurial ecosystem in which the public policies would stand behind entrepreneurs and unleashing their energies, as the new startup ventures have access the resources they need, such as financing and information. Mason and Brown (2014) recommend that policy makers to develop monitoring and interventions system in order to assess the strengths and weaknesses. Both literatures focused on the public policies. As a policy instrument in first line of entrepreneurial ecosystem, the role of incubator should be taken more seriously.

Incubator is a support system in entrepreneurial ecosystem, in which its main function is providing multiple services to foster new startup entrepreneurs (OECD, 2010). Incubator services includes space and facilities rental service (Aerts, Matthyssens, and Vandembemt, 2007), and the professional process of financial and technology assistance, business or marketing developing and counseling, and stimulating networking interactions (Scillitoe and Chakrabarti, 2009). In addition, incubators are starting to play a role in creating social values recently with the emerging of SE, which has been the focus of entrepreneurs around the world (Wilson and Post, 2013). Though SE is a cross-sector phenomenon, somewhere in between the society and economy, the challenges it faces in starting the business is no different from those a BE would encounter. Thus, social incubator plays an important role to assist SEs in overcoming resource gaps, achieving financial sustainability as well as innovation and social impacts (Bhatli and Cumberland, 2015; Sonne, 2011).

## **2.2. SEs V. S. BEs**

Though social incubator makes the effort to build capacities for SE, the rationale behind different incubating initiatives lies in the different types of client, objectives and requirements (Grimaldi and Grandi, 2005). In order to meet SEs' needs in starting the venture, the key for social incubators is identifying who they are and their features. Although the literatures in studying SEs grow rapidly, still there is a lack of a clear and integrated definition (Mair and Marti, 2006).

SEr is rooted in non-profit context, which refers to the achievement of non-profit organization (NPO) mission by engaging in commercial behaviors (Defourny and Nyssens, 2010). The existing literatures regarding SEs focus primarily on subjects like the concept explanations and features (Dees, 1998; Kerlin, 2006; Perrini and Vurro, 2006; Peredo and McLean, 2005; Thompson, 2002), or management issues. In the past decade, some researchers started to examine SEs with entrepreneurship in comparative approach (Acs, Boardman and McNeely, 2013; Austin *et al.*, 2006; Chell, 2007; Dacin, Dacin and Matear, 2010). The literatures focused on the comparison of SEs and BEs, which reveals the critical debate between two forms of entrepreneur. In particular, with the hybrid motivation and value of SEs, there are DBL goals and various impacts.

Although SEr is not a distinct type of entrepreneurship, it may be understood as a form of entrepreneurship (Chell, 2007; Dacin *et al.*, 2010). However, there are still persistent differences in motivation and the DBL between SEr and BEr, as noted by Austin *et al.* (2006), "social entrepreneurship as innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors". They offered four theoretical propositions in SE, including market failure, mission, resources mobilization, and performance measurement. Above all, differences in market and mission will create not only

opportunities for SEr, but a fundamental distinguishing feature between SEr and BEr. And these two propositions lead to different approaches in resources mobilization and performance measurement.

### **2.3. SE incubation V. S. BE incubation**

Nowadays, fostering SEr constitutes one of priorities in entrepreneurial ecosystem. SE differs from BE that seeks to maximize profit for stockholders in the business sector, prioritizing social change, such as poverty reduction, work integration, environment, while offering goods and services to the communities in traditional market at the same time. (Dart 2004; OECD, 1999: 10-11) SE expands innovation impacts via market and service delivery, operating in corporation, cooperation and NPO. It develops rigorously, but faces challenges as well, including a lack of financial resources, business skill and experiences (Austin *et al.*, 2006; Bridgstock *et al.*, 2010; Dees, 1998). SEr generally encounter the challenge of insufficient resources and therefore have to seek resources externally to avert SE startup failure.

In consideration of insufficient resources in SE, incubator becomes a vital support for SEr to overcome the barrier at the SE startup stage (Ariza-Montes and Muñiz-Rodríguez, 2013; Bhatli and Cumberland, 2015). While the development of SE incubator grows rapidly and thus creates multiple resources, the related literature is, however, relatively in short supply. The incubation literatures still focus on traditional BE incubation. In particular, Researchers put less attention on the incubatees, diffusing innovations and the outcome they have been achieved (Hackett and Dilts, 2004). Most of literatures concentrated on categories of incubators and the outcomes of success factors (Charry, Pérez and Barahona, 2014). Some researchers took a dynamic view in analyzing incubation strategies (Bollingtoft and Ulhoi, 2005; Schwartz and Hornyh, 2008), network and hybrid structured BE incubation (Bollingtoft and Ulhoi, 2005), and interactions in assisting new ventures (Scillitoe and Chakrabarti, 2010), all of which have yielded substantial results.

Bergek and Norrman (2008) developed a BE incubation framework that can be used as a fundamental tool for identifying the best practice incubator models and for performance. BE incubation framework could be considered as a spectrum in incubator selection, support and mediation, which reflects the interaction between incubators and incubatees. The BE incubation framework building can be considered as an unfinished work, which fails to distinguish goals achieving between different goals. Consequently, it is limited on the explanation for SE incubation. However, whether BE incubation framework is applied to SEs and SEr or if there are other influencing factors becomes an essential issue in incubation research agenda.

## **III. METHODOLOGY**

### **3.1. Semi-structured interview**

Given the novelty and the emergence of needs in the field, this study employed semi-structured interview as the primary method to explore the features in comparison between SE and BE incubation. In order to understand SE incubation in terms of processes in a holistic perspective within the explained contexts, this study examined the SE incubation selection and support, answered what is and why questions, and inquired possible gap in the incubation field (Snape and Spencer, 2004: 4-5). The flexibility of semi-structured interview allows a certain degree of freedom to reveal the interviewee's thoughts and explain experiences

in SE incubation practice through a series of questions. Based on the literature review and research goals, semi-structured interview guide is prepared as the research tool, composed of background introduction, interview theme and questions. Interviewees had agreed to be sound recorded during the interview processes. The interview guide of the interview focuses on the six theme questions as followed:

- What is the role of SE incubation in entrepreneurial ecosystem, and why?
- What is the difference between SE incubation and BE incubation?
- What is the influence of the SEr on SE incubation selection, and why?
- What is the influence of the SE on incubation selection, and why?
- What is the major issues in SE incubation, and why?
- What is the strategy to tackle the challenge in SE incubation?

### 3.2. Interview Participants

In order to gather detailed information that represents the respective populations and truly reflect the reality, this study selected interview participants with purposive sampling. This resulted in 9 people being interviewed, representing different organizations. The participants are divided into two categories, 4 SE incubation managers and 5 SE investors. This study invited SE investors for three reasons: 1. Except for physical facilities provision and technology transfer, the most important role of incubator is bridging investor for incubatees, which is an important part of the entrepreneurial ecosystem (Mason and Brown, 2014). 2. SE investor deems SE's potential in performance and the DBL returns on investment (Varga and Hayday, 2016; VanSandt, Sud, and Marmé, 2009), inviting SE investor could contribute to the understanding of the whole SE incubation process. 3. Data triangulation is not merely an opportunity to enhance reliability by combining various data sources, but to deepen and widen one's understandings of SE incubation phenomenon via experiences from different angles (Olsen, 2004).

**Table 1**  
**Interview Participants**

<i>categories</i>	<i>organization</i>	<i>position</i>	<i>Participants' background</i>	<i>goals of organization</i>
SE incubation	FCSEC	Supervisor	Professor of SE	SE research & incubator management
	SHNET	Manager	Technology transfer & business management	technology transfer, SE & SME incubation
	MHU	Manager	Business management	Agriculture SE & SME incubation
	IDEAX	CEO	Financial and management	SE & SME startup incubation
SE investor	BCI2	CEO	VC & silicon valley	SE sustainability, scale up, social impact
	CATALYST	Founder & Manager	VC	social and environment impact
	KPMG	Accountant	Accounting, SE certification, policy actor	SE investment and accountability
	HCT	Director	CSR foundation	SE capacity building, social impact
	TFB	Board member	SE founder	social impact

### 3.3. Data Processing

This study employs software MAXQDA 10 to analyze the acquired data from the semi-structured interview. MAXQDA 10 is suitable for mixed-methods research, especially data triangulation (investigator, theoretical, and methodological) (Kuckartz, 2010). To begin with, the audio recordings from the interviews are transcribed into rich texts. Next, data are fed to MAXQDA 10 and coded based on literatures by a coding group. Third, the Code Matrix Browser of MAXQDA is used to observe the concept distribution and concentration of codes. Then, Code Relations Browser is used to analyze the codes and concepts of texts in order to find an overview of the influencing factors on SE incubation (Kuckartz, 2010).

This study stresses on the stability, accuracy, and cross-reliability (Campbell et al, 2013), and follows the approach of Creswell (2014) to ensure the reliability and validity in data processing and coding. On reliability, this study informed the interview participants about the research purpose and the interview questions via email and phone call, making sure that the participants have full knowledge of the questions. Second, all the audio recordings were preserved intact, and transcripts were sent to the interviewees after the interview. Third, an external auditor was invited to verify the relativity between the text content and the research topic. The external auditor was an associate professor, specializing in SE and social innovation.

As for validity, to ensure the quality of codes, this study adopts team-coding strategy. We compiled a codebook based on literature, giving codes specific scope and definitions. Second, a coding team was formed to cross-check the material and meetings were called if necessary to clarify any conflict or disagreement and come to a consensus. Finally, for the part that could not reach a consensus, they would be marked, but would not be used in the research.

**Table 2**  
**A codebook**

<i>axial coding</i>	<i>selective coding</i>	<i>coding scopes</i>	<i>references</i>
Selection	DBL	mission, social and economy goals	Dees, 1998; Austin n <i>et al.</i> , 2006
	SEr	Social entrepreneurship	Austin n <i>et al.</i> , 2006
	Business model	Capabilities, partner, cost and revenue structure	open coding
	Goods and services	SE good and service	Defourny and Nyssens, 2010
	SE forms	corporation, Nonprofit organization	Austin n <i>et al.</i> , 2006
	accountability	Information disclosure, distribution	Dart 2004
Business support	Business support	Financial, technology and marketing assistance, management counseling, networking interactions	Bergek and Norrman, 2008; Scillitoe and Chakrabarti, 2009
	Incubator management	Incubator manager, capabilities, financial structure	open coding
	performance	Social impact, financial return	open coding
External factors	sustainability	Going concern	Dees, 1998
	Policy	SME policy	Isenberg, 2011
	SE investment	SE and social impact investor, venture philanthropist, venture capitalist, angels	Mason and Brown, 2014



## IV. RESEARCH FINDINGS

### 4.1. Code Relations

There were 9 interviewees included in this study, 4 of which were of SE incubators and 5 of SE investors. The number of listed codes is 656. On the regard of interviewees, the number of entries of SE incubators is 400 (60.9%), and the number of that of SE investors are 256 (39%). The most coded category is SE incubator SHNET with 139 entries in total (21.1%), while the least is SE investor HCT with 38 entries in total (5.8%). On the regard of codes, the top five are Business support (87 entries, 13.3%), the DBL (93 entries, 14.2%), Business model (77 entries, 11.7%), SEr (58 entries, 8.8%), and Goods and services (46 entries, 7%). On code relations, the interview with SE incubators and investors are mainly about the DBL and Business model. The core idea of SE incubators are mostly SEr-Business support, and that of SE investors “Business model”-”Sustainability”. Investment is also about Accountability and Business support.

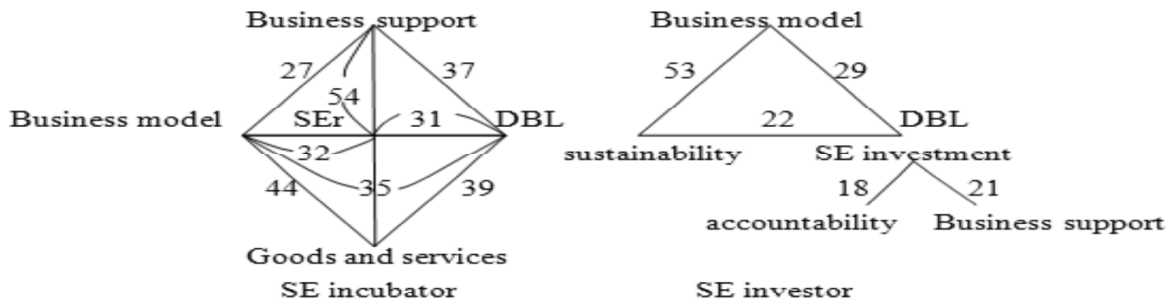


Figure 1: Concept correlation matrix

### 4.2. SE selection

We could see from the interviews that the biggest difference of SE from conventional businesses is that SEs oftentimes have a strong sense of duty to improve the market failure via social enterprises (Austin *et al.*, 2006).

What we see now is that social entrepreneurs have a strong sense of duty. (FCSEC: 103)

The people devoted to social enterprises mostly have passion and a sense of duty to do that. (IDEAX: 26)

Social enterprise exists because of market opportunity? No, it's because there are flaws in the market, there is injustice, so social entrepreneurs are willing to get involved. That's the crucial spirit of social entrepreneurs. (TFB: 9)

On business incubation, the selection of businesses could be divided as idea-focused selection and entrepreneur-focused selection. (Bergek and Norrman, 2008) Yet, in the eyes of the SE incubators, the selected SE fall into two categories. One is SEs that focuses on mission, while the other is SEs with a concrete business model. Most of the SEs are moving on the spectrum of social and economic goals, trying to strike a balance in between (Pepin, 2005).

Most companies are somewhere in between the social goal and the economic goal, hoping to find a balance. (MHU: 61)

For social enterprises, the priority is the double bottom line. So, you have to see, between social problem and business, if you hold your core value and find a balance. (FCSEC: 26)

In the selection process, the challenge for the incubator is how to facilitate SEs to transform their mission into a business model, and provide goods and services in a sustainable manner. Therefore, as far as the DBL is concerned, the incubators put more stress on the economic goal of the SE, including its business model, goods and services, or the ability to run autonomously to say the least.

You are a social enterprise. I will firstly check your goods and services, not your idea, or else it's practically impossible to run the business and change the social issue you want to address. (IDEAX: 11-12)

From my own perspective, a social enterprise can ask not to secure the largest profit, but the business has to be sustainable. You have to make the ends meet at least. (FCSEC: 112)

One thing worthy of mentioning is that part of the interviewed incubators will not select a pure NPO, such as a mission-oriented NPO. The reason is that a NPO not only has a relatively complex management structure, but also faces the struggle of fundraising more often than usual (Frumkin and Andre-Clark, 2000).

If you are pure non-profit, you are not our target. Yes, I may not provide you related mentoring if that's the case. (FCSEC: 92)

NPO sector is way too complicated. Conventional businesses are simpler. Very simple. The toughest part is, however, the sector of NPO nowadays. (FCSEC: 54)

Nonetheless, the investors have a different opinion toward the selection of SE. Apart from the business model, goods and services, they also stress on the fulfillment of mission and the social impact return on investment (OECD netFWD, 2014; Mair and Marti, 2006).

Whether the investors identify with the mission of the SE determines whether you are truly a social enterprise. (BCI2: 71)

“Social impact” is no doubt a vital factor for investors. (HCT: 174)

In addition, the investors also demand SE's accountability. Accountability is the legal basis of a social enterprise, which prevents an SE from sacrificing the social goal in the pursuit of maximized profit or mission drift (Carroll and Stater, 2009; Dart, 2004).

The key influencing factors for the investors, in addition to business model, is accountability (CATALYST: 75)

Should a SE fulfill the basic requirement of accountability, the investors or partners that got your back could be found. (KPMG: 19)

We may see from the interviews that the incubators, while understanding that a SE has the quality of the DBL, still put emphasis on SE's economic goal. As such, the selection of incubation stresses on the business model that can sustainably provide goods and services. However, from the viewpoint of the investors, the social goal and the accountability in management of SEs are also influencing factors that drive investors to choose their investment targets. We may find from the two different selection approaches and expectations that the SE incubators, to some extent, still follow the mindset of business incubation in the selection of incubation targets.

### **4.3. Business support**

The main purpose of incubators is to provide the support start-ups need, including funding, equipment, and technology. (Aerts, Matthyssens, and Vandenbempt, 2007) Some of the interviewees are convinced



that, in addition to the management capability building for SEs, helping SErs to balance between the social goals and the economic goals is their most important mission.

What incubators are doing is being a platform, a bridge, so if the local SEs lack skills or encounter issues with management, they can get support. (MHU: 37)

Social entrepreneurs often face issues with ideas or the balance between social and economic goals, and incubators should mentor them promptly. (FCSEC: 109)

On the journey of starting-up a business, a SEr may encounter various challenges as they transform the mission into a business model, which not only poses obstacles to management, but also limits potential investment opportunities in the future (Wilson, 2014).

The real problem is that their missions fail to be transformed into business models. Yes, that's the biggest issue for social entrepreneurs. (FCSEC: 212)

What agonizes incubators is that when I think this social enterprise is good, and I want to introduce it to investors, the investors will, in fact, think that the business model of the SE is not clear enough and that they cannot see any potential for future profit. (FCSEC:74)

Therefore, SE incubators and SEs have to reach a consensus on the balance of the DBL, so as to develop the incubation strategies that follow. Yet, as a matter of fact, this process of negotiation is not always smooth. Sometimes, it will last to the investment stage, and bring about obstacles to investment.

Negotiation and communication are the foremost tasks in incubation. Whether SEs are willing to disclose themselves honestly to the counterparts is a challenge to reaching a consensus. And, the insufficient capability of SEs in management also hinder them in running the business... (FCSEC: 60)

The most troublesome aspect of investing a social enterprise, right? I would say it's definitely the communication with the team and the adjustment of the business model. (CATALYST: 139)

In the face of the challenge of the DBL in SE incubation, which supporting strategy should incubators choose, strong intervention, laissez-faire, or any other option? Some interviewees believed that incubators should only mentor, instead of strong intervention on management.

We're more like a mentor, and someone to keep you company and guide you. The management and actual execution are still the matters for social entrepreneurs. We can hardly do anything that is too dominant. What we can do is to communicate, over and over again. (MHU: 69)

The main purpose of SE still lies in its mission. So, we should not alter it specifically. We are funded by the government, so we cannot leave them be, but we keep them company. If they have needs, we help them. (FCSEC: 121)

Other interviewees thought that if an incubator and a SEr fail to reach a consensus, the incubator would rather give him/her up than continue to mentor or accompany the SErs.

I keep communicating with the social entrepreneur about the business model, and you still stick to that kind of concept without strengthening management ability. That's it. We will prefer turning it down. I don't need to waste time and resource on it. (IDEAX: 30)

Based on the content of the interviews, we can find that on the spectrum between "laissez-faire" to "strong intervention", proposed by Bergek and Norrman (2008), incubators prefer a compromise in between,

mostly just keeping them company. Nevertheless, some interviewees chose to give up over laissez-faire out of resource and efficiency's concerns. One thing worthy of mention is that part of the interviewees are starting to reflect on the existing sole concern of commercialization of support strategy for SE incubation.

Many SE incubators give up if the mentoring don't work out. But I encourage those in incubation field. You are, after all, in SE incubation field, not business incubation. If you can help realize the goals of the social entrepreneurs, you will be the best SE incubator. (FCSEC: 70)

Judged from the interview content, we learned that SE incubators would not employ strong intervention, nor laissez-faire and survival of the fittest. Instead, they would provide long-term company, or further, provide customized service. Why incubator will not give up SE easily is perhaps due to the service charge or the demand from government subsidy. Yet, interestingly, for the SEs that are tough in communication, certain incubators that do not receive funds from the government, instead of laissez-faire, will refuse to continue mentoring out of resource's concern. The reason behind may be the future investment return involved. Thus, the support strategy of incubators is greatly affected by the external entrepreneurial ecosystem.

## V. CONCLUSIONS AND RECOMMENDATIONS

The framework proposed by Berek and Norrman (2008) is relatively complete. However, the scope of selection and the strategy is too immense, and the various types of start-up business are not taken into consideration as well, especially the characteristic of SEs and the demand from SE investors on social impact as well as accountability. This study reveals that the SE incubation is still following the mindset of business incubation, but the selection and business support are adjusted to meet the DBL. This study attempts to revise the framework of SE incubation. On selection, it is primarily "social mission" and "economic goal" (business model), followed by "customer oriented" and "resource oriented". On business support, the spectrum is refusal on one end, and strong intervention on the other. Based on the consensus of the DBL, "company" and "customization" may appear, and so may laissez-faire as well.

The DBL increases the difficulty of SE incubation, for the communication between incubators and SEs takes time and energy. Incubators would normally rule out the application from the organizations

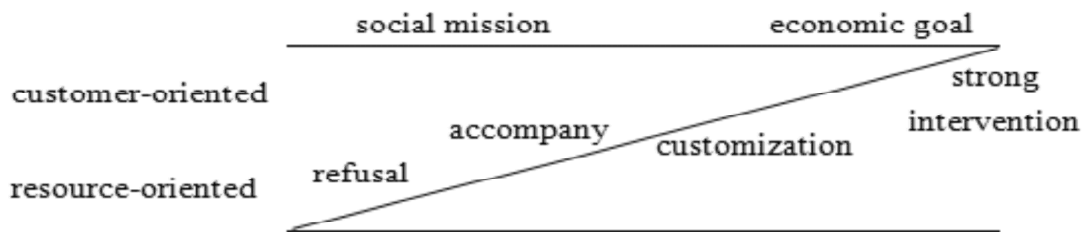


Figure 2: SE incubation framework

with solely the social mission or NPOs. Nevertheless, incubators will not strongly intervene the management of SE. After all, SEs are clients in the eyes of incubators, and excessive intervention may be the seed of conflict. Customization or company is of a more appropriate business support in SE incubation. Bear in mind, however, that the proposed framework of this study is not "the best SE incubation framework". As SE incubation follows the mindset of business model, it may limit the room for multiple development of

its own. All in all, the forms of social enterprise are complex. The incubators should adopt a more open-minded attitude and allow more diverse models for start-ups, even a pure social-impact-oriented enterprise. On one hand, it may usher in a brand new incubation support strategy; on the other, it helps explore potential SE market.

In the regard of contribution to theory, this study further affirms the characteristic of SE incubation, which is to maintain the balance of the DBL and adjust the framework of business incubation accordingly. On the contribution to practice, this study revises incubation framework, proposes the positioning of SE incubation strategy, and recommends that SE incubation should get rid of the mindset of business incubation. On research limitation, this study does not analyze the influence of policy and investors over SE incubation. On the recommendation for future study, this study recommends to further analyze the key factors and mechanism of policy and investor influencing SE incubation and how SE incubators can engage in an effective negotiation/communication and finally reach consensus on incubation support strategy.

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