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The Relationship Between Psychological Capital and Social Venture Program Initiation

Paul L. van Putten II  
*Lynn University*

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The Relationship Between Psychological Capital
and Social Venture Program

Initiation

DISSERTATION
Presented as Partial Fulfillment of Requirements for the Degree of
Doctor of Philosophy

Lynn University

By
Paul van Putten II

Lynn University
June 25, 2009
The Relationship Between Psychological Capital and Social Venture Program Initiation

Paul van Putten II, Ph.D.
Lynn University, 2009

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ABSTRACT

Entrepreneurship is viewed as one of the greatest sources of societal productivity in cultural history (Spinosa, Flores, & Dreyfus, 1999), and recently social entrepreneurship has become an increasingly viable method for not-for-profit organizations to garner profit through implementing community enhancing programs (Hopkins, 2005, Morial, 2006; Wickham, 2005).

Literature suggests that psychological capital has an impact on an entrepreneurial administrators’ ability to implement new programs, but few studies have investigated the relationship between the not-for-profit administrators’ psychological capital and their ability to initiate social venture programs (Jensen & Luthans, 2006; Olson, & Bosserman, 2001).

This dissertation study developed a theoretical framework based on Luthans, Youssef and Avolio’s (2007) psychological capital research. The research question and hypotheses presents additional understanding of the not-for-profit administrators’ ability to initiate social venture (social entrepreneurship) programs.

This quantitative research examines the relationship between psychological capital, education, civic networks, gender and social venture initiation. The Psychological Capital Questionnaire (PCQ) and social venture survey instrument were distributed to 416 Urban League administrators.

Descriptive analysis and multiple regressions were employed to test the hypotheses and answer the research question. Research indicated that psychological capital, and the mediating variables education, civic networks and gender indicate a relationship but hold no significant influence in social venture program initiation.
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CHAPTER I
INTRODUCTION TO THE STUDY

Introduction and Background to the Problem

Entrepreneurship is viewed as one of the greatest sources of productivity in cultural history (Spinosa, Flores, & Dreyfus, 1999), and in the past two decades social entrepreneurship has become an increasingly viable entity throughout America and the global business environment (Hopkins, 2005). Though not a new concept, social entrepreneurship is seen as a way for profitable ventures to be established through organizations whose primary focus is not-for-profit civic involvement, leading to social change.

According to CEOs of two leading social entrepreneurship organizations, “Social entrepreneurship is the American way to change America” (Khazei & Phalen, 2004, p. A11), and the enhanced focus on social entrepreneurship is evidenced by the number of academic institutions that are implementing and/or enhancing programs focused on the study of social business enterprise.

With a documented decrease in philanthropic giving (Philanthropic Giving Index, 2007), as well as a decrease in civic involvement in many metropolitan areas (Herd & Meyer, 2002), social entrepreneurship seems to be one method for not-for-profit organizations to remain true to their mission while allowing them to garner profit through community program implementation.

A central question is, why do some not-for-profit organizations implement social entrepreneurship programs, while others, that exist in communities that are in need of social and civic revitalization, choose not to?
Throughout the United States, many top tertiary level academic institutions are advancing their business programs by including coursework and curriculum that cater to the study of social entrepreneurship (XPDNC Labour Directory, 2006). In 2003, the Center for Responsible Business was launched on the University of California Berkley campus. This subsidiary of the Haas School of Business was implemented with the intent of training students to be more principled and socially responsible members of society through the principles taught during attending “the preeminent educational institution in area of Corporate Social Responsibility” (Haas School of Business, 2006, ¶ 1). Stanford University has also established a Center for Social Innovation as a part of its graduate school of business (Stanford University Center for Social Innovation, 2006). In 1993 Harvard Business School started its social enterprise program with its mission of “generating and sharing knowledge to help individuals and organizations create social value in the non-profit, private and public sectors” (President and Fellows of Harvard College, 2006, ¶ 1). Duke University, which established a Center for the Advancement of Social Entrepreneurship as part of its Fuqua School of Business, and Columbia University have also made strides to enhance the study and education of those seeking to venture into areas of social entrepreneurship (XPDNC Labour Directory, 2006). The Association to Advance Collegiate Schools of Business-International (AACSB – International) has identified twenty-four additional tertiary level institutions that have included social entrepreneurship as a part of their business college and/or business curriculums (Blood, 2006). With tertiary level institutions including studies in social entrepreneurship as an integral part of their business programs evidenced, level of
education attainment may serve as an indicator of the propensity of not-for-profit
organizational leaders to initiate social venture programs.

According to McMillian and George (1996), communities comprised of residents,
business groups and stakeholders have a vested interest in the membership, influence
factors and fulfillment of needs in a specific geographic region. These groups hold shared
connections in the areas of needs and resource availability and can serve to enhance or
detract from a region’s growth and enhancement (McMillian and George, 1996).

Many community groups and organizations continually seek government support
to assist in projects that can lead to economic stability (The Government of Trinidad and
Tobago, 2004), while governmental agencies are looking to grass roots organizations for
solutions to community problems (Thompson, Alvy & Lees, 2000). Government
agencies are becoming more accepting of privately funded social initiatives that are
established to solve problems or enhance and expand the available resources within a
community. Concurrently, government and community organizations are continually
exploring social venture initiatives that can decrease unemployment, lower the poverty
rate, increase community connectivity and the socially embedded behavior of those who
reside in economically depressed areas (Thompson, Alvy & Lees, 2000).

In specific urban regions of the United States statistics indicate that criminal
behavior and poverty are continually on the increase (McElroy & Roccanti, 2005;
Thomas & Wint, 2002) and unemployment for the undereducated continues to grow at a
staggering rate (Vaknin, 2006; Bambino, 2005). While these issues continue to draw
attention to the way the United States economy is progressing (de Alburquerque &
McElroy, n.d.), government agencies continue to seek programs that will expose
community populations to resources available in their socio-cultural environments and expose community leaders to initiatives that can enhance the economic, social and cultural stability of their geographic region. Social entrepreneurship is a method that has been used to enhance the civic and social structure in many geographic regions. According to New York University School of Business, social entrepreneurship is “the process of using entrepreneurial and business skills to create innovative solutions to social problems” (New York University, 2006, ¶ 1; Fawkner, 1999, p.1) that allows patrons to become participants in establishing solutions to community focused societal concerns.

The relationships between a community and its leaders play a vital role in the way in which social venture success is achieved. If a community leader is also a community resident and a social venture proponent, that leader has a higher propensity for success than an activist that does not belong to the community in which the social venture in being initiated (Purdue, 2001). Research indicates that community leaders can effectively serve as transactional leaders throughout a community and establish partnerships, gather resources and facilitate change quicker than those with limited community contacts. Acceleration in the rate of a community’s adoption of social or civic initiatives is most often based on a leader’s civic networks and social capital, while limited social capital can often lead to venture stagnation and demise (Purdue, 2001).

In many not-for-profit organizations leadership plays a significant role in the execution of social entrepreneurship programs. The leadership attributes exemplified by the organization’s administration can expedite or impede the implementation or success of a social venture (Jensen & Luthans, 2006).
With many social entrepreneurship initiatives being implemented for what is believed to be the greater good for a community, it is imperative that community groups support these initiatives for the programs to achieve success. A study focusing on motivations for supporting social initiatives found that they are often presented using an emotional appeals that play on the emotions of the consumer (Hibbert, Hogg, & Quinn, 2005). It was identified that product quality and the consumer need for the product were deemed as secondary and tertiary factors leading to the support and consumer engagement most often took place due to motivations provoked by empathy or sympathy for the population being served (Hibbert, Hogg, & Quinn, 2005). With civic engagement being identified as having a role in social venture success, civic network engagement may serve as an indicator of a leader's propensity towards social venture initiation.

While many empowering traits are identified as positive, research indicated that though one may have the passion to succeed, other traits such as education, social contacts and interpersonal communication skills are required to enhance the propensity for success. Gender also may play a role in the factors associated with risk taking and entrepreneurship. Empirical research on the risk taking propensities of male and female entrepreneurs found that while many economic factors influence the entrepreneurial pursuits of both genders, no significant difference was identified in the area of risk-taking propensity (Masters & Meier, 1988). Research also identified that no differences were found in the risk taking propensities of managers and entrepreneurs (Masters & Meier, 1988).

Assessment studies by Eagley and Johnson (1990) focusing on gender based leadership style identified that many leadership expectations are in line with the
stereotypical expectations. According to the study, women tended to adopt democratic or participative leadership styles, while men tended to adopt a more autocratic or direct styles of leadership. These findings were interpreted in reference to the social role theory of gender differences in social and corporate settings (Eagley & Johnson, 1990). With gender being identified as a mediating factor in entrepreneurial success, gender also may serve as an indicator leading toward social venture initiation.

**Purpose of the Study**

The purpose of this quantitative non-experimental, correlation, causal comparative study is to investigate the relationship between psychological capital and social venture initiation. In this study, there are six specific purposes, including one descriptive and five exploratory purposes. These are:

1. The descriptive purpose of the study was to describe the characteristics of the participants’ psychological capital (efficacy, optimism, hope, and resiliency) and the relevance of social entrepreneur program initiation.
2. The first exploratory purpose was to examine the relationship between psychological capital attributes (efficacy, optimism, hope, and resiliency) and social venture initiation.
3. The second exploratory purpose was to examine the relationship between psychological capital attributes (efficacy, optimism, hope, and resiliency), level of educational attainment and social venture initiation.
4. The third exploratory purpose was to examine the relationship between psychological capital (efficacy, optimism, hope, and resiliency), civic network engagement and social venture initiation.
5. The fourth exploratory purpose was to examine the relationship between psychological capital (efficacy, optimism, hope, and resiliency), gender and social venture initiation.

6. The fifth exploratory purpose was to examine the relationship between psychological capital (efficacy, optimism, hope, and resiliency), level of education attainment, civic network engagement, gender and social venture initiation.

Though previous studies have been conducted focusing on the various attributes associated with entrepreneurial venture initiation, social entrepreneurship is a new and emerging area of study where academic research is greatly needed. Primarily, research in the area of the attributes associated with not-for-profit social venture initiation is needed. At present, a void exists in the research pertaining to psychological capital and social venture program initiation. This research study focusing on the relationship between psychological capital and social venture initiation will add to the ever-expanding body of research in the areas of social entrepreneurship, as well as in the areas of psychological capital and administrative leadership. Therefore, the research question is: Are psychological capital (efficacy, optimism, hope, resiliency) education, civic networks and gender significant influences on social venture initiation?

**Definitions and Terms**

**Independent Variable**

**Psychological Capital**

_Theoretical Definition._ Psychological capital is defined as an individual's positive psychological state of development and is characterized by:
1. Self-efficacy is defined as the ability to accomplish tasks while dealing with daily life challenges (Business Dictionaly.com, 2008);

2. Optimism is defined as a positive outlook with expectation of a positive outcome (Merriam-Webster Online Dictionary, 2008);

3. Hope is defined as expectation conjoined with confidence (Merriam-Webster Online Dictionary, 2008); and

4. Resilience is defined as the ability to withstand failure and still work towards achieving success (Business Dictionary.com, 2008).

Operational definition. For the purpose of this study psychological capital is measured by using the Psychological Capital Questionnaire (PCQ) assessment tool developed by Luthans, Youssef and Avolio (2006). Psychological capital as identified through the Psychological Capital Questionnaire (PCQ) is defined as:

An individual's positive psychological state of development and is characterized by: having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; making a positive attribution (optimism) about succeeding now and in the future; persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success (Luthans, Youssef & Avolio, 2007, p. 3).

In essence, Psychological Capital can be identified through assessing intrinsic attributes pertaining to a leader's efficacy, optimism, hope and resilience. And when these attributes are evaluated using the Psychological Capital Questionnaire (PCQ), the collective has been shown to identify core attributes that predict performance and satisfaction in a more cohesive manner than evaluating the attributes individually (Luthans, et al., 2007).
Mediating Variables

Education Attainment

Theoretical Definition. Education attainment is defined as the highest level of education achieved (Lauer, 2003).

Operational Definition. For the purpose of this study level of education attainment was measured by the ratio produced from responses to items in the second part of the survey instrument. For the purpose of this research, the survey instrument provided information pertaining to level of education attainment and consisted of eight specific measures which include: High School; Attended College (No Degree), Associate Degree, Bachelor Degree, Master Degree, Doctorate, Jurist Doctorate, and Other. Research participants also will identify if they have acquired specialized training in the area of social entrepreneurship. See Appendix D for survey instrument.

Civic Network

Theoretical Definition. Civic networks are a portal for both government and local community information to be delivered through a range of supporting functionalities to individual organizations or clusters of organizations, as well as through delivery of services to other sectors (Denison, T., Hardy, G., Johanson, G., Stillman, L., & Schauder, D., 2002).

Operational Definition. For the purpose of this study, the level of civic network engagement is measured by the ratio produced from responses to a question about level of civic affiliation. The organization’s level of involvement in civic networks was identified. The research participants were presented with the opportunity to choose from
information allowing them to identify the number of civic organizations in which they affiliate. See Appendix D for survey instrument.

Gender

**Theoretical Definition.** The classification of the sex of a person, corresponding to masculine or feminine, according to the demonstration of male to female (Macer, 2003).

**Operational Definition.** For the purpose of this research study, gender differentiation is assessed by response to one question. The research participant was presented with the opportunity to select between one of two responses in choosing male or female. See Appendix D for survey instrument.

**Dependent Variable**

**Social Venture Initiation**

**Theoretical Definition.** Social venture initiation is defined as the process of launching a not-for-profit entrepreneurial enterprise that is focused on enhancing the resources within a group or a community (Sharir and Lerner, 2005).

**Operational Definition.** For the purpose of this study social venture initiation is assessed by response to the question has a for-profit social venture program been initiated through your organization? The research participant was presented with the opportunity to select between one of two responses in choosing yes or no. See Appendix D for survey instrument.

**Justification of the Study**

Social entrepreneurship is a movement that has been in existence for many years. During the past decade it has gained prominence through educational, civic and governmental programs focused on community enhancement (Ashoka, 2006; Guclu,
Dees, & Anderson, 2002; Harvard School of Business, 2006; Wickham, 2005). Efforts to establish social venture programs are increasing through various civic and social organizations and are being embraced as a viable business model globally (Ashoka, 2006; CSR Wire, 2006; Morial, 2006; Trinidad and Tobago Ministry of Finance, 2004). The implementation of social venture initiatives is hindered by factors including education, civic capital, leadership and resource acquisition (Durrant, 1994; Johnson, 2003; McElroy & Roccanti, 2005; Ortiz, 2002; Wagner, 1997).

Numerous studies have been completed focusing on leadership attributes and other factors pertaining to the success and failure of these entrepreneurial ventures, but to date no studies have been completed focusing of the relationship between psychological capital, education, civic networks, gender and social venture initiation.

This study is researchable and feasible based on the following reasons. First, concepts of the theoretical framework are measurable. Second, research hypotheses are used (tested) through a quantitative approach. Third, participants in this study were available and the time investment was reasonable. In this study, finally, the construct validity and internal consistency reliability of all variables are established through exploratory factor analysis. All of the variables are tested and analyzed through robust statistical methods including multiple regression.

Due to the limitations in the number of studies focusing on the relationship between psychological capital, education, civic networks, gender and social venture program initiation, findings in this study present new data results and knowledge in the areas of psychological capital, administrative leadership and social entrepreneurship.
Delimitations and Scope of the Study

In this study, the delimitations and scope will be described as follows:

1. The variables in this study consist of four psychological capital constructs (efficacy, optimism, hope and resiliency), three mediators (education, civic networks and gender) and social venture initiation.
2. This study focuses on social venture initiation within the not-for-profit Urban League organization.
3. All participants in this study were administrators within the United States Urban League organization.
4. All participants in this study had access to on-line, web-based technology.
5. This study used two instruments to assess the attributes associated with social venture initiation.

Organization of the Study

Five chapters were developed for this research study. Chapter I provides an overview of the study. Moreover, it comprises the background, the purpose, the justification, and the delimitations of the study, as well as definitions of all variables. Chapter II of the study provides a detailed literature review about social venture education, civic network engagement, gender leadership and social entrepreneurship. In this chapter, a critical analysis of theoretical and empirical literature that are measures of the four variables associated with psychological capital (efficacy, optimism, hope, and resiliency), education, civic networks, gender and social venture initiation is presented. After reviewing the literature, the research questions, hypotheses and hypothesized model for this study are presented based on the literature gaps.
Chapter III presents the research methodology to test the hypotheses and answer the research question. It consists of the research design, the target population, sampling, instruments, procedure of data collection, ethical considerations, methods of data analysis and the methodology evaluation. Chapter IV describes the reliability and validity of the instruments, and reports the results and findings of hypothesis testing. Chapter V presents the conclusions, interpretations, and implications of the findings. In addition, this chapter will provide limitations of the study and suggestions for future research.
CHAPTER II
REVIEW OF LITERATURE, THEORETICAL FRAMEWORK, RESEARCH QUESTIONS, AND HYPOTHESES

Review of the Literature

Social Entrepreneurship

Social entrepreneurship is a major area of interest in many social and civic organizations and has a significant impact on many areas of society. During the past decade economic resources have become more difficult to acquire and society has continued to exhibit economic and cultural decline. Concurrently, communities are in need of initiatives that will enhance their financial viability and programs that will enhance the overall viability of the population (Thompson, Alvy, & Lees, 2000). Social entrepreneurship initiatives are ventures that can serve as a method of increasing the social value of a community, organization or cause while enhancing the financial viability of a not-for-profit organization. With this being stated, social entrepreneurship has been defined in different ways by many different theorists (Johnson, 2003; Hus, 2005; Hartigan & Martin, 2004). Gary McPherson, Executive Administrator of the Canada Centre for Social Entrepreneurship, states that social entrepreneurship involves various individuals working toward meeting social and economic goals simultaneously (Johnson, 2003, p.3); while Bill Drayton, CEO of Ashoka, defines social entrepreneurship as a term coined to describe “individuals who combine the pragmatic and results oriented methods of a business entrepreneur with the goals of social reform” (Hus, 2005, p. 1).
A more basic definition of social entrepreneurship states that it is “the process of using entrepreneurial and business skills to create innovative approaches to social problems” (New York University, 2006, ¶ 1). Therefore, it is a methodology that is presently being used to resolve community and societal concerns globally (Hartigan & Martin, 2004).

Social entrepreneurship as an area of specialized entrepreneurship is not defined by the same titling in every culture. For example, in Latin America countries social entrepreneurship initiatives are referred to as “Micro Enterprise” (Ortiz, 2000, ¶ 1). In India the same program would be identified as a “Social Mission” (Prabhu, 1999, ¶ 3). Though termed differently in various regions, social entrepreneurship initiatives are being implemented to solve specific societal and community concerns by focusing on the needs and resource availability within specific geographic regions (Howard, Brown & Letts, 2004).

Social Entrepreneurship in Education

Throughout the United States, many top tertiary level academic institutions are enhancing their business programs by including a curriculum that caters to the study of social entrepreneurship (XPDNC Labour Directory, 2006). In 2003, the Center for Responsible Business was launched on the University of California Berkley Campus. This subsidiary of the Haas School of Business was implemented with the intent of training students to be more principled and socially responsible members of society through attending “the preeminent educational institution in area of Corporate Social Responsibility” (Haas School of Business, 2006, ¶ 1). Stanford University also has established a Center for Social Innovation as a part of its graduate school of business.
(Stanford University Center for Social Innovation, 2006). This center was founded with the mission to “build and strengthen the capacity of individuals and organizations to develop innovative solutions to social problems for a more just, sustainable and healthy world” (Stanford University, 2006, ¶ 1). In 1993, Harvard Business School started its social enterprise program with its mission of “generating and sharing knowledge to help individuals and organizations to create social value in the not-for-profit, private and public sectors” (President and Fellows of Harvard College, 2006, ¶ 1) and the University of Miami has refocused its business school curriculum to include coursework in the areas of ethical-decision making, social entrepreneurship and community engagement with the primary focus being to expose students to various areas of civic engagement while concurrently teaching them leadership and team building skills (Benchley, 2008). Tertiary level institutions, including Duke, which has established a Center for the Advancement of Social Entrepreneurship as part of its Fuqua School of Business, and Columbia University where the research initiative on social entrepreneurship is embedded in its school of business, have also made strides to enhance the study and education of those seeking to venture into areas of social entrepreneurship and social venture implementation (XPDNC Labour Directory, 2006). The Association to Advance Collegiate Schools of Business-International (AACSB – International) has identified over twenty-four tertiary level institutions that have included social entrepreneurship as a part of their business college and or business curriculums (Blood, 2006).

With social entrepreneurship being perceived by many as a new way of stimulating social change, Idee Winfield (2005) believes that the implementation of community-focused service learning projects is the first step in exposing youth to the
various attributes associated with social entrepreneurship. Through community involvement, youth will begin to visualize and experience the various social issues within their community and envision ways to solve these problems. Winfield states that social entrepreneurship should be promoted in primary and secondary education, and coursework should be adjusted to allow students to “see how abstract socially focused concepts can have real world applicability” (Winfield, 2005, p. 17). Jeffrey Soderborg (2005), a member of the Kauffman Center for Entrepreneurial Leadership Clearinghouse on Entrepreneurship Education, is also an ardent proponent of social venture education who believes that social entrepreneurship would be more readily accepted if youth were exposed to information expounding the laurels of these initiatives during their primary and secondary academic years.

As youth expand their horizons through the establishment of entrepreneurial efforts, knowledge and exposure to information about the process involved in the establishment of entrepreneurial business effectively plays a major role in the rate at which business entities are established. A study focusing on entrepreneurial interests among black youth ages 14 to 19 identified that 75% of the youth surveyed had interest in becoming entrepreneurs (Walstad & Mourlisky, 1998). The study also found that these minority youth believed that more information about entrepreneurship should be presented through their schools. They also believed that entrepreneurs have a responsibility to reinvest in their community (Walstad & Mourlisky, 1998).

Hindrances in black youth venture implementation were identified to be limited access to role models, lack of knowledge about the venture implementation process, and
discomfort in competing with those of like or similar culture (Walstad & Kourlisky, 1998).

**Corporate Social Responsibility**

Personal values often serve as the justification for entrepreneurs to focus organizational efforts on socially focused ventures. The organizational decision to forgo pursuing financial gain with the intent of using the corporations’ profit resources to enhance a community is often referred to corporate social entrepreneurship (Hemingway, 2005). Corporate Social Entrepreneur (CSE) is a term used to describe corporate initiatives whose primary focus is to enhance a social concern and whose secondary focus is financial gain (Hemmingway, 2005). The corporate social entrepreneur differs from the financial profit seeking entrepreneur in the area of decisions made that affect the community and environment in which their organization functions (Hemmingway, 2005). Research identified that in corporate social entrepreneurship business acumen serves as a factor in the success or failure of social venture initiative implementation (Hemingway, 2005). Research identifies that success factors associated with the implementation of social responsibility initiatives were linked to whether the entrepreneur exhibits behavior that is moral, amoral or immoral (Hemmingway, 2005). The amoral entrepreneur would pursue initiatives only if they were deemed acceptable by the organization as a whole. The immoral entrepreneur implements initiatives based on what can be potentially gained for self as well as for the stakeholders, while the moral entrepreneur would pursue social responsibility initiatives based on what was in the best interest of the organization (Hemingway, 2005). Individuals identified as corporate social entrepreneurs are individuals who are more active in community activities and are actively involved in
social responsibility efforts (Hemingway, 2005). Corporate social entrepreneurs also are more likely to implement social responsibility initiatives based on an organization’s long term objectives (Hemingway, 2005).

While many corporations are looking for ways to increase their social responsibility efforts, in some regions corporate responsibility efforts are not progressing (Haslam, 2004). A policy paper, “Corporate Social Responsibility in Latin America and the Caribbean,” documented that corporate social responsibility activity in this region has “stalled” (Haslam, 2004, p.1). The reason for stagnation in this region is “minimal government involvement” and the lack of “private sector involvement” (Haslam, 2004, p. 2). It was also identified that initiatives to implement programs focusing on social responsibility are often initiated outside of the market, and then subsequently not embraced by stakeholders who reside within this geographic region (Haslam, 2004).

Corporations are continually looking for ways to increase corporate advantage through their social responsibility efforts (Porter & Kramer, 2006). While proponents of corporate social responsibility believe that corporations are obligated morally to engage in efforts to enhance social, community and environmental concerns, many stakeholders believe that social involvement should only be initiated if the efforts are going to strengthen the organization’s image, brand, moral or stock value (Porter & Kramer, 2006). With this in mind, corporations have separated social issues into specific categories. These categories are social concerns that are general, social concerns that are value chain based and concerns that focus on social dimensions of competitive contrast (Porter & Kramer, 2006).
Generic social issues are identified as social concerns that do not directly affect the company’s operation and do not have an effect on a company’s competitive advantage (Porter & Kramer, 2006). Corporations are least likely to get involved or invest in projects that focus in these areas because they will not receive a high value of return on their involvement. Value Chain Social Impact issues can significantly affect a company’s operation and can have an impact on the way a company conducts business (Porter & Kramer, 2006). Corporations are more likely to be involved in value chain concerns, but only after conducting due diligence studies to ensure that a return on investment will be achieved over time.

Social issues that affect a company’s financial profitability or serve to enhance or increase a company’s competitive edge are likely to be areas that a company will invest in because of the direct impact that these initiatives will have on the company’s overall viability and stability (Porter & Kramer, 2006). An example of a social dimension projects is General Electric’s investment in under-performing high schools throughout the country. General Electric believes that through investing financial and professional resources in under-performing high schools in areas where they have substantial financial investment, they are investing in enhancing a community, as well as directly increasing their future employment prospects (Porter & Kramer, 2006).

Whole Foods Market is an organization that has taken control of its social value position through purchasing products from local farmers. Also, Whole Foods maintains strict controls over all of the products produced and sold in all of its locations (Porter & Kramer, 2006). They even have extended their social and ecological efforts through offsetting the use of in-store electricity with the installation of wind conversion
generators, converting their trucks to operate on bio-fuel and trucking spoiled produce to regionally located compost sites (Porter & Kramer, 2006). Though the investments in these technologies may be costly at the onset, the long term financial, civic and market exposure benefits far exceed any initial costs incurred.

In the area of corporate philanthropy many corporations are at a loss. They continue to be involved in the conflict between philanthropic giving and investor requests for increased profits (Porter & Kramer, 2002). For this reason many corporations engage in context-giving programs. Context-giving programs are programs that are defined as allotting resources to specific projects that will enhance the community while simultaneously enhancing the corporation. Examples of context-giving initiatives include the Cisco System Networking Academy, which trains computer network administrators and provides job opportunities to those who complete the program; the DreamWorks SKG film production program that trains low-income individuals in occupations that are needed in the film and entertainment industry; and American Express Travel and Tourism Academy which trains high school youth for careers in the hospitality and tourism industry. Corporations that invest in corporate-giving social venture programs are concurrently gaining positive return on their social investment, improving the economic climate of the communities where they are located and gaining positive exposure for their organizations (Porter & Kramer, 2002).

At times social ventures do not have the intended impact on the community. A study focusing on the impact of community focused business ventures found that businesses started with the intent of enhancing a community often lose focus by becoming focused on profitability and competition (Heilbrunn, 2005). Competition and
self-focused motivators were identified to be factors that played an additional role in the impact and economic role that entrepreneurial ventures have in community settings (Heilbrunn, 2005).

While many foundations, trusts and philanthropic organizations, accumulate and distribute resources with the intent of providing services to enhance specific community or social causes, many of these organizations are looking for ways to gain public exposure for their efforts (Porter and Kramer, 1999). Organizations also attempt to leverage their gifting efforts through seeking not-for-profit organizations that are willing to match the funding received. The success of funded programs is evaluated through performance outcomes and indicators, and through promoting the organization’s work through success stories provided by program clients. These methods are viable ways for funding agencies to acquire value and exposure through their philanthropic efforts and simultaneously continue their efforts to enhance the communities in which they invest (Porter and Kramer, 1999).

With the social philanthropic efforts of Warren Buffet and Bill Gates gaining a high degree of attention, and many leaders engaging in activities to promote social advocacy, corporations are seeking ways to also gain exposure with social entrepreneurship (Adler, 2006; Buffet, 2006). Social entrepreneurship from the corporate perspective can be defined as corporate social initiatives used by a corporate entity as vehicle to show support for social causes (Raths, 2006; Rupp, Ganapathi, Aguilera, & Williams, 2006). In recent years, many Fortune 500 companies have implemented social ventures with the intent of enhancing their corporate image through providing funding for various social causes. McDonald’s is one such company that has funded social causes for
many years. McDonald’s primary social venture is the Ronald McDonald House Charities (Ronald McDonald House Charities, 2006). The Ronald McDonald House provides lodging for the families of adolescents, ranging in age from birth to 18, who are receiving critical care for illness in communities that are away from their community of residence. The Ronald McDonald House allows families to reside in these temporary living facilities throughout the child’s period of treatment at no charge (Ronald McDonald House Charities, 2006).

The Federal Express Corporation also funds programs focused on the implementation of socially responsible programs. FedEx is a supporter of St. Jude’s Children’s Hospital and has been acknowledged by Reader’s Digest as one of “America’s Best Charity Minded Corporations” (Federal Express, 2006, ¶ 1). Federal Express has also been recognized for providing funding for numerous community and civic organizations, including March of Dimes, Heart to Heart organization, an organization that focuses on delivering food and health resources globally, the United Way and the National Civil Rights Museum (Federal Express, 2004). These are just a few of the charitable initiatives that allow Federal Express to present itself as a socially conscious organization.

Virgin Mobile has partnered with Youth Noise, a not-for-profit organization that brings youth together for networking and brainstorming opportunities, and Stand Up for Kids, the largest all volunteer not-for-profit organizations in the United States, to implement an initiative to expand its corporate social responsibility activities. The project involves recording artists donating ring tones to Virgin Mobile and through partnership agreements, 5% of the proceeds received through ring tone sales are donated to various
“Virgin Mobile Charity Partners” (CSR Wire, 2006, ¶ 1). This initiative, established in June 2006, is being positioned to raise over $250,000 annually (CSR Wire, 2006).

Annually, Business Ethics Magazine presents a list of the top 100 corporate citizens. This listing focuses on evaluating the social responsibility efforts of some of the world’s largest corporations. Corporations are assessed using the Socrates social research data system and ranked by categories which include diversity, environment, human rights, community and products produced (Raths, 2006). For 2006, the top 10 socially engaged corporations included Green Mountain Coffee Rosters (#1), an organization that has supported the Rainforest Alliance and has supported eco-friendly initiatives since 1989. Other companies identified as part of the ten included: Hewitt Packard (#2), Advanced Micro Devices (#3), Motorola (#4), Agilent Technologies (#5), Salesforce.com (#7), Cisco Systems (# 8), Dell Computers (# 9) and Texas Instruments (#10) (Raths, 2006). These organizations were recognized for their continued involvement in social and civic initiatives, as well as for establishing programs that enhance the communities in which they exist.

For social ventures to gain global acceptance, corporations need to become involved in ventures that allow employees and consumers to see the social, community and external benefit of these ventures. This process is identified in countries south of the United States, where the concept of social responsibility is one that has been embraced by many but implemented by few (Peinado-Vera, 2004). Many government organizations expect non-government, or private organizations to take responsibility for ensuring the stability and longevity of the resources throughout this region while the private sector is looking toward government agencies for intervention (Peinado-Vera, 2004).
Social Entrepreneurship: Acceptance and Success

The increased interest in social entrepreneurship was identified in a study conducted at Babson College (Taylor, 2001). This study, which identified the number of articles focused on social entrepreneurship in U.S. business publications, revealed that concepts focusing on social entrepreneurship appeared in more than 950 articles during the fifteen year research project. It also was identified that there was an increase in the usage of the term social entrepreneurship in publications published three years prior to the study (Taylor, 2001).

Former President George W. Bush has been noted as identifying social entrepreneurship as a viable venture initiative. In a keynote speech during an administrative conference in Washington D.C., Former President Bush (2005. p. 1) stated:

Are we encouraging social entrepreneurship in America? That’s one of my favorite words, think about it: social entrepreneurship. Oftentimes, you think about entrepreneurship, you think about starting a business or balance sheets or income statements. There’s a different kind of income statement in life, and that's the income statement of the heart, the balance sheet of the heart. And so I like to talk about social entrepreneurship, those courageous souls who are willing to take a stand in some of the toughest neighborhoods in America to save lives.

Greg Dees (2001), Faculty Director of the Center for Advancement of Social Entrepreneurship at the Duke University Fuqua School of Business, stated that social entrepreneurship is necessary due to the shortcomings of many governmental and philanthropic groups that “have fallen far short of our expectations” (Dees, 2001. p. 1). Dees determined that social entrepreneurs serve as agents of change through embracing a mission to initiate and implement societal change through presenting opportunities to
accomplish an enhanced social mission by embracing learning and through accepting responsibility for outcomes achieved and being accountable to the constituencies served. Social entrepreneurs are rare and should be frequently rewarded for their tenacity as well as for their abilities to implement profitable business ventures through non-profit business ventures (Dees, 2001).

Social entrepreneurship is an area of entrepreneurship that focuses not only on the profit margin attributes associated with independent business practices, but also focuses on enhancing an organization’s social mission while concurrently alleviating social concerns within a community. To the social entrepreneur “an attractive social opportunity is one that has sufficient potential for positive societal impact to justify the investment of time, energy and money required to pursue it seriously” (Guclu, Dees, & Anderson, 2002, p. 1). Unlike the for-profit entrepreneur, the social entrepreneur must consider the community and societal impact as well as have a high degree of concern for the community.

The “Opportunity Creating Process” model, established at the Fuqua School of Business, presents the various steps required in establishing a social initiative that will have social impact (Guclu, Dees, & Anderson, 2002, p. 2). This model identifies the first step in social venture initiation as the assessment of an entrepreneurs’ personal experience, with the second and third steps being an assessment of the available social resources and the ability to combine these factors to meet a social need. These three factors lead to promising social business-based ideas, which are then processed and organized into a functional and replicable business model. The business model, social impact theory and strategy make use of the available resources and are combined to
establish the process that when organized and implemented correctly leads to an opportunity that will foster social change (Guclu, Dees, & Anderson, 2002).

**Global Markets**

In various global markets government and civic organizations are experiencing the positive effects of embracing social entrepreneurship. Tony Blair, the United Kingdom's former Prime Minister, refers to social entrepreneurship as “explosive acts of community” and spoke in favor of this type of initiative in a 1999 speech (Thompson, Alvy & Lees, 2002, ¶ 2). Throughout the United Kingdom various social and civic initiatives have been developed that embrace the theory of enhancing communities through social involvement. These initiatives include the “University of Life,” an employment center that teaches women trade and business principles, and trains them to become gainfully employed (Thompson, Alvy & Lees, 2002). Another United Kingdom social initiative is the Indian Muslim Welfare Centre, a facility established to fill the needs of the UK-based Asian community through providing health education, training and counseling to those located in West Yorkshire, England (Thompson, Alvy & Lees, 2002). These programs are just a few that have gained prominence throughout the U.K., a country that is diverse in population but gaining unity though the social venture offerings.

India is a country that has been recognized as one most progressive social entrepreneurship regions in the world (India Child, 2001; Ashoka, 2006). India has been documented to have more than 400 social entrepreneurs, and many of these social innovators have received national and international attention for their realistic solutions to social and ecological problems (Ashoka, 2006). Programs in India include Child Line,
a toll free 24-hour emergency call center that provides access to food, shelter, clothing and medical assistance for street children throughout India (Child Line, 2004). Since 1996, Child Line has responded to over 4.5 million calls and has directly assisted over 23,000 street children throughout the country (Child Line, 2004).

Another India-based social venture organization is Chillibreez, an organization focusing on the needs of those who reside in the northeastern quadrant of the country (Chilbreez, 2005). With this region being one the most economically underdeveloped, Chillibreez is focused on manufacturing and distributing solar stoves and water heaters, as well as establishing a market for goods that are manufactured in northeast India, and concurrently exposing the resources of this region throughout Asia (Chilibreez, 2005).

India is a progressive and innovative country in the establishment of methods to finance social enterprise. In 1976 the Grameen Bank, a social focused financial institution was established. The Grameen Bank provides micro-loans to poor and economically underprivileged individuals who would not be able to acquire financial resources to start a business (Grameen Communications, 2006). The Grameen Bank makes financing available though a system know as Microcredit that allows clients to borrow small amounts of currency, and pay back the loans on a weekly or bi-weekly basis. As a loan is paid, the debtor is able to increase the amount of their loan and extend the terms of repayment (Yunus, 2005). The mission of the Grameen Bank is to help the poor to “overcome poverty” through creating employment and income generating initiatives (Yunus, 2005). The Grameen Bank serves as an entity that is seeking to directly enhance the social climate of the population in India through presenting residents with access to resources that will allow them to achieve self-sufficiency.
The business models used by Grameen Bank founder Muhammad Yunas makes use of the profits generated from for-profit ventures as the funding sources for not-for-profit venture implementation (Mair & Marti, 2006). The business model selected by social venture initiators is primarily focused on the specific social need being addressed and the amount of required capital available to meet that social need (Mair & Marti, 2006). In recognition of this unique social focused business model, Yunus was rewarded for his efforts in socioeconomic development by being honored with the 2006 Nobel Peace Prize (Nobelprize.org, 2006).

In Canada, social entrepreneurship initiatives are being embraced and implemented by the Nexus generation, a generation defined as those between 18 and 35 years of age, who have the desire to be more “socially and civicly” involved (Johnson, 2003, p. 1). Canadian-based social ventures include the “Meal Exchange” program, a 13 year old venture that allows students to purchase groceries for local food banks and community organizations with their unused school meal plan points. It was estimated that in 2003 food valuing over US $260,000 was purchased and donated through this initiative (Johnson, 2003, p. 8).

Canadian-based social ventures have also focused on extending communication beyond the geographic and generational lines. With the belief that limited access to peer-focused social organizations exists throughout Canada, a youth focused, not-for-profit social venture known as Youth One establishing a web based community that gives at risk youth information about the social, academic and peer mentoring programs which are available throughout the community (Youth One, 2006). Human Link International, another community based social venture organization, is focused on creating links
between the city of Toronto and the country of Guyana (Humanity Link International, 2002). This information resource service serves as an information link for youth in the two countries that have an interest in academia, business, technology and wellness education (Humanity Link International, 2002). These initiatives serve as a minor representation of the social initiatives being implemented throughout Canada to enhance the lives of those in need of services that are not being provided through government.

Universities in Canada have also played a role in the implementation of social entrepreneurship initiatives. Through partnering with communities in Mexico, Canadian universities serve as the academic innovators and advisors for social initiatives that are being implemented throughout various regions of Mexico and Central America (MacLeod, McFarlane, & Davis, 1997). To date, these North American and Central American partnerships have established programs including The Montage Co-Operative Corporation, a corporation involved in manufacturing, academic research and banking and New Dawn Enterprises, an organization that provides low income housing, dental care and employment assistance for Mexico’s unemployed (MacLeod, et al. 1997). These joint ventures between academic institutions and communities are believed to be viable for all parties involved with the academic institutions being able to provide intellectual capital, and the country of focus supplying the resources needed to establish and sustain the social venture.

In other global regions, efforts to implement social entrepreneurship programs have been embraced by corporate and governmental bodies alike. In the Dominican Republic, the Grupo Punta Cana company serves as one of the leaders in social entrepreneurship (Gonzalez, 2003). To date, Grupo Punta Cana has privately financed
initiatives that improve the lives of their employees, while simultaneously enhancing the viability of the entire island nation. Grupo Punta Cana initiatives include the building and staffing of the islands’ only trilingual (Spanish, French and English) schools where the children of Grupo Punta Cana employees can gain a multi-cultural education. The company also initiated an AIDS education program to educate workers, company stakeholders and the general population to the dangers associated with unprotected sex (Gonzalez, 2003). The company has gained global exposure from its community-focused efforts, and the government ministries throughout the Dominican Republic depend on programs established by the Grupo Punta Cana company to garner regional support for some of their programs and initiatives.

In 2003 the Republic of Trinidad and Tobago initiated a “Social Sector Investment Program” as part of its Vision 2020 republic reform program (Trinidad and Tobago Ministry of Finance, 2004). This program is focused on “empowering citizens,” through the implementation of initiatives that will give them greater access to government and private subsidies for education and social venture establishment (Trinidad and Tobago Ministry of Finance, 2004). As part of this initiative, a Ministry of Social Development was established to oversee the implementation of socially enhancing programs that include, but are not limited to, a Youth Apprenticeship Programme in Agriculture (YAPA), a Geriatric Adolescent Partnership Program (GAPP), and a Community Development Scholarship program that presents academic scholarships to youth who implement social and community enhancing initiatives (Trinidad and Tobago Ministry of Finance, 2004).
Program Expansion

Social ventures may serve as a method of solving various cultural and social concerns throughout various global regions, if the implementation of these initiatives are embraced by communities and implemented correctly. One area of concern to social entrepreneurs is that of “scaling out” or the lack of program expansion (Dees, Anderson, & Wei-Skillern, 2002, p.1). Many not-for-profit organizations believe that once a viable program has been established, the program can easily be replicated in other geographic regions (Dees, Anderson, & Wei-Skillern, 2002). In a working paper by Dees, Anderson and Wei-Skillen (2002), the potential for social entrepreneurship initiative expansion/replication was presented through looking at “Five R’s” associated with venture growth. According to this study the attributes required for venture growth include: (1) “Readiness” which focuses on the steps put in place to prepare the initiative for expansion; (2) “Resources” referring to the financial depth of the organization, as well as the revenue required to successfully expand services; (3) “Receptivity” focusing on the methods used to gain acceptance of the new organization or initiative within the new environment; (4) “Risks” referring to the viability of market factors in the region where expansion is proposed; and (5) “Returns” refers to the expected rate and time line associated with return on investment (Dees, Anderson, & Wei-Skillern, 2002, p. 9).

Findings indicate that all of these factors must be assessed clearly prior to attempting to expand or replicate any social entrepreneurship initiative.

In a similar study, Wei-Skillern and Anderson (2003) presented information focused on the potential for success of not-for-profit organizations that establish themselves as effective organizations within specific geographic regions, who then
attempt to replicate their success through expanding to neighboring communities. Wei-Skillern and Anderson stated, “Countless innovative and effective programs remain limited to the immediate communities in which they are established. Therefore, many not-for-profit observers and practitioners express the need for more successful organizations to extend their services more broadly” (2003, p. 3). The findings from this study indicated that program expansion may bring increased profit, but service and brand exposure play a major role in the success of an organization’s expansion (Wei-Skillern & Anderson, 2003).

Not-for-profit organizations are embracing the opportunity to enhance communities through presenting opportunities to establishing socially focused entrepreneurship initiatives that can serve as service-based ventures to enhance communities social and financial position (Peterson, n.d.). One of the most recognized social ventures in North America is “Newman’s Own,” a product line established in 1988 by actor Paul Newman. This social venture was formed as an enterprise to fund a series of U.S.-based summer campsites for youth who suffer from cancer and other life threatening diseases (Net Industries, 2007, ¶ 1). To date the “Newman’s Own” product line has expanded to include over fifty different products and has raised over $200 million in support of youth camps and cancer research activities (Newman’s Own, 2006,).

Pioneering Human Services is another organization dedicated to enhancing the social environment of communities. Established in 1963, this organization employs ex-convicts and attempts to reintegrate these former incarcerates into society by employing them in vocational areas that include sheet metal production, food distribution, and
construction (Dahle, 2000). To date, this social venture organization has generated over $50 billion in annual revenues while assisting the post-incarcerated population in gaining much needed employment (Dahle, 2000).

Changemakers is another socially focused organization that serves as a resource center for networking and the exchange of ideas within the social entrepreneurship community. The mission of the organization is “to provide inspiration, resources, and opportunities for those interested in social change throughout the world” (World Advocacy, 2005, ¶ 1). This subsidiary of Ashoka serves as a resource center where social entrepreneurs can exchange information that can be used to better serve their communities (Changemakers, 2005). Similar to Changemakers is an organization known as Net-For-Change. Although not as extensive as Changemakers, Net-For-Change serves as a networking hub and resource center for those interested in the implementation of not-for-profit social ventures primarily focused on environmental and animal concerns (Joshua Venture, 2002).

In referencing organizations that embrace, promote and facilitate the social entrepreneurship mission, the Institute of Social Entrepreneurship is one such organization that has established itself as one of the premier social venture organizations in the United States. Founded in 1999, this organization serves as one of the premier providers of programs, seminars, workshops and learning circles that present the message of social venture implementation to a global audience (Institute of Social Entrepreneurship, 2006). For the past 20 years the Institute of Social Entrepreneurship has advised numerous Fortune 500 companies that have expressed interest in initiating socially focused enterprise programs (Corporate Partners, 2004). Having been recognized
as one of the most influential presenters on social venture implementation, Rick Boschee, founder of the Institute of Social Entrepreneurship, believes that the best way for not-for-profit organizations to implement social entrepreneurship initiatives is for them to evaluate their current programs and then look for ways to restructure the programs to become social income programs that can not only benefit the community, but also serve as a source of residual income for the organization (Boschee, & McClurg, 2003).

One of fastest growing organizations in the social entrepreneurship movement is the Social Enterprise Alliance, formerly known as the National Gathering for Social Entrepreneurs (Social Enterprise Alliance, 2006). Since its inception in 1998, this organization prides itself on being the only “membership driven organization devoted exclusively to building sustainable non-profits through earned income strategies” (Social Enterprise Alliance, 2006 ¶ 1). This organization serves as a forum for social enterprise executives to gather information and exchange ideas with others who may have like or similar experiences in the social venture arena.

Another organization of prominence is the Pittsburgh-based Denali Initiative. The Denali organization is focused on teaching organizations to change their focus from being not-for-profit support seeking organizations to being not-for-profit social profit centers (Shropshire, 2001). Successful ventures implemented by the Denali Initiative include the Pittsburgh Voyager, a houseboat that has been renovated to serve as a school; and a newspaper known as “Streetwise” that is published and distributed to acquire funding for the homeless and a daycare in Alaska serving Alaskan natives (Shropshire, 2001). It is the belief of Denali Initiative founders Bill Strickland and Donnie Day Pomeroy that every not-for-profit organization can adjust itself to become a social profit center if they
focus on implementing programs and business ventures that remain consistent to the organizations mission (Shropshire, 2001).

One of the nations oldest community focused organizations, the National Urban League, has also embraced social entrepreneurship as a viable means of community enhancement. The National Urban League is an organization that has embraced the challenge to enhance urban areas throughout North America through promoting social and economic development, employment, training and minority entrepreneurship programs (Wickham, 2005). The National Urban League, which was initially named the Urban Business League (Green & Pryde, 1998), is one of the few African-American social/civic organizations that includes a business and entrepreneurial-focused agenda as a part of its long-term community improvement initiatives (Butler, 2005).

Mark Morial, President and CEO of the National Urban League, is promoting initiatives to present the National Urban League as not only a social service center, but also as civil rights profit center (Morial, 2006). On the topic of social entrepreneurship, Morial states:

We must use our power as the Urban League to bring together people from both inside the movement and outside the movement to develop carefully thought out ways to address the problems and advocate for their implementation. Quick fixes, fast solutions, sloganeering will make headlines tomorrow but won’t solve problems next month, next week, and next year. We, the Urban League, must offer solutions, ideas, and action. (2005, p. 2)

More recently Morial states:

We must focus on economic empowerment, economic justice, economic bridge-building and economic opportunity. And we must build a new America, new cities, a new frontier and a new society. We’re seeking new ideas, new conversation and new strategies for closing the economic divide. Now is the time for all of us to understand that the free enterprise system requires that we be not only consumers, but producers; that we be
not only renters, but owners, that we be not just job holders, but stockholders as well, and bondholders and estate holders, too. (2006, p. 44)

Lance McCarthy, president of the Urban League of Orlando states, “We have gone from social services to business development. We want to generate money for our affiliates while generating benefits for community” (Wickham, 2005, p. 1). This process is one that Morial (2006) refers to as the “double bottom line” that should be embraced by organizations promoting social and civil rights.

With social entrepreneurship being a primary focus of the National Urban League President, various Urban League affiliates are committed to implementing initiatives that can serve as profit focused ventures for social and civic change. Samuel Gresham, Jr., President of the Columbus, Ohio Urban League, has proposed a plan to move away from the standard not-for-profit model that is dependent on donations and grants to an organization that is “economically self-sufficient” (Deutschle, 2004). Through partnering with the Columbus Workforce Alliance, Gresham’s plan toward self-sufficiency includes, (1) identifying underused assets that can be used in fee-generating services, (2) developing products and services that enhance and expose the mission of the organization, and (3) establishing for-profit business ventures that can create jobs for the disadvantaged (Columbus Workforce Alliance, 2005).

The Los Angeles Urban League also has embraced the concept of social entrepreneurship though its “Inner City Angels” program (Caltech Consulting). This community program is focused on the social revitalization of the central and south Los Angeles areas with the concept of creating an “Urban Enterprise Nexus” that will bring investors to these impoverished Los Angeles areas. This proposal also calls for the
training of human capital and the creation of a business incubator with the intent of revitalizing inner-city Los Angeles communities (Caltech Consulting).

The National Urban League programs are implemented and sustained through the use of the affinity marketing process (Miller & Kemp, 2005). Affinity marketing is a process that involves organizations seeking resources from large corporations that have interest in gaining access to the constituents of the primary organization. The resources acquired are distributed to the target audience through the use of affiliates and/or partnering agencies. This gives the funding organization the ability to gain exposure to a desired target audience through the support of organizations or groups that have credible established embedded relationships within a community (Miller & Kemp, 2005).

The National Urban League has established various types of venture marketing relationships with organizations that include Scholastic, the United States Department of Education, and Seagrams distilleries (Miller & Kemp, 2005). In a 2004 address to the National Urban League, former President George W. Bush announced a program to increase the number of minority entrepreneurs. During his address to the National Urban League convention attendees President Bush stated:

The Administration will undertake a unique association with the National Urban League to create an entrepreneurship network. Supported by the Business Roundtable and the Ewing Marion Kauffman Foundation, the National Urban League network will include one-stop centers for business training, counseling, financial and contracting. The U.S. Small Business Administration, the Department of Commerce’s Minority Business Development Agency, and other Federal entities will combine their resources to help National Urban League local offices provide sustainable outreach and incubation of minority enterprise. (2004. p. 1)

As referenced by former President Bush, The Ewing Marion Kauffman Foundation serves as one of the major supporters of social entrepreneurship education and
intervention through its funding of socially focused initiatives that include the annual Economic Development Awards presented for outstanding entrepreneurial initiatives, and the Denali Initiative that serves as an educational program to educate those who have an interest in establishing social entrepreneurship organizations (National Dialogue on Entrepreneurship, 2006). According to Urban League economic impact survey documentation, in 2005, eighty-seven Urban League affiliates were identified as having programs focused on economic empowerment and community enhancement, and approximately 215,666 clients were served through these programs (Lee, 2006).

With the belief that for-profit organizations should support not-for-profit social entrepreneurship initiatives (Ehrlich, 2001), the Schwab Foundation is one of the major supporters of national efforts to enhance social entrepreneurship through its funding of Tech Ventures and Endeavor Global. Tech Ventures is an organization focused on advancing and enhancing global agricultural, and Endeavor Global is an organization focused supporting entrepreneurs in the U.S. and global market through providing access to purchase or barter specific social venture network (Schwab Foundation, 2006). As of October 2006, Endeavor Global has provided support for more than 250 entrepreneurs from over 150 companies. Through its venture funding efforts Endeavor Global has created over 45,000 jobs, and generated approximately $2 billion in new entrepreneurial revenue (Bronfman, 2008).

The social entrepreneurship mission also has been embraced by other national organizations that include the National Association for the Severely Handicapped and Nation Industry for the Blind (Pomerantz, 2003). These organizations provide opportunities to enhance the economic independence and social stability for persons who
are physically handicapped. Through partnering with the federal government, these organizations have provided skills training and employment opportunities in over 123 industries in 44 states for blind and severely handicapped patrons (Pomerantz, 2003).

In the health care industry, social entrepreneurship initiatives have been identified to be effective in international markets that include Italy, Germany and Austria (DeLeeuw, 2006). A study, focusing on the implementation of socially focused health care ventures that could serve as a conduit to challenge government and political policy in an attempt to help those in need, found that properly implemented social entrepreneurship health care ventures had a high level of influence on urban policy agendas leading to successful program implementation (DeLeeuw, 2006).

Support for social ventures is not only coming from academic and corporate settings but municipalities are also becoming actively involved in social venture support. Municipality support or support from civic and governmental agencies has been identified as a way to gain community acceptance of many social initiatives (Korosec & Berman, 2006). A study of municipalities that partner with not-for-profit organizations in the implementation of social programs focused on chemical dependency, unwanted pregnancy, consumer credit and illiteracy identified that when the program was viewed to be affiliated with the municipality, the program was identified as having a higher rate of credibility than that of programs that were identified to be independent of municipal support (Korosec & Berman, 2006). Many of the study respondents believed that their city was making major strides in building community support due to the socially focused program being implemented in conjunction with other community activities (Korosec & Berman, 2006). Respondents also believed that the programs initiated by the city were of
high quality based on the program affiliation with the community government (Korosec & Berman, 2006).

With many social entrepreneurial initiatives being implemented for what is believed to be the greater good for a community it is imperative that community groups support these initiatives for the programs to achieve some level of success. A study focusing on consumer motivations for supporting social initiatives found that the motives for purchasing products, promoted as being social entrepreneurship initiatives, are often presented using an emotional appeal playing on the sympathies of the consumer (Hibbert, Hogg, & Quinn, 2005). It was identified that quality and need were deemed as a secondary factor leading to consumer engagement and most often acceptance took place due to motivations provoked by empathy or sympathy for the population being served (Hibbert, Hogg, & Quinn, 2005).

**Success Factors**

For social ventures to achieve success many of the elements required are similar to those required in general entrepreneurial venture implementation. An empirical study focusing on nascent entrepreneurs and the variables associated with successful start-up venture execution found that various elements are needed to successfully implement an entrepreneurial venture (Diochon, Garand, & Gasse et al., 2002). The study focusing on Nascent Entrepreneurial Research Consortium members in Canada surveyed 111 individuals from 36 companies in an attempt to identify the personal and professional variables associated with successful venture start-ups. At the conclusion of the one-year study, one-third of the participants studied established a profitable operating business, one-third were still in the start-up phase and one-third had quit or become inactively
involved in the start-up venture process (Diochon, et al., 2002). This shows that only one-third of the nascent entrepreneurs had a clear understanding of the process involved in entrepreneurship start-up, one-third of the nascent entrepreneurs attributed their success to luck, and one-third did not have the tools required to adequately establish a business.

A subsequent study focusing on fundamental attributes associated with successful international entrepreneurships identified three specific attributes that were associated with international venture success (McDougall & Oviatt, 2003). Networking or the ability for organizational leaders to establish relationships with non-affiliated organizations that participate in barter of service exchange programs served as one of the major requirements leading to venture success (McDougall & Oviatt, 2003). Learning theory, also known as the knowledge acquired about the market, and knowledge management, or the process of acquiring and embracing knowledge on cultural norms and expectations, were also identified to be attributes that lead to successful international venture implementation (McDougall & Oviatt, 2003).

From the macro perspective, an organization’s ability to adjust and change over time has a major impact on its ability to succeed (Thurik, Uhlaner, & Weenekers, 2002). Technology, economics, demographics, cultural and institutional factors are continually in a state of flux and serve as justification for organizations to continually adjust (Thurik, Uhlaner, & Weenekers, 2002). These factors also force organizations striving to succeed to continually adjust their operational methods and to evaluate the acceptance of innovative methods to remain competitive in an ever-changing market environment (Thurik, Uhlaner, & Weenekers, 2002). With market and societal adjustments being ever
present, organizations need to continually be aware of societal conditions as they attempt to maintain their market share (Thurik, Uhlaner, & Weenekers, 2002).

Empirical research focused on environmental characteristics and the attributes of micro-business entrepreneurs identified five specific characteristics that were associated with those who engaged in entrepreneurial pursuits. The identified characteristics included risk taking, pro-activeness, innovative thought, the need for autonomy, and aggressive competitive behavior (Alexandrova, 2004).

**Social Entrepreneurship Leadership Attributes**

In an Australian research study initiated to identify the multi-dimensional attributes associated with social entrepreneurship, Weerawardena and Mort (2005) posed five questions to corporate leaders who were identified as having a vested interest in the establishment of social ventures. The study revealed that the three core attributes of social entrepreneurs are (1) innovative idea execution, (2) proactive venture implementation, and (3) progressive management of risk. The study also identified that social entrepreneurs differ greatly from for-profit entrepreneurs. Social entrepreneurs were identified as having the ability to garner profit while operating within the limitations of social constraints. This means that social entrepreneurs tend to operate with a superior sense of social value in the assessment of profitability, focusing more on community or social enhancement than financial gain (Weerawardena & Mort, 2005).

Risk is a major part of any entrepreneurial venture. When assessing risk in the not-for-profit social entrepreneurship environment, specific “risk reduction strategies” are available to not-for-profit organizations that are not available in the for profit sector (Dees, Anderson, & Wei-Skillern, 2002). According to Dees, Emerson and Economy
not-for-profit organizations have (1) the availability to use their not-for-profit tax exempt status, (2) the ability to receive in-kind donations, (3) access to grants and other types of low and no interest funding, and (4) access to volunteer sweat equity. These factors can be used to alleviate some of the risks associated with social entrepreneurship initiative implementation.

In research focusing on identifying the attributes required for a successful social entrepreneurship ventures to be initiated, specific factors were identified as being essential in the establishment and growth of successful initiatives (Jain, 2001). The most important factors identified were “community trust, effective information dissemination, the ability to generate resources, and the ability to empower employees” (Jain, 2001, p. 159).

In a presentation focused on fostering social entrepreneurship globally, Susan Davis (2002), a member of the International Board and Selection Committee for Ashoka, stated that for social entrepreneurship to flourish it must be promoted as a profession. This would provide those who have an interest in working to alleviate social concerns with the information required to start programs, and, in turn, allow those who acquire the information to have an impact on society (Davis, 2002). Davis (2002) also stated that organizations, such as Changemakers, a public foundation that supports community-focused social change through philanthropic efforts, will need to expand and gain exposure among the population that has an interest in implementing social entrepreneurship initiatives (Changemakers, 2005).

A theoretical study focusing on the attributes of Chief Executive Officers that enhance venture growth focused on factors such as tenacity, being proactive, a passion
for work, competency, organizational skills and motivations as potential factors that could potentially enhance the success of an entrepreneurial initiative (Baum, Locke & Kirkpatrick, 1998). The research evaluated the affects that these various traits had on an organization’s stability and identified that CEO's who possessed these attributes were more likely to achieve success (Baum, Locke & Kirkpatrick, 1998).

Many communities are looking for methods to enhance their economic and environmental stability and these communities are looking for social and entrepreneurial ventures to serve as the catalyst for revitalization. Though communities are perceived to have a plethora of labor and environmental resources for social venture establishment, many of these communities are lacking stakeholders with the leadership attributes required for successful venture implementation (Olson & Blossrman, 2001).

According to Olson and Bosserman (2001), for venture initiatives to be successful entrepreneurs must have more than creative ideas. According to their study focusing on Entrepreneurial Behavioral Framework, successful entrepreneurs function through using the expectancy theory (Olson & Blossrman, 2001). The expectancy theory states that successful entrepreneurs will make decisions based on satisfying their needs and focus primarily on outcomes that will lead to satisfying the need for success. Another attribute identified as leading to success was the ability to think intuitively and rationally simultaneously. This dual thought modality allows the intuitive modality to hold prominence during the project initiation phase, until the rational modality acquiring more control during the operational phase of the venture (Olson & Blossrman, 2001).

Motivation or the ability for a leader to motivate others to engage in their entrepreneurial pursuit was identified as a trait that fosters success, as well as the ability
to get other employees to remain faithful to the venture throughout its various phases of growth and adjustment (Olson Blossrman, 2001). Jensen and Luthans (2006) researched the relationship between psychological capital including efficacy, optimism hope and resiliency, and attributes associated with authentic leadership. Authentic leaders are those who are consistent in what they stand for and behave in ways that allow followers to gain confidence and strength from their leadership initiatives (Avolio & Luthans, 2005). Research indicated that authentic leaders are more capable of meeting the challenges associated with entrepreneurship and new venture initiation than leaders who do not possess attributes associated with authenticity (Avolio & Luthans, 2005).

The study measured the level of positive psychological capital, which included optimism, resiliency, state of hope and overall positive perspective and compared these attributes to measure authentic leadership attributes that include leadership behavior, proactive tendencies, and ethical climate with an organization (Jensen and Luthans, 2006). With authentic leadership being identified as specific leadership attributes that focus on creating a high trust work environment (Jensen & Luthans, 2006) the researchers focused on identifying the attributes that were specifically associated with successful venture implementation. Through adapting the Authentic Leadership Conceptual Model formulated by Avolio and Luthans (2005), which states that authentic leaders are identified as having a high level of alignment in the areas of self-worth, optimism, transparency and future orientation, Jensen and Luthans supplemented Avolio and Luthans Authentic Leadership Conceptual Model by identifying attributes that were associated with the authentic leadership style.
Research indicated a positive relationship linking optimistic psychological capital and attributes associated with authentic leadership. Research findings also indicated that successful entrepreneurs hold a high level of optimism, resiliency and hope and that employees’ trust of a leader can serve as a predictor of the organizations success (Jensen and Luthans, 2006).

**Leadership Style**

Leadership style also has been identified as a factor associated with the success of an entrepreneurial initiative. A case study focusing on leadership style and venture success found that loyalty to comrades, attention to detail, the ability to work with and seek the input of others are attributes that lead to entrepreneurial success and growth within a organization (Bhattacharyya, 2006). The ability for entrepreneurs to adjust and adapt to a rapidly changing business environment also was identified as a factor associated with venture success (Bhattacharyya, 2006).

The ability for entrepreneurs to adapt to an ever changing business market also has been viewed as a predictor of social venture implementation success. A study by McGaffey and Christy (1975), focusing on the attributes of entrepreneurs and the manner in which adaptability attributes can serve as predictors of success, identified that as entrepreneurial ventures grow and become more complex, entrepreneurs tend to be highly adaptable and become more complex in their leadership and management styles (McGaffey & Christy, 1975). Jensen and Luthans (2006) authentic leadership model and McGaffey and Christy’s (1975) attribute study present similarities in the positive organizational structures that are implemented if a leader has a high level of self-worth and optimism.
Information focusing on the sociology of entrepreneurship further enhanced this research by identifying the “supply and demand perspective” (Thorton, 1999). The supply modality is defined as an individual need for achievement, the need to be in control, a high propensity for risk taking, and attributes that make entrepreneurs great problem solvers. Concurrently, the demand modality focuses on an objective perspective of opportunity and the ability to recognize and capitalize on opportunities when presented (Thorton, 1999).

A study on the functions associated with the position of Chief Executive Officer (CEO) focused on specific attributes associates with those who successfully hold this position (Mintzberg, Stewart & Dowling, 1974). A successful CEO was identified to be a leader who can effectively manage subordinates, as one who has achieved success as a resource allocator, an information disseminator, a liaison who has experience in interpersonal interaction, and as a negotiator who can successfully disseminate and withhold the resources of the organization (Mintzberg, Stewart & Dowling, 1975).

It was identified that the CEO must exhibit specific characteristics to gain success in their position. The attributes specified are: (1) the CEO must serve as the primary conduit connecting the organization and the extended environment; (2) the CEO is the central conduit for the dissemination of important information about the organization; (3) the CEO must take full responsibility of the organizations strategic growth and operational systems; (4) the CEO must perform a high quantity of work at a rapid pace; (5) the CEO must have the ability to work on various projects simultaneously; (6) CEOs gravitate to more active and concrete elements of their position; and (7) CEOs demonstrate a preference for verbal communication. The primary occupational hazard of
CEO’s was identified to be superficiality or viewing non-big picture activities within an organization as important (Mintzberg, Stewart & Dowling, 1975).

**Business Acumen**

With social venture implementation primarily taking place through not-for-profit organizations, often these not-for-profit organizations lack the business acumen to engage, interact and compete for the corporate resources that they are focused on acquiring (Dean & Dart, 2004). Often not-for-profit organizations present a more open and engaging environment than many of their for profit competitors. Not-for-profits also tend not to include long-term viability areas like business development, revenue generation and economic analysis. Research indicated that for not-for-profit organizations to compete equally in the corporate business environment they must adjust their business practices and include areas similar those identified in corporate organizations, which include financial consulting programs, and debt management plans, and must deliver their services in a business like manner. Not-for-profit organizations also must adjust and engage in management practices similar to those used in corporate organizations. This means holding middle management accountable for outcomes and service provider expectations. Not-for-profit organizations must also set performance goals, allowing stakeholders to become aware of the organization’s annual outcomes and expectations and must learn to operate from the “double-bottom line” principle, meaning that they will seek a profit margin while simultaneously staying true to the social mission of the organization (Dean & Dart, 2004).

Governance, or the manner in which an organization operates, also has been identified as an indicator of success in social enterprise implementation. Not-for-profit
organizations are said to function by a democratic governance model while corporate entities operate on a more autocratic or stewardship models (Low, 2006). When social enterprise implementation takes place within a social organization, research identifies that for-profit governance methods are implemented as the organization attempts to adapt to for-profit operational methodologies (Low, 2006).

As not-for-profit organizations embrace social enterprise, research indicates that the roles within an organization adjust and community partners, board members and other stakeholders hold a more prominent and informative role in the organization than they did prior to venture implementation (Spear, 2006). Stakeholders, networking organizations and outer-agency content experts are often contacted for advice with entrepreneurship being a collective achievement requiring input from varying publics (Spear, 2006). In essence, if a social organization is not open to exterior advisors, social ventures may be more likely to fail.

**Success Traits**

Research studying the traits, skills and motivators of entrepreneurs identified seven specific attributes associated with entrepreneurial venture growth and success (Baum & Locke, 2004). The first trait identified was motivation or drive to succeed. Also identified was the ability for entrepreneurs to communicate and share vision. It was found that motivation and tenacity have little bearing on the probability of venture success, but the ability of the leader to influence the company plays a major role in the organization’s ability to thrive. Self-efficacy or confidence was identified as a factor having major influence on venture success, as well as a direct relationship between tenacity and the organizational skills of the entrepreneurs (Baum & Locke, 2004).
While many empowering traits are identified as positive, research indicated that though one may have the passion to succeed, other traits are required to enhance the propensity for success. Gender may also play a role in the factors associated with risk-taking and entrepreneurship. Empirical research on the risk-taking propensities of male and female entrepreneurs found that while many economic factors influence the entrepreneurial pursuits of both genders, no significant difference was identified in the area of risk-taking propensity. Research also identified that no differences were found in the risk-taking propensities of managers and entrepreneurs (Masters & Meier, 1988).

When identifying factors that can lead to success in social venture implementation, research has identified specific factors (Sharir & Lerner, 2006). The factors identified include (1) the entrepreneur’s social network, (2) the entrepreneur’s dedication to being imbedded in the venture over a long period of time, (3) the amount of capital available to implement and market the venture, (4) acceptance of the venture to various publics, (5) the knowledge level and understanding of the venture team, (6) the number of networks and agreements formed between the public and not-for-profit sectors, (7) the ability for the service to serve various markets, and (8) the previous managerial experience of the entrepreneurs (Shairi & Lerner, 2006). Though these factors have been identified as playing a role in social venture success, economic indicators, societal and community acceptance and resource availability are also factors that can enhance or limit the success of any social venture (Shairi & Lerner, 2006).

Culture

Culture also plays a role in the leadership attributes used in social venture management and implementation. A longitudinal study focusing on cultural and
leadership predictors associated with the implementation of corporate social responsibility initiatives in 15 countries (Waldman, Sully de Luque, & Washburn, et al., 2006) analyzed data gathered from 561 organizations to assess how culture and power can serve as predictors of the value placed on social responsibility among members of senior management. Through confirmatory factor analysis the study found that corporate social responsibility appears to be a multidimensional construct involving concern for owners, community residents and the welfare of the community (Waldman, et al., 2006). It was identified that managers in wealthier countries are more conscious of the attitudes and apprehensions of corporate stakeholders and owners, but are less likely to consider the welfare of the community during the corporate decision making process (Waldman, et al., 2006). Managers in cultures that value institutional collectivism tend to consider the corporate social responsibility programs during the decision making process and tend to delay decision making based on concerns for the corporation’s identity and the social welfare of the community in which the organization exists. Managers who function in societies that place high priority on power and distance tend to devalue the perspectives presented by stakeholders, owners and the community during the corporate decision making process. Overall, the CEO’s vision and view of corporate social responsibility tend to serve as the primary factor in the acceptance or rejection of social responsibility initiatives (Waldman, et al., 2006).

Creativity

Creativity can be another resource that has an impact on the performance of not-for-profit initiatives. One study examined the way management’s creativity and creative management methods impact a not-for-profit organization’s market orientation,
entrepreneurial orientation, organizational flexibility and overall performance (Barrett, Balloun, & Weinstein, 2005). Findings indicated that a creative work environment, characterized by openness of thought and expression, and a workplace that encourages creativity can enhance the learning and productivity that takes place throughout a work environment. The study also identified that while many not-for-profit organizations have embraced the creative work environment concept, little difference was identified between not-for-profit seeking and profit seeking organizations that embraced this work concept (Barrett, Balloun, & Weinstein, 2005).

Human and social capital investment can serve as a factor to enhance the success of entrepreneurial ventures. A study focusing on social capital investment and entrepreneurial organizational performance found that human capital investment plays a major role in an entrepreneurial organization’s performance (Bosma, Pragg, Thurik & de Wit, 2004). Human capital was also identified as a factor that enhanced the probability of an organization’s success (Bosma, Pragg, Thurik & de Wit, 2004).

**Opposition to Social Entrepreneurship**

Although many believe that social entrepreneurship ventures can benefit the communities in which the programs are implemented, there are those who believe that social entrepreneurship projects are being implemented under false pretenses. A study by Cook, Dodds and Mitchell (2003) stated that social entrepreneurs tend not to understand the reasons behind social and civic deficits. The study identified that social entrepreneurship is not a viable remedy to alleviate poverty, unemployment and other social and welfare concerns because (1) the literature focusing on social entrepreneurship fails to adequately identify and present findings identifying the causes of the social
problems that they attempt to solve, (2) many social entrepreneurship studies are based on the assumption that governmental bodies are not able to fund or subsidize the services required to implement social change in various communities, and (3) programs focused on social change can only be implemented through the unified efforts of governmental and civic bodies working together (Cook, Dodds & Mitchell, 2003).

An article published in *Nature Magazine* supported the belief that social entrepreneurship resources are not being identified appropriately. The article stated that many global diseases could be controlled and/or cured through social entrepreneurship programs, but many diseases are being neglected due to the lack of exposure and the rural market environment in which many of these diseases exist. While many pharmaceutical companies tend to focus their research efforts primarily on remedies that will garner a high profit, social venture research greatly needs the pharmaceutical industry to develop and enhance the development of remedies for little known, high risk and terminal diseases (Wanted: Social Entrepreneurs, 2005). The Institute for One World Health (IOWH) is an organization that has embraced a pharmaceutical model focused on producing medial supplies for countries that are underserved. This not-for-profit pharmaceutical company acquires funding to implement drug development and delivers medication to underserved countries (Mair & Marti, 2006). Depending on the perspective taken, social entrepreneurship can be viewed as a viable not-for-profit, community focused business venture, or as social ventures that are implemented with a lack of understanding of community and civic needs.

Organizations are continually seeking ways to increase their income, market share and viability and social entrepreneurship has been viewed as a method to increase the
overall market and community viability for not-for-profit organizations (Peredo & McLean, 2006). Many believe that for social organizations to engage in entrepreneurial ventures is a violation of their social focus and goals. Research identified that for social ventures to be successfully implemented the venture must be focused on creating social value and must identify or create opportunities to exploit those values (Peredo & McLean, 2006). Social organizations must also adjust their business perspective to identify innovative ways to conduct business, release any aversion to risk-taking and become open to accepting resources from various funding and entrepreneurial sources (Peredo & McLean, 2006).

Economist Milton Friedman stated (1970) that businessmen who seek out corporate social engagement initiatives are puppets of the societal forces that have undermined free business society for decades. Friedman’s belief was that the purpose of business is to make profit and should not be intertwined with motivators that include responsibility to civic or social entities. For the corporate executives to fulfill their responsibilities to shareholders, their focus should not be on seeking ventures that will allow the organization to expand its social viability, but should be on implementing strategies that will serve in the best interest of the corporations’ financial profitability (Milton Friedman, 1970).

**Civic Engagement**

The social entrepreneurship model focuses on more than the establishment of business entities through not-for-profit organizations. Social entrepreneurship also encompasses civic entrepreneurship activity. Civic entrepreneurs focus on rebuilding communities and civic societies from a grassroots level with the civic entrepreneur
focusing primarily on forming relationships and building bridges between business and government entities (Henton, Melville & Walesh, 1997). Civic entrepreneurs also serve as partnership facilitators who establish productive and profitable partnerships between public, private and civic leaders. Civic entrepreneurs can be identified as those who (1) can identify opportunities that are economically beneficial to a community, (2) provide collaborative leadership that connects community and civic resources, and (3) are able to work in teams and play subordinate roles to facilitate progress (Henton, Melville & Walesh, 1997).

In an article focusing on civic entrepreneurial efforts implemented to alleviate community decay in Cleveland, Ohio, civic leaders discarded all traditional methods of community revitalization and made the decision to allow eight of the city’s most influential business leaders to undertake an innovative community revitalization initiative. The Cleveland Tomorrow Project Committee (Austin, 1998) evaluated the city’s failing education system, high rate of underemployment, and other areas of social disengagement, and devised a plan based on short-term community investment initiatives that could garner long term community profits. The committee was looking for ways to get residents and leaders to reinvest in their community, and for ways to get community residents to receive a return on every investment made to enhance the urban environment. As the committee looked for projects to stimulate economic growth and employment, they also looked for social venture projects that allowed for community revitalization while simultaneously reinvesting finances into the community’s economy. Projects implemented through this community social revitalization project included the renovation of the theatre distract, where $2.00 of every theatre ticket sold is returned as an
investment into community revitalization; a museum district housing structure
development that are ecologically and environmentally sound; and numerous community
recreational areas, and the Rock and Roll Hall of Fame as the community’s
environmentally friendly showpiece (Austin, 1998). Richard Shatten, Tomorrow Project
Committees executive director, stated that the committee’s success was not due to the
efforts of local government officials; it was due to community established public and
private partnerships formed between profit and not-for-profit organizations who all had a
vested interest in the enhancement and long term revitalization of this community
(Austin, 1998).

For social/civic entrepreneurship efforts to be successful, social inclusion must be
established by all parties involved (Turner & Martin, 2005). Most often, various groups
who could serve as a valuable resource for community knowledge are excluded
inadvertently from social and civic ventures due to the management skills of those
leading these projects (Turner & Martin, 2005). For community projects to gain a high
degree of success, the stakeholders must have more than the attributes required for
entrepreneurial success. They also must have the managerial and human service focused
skills that are often associated with not-for-profit organizations (Turner & Martin, 2005).

The relationships between a community and its leaders play a major role in the
way social capital and a venture’s success is achieved. If community leaders serve as
social entrepreneurs, the leaders have a higher potential to transform a community at a
more rapid rate than non-community leaders who identify entrepreneurial potential from
an outside perspective (Purdue, 2001). Research indicates that community leaders can
serve effectively as transactional leaders throughout a community and establish
partnerships, gather resources and facilitate change quicker than those with limited community contacts (Purdue, 2001). Acceleration in the rate of a community’s adoption of social or civic change initiatives is most often based on the accumulation of social capital while limited social capital often can lead to venture stagnation and demise (Purdue, 2001).

A qualitative study focusing on the factors associated with successful social entrepreneurship program implementation focused on the attributes exemplified by seven companies deemed successful in the implementation of social entrepreneurship initiatives (Howard, Brown, & Letts, 2004). The companies were selected because (1) they were all viewed as organizations that provided services that enhanced poor and marginalized communities, (2) they were located in diverse geographic regions including Asia, Africa, Latin and North America, and (3) they all served as catalysts in areas of societal transformation (Howard, Brown, & Letts, 2004). This study identified that successful social entrepreneurship programs address local capacity building, provide resources to solve problems or partner with other organizations to acquire the resources to achieve success. The study also identified that successful social venture organizations make use of existing community assets and implement systematic teaching and learning initiatives (education) as part of the strategy used in achieving success (Howard, Brown, & Letts, 2004).

During the venture initiation process, entrepreneurs must not only be conscious of factors pertaining to marketing, project exposure and capital acquisition, but entrepreneurs must also continually be aware of various economic indicators that can mitigate or enhance venture success. As economic factors change, entrepreneurs must
rely on networking, prospecting and temporary partnerships as a method of maintaining organizational economic stability during unstable economic times (Peng, 2001). Successful entrepreneurs have focused on the development of strategic alliances, exhibited flexibility in product promotion and core organizational competency exposure, as well as refocused their organizations to make greater use of human capital to gain or maintain competitive advantage during times of economic instability (Peng, 2001).

Social entrepreneurship can be viewed as a catalyst for organizational, community and civic change though the changes may not lead to financial benefit for the community or the entrepreneur (Mair & Marti, 2006). Research indicated that if the entrepreneur exemplifies care and concern toward the community, the project and its stakeholders, various constituencies and civic partners are more likely to support and embrace the venture from its inception (Mair & Marti, 2006).

Social responsibility is focused on holding residents, corporations and government responsible for the actions that take place within their region (Carter and Jennings, 2000). This process focuses primarily on being held accountable for the actions taken to upgrade or destroy the natural resources within a given geographic region and relationships play a major role in the way in which social responsibility is viewed. Many believe that the private sector must take the lead in implementing initiatives that will serve to sustain the ecological viability of a region. A study conducted by Geoghegan and Renard (2002) identified that if an ecologically focused project is proposed by individuals who are not known to be representatives of a community, there is likely to be a low level of acceptance. Adjustments to the way that resources are used would need to
come from representatives inside a region and be presented by stakeholders who hold credibility throughout the populations (Geoghegan & Renard, 2002).

Financial Resources

For productive social entrepreneurial ventures to be initiated, not-for-profit and non-governmental organizations must seek resources to assist in venture financing (Atler, 2003). Although not accessible in all regions, the International Development Bank (IDB) provides resources to residents of borrower member countries for venture implementation (International Development Bank, 2005). These financial resources are provided in the form of loans or grants to private or not-for-profit groups that provide civic-minded services to needy target populations (International Development Bank, 2005). The IDB also invests heavily in initiatives presented by youth entrepreneurs, and sponsors an annual youth social capital competition (World Volunteer Web, 2004).

The Youth Employment Network (YEN) is another organization that provides grant and loan financing for the start-up of social venture initiatives (Youth Employment Network, 2004). Funding provided through this organization is acquired and distributed by partnerships with collaborating organizations that include the United Nations, the International Organizational of Employers (IOE), and the Development Gateway and Peace Network (Youth Employment Network, 2004). These organizations allocate funding based on the social value and potential social impact of projects and acquisition of capital from these organizations is highly competitive (Youth Employment Network, 2004).

The Eastern Caribbean Central Bank is an organization that appropriates social venture funding to residents of eastern Caribbean nations. Although the rate of interest
for financing received is higher than that of other lending institutions, this bank serves as a viable resource for social venture funding acquisition for eastern Caribbean residents (Stotsky, Suss, & Tokarick, 2000). Another venue to acquire funding is the Kellogg Foundation a highly regarded private foundation committed to the funding of social entrepreneurship initiatives throughout various global regions (W.K. Kellogg Foundation, 2005). Through providing seminars, resources and training, the W.K. Kellogg Foundation has made a commitment to the enhancement of “human capital,” “social capital”, and “productive capital” globally (W.K. Kellogg Foundation, 2005).

Required resources for success in the social venture arena can also include the leadership that exists in an organization. A research article in The Journal of Small Business Management identified that the social capital and relationships between founders and Chief Executive Officers (CEO) have an affect on new venture implementation and viability (Bamford, Bruton, & Hinson, 2006). The study found that when the founder/CEO exits in a start up organization, the impact may be highly detrimental to the long-term viability of the organization. This is due to the critical role in the organization held by its founder/CEO (Bamford, et al. 2006). The study also identified that if a founder/CEO remains in an organization for a minimum of three years, then the organization is more likely to succeed due to the social networks or social capital established by the organization is founding leadership (Bamford, et al. 2006).

Social Entrepreneurship Systems

With social entrepreneurship programs being implemented to alleviate or enhance social or community concerns, social entrepreneurship programs have been divided into different categories based on the social or civic area being affected. Ecopreneurship,
which is a term for social ventures focused on ecological and environmental enhancement, is a growing field of social venture engagement. Most ecopreneur ventures are focused on alleviating pollution and climate change (Linnanen, 2002). Research has identified that the cost of implementing ecopreneurial ventures often exceeds the short term benefit of the venture due to the processes and methodologies that must be initiated to clean, detoxify, remanufacture or recycle products. Many ecopreneurs are viewed as social idealists due to their belief that resources can be recycled or remanufactured to enhance an ecological system and simultaneously make a profit. Often, ecologically focused projects are abandoned due to cost concerns or lack of market share for the ecologically enhancing product (Linnanen, 2002).

Though environmentally viable, case studies focusing on the success and failure of ecoenterprise projects identified that most ecologically focused venture products have a short product life cycle due to high consumer cost, market apathy or technological and environmental adjustments that must be adhered to in an attempt to make a product ecologically viable and profitable (Linnanen, 2002). Ecoenterprise organizations such as the Caribbean Conservation Association and the Nations Resources System Programme focus on protecting and sustaining marine and oceanic ecological resources throughout the Atlantic Ocean and Caribbean Sea (Caribbean Conservation Association, 2006). Although these organizations attempt to decrease the rate of environmental destruction that takes place throughout various coastal regions, without the support of the governing bodies the efforts of these organizations can only be partially successful. Another ecoenterprise organization is the Rare Animal Relief Efforts (RARE), a private conservation organization focused on exposing residents to the benefits of social
awareness and social resource management. RARE has implemented efforts to expose various populations to the benefits of social responsibility and conservation (RARE Conservation, 2005) through region-wide environmental marketing initiatives and dramatic radio presentations focused on the benefits of social responsibility (RARE Conservation, 2005).

A study focusing on literature presented on the emergence of social entrepreneurship ventures found that many view the field of social entrepreneurship as an area that has no specific structure (Weerawarden & Mort, 2005). Presently, many researchers fail to understand the unique characteristics associated with social venture implementation and many gaps exist in the areas of venture implementation, resource acquisition and margin of profit (Weerawarden & Mort, 2005).

While entrepreneurs are said to be passionate about the establishment of independent business ventures, intra-preneurship, the process of implementing business ventures from within an organization, is a growing area in the profit and not-for-profit business sectors (Luchsinger & Bagby, 2001). Though similar in many ways, these business entrepreneurs and intra-preneurs differ in venture implementation methodologies and sphere of operation. Entrepreneurs have often been identified by their ability to be self-employed individuals who possess strength in areas of team building, resource acquisition, speculation and pattern multiplication, Intra-preneurs have been identified as intra-corporation entrepreneur who initiate new business ventures within the confines of a established organization. Due to the financial backing and enhanced stability given in intra-preneur venture initiation, intra-preneurs have the luxury of focusing more on results than activity and expanse of the organizations reach, and are
motivated by problem solving, change and innovation, but do not have to focus continually on acquisition of funding resources due to the financial backing of a larger organization. Though both are looking for a profit, intra-preneurs are more likely to risk resources and invoke creative business methods and practices due to the stability in funding and a limited level of corporate bureaucratic interference (Luchsinger & Bagby, 2001).

**Recommendations**

The purpose of this critical analysis of theoretical and empirical literature is to assess research focused on social entrepreneurship and the leadership attributes associated with social venture initiation. The major findings of this literature review are that social entrepreneurship is identified as a growing national and international movement and the growth in this movement is due to the increase of education, civic and financial resources accessible for the initiation of socially focused ventures (Diochon, Garand, & Gasse, & Menzies, 2002; Guclu, Dees & Anderson, 2002; McDougall & Oviatt, 2003; Taylor, 2001; XPDNC Labour Directory, 2006). Within the United States many private and public organizations have implemented socially focused ventures to enhance and make improvements to social and civic deficiencies in various regions (Austin, 1998; Henton, Melville & Welsh, 1997; Miller & Kemp, 2005; Porter & Kramer, 2006). Globally, social venture initiatives are embraced through many countries, including India, Canada and the United Kingdom (Ashoka, 2006; Johnson, 2003; MacLeoud, McFarlane & Davis, 1997; Yunus, 2005) but in some Caribbean countries efforts to implement social entrepreneurship programs have become stagnant (Haslam, 2004; McElroy, & Rocconti; 2005; The Economist, 2002; The World Bank, 2003).
Leadership plays a vital role in social venture implementation and social business projects tend to have a higher degree of success if organizational leaders establish strong civic and community networks and if leaders exemplify community embedded behavior (Austin, 1998; Henton, Melville & Walesh, 1997; Howard, Brown & Letts, 2004; Pomerantz, 2003; Shropshire, 2001).

Organizational leaders who have the ability to exhibit optimism, motivation, objectivity and rational thought also have a high propensity for success in social venture initiation (Alexandrova, 2004; Avolio & Luthans, 2005; Baum & Locke, 2004; Jensen & Luthans, 2006; Peng, 2001).

In assessing issues that have influenced the execution of social venture programs factors including values, human capital, education, civic networks, access to financial resources and economic development are identified (Dart & Dart, 2004; Henton, Melville & Walesh, 1997; Jensen & Luthans, 2006; U.S. Department of Education, 2003; Waldman, 2006). The following section will focus on the theoretical and empirical literature presented on the topic and expose the reader to additional information pertaining to this topic.

**Theoretical Framework**

The theoretical framework that guides this study is organized on the topic of social entrepreneurship and focuses on social entrepreneurship as a movement that continues to increase its integration into present day social culture. Theoretical literature also focuses on the acceptance and implementation of social entrepreneurship initiatives in various U.S. and neighboring global markets including Canada, India, and United Kingdom (Ashoka, 2006, Johnson, 2003; MacLeod, McFarlane, & Davis, 1997).
While the term social entrepreneurship is one that has entered into the cultural vocabulary within the last twenty years, initiatives promoting social entrepreneurship have been implemented for many years. In the 1920’s, one of the first recognized social entrepreneurs was noted horticulturist John Muir who is recognized as the founder of the conservation movement (John Muir Trust, 2005). Muir is also recognized for his efforts leading to the establishment of numerous civic organizations including the National Forest Reserve, the Sierra Club and the United States National Park System (John Muir Trust, 2005).

Italian physician Marie Montessori also has been recognized as a leader in the social entrepreneurship movement. Recognized for her efforts in the areas of psychiatry, anthropology and education, Dr. Montessori is most noted for establishing a method of child instruction that focuses on individual learning and instruction taking place in a supportive and nurturing environment (North American Montessori Teachers Association, 2005).

Another founding social entrepreneur was landscape architect Fredrick Law Olmsted who is recognized as the leading scenic architect of the post-civil war generation and founder of the City Beautiful movement (Fredrick Law Olmsted Society of Riverside, 2006). This movement served as the foundation for the establishment of park and recreation areas in some of America’s most urban geographic regions, including New York City, Chicago, Illinois and Boston, Massachusetts (Fredrick Law Olmsted Society of Riverside, 2006). Mr. Olmsted is most noted for designing Prospect Park in New York City in 1873, and the Niagara Reservation in Niagara Falls, New York in 1887 (Fredrick Law Olmsted Society of Riverside, 2006).
The “mother of modern nursing,” Florence Nightingale, is also recognized as an innovative social entrepreneur. Although initially rejected in her efforts to enhance the treatment of wounded military personnel, Florence Nightingale was later recognized as a national heroine for her efforts to improve the quality of nursing globally (Florence Nightingale Museum and Trust, 2003). The efforts of these social activists represent just a few founding practitioners of the social entrepreneurship movement who provided a foundation and served as role models for those vying to establish viable social ventures.

Initiatives to establish social entrepreneurial ventures have been embraced in numerous countries. In Canada, the United Kingdom and India, government and not-for-profit organizations have embraced social venture projects in an attempt to improve the social climate, and alleviate specific societal concerns (Ashoka, 2006; Johnson, 2003).

In smaller countries, social entrepreneurial initiatives have produced learning centers and socially focused organizations that have fostered initiatives to promote social enterprise as well as educate communities about the dangers associated with risky social behavior (Gonzalez, 2003), Governmental bodies have also established Ministries of Social Development with the intent of investing in the social enterprise initiatives for years to come (Trinidad and Tobago Ministry of Finance, 2004).

In the United States not-for-profit ventures have been established by organizations to assist in alleviating various social concerns. Effective social ventures include the “Newman’s Own” brand, dedicated to funding camps and research initiatives for youth with terminal diseases (Newman’s Own, 2006), the Denali Institute, an organization focused on teaching not-for-profit organizations how to adjust their programming to become social profit centers (Shropshire, 2001), Ashoka, an organization that serves as a
social and information network for national and international social venture implementation (Ashoka, 2006), and the National Urban League, the oldest U.S. civil rights organization, focused on empowering communities to alleviate social concerns through action (Wickham, 2005).

Research indicates that the propensity for success in entrepreneurial venture implementation is based on various conditions that include technology, economics, culture, and resource availability (Weerawarden & Mort, 2005). Also, during the first 12 months of venture implementation, one-third of those who initiate ventures quit or put their business on hold (Diochon, 2002). Additionally one-third of new ventures fail within their first year (Turner, & Martin, 2005). This research indicates that a disconnect exists between the literature that defines social entrepreneurship and the methodologies used to implement successful social ventures (Weenekers & Mort, 2002).

Community response to social ventures can enhance or mitigate the success rate of a venture (Hibbert, Hogg & Quinn, 2005). Consumers are more likely to support a social venture if they believe that they are enhancing a social concern, empowering others or becoming involved in a social venture (Hibbert, Hogg & Quinn, 2005). Community residents are more likely to support social ventures if they believe that venture initiators have a vested interest in the community and perceive that the community will benefit from the venture (Korosec & Berman, 2006). Additionally, limited economic resources may be a major deterrent of motivation in the rate at which social ventures are implemented. If a community’s economic indicators are unstable, risk-taking is limited and entrepreneurs are less likely to initiate new ventures (Alexandrova, 2004)
Research indicates that the social attributes of social entrepreneurs differ greatly from the characteristics exemplified by profit center focused entrepreneurs. Social entrepreneurs are willing to champion a cause regardless of the cost associated with program implementation (Hemmingway, 2005). Additionally, research indicates that while various attributes are associated with risk-taking in venture implementation, men and women are willing to take equal risks in attempting to initiate social venture programs (Masters & Meier, 1988). Findings also indicate a positive relationship between entrepreneurs’ positive psychological capital. Their character traits related to genuine leadership and positive psychological capital also serve as indicators of an entrepreneur’s ability to adapt to the various challenges associated with entrepreneurial venture implementation (Jensen & Luthans, 2006).

Social entrepreneurship has gained prominence during the past decade through education, civic and governmental programs focused on community enhancement (Ashoka, 2006; Guclu, Dees, & Anderson, 2002; Harvard School of Business, 2006; Wickham, 2005). Efforts to establish social venture programs are increasing through various civic and social organizations and are being embraced as viable business models globally (Ashoka, 2006; CSA, 2006; National Urban League, 2006; Trinidad and Tobago Ministry of Finance, 2004). The implementation of social venture initiatives is hindered by factors including poor education, crime, poverty and difficulty in capital acquisition (Durrant, 1994; Johnson, 2003; McElroy & Roccanti, 2005; Ortiz, 2000; Wagner, 1997). Additional questions arising from the theoretical literature focus on efforts to increase the general publics’ exposure to the benefits of social venture initiation. The significance
of the theoretical literature for this topic is to identify how various factors affect social venture initiation. See Table 2-1 for a summary of the theoretical literature.

Table 2-1

<table>
<thead>
<tr>
<th>Author</th>
<th>Purpose</th>
<th>Finding/Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bamford, Bruton &amp; Hinson (2006)</td>
<td>To explore the relationship between social capital and organizational founders/CEO’s on new venture implementation.</td>
<td>When a founder/CEO exits a start up organization, the impact may be detrimental to the organizations long term viability.</td>
</tr>
<tr>
<td>Baum, Locke &amp; Kilpatrick (1998)</td>
<td>To identify the traits of successful CEO’s.</td>
<td>CEO’s identified to have the traits of tenacity, proactively, passion for work, competency, organizational skills and motivation tend to have a higher level of success.</td>
</tr>
<tr>
<td>Bhattacharyya (2006)</td>
<td>To identify the relationship between leadership style and venture success.</td>
<td>Leadership attributes associated with loyalty, attention to detail and the ability to accept input from others, leads to entrepreneurial success.</td>
</tr>
<tr>
<td>Cook, Dodds &amp; Mitchell (2003)</td>
<td>To identify if social entrepreneurs understand the justification for social conflict.</td>
<td>Social entrepreneurs tend not to understand the true reasons behind social and civic deficits. Theorists believe that social entrepreneurship is not a viable remedy to alleviate poverty.</td>
</tr>
<tr>
<td>Dean &amp; Dart (2004)</td>
<td>To compare the attributes of not-for-profit organizations vs. those associated with for-profit organizations.</td>
<td>To compete equally not-for-profit organizations must deliver services with the same level of professionalism as for profit organizations.</td>
</tr>
<tr>
<td>Dees, Anderson, &amp; Weiskilern, (2002)</td>
<td>To assess the ability for social ventures to expand.</td>
<td>For successful expansion to take place readiness, resources, risk and receptivity must be implemented.</td>
</tr>
</tbody>
</table>
### Table 2-1

**Social Entrepreneurship Theoretical Research (Continued)**

<table>
<thead>
<tr>
<th>Author</th>
<th>Purpose</th>
<th>Finding/Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeLeeuw (1999)</td>
<td>To identify if Social ventures that could subvert government initiatives</td>
<td>Social ventures can influence governmental initiatives</td>
</tr>
<tr>
<td>Fraser (2004)</td>
<td>To identify African Americans that have interest in entrepreneurial ventures</td>
<td>Two thirds of those surveyed had interest in becoming entrepreneurs but did not have access to information and resources pertaining to the practice.</td>
</tr>
<tr>
<td>Guclu, Dees &amp; Anderson (2002)</td>
<td>Research whether a social venture idea can be transformed into an opportunity worthy of serious pursuit.</td>
<td>Social entrepreneurs must articulate a compelling social impact theory and a plausible business model.</td>
</tr>
<tr>
<td>Hamilton (2006)</td>
<td>To assess racial composition in American employment.</td>
<td>Minorities are being forced into accepting lower paying positions due to inability to obtain employment in areas in which they are qualified.</td>
</tr>
<tr>
<td>Hemingway (2005)</td>
<td>To identify the differences in decision making and behavior of social entrepreneurs and profit seeking entrepreneurs</td>
<td>Differences exist in community and environmental decision making. Corporate Social Entrepreneurs involved in community activities.</td>
</tr>
<tr>
<td>Korosec &amp; Berman (2005)</td>
<td>To assess the success of municipality affiliated social programs.</td>
<td>Programs identified as affiliated with a municipality had higher success and were perceived to be of high quality than those not affiliated.</td>
</tr>
<tr>
<td>Linnanen (2002)</td>
<td>To identity the attributes associated with eco-preneurs.</td>
<td>Eco-preneurs are viewed as social idealists.</td>
</tr>
<tr>
<td>Author</td>
<td>Purpose</td>
<td>Finding/Conclusion</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>McGaffey &amp; Christy (1975)</td>
<td>Research the attributes of entrepreneurs and the manner in which adaptability attributes can predict success.</td>
<td>As ventures grow, entrepreneurs become more adaptable and complex in their business activities.</td>
</tr>
<tr>
<td>Purdue (2001)</td>
<td>To identify what community leaders must do to be successful.</td>
<td>Community leaders who establish community partnership are identified as having a higher rate of venture success.</td>
</tr>
<tr>
<td>Rupp, Ganapathi, Aguilera, &amp; Williams (2006)</td>
<td>To asses employee perceptions of corporate social responsibility</td>
<td>Employee perception’s of CSR impact their emotions, attitudes, and behaviors.</td>
</tr>
<tr>
<td>Spear (2006)</td>
<td>To identify the role that stakeholders hold in not-for-profit organizations</td>
<td>If a social venture is not open to stakeholder advice, the venture may fail.</td>
</tr>
<tr>
<td>Turner &amp; Martin (2005)</td>
<td>Research to identify the attributes required for entrepreneurial success.</td>
<td>Managerial and human service skills must be present for ventures to be successful.</td>
</tr>
<tr>
<td>Walstad &amp; Kourlisky (1998)</td>
<td>To assess entrepreneurial interest among black youth.</td>
<td>75% of youth surveyed have interest in becoming entrepreneurs.</td>
</tr>
<tr>
<td>Weerawardena &amp; Mort (2005)</td>
<td>A study attempting to identify the multi-dimensional attributes associated with social entrepreneurship.</td>
<td>The core attributes attributed to social entrepreneurs are innovative idea execution, proactive venture implementation and progressive management of risk.</td>
</tr>
<tr>
<td>Weerawarden &amp; Mort (2006)</td>
<td>To assess literature on social entrepreneurship.</td>
<td>A disconnect exists between social venture implementation and venture and resource acquisition.</td>
</tr>
<tr>
<td>Wei-Skillern &amp; Anderson (2003)</td>
<td>To assess the success of not-for-profit expansion.</td>
<td>Expansion may not present profit unless brand exposure is enhanced.</td>
</tr>
</tbody>
</table>
Empirical Literature

The attributes associated with entrepreneurial leadership serve as a major indication of a venture’s success or failure (Jensen & Luthans, 2006). Numerous studies have been completed focusing on leadership attributes and other factors pertaining to the success and failure of these of entrepreneurial ventures. Factors that affect the establishment of social entrepreneurial efforts include education, funding, and access to resources (Geoghegan & Renard, 2002; Jules, Miller & Armstrong, 2000; Peinado-Vara, 2004; Tewarie, Kahn, & Guyadeen, 1997). Many of the studies had limitations in the areas of sample size, viability and reliability of the studies. The strengths of these studies are that they presented information focusing on factors that can enhance or limit social venture initiatives, which included lack of community acceptance, limited understanding of social responsibility, education, resource availability, motivation, psychological capital and social networks (Hemingway, 2005; Hibbert, Hogg & Quinn, 2005; Korosec & Berman, 2006).

Although no empirical study has addressed this specific topic area, there was a study that focused the relationship between psychological investment and leadership authenticity that identified attributes associated with psychological capital, which include efficacy, optimism, hope and resiliency, enhance the propensity for entrepreneurial venture success (Jensen & Luthans, 2006). A study focusing on personal values and social entrepreneurship indicated that entrepreneurs who champion social causes have different value systems from those who pursue entrepreneurial ventures with financial gain as their primary motivator (Hemingway, 2005). The significance of the empirical
literature for this topic states that specific attributes or leadership traits can greatly enhance successful social ventures initiation.

The attributes associated with entrepreneurial leadership serve as a major prediction of a venture’s success or failure (Jensen & Luthans, 2006). Numerous studies have been completed focusing on leadership attributes and other factors pertaining to the success or failure of entrepreneurial ventures. Factors that affect the establishment of social entrepreneurial efforts include education, funding, and access to resources (Jules, Miller & Armstrong, 2000; Peinado-Vara, 2004; Tewarie, Kahn, & Guyadeen, 1997). The strengths of these studies are that they presented information focusing on factors that can enhance or limit social venture initiatives, which included lack of initiative acceptance, limited understanding of social responsibility, education, resource availability, motivation, psychological capital and social networks (Hemingway, 2005; Hibbert, Hogg & Quinn, 2005; Korosec & Berman, 2006).

A study by Eagley and Johnson (1990) comparing leadership differences between males and females identified differences between leadership style and gender. While stereotypes stated that women lead using interpersonally-oriented leadership styles and men lead using task-oriented leadership styles, female and male leaders did not differ in the leadership style used when serving as organizational administrators. Concurrently, in the areas of laboratory experiments and assessment studies the leadership style was in line with stereotypical expectations (Eagley, et al., 1990). According to the study, women tended to adopt democratic or participative leadership styles and men tended to adopt a more autocratic or direct styles of leadership (Eagley, et al., 1990). These findings were
interpreted in reference to the social role theory of gender differences in social and corporate behavior.

A 2004 study on organizational-community partnerships (Loaz, 2004) identified that non-government organizations and corporations are continually looking for community organizations to partner with in an attempt to create environments to address social issues and generate social capital. This Australian study presented community organization capacity building as a method of building business-community organization partnerships and demonstrated the benefits of community partnerships to business, community organizations and community organization (Loza, 2004).

A study by Stafford (2004) focusing on civic infrastructure and mobilization in economic crises examined how the structure of civic relationships shaped economic change in two Midwestern cities. Research identified the ways in which communities react to civic networking and the ways that civic networks can enhance or deter a community’s growth and expansion (Stafford, 2004). Through using historical data to generate grounded theory the researcher studied the similarities and differences between Allentown and Youngstown, Pennsylvania. The core of the research was based on archival research and a careful reading of secondary historical accounts surrounding the socio-political issues which affected both regions during similar time periods.

The research identified that differences in the way that civic and economic relationships were established in one community could hinder relationships implementation in another (Stafford, 2004). The results also indicate that civic networks facilitate interaction across social, political and economic divisions primarily during times of economic crisis (2004).
The empirical research focused on leadership attributes, entrepreneurship and programs implemented to enhance and improve a community’s social and environment conditions. See Table 2-2 for a summary of empirical literature.

Table 2-2

<table>
<thead>
<tr>
<th>Author</th>
<th>Purpose</th>
<th>Finding/Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandrova (2004)</td>
<td>To assess the impact of the environment on the attributes of micro-business entrepreneurs</td>
<td>Attributes identified in those who engage in entrepreneurial pursuits include risk taking; pro-activity; innovative through; the need for autonomy; aggressive behavior.</td>
</tr>
<tr>
<td>Avolio &amp; Luthans (2005)</td>
<td>To identify the relationship between psychological capabilities and attributes associated with authentic leadership.</td>
<td>Authentic leaders are more capable of meeting challenges associated with entrepreneurship and venture initiation.</td>
</tr>
<tr>
<td>Baum &amp; Locke (2004)</td>
<td>To research the traits, skills and motivators of entrepreneurs</td>
<td>Traits identified were: inner passion, the ability to communicate and share vision; passion and tenacity; and confidence.</td>
</tr>
<tr>
<td>Diochon, Garand &amp; Gasse (2002)</td>
<td>Nascent entrepreneurs and the variables associated with start-up execution.</td>
<td>After one year, one-third of the participants had started businesses, one-third were still in start-up phase and one-third had quit their business ventures.</td>
</tr>
<tr>
<td>Eaglet &amp; Johnson (1990)</td>
<td>To identify differences in leadership style among genders.</td>
<td>Gender leadership style differed based on the situation under which it was studied.</td>
</tr>
<tr>
<td>Hibbert, Hogg &amp; Quinn (2005)</td>
<td>Consumer motivations to support social initiatives.</td>
<td>The marketing of socially focused projects focus on the sympathies of the buyer.</td>
</tr>
<tr>
<td>Jain (2001)</td>
<td>To research attributes required for successful social venture initiation</td>
<td>Factors identified include: trust, information dissemination; the ability to generate resources, ability to empower employees.</td>
</tr>
<tr>
<td>Jensen &amp; Luthans (2006)</td>
<td>To assess the relationship between positive psychological capital and authentic leadership behavior.</td>
<td>A positive relationship exists between positive psychological capital and authentic leadership. Entrepreneurs hold a high level of optimism, resiliency and hope.</td>
</tr>
</tbody>
</table>
### Social Entrepreneurship Empirical Research (Continued)

<table>
<thead>
<tr>
<th>Author</th>
<th>Purpose</th>
<th>Finding/Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loaz (2004)</td>
<td>Partnership establishment between governmental and non-governmental organizations.</td>
<td>Partnerships can be beneficial if implemented correctly.</td>
</tr>
<tr>
<td>Masters &amp; Meier (1988)</td>
<td>To compare the risk taking properties of males and female entrepreneurs.</td>
<td>No significant difference was identified.</td>
</tr>
<tr>
<td>McDougall &amp; Oviatt (2003)</td>
<td>To assess the attributes associated with successful international entrepreneurs.</td>
<td>Attributes identified include: the ability to network; the ability to acquire knowledge about the market and the ability to embrace cultural norms and expectation.</td>
</tr>
<tr>
<td>Olson &amp; Bosserman (2001)</td>
<td>Research to identify the attributes required by stakeholders for entrepreneurial success.</td>
<td>Attributed identified include: expectancy theory, intuition and rational through.</td>
</tr>
<tr>
<td>Taylor (2001)</td>
<td>Research the number of times the term social entrepreneur appeared in publications over a 15 year period.</td>
<td>More than 950 appearance of the term social entrepreneur were identified.</td>
</tr>
</tbody>
</table>
Research Questions, Hypothesis and Model

Based on the recommendations for future study resulting from the review of the literature and the theoretical framework guiding this study, the research question and hypotheses were developed for this study of the relationship between Psychological Capital and social venture program initiation.

Research Question

Are psychological capital (efficacy, optimism, hope, resiliency), education, civic networks, and gender significant influences on social venture initiation by organizational leaders?

Research Hypotheses

$H_1$ Psychological capital (efficacy, optimism, hope, resiliency) is a significant variable influencing social venture initiation by organizational leaders.

$H_2$ Psychological capital (efficacy, optimism, hope, resiliency) and education are significant variables influencing social venture initiation by organizational leaders.

$H_3$ Psychological capital (efficacy, optimism, hope, resiliency) and civic networks are significant variables influencing social venture initiation by organizational leaders.

$H_4$ Psychological capital (efficacy, optimism, hope, resiliency) and gender are significant variables influencing social venture initiation by organizational leaders.

$H_5$ Psychological capital (efficacy, optimism, hope, resiliency), education, civic networks, and gender are significant variables influencing social venture initiation by organizational leaders.
In Figure 2-1 the hypothesized research model for this study is presented. The model presents a graphic representation of the research questions for this study focused on the relationship between psychological capital and social venture initiation.

\[ \text{Psychological Capital (Efficacy, optimism, hope, and resiliency)} \]

\[ \text{Education} \quad \text{Civic Networking} \quad \text{Gender} \]

\[ \text{Social Venture Initiation} \]

*Figure 2-1.* Hypothesized model for the relationship between psychological capital and social venture initiation.
CHAPTER III
METHODOLOGY

In Chapter III, the research methodology is developed to test the hypotheses and answer the research question about relationships among psychological capital, education, civic networks, gender and social venture initiation. There are six sections to this chapter which include the research design, population and sampling plan, instrumentation, procedures, methods of data analysis and a conclusion with an evaluation of research methods to be used in this study.

Research Design

A quantitative, non-experimental, correlation (explanatory) and causal comparative (exploratory) survey research design explains the relationships between psychological capital, education, civic networks, gender and social venture initiation. Through e-mail and a secure web-based survey data was collected from not-for-profit organization administrators throughout the United States.

In this study, the psychological capital questionnaire (see Appendix A) developed by Luthans, Youssef and Avolio (2007) was be used to collect data pertaining to not-for-profit administrator’s level of psychological capital. This research questionnaire previously has been used to assess the relationship between psychological capital and authentic leadership. Additionally, the survey instrument was pre-tested prior to distribution to research study participants.

Extraneous variables were controlled through the research sample population selected for the study. The sample population consisted of senior administrators employed in the positions of Chief Executive Officer, President, Chief Financial Officer,
Chief Operations Officer, Chief Information Officer, Managing Director, Program Director or who hold similar administrative positions (as defined by their job description) with National Urban League organization affiliates.

**Population and Sampling Plan**

**Population**

According to empirical research studies there has been a dramatic increase in the number of organizations focused on social entrepreneurship, as well as a rapid increase in the number of academic institutions educating students in the area of social venture initiation (Blood, 2006). Research indicates that social entrepreneurship organizations are having a positive impact in alleviating economic and societal concerns in many global environments (Johnson, 2003; Yunus, 2005). Subsequently, it is imperative for those embarking on social entrepreneurship initiatives to possess specific characteristics focused on creativity, tenacity and the ability to empower others (Weerawardena & Mort, 2005; Jain, 2001, Olson & Blossrman, 2001).

With the Urban League being an organization that has been identified as having an impact on the implementation of social entrepreneurship ventures throughout various regions of the United States, the accessible target population for this study was the 416 chapter administrators employed through the Urban League organization. The National Urban League website indicates that there are 104 Urban League affiliates in the United States. Each of these affiliate organizations hold similar organizational structures, which include the positions of affiliate Chief Executive Officer, President, Chief Financial Officer, Chief Operations Officer, Chief Information Officer, Managing Director,
Program Director, Staff and Other, with each affiliate having at least four administrative officers.

The survey instrument focusing on psychological capital and social venture initiation (see Appendix D) was distributed to these administrators who hold senior management positions with Urban League affiliate chapters throughout the United States. Participant selection and screening was based on the administrative position of employment which included the aforementioned job titles. For the purpose of this study the entire target population was accessible to the researcher and was invited to participate.

**Setting**

Data collection focused on U.S.-based Urban League organization administrators as stated above. The link to the secure, web-hosted survey instrument was distributed via e-mail to 416 Urban League not-for-profit organization administrators. Through this e-mail information distribution method all Urban League administrators were invited to participate in this study.

A partnership agreement was be obtained from the National Urban League located in Washington D.C., detailing the purpose of the research study and the importance of completing the research instrument. This voluntary consent form was distributed via e-mail, to Urban League affiliate administrators throughout the United States.

**Sampling Plan**

A convenience sampling method was used to acquire the sample representative for this study and participants were selected based on their position of employment. The
researcher attempted to have an equal number of participants based on their respective positions. Non-probability judgment sampling and professional expertise was used to select the target population for the research study. This is a convenience, quota, non-probability sampling since the researcher had access to a population of one "representative" group of social entrepreneurship experts.

Sample Size

In identifying the adequate sample size for a research study it was imperative for the researcher to identify the appropriate number of respondents required to have valid statistical test results. In a quantitative study, generally the larger the sample size, the better the generalization opportunity will be and lower the sampling error. According to Bates, Holton and Burnett (1999) one advantage of quantitative research is the ability to use smaller groups of participants to make inferences about the larger population. Furthermore, Green (1991) identified that the effect sample size is dependent on the number of predictors for multiple regression tests.

According to Cochran’s (2007) categorical data samples size formula, with a total population of Urban League administrators being 416, with an estimated variance of $p= .50$ and the value for selected alpha $t=1.65$ using a margin of error = .05 the required sample size for this research study is 162. With the total number of Urban League affiliates being 104 and the number of Senior Administrators within each Urban League chapter being four, the target population for this research population is 416. Therefore, based on Cochran’s data sample formula, for the purpose of this study the minimum sample size of 162 participants was appropriate, or an anticipated response rate of 39%.
Eligibility and Exclusion Criteria

Eligibility Criteria

1. Participant eligibility was based on the senior administrative position held within the Urban League organization which includes the positions of Chief Executive Officer, President, Chief Financial Officer, Chief Operations Officer, Chief Information Officer, Managing Director, Program Director or administrative position held within the Urban League organization.

2. All eligible participants were at least 18 years of age.

Exclusion Criteria

1. If participants were not employed by and in senior manager positions with the Urban League organization, they were excluded from participating in the research study.

2. If participants were under 18 years of age, they were excluded from participating in the research study.

Instrumentation

A 31 question survey instrument was utilized in this study. The first section of the instrument made use of the Psychological Capital Questionnaire (PCQ) and focused on gathering data focused on psychological capital competencies (efficacy, optimism, hope and resiliency) (Luthans, Youssef & Avolio, 2007). The second section of the instrument focused on gathering data on the level of education attainment, civic networks, gender and social venture initiation. See Appendix D for the survey instrument. This instrument was distributed to participants via an e-mail link that led the participant to the secure survey instrument host web server.
The four scales comprising the Psychological Capital Questionnaire (PCQ) address the following questions:

1. Having confidence (self efficacy) to put the necessary effort to succeed at challenging tasks;
2. Making a confident provenance (optimism) about present and future success;
3. Persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and
4. When inundated by problems and misfortune, sustaining and recovering (resiliency) to attain success (Luthans, Youssef & Avolio, 2007).

Therefore, psychological capital consists of efficacy, optimism, hope and resilience and when combined has been shown to represent a second-order, core factor that predicts performance and satisfaction better than each of the four factors that make it up (Luthans, Avolio, et al., 2007).

In scoring the Psychological Capital Questionnaire (PCQ) total points were averaged for each construct and three items were scored in reverse order. This means that items with a “1” is scored as a “6” and a “6” is scored as a “1”. Answers to questions 13, 20 and 23 were reverse coded. Items 1 thru 6 on the psychological capital questionnaire focused on are efficacy and the confidence subscale. This subscale has been adapted from a study by Parker focusing on the roles of job enrichment and organizational interventions (Parker, 1998).
Information assessing the subscale of hope has been adapted from the State Hope Scale established by Snyder, Rand and Sigmond (1996). This scale focuses on the level of optimism held by an adult in area of goal attainment.

The subscale of optimism is adapted from a study by Scheier and Carver (1985) which focused on dispositional optimism, and outcome expectancies. The study identified that research participants who exhibited a high level of optimism tended to have a high level of self-consciousness (Scheier and Carver, 1985).

The resiliency subscale was adapted from a study by Wagnild and Young (1993) which focused on an evaluation of personal competence and acceptance of self and life, adaptation outcomes (physical health, morale, and life satisfaction) and depression as factors that had an affect on an adults ability to overcome life obstacles.

Research Instrument Section I

Questions 1 through 6 of the psychological capital survey instrument as developed by Luthans et al. (2007) are focused on gathering data about the efficacy and confidence level of a not-for-profit administrator; questions 7 through 12 focus on gathering data about the hope level of the not-for-profit administrator. Questions 13 though 18 focus on gathering data on the resiliency level of the not for profit administrator while questions 19 through 24 gather data pertaining to a not-for-profit administrators level of optimism. According to Luthans et al. (2007), questions 1 through 6 in the psychological capital questionnaire are used to identify the efficacy/confidence subscale. Questions identifying this subscale have been adapted from the Parker (1998) study focused on enhancing employee role and breadth self-efficacy. Role breadth self-efficacy refers to an employees’ ability to complete employment related tasks that are
beyond what is described in a job description (Parker, 1998). Efficacy has been identified as one component associated with an individual’s level of psychological capital.

Questions 7 through 12 identify the subscale of hope and have been adapted from the Snyder et al., (1996) study focusing on the development and validation of the state hope scale. According to Snyder et al., (1996) the state of hope scale presents an assessment of goal-directed thinking that can be useful in identifying how professionals evaluate and initiate goals (Snyder et al, 1996). Hope has been identified as a component that is associated with an individual’s level of psychological capital.

Questions 13 through 18 assess the subscale of resiliency. Resiliency focused questions have been adapted from the Wagnild and Young (1993) psychological resiliency scale. According to Wagnild and Young psychological resilience is the ability to withstand life stressors and recover from life challenges (1993). Resiliency has been identified as a component that is associated with an individual’s level of psychological capital.

Questions 19 through 24 assess the optimism subscale associated with psychological capital. These questions have been adapted from the optimism, coping measurement scale established by Scheier and Carver (1985). The optimism, coping measurement scale has been used to identify if an individual’s level of optimism can be generalized when compared to the situation outcome (Scheier and Carver, 1985). Optimism has been identified and one of the major components associated with psychological capital.
The Psychological Capital Questionnaire (PCQ) has gone through extensive validation to exhibit that it has reliable and construct validity which has been supported by previous research.

**Research Instrument Section II**

Section II of the research instrument was researcher developed and focused on gathering data pertaining the mediating variables (level of education attainment, civic networking, gender) and social venture initiation. Question 25 focused on civic network engagement and questions 26 and 27 focus on level of education attainment. Questions 28 and 29 focused on social venture initiation; question 30 focused on gender; and question 31 confirms the administrative position of the research study participant.

**Procedures: Ethical Considerations and Data Collection Methods**

In this section, the ethical considerations about protecting participants is described, as well as other ethical considerations, and methods of collecting data.

1. Before beginning the data collection process, permission to use the psychological capital questionnaire was obtained from the instrument developer (see Appendix C).

2. An application was submitted to Institutional Review Board (IRB) of Lynn University. Due to no harm being initiated to any participants an expedited review was requested from the IRB. After receiving the approval from the IRB, data collection began. See Appendix A.

3. To maintain the anonymity of participants, a request to the IRB was made to waive documentation of a signed consent. Through using the Survey Monkey electronic data collection system, participants acknowledged consent by checking
a box that was located on the informed consent form located on the first page of
the survey instrument. See Appendix B.

4. The target population listing was obtained through the National Urban League
organization as well as through public Web sites of the National Urban League.

5. The target participants was 416 senior administrators who hold employment in
National Urban League affiliate chapters throughout the United States.

6. One method of data gathering was used to collect data from the target
population. Communication occurred between the researcher and the National
Urban League corporate office to identify the sample population for the study.

7. Through an e-mail distribution list, the researcher distributed a web-link to the
research participants explaining the purpose of this study and requesting their
participation in the research study. One follow-up e-mail was sent to remind and
encourage those in the sample to participate in the study. The participants clicked
through to proceed to the survey instrument and complete the document according
to the instructions presented.

8. The time of collecting data was two months in order to obtain as many
participants as possible.

9. Six months after the conclusion of data collection, IRB Form 8, Report of
Termination of Project, was submitted to the IRB.

10. The data collected was electronically saved with confidentiality (password
protected and identification required).

11. The non-public data will be destroyed after five years. This research study
was regarded as ethical for the following reasons:
a. Proper permission has been obtained from instrument developers.
b. An IRB application form was submitted to the IRB.
c. An approval from IRB of Lynn University ensures the necessary procedures associated with protecting human subjects for this study was in compliance.
d. Eligible participants were informed and received a sufficient explanation about the study purpose.
e. Respondents were notified that their survey responses were anonymous and data collected in this study will be kept confidential.
f. All the data collected from the target population will be maintained in a confidential manner. Electronically saved data will be guarded in "password protected" computer. All paper documents of completed surveys are kept in a locked cabinet and will be destroyed after five years.
g. Participants were allowed to print a reference copy of the consent agreement for their files. This form explained who is conducting the research, why/how they have been selected to participate, and the amount of time that it took the participant to complete the survey instrument. In addition, this form covers issues regarding anonymity which can only be promised as much as possible through the use of web-based data gathering research tools.
h. Participants were informed that responses and any additional information received by the researcher will be held in confidence in order to protect individual’s rights.

It was clearly expressed that participation is voluntary and withdrawal from the study can take place at any time with no penalty. Participants were given instructions on
how to withdraw from the study, along with other information, prior to survey instrument initiation. Lastly, participants have the opportunity to receive summary information pertaining to the results of the research a study and were given details of how this information can be obtained at the conclusion of the research study.

**Methods of Data Analysis**

Data were collected using the self-report two-part survey instrument and the participants responded via SurveyMonkey. This data were imported to Statistical Package for Social Sciences (SPSS) software to test the hypotheses and answer the research question. Prior to importing, the questionnaire answers were coded for SurveyMonkey. After importing but before testing the hypotheses, descriptive analysis, Cronbach’s coefficient, and exploratory factor analysis were conducted.

First, the descriptive analysis included frequencies (number of responses), range of responses (minimum-maximum), mean, and standard deviation to identify problems and to meet statistical assumptions of the data. Second, Cronbach’s alpha determined the internal consistency (reliability) of the Psychological Capital and social venture initiation scales. Each scale has an estimated Cronbach’s alpha of 0.70 or higher to meet the minimum internal consistency (Nunnally, 1978). Third, exploratory factor analysis for both scales was conducted to establish construct validity. This examined interrelated variables to determine if they represent the construct. Therefore, with a two-part instrument (one developed for other studies and the other developed for this study) exploratory factor analysis improved validity with appropriate factor loadings.

To answer the research question, there are five hypotheses to determine the casual relationships of the independent variables of psychological capital (confidence, optimism,
hope, resiliency) and the mediating variables (education, civic networks, gender) to the dependent variable of social venture initiation. Multiple regression was used to test these hypotheses.

Hypotheses 1 tests the strength and relationship of psychological capital to predict social venture initiation. Hypotheses 2, 3, and 4 test the same strength and relationship of psychological capital but also with each of the three mediating variables of education, civic networks, and gender, respectively, to predict social venture initiation. Finally, hypothesis 5 includes all independent variables of psychological capital (efficacy, optimism, hope, resiliency) and mediating variables (education, civic networks, gender) to test the strengths and relationship in creating social venture initiation. Stepwise (forward) multiple regression method was used for computations. Correlations and multiple regression including R-square (R²) analysis was used with an Alpha ≤ 0.05 (Kerlinger & Lee, 2000).

All data collected from the sample was be analyzed through the Statistical Package for Social Sciences (SPSS) version 16.1. Statistical tests, including descriptive data analysis, correlation and multiple regression, were used in this study. Before beginning data analysis, the following steps were taken:

1. Data coding: Questionnaire answers were coded with numbers for response categories for each of the questions in this study and each variable was identified by a code name.

2. Descriptive analysis: Through descriptive statistics, data problems and the statistical assumptions of the parameters used in this study were examined. In
consequence, data were analyzed, and variables were transformed only if variables did not meet the statistical assumptions.

3. Internal consistency reliability: Most variables may have several items measured with semantic differential rating scales. The internal consistency of the multiple-item scales were estimated through Cronbach’s alpha. A Cronbach’s coefficient alpha was expected to reach .70, the minimum threshold for the internal consistency reliability in the social science research (Nunnally, 1978).

4. Exploratory factor analysis: Through exploratory factor analysis, each item regrouped or remained a construct. As a result, the convergent and discriminant validity of all items was established.

In analyzing data acquired using the psychological capital questionnaire the variables associated with psychological capital was analyzed to identify the individual subscales associated with each psychological capital construct as well as collectively to identify a participants’ level of psychological capital.

Data coding for the data was numbered for response categories for each of the variables in this study and each variable received a specific value (code). First, the psychological capital questionnaire (PCQ) (Luthans, et al, 2006) is a 24-item research instrument that measures the level a respondents psychological capital state. Dimensions of measurement include efficacy, optimism, hope, and resiliency. For example, items from each of the four dimensions are “I feel confident analyzing a long-term problem to find a solution” (efficacy); “If I should find myself in a jam at work, I could think of many ways to get out of it” (hope); “When I have a setback at work, I have trouble recovering from it and moving on” (resiliency); and “When things are uncertain for me at
work, I usually expect the best" (optimism). Total scores range from 24 to 144, with higher scores indicating a more positive, or adaptable attitude. Responses that are least positive were assigned a “1” and responses that are more positive were assigned a “6.” The response format is a six-point scale with the following six response categories:

1=Strongly disagree; 2=Disagree; 3=Somewhat Disagree; 4=Somewhat Agree; 5=Agree and 6=Strongly Agree. Twenty-one of the 24 of the items are worded so that those with a more positive attitude will select “strongly agree.” See Appendix D for select questions from the survey instrument. The remaining three items of the 24 items (13, 20 and 23) were reverse-coded as follows: 1= Strongly agree; 2= Agree; 3= Somewhat Agree; 4= Somewhat Disagree; 5= Disagree and 6=Strongly Disagree. When coding these three items, the numbering was reversed, for example 1 was coded as 6, for statistical analysis purposes.

The second portion of the research instrument was coded with the higher numeric figures receiving a code of 1 and the lower numeric figures receiving a code of 2. Question 25 focusing on level of civic group involvement will be coded with respondents receiving a 1 for a response of 10 or above, 2 for 7-9, 3 for 4-6 and 4 for 1-3. Question 26 focuses on level of education attainment were coded with respondents to Other receiving a code of 1; Jurist Doctorate receiving a code of 2; Doctorate Degree receiving a code of 3; Master Degree receiving a code of 4; Bachelor Degree receiving a code of 5; Associate Degree receiving a code of 6; Attending College receiving a code of 7 and High School receiving a code of 8. Response to question 27 focused of receiving social entrepreneurship training received a code of 1 for No and 2 for Yes. Responses to question 28 focused on social venture program initiation received a code of 1 for No and
Responses to question 29 focused on past social venture initiation received a 1 for 25 months or more; 2 for 13-24 months; 3 for 7-12 months; 4 for 2-6 months.

Responses to question 30 focused on type of social venture projects initiated received a code of 1 for youth; 2 for education; 3 for environment; 4 for community; 5 for Health and 6 for other. Responses to question 31 focused on gender received a 1 for the response of female and 2 for the response of male. Responses to question 32 which identified occupational title received a code of 1 for other; 2 for staff; 3 for Program Director; 4 for Managing Director; 5 for Chief Information Officer; 6 for Chief Operations Officer; 7 for Chief Financial Officer; 8 for President and 9 for the response of Chief Executive Officer.

In Table 3 each variable is presented that was used and coded and their measures (question numbers) and type of scale item.
Table 3-1

Variable Measurement Table

<table>
<thead>
<tr>
<th>Variable</th>
<th>Measured</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>Questions 1-6</td>
<td>Six-point Scale</td>
</tr>
<tr>
<td>Hope</td>
<td>Questions 7-12</td>
<td>Six-point Scale</td>
</tr>
<tr>
<td>Resiliency</td>
<td>Questions 13-18</td>
<td>Six-point Scale</td>
</tr>
<tr>
<td>Optimism</td>
<td>Questions 19-24</td>
<td>Six-point Scale</td>
</tr>
<tr>
<td>Level of Education</td>
<td>High School (8), Attended College (7), Associate (6), Bachelor (5), Master (4), Doctorate (3), Jurist Doctorate (2), Other (1)</td>
<td>Multiple Choice</td>
</tr>
<tr>
<td>Job Position</td>
<td>CEO (1), President (2), Vice President (3), CIO (4), CFO (5), Director (6)</td>
<td>Multiple Choice</td>
</tr>
<tr>
<td>Civic Network Engagement</td>
<td>Yes (1), No (2)</td>
<td>Categorical</td>
</tr>
<tr>
<td>Gender</td>
<td>Male (1), Female (2)</td>
<td>Categorical</td>
</tr>
<tr>
<td>Social venture initiation</td>
<td>1-3 (1), 4-6 (2), 7-9 (3), 10 or More (4)</td>
<td>Multiple Choice</td>
</tr>
<tr>
<td>Social venture initiation</td>
<td>Yes (1), No (2)</td>
<td>Categorical</td>
</tr>
<tr>
<td>Social venture initiation</td>
<td>2-6 months (1), 7-12 months (2), 13-24 months (3), 25 or more months (4)</td>
<td>Multiple choice</td>
</tr>
</tbody>
</table>

Evaluation of Research Methods

The research methods for this study are evaluated for internal and external validity. This includes evaluating strengths and weaknesses of the research design, the sampling plan, instruments, procedures and data collection methods, and methods of data analyses.
Internal Validity: Strengths

1. In this quantitative, non-experimental study, an explanatory research design will more adequately explain findings than an exploratory or descriptive design.

2. A study with a quantitative design will have a higher internal validity than one with a qualitative design.

3. Through having an adequate sample size and adopting valid and reliable research instruments for data analysis, the internal validity was enhance.

4. Resulting from the data analysis procedures for testing research hypotheses, the internal validity improved.

Internal Validity: Weaknesses

1. A non-experimental design is weaker in comparison to an experimental design.

2. The level of reliability of Optimism rated in the psychological capital questionnaire (PCQ) is at .65 which is below the generally accepted level of reliability.

External Validity: Strengths

1. A homogeneous population of Urban League senior administrative population minimized the effects of extraneous variables.

2. The survey instrument was completed in natural environments (office, workplaces) rather than a laboratory setting.
External Validity: Weaknesses

1. Because the target population was selected based on administration position of employment a selection bias did exist.

2. Due to only focusing on the administrators in one organization, findings and conclusions of the study may not be generalized for other organizations. For this reason the external validity of the study is limited.

3. Due to the target population (senior administrators who hold the position of CEO, CFO, COO, CAO, President, Vice President, Senior Vice President, and employment with the Urban League organization and/or one of its affiliate chapters) the generalization of this study is limited.
CHAPTER IV
RESULTS

In Chapter IV, data analysis is described in detail and an evaluation of the findings is provided. There are four sections to this chapter. The first section summarizes profiles of Urban League administrators, who served as the participants in this research study. Characteristics of all variables are described in this section. The second section examines reliability and validity of the instruments used in the study through exploratory factor analysis and Cronbach's alpha. The purpose of using exploratory factor analysis was to evaluate construct validity, whereas the purpose of employing Cronbach's alpha was to measure internal consistency or reliability.

Identifying the relationship between psychological capital and social venture program initiation was the essence of the study. A bivariate analysis tests the relationship between psychological capital, mediating and social venture program initiation variables. Then, multiple-regression models examine the roles of psychological capital between education, civic networks, gender and social venture program initiation. Multiple regression analysis was used to identify whether psychological capital constructs are explanatory variables leading to social venture initiation. Through hierarchical regressions, the relationships among psychological capital variables and mediating variables were revealed. The third section examines correlations between psychological capital variables (efficacy, optimism, hope, and resiliency) and three mediating variables (education, civic networks and gender) and the dependent variable (social venture program initiation). The final section presents a summary of the research results based on the data analysis.
In this study, 416 eligible participants, including Chief Executive Officers, Presidents, Chief Financial Officers, Chief Operations Officers, Chief Information Officers, Managing Directors, Program Directors, Staff and Others were invited to participate, and respond to the survey study, through an e-mail invitation. After receiving a list of 416 eligible participants from the National Urban League, a request for participation was submitted to the eligible participants via e-mail. By clicking on the secure web link included in the e-mail request, participants were linked to the voluntary consent form where they had the opportunity to agree to participate in this research study. After two months of data collection, 180 participants completed the research questionnaire. However, due to having one questionnaire being completed by an Urban League staff member, the final number of eligible questionnaires was 179, for a response rate of 43.0%. This exceeds the minimum sample size of 162 participants required (Cochran, 2007), or required response rate of 39%. All usable survey instrument questions were coded for data analysis for the Statistical Package for Social Sciences (SPSS) version 16.0 computer software.

Descriptive Analysis

Socio-Demographic Characteristics

Of the 179 qualified participants, 18 (10.1%) were Chief Executive Officers, 33 (18.4%) were Presidents, 30 (16.8%) were Chief Financial Officers, 64 (35.8%) were Chief Operations Officers, 33 (18.4%) were Chief Information Officers and 1 (.6%) was a Managing Director. The organization profile of the 179 participant’s is presented in Table 4-1.
Table 4-1

**Descriptive Profile of Research Participant’s by Title**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>18</td>
<td>10.1</td>
<td>10.1</td>
<td>10.1</td>
</tr>
<tr>
<td>President</td>
<td>33</td>
<td>18.4</td>
<td>18.4</td>
<td>28.5</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>30</td>
<td>16.8</td>
<td>16.8</td>
<td>45.3</td>
</tr>
<tr>
<td>Chief Operations Officer</td>
<td>64</td>
<td>35.8</td>
<td>35.8</td>
<td>81.0</td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>33</td>
<td>18.4</td>
<td>18.4</td>
<td>99.4</td>
</tr>
<tr>
<td>Managing Director</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>179</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Of the 179 participants, 155 (86.6%) have attained a bachelor degree, 19 (10.6%) have attained a Master degree, and 5 (2.8%) have attained a Doctorate degree. None of the respondents terminated their education at the high school level, and none attended college but did not earn a degree. Additionally, no survey participant terminated their education at the associate degree level, nor did any survey participant complete a Jurist Doctorate degree. Ten (5.6%) have between 1-3 civic network relationships, 35 (19.6%) have 4-6 civic network relationships, 111 (62.0%) have 7-9 civic network relationships, and 23 (12.8%) have 10 or more civic network relationships. The gender of the respondents were 134 (74.9%) male participants, and 45 (25.1%) female. The education, civic network and gender profiles’ of the 179 participants are shown in Table 4-2.
Table 4-2

**Descriptive Analysis of Mediating Variables**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor</td>
<td>155</td>
<td>86.6</td>
<td>86.6</td>
<td>97.2</td>
</tr>
<tr>
<td>Master</td>
<td>19</td>
<td>10.6</td>
<td>10.6</td>
<td>10.6</td>
</tr>
<tr>
<td>Doctorate</td>
<td>5</td>
<td>2.8</td>
<td>2.8</td>
<td>100</td>
</tr>
<tr>
<td><strong>Civic Networks</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-3</td>
<td>10</td>
<td>5.6</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>4-6</td>
<td>35</td>
<td>19.6</td>
<td>19.6</td>
<td>25.1</td>
</tr>
<tr>
<td>7-9</td>
<td>111</td>
<td>62.0</td>
<td>62.0</td>
<td>87.2</td>
</tr>
<tr>
<td>10 or more</td>
<td>23</td>
<td>12.8</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>134</td>
<td>74.9</td>
<td>74.9</td>
<td>74.9</td>
</tr>
<tr>
<td>Female</td>
<td>45</td>
<td>25.1</td>
<td>25.1</td>
<td>100</td>
</tr>
</tbody>
</table>

Of the 179 participants, 119 (66.5%) received training in social entrepreneurship or venture program initiation and 60 (33.5%) have not received training in social entrepreneurship or social venture program initiation. Additionally, 161 (89.9%) of the participants have initiated a not-for-profit social venture program through their organization, and 18 (10.1%) have not initiated a not-for-profit social venture program through their organization. Of the 161 participants who initiated a social venture program through their organization, 44 (24.6%) initiated a not-for-profit social venture program within the past 7-12 months, 103 (57.5%) initiated a not-for-profit social venture program within the past 13-24 months and 14 (7.3%) initiated a not-for-profit social venture program within the past 25 or more months. Also, of the 161 participants who initiated a not-for-profit social venture program through their organization, 11 (6.1%) initiated a not-for-profit social venture program focused on youth, 41 (22.9%) initiated not-for-profit social venture program focused on education and 109 (60.9%) initiated a not-for-profit social venture programs focused on the community.
The descriptive profile of participants who received social venture program training, social venture program initiation, the social venture program initiation timeline and the type of social venture programs initiated by participants is described in Table 4-3.

Table 4-3

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Venture Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>119</td>
<td>66.5</td>
<td>66.5</td>
<td>66.5</td>
</tr>
<tr>
<td>No</td>
<td>60</td>
<td>33.5</td>
<td>33.5</td>
<td>100</td>
</tr>
<tr>
<td>Social Venture Program Initiation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>161</td>
<td>89.9</td>
<td>89.9</td>
<td>89.9</td>
</tr>
<tr>
<td>No</td>
<td>18</td>
<td>10.1</td>
<td>10.1</td>
<td>100</td>
</tr>
<tr>
<td>Social Venture Program Initiation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7-12 months</td>
<td>44</td>
<td>24.6</td>
<td>27.5</td>
<td>27.5</td>
</tr>
<tr>
<td>13-24 months</td>
<td>103</td>
<td>57.5</td>
<td>64.4</td>
<td>91.9</td>
</tr>
<tr>
<td>25 or more months</td>
<td>14</td>
<td>7.3</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>Type of Social Venture Program Initiated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth</td>
<td>11</td>
<td>6.1</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Education</td>
<td>41</td>
<td>22.9</td>
<td>25.5</td>
<td>32.3</td>
</tr>
<tr>
<td>Community</td>
<td>109</td>
<td>60.9</td>
<td>67.7</td>
<td>100</td>
</tr>
<tr>
<td>None</td>
<td>10</td>
<td>10.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Exploratory Factor Analysis**

Exploratory factor analysis (EFA) was employed to examine construct validity based on correlations, and to fulfill data reduction in order to extract common factors from items measuring the constructs (Leech et al. 2005). In this study, the psychological capital instrument comprised of four variables: efficacy, optimism, hope and resiliency. The four variables were multi-dimensional and were measured in the psychological capital questionnaire by questions one through twenty-four. Questions one through six of...
the psychological capital questionnaire focused on identifying the participant's efficacy. Questions seven through twelve focused on identifying the participant's level of hope. Questions thirteen through eighteen focused on identifying the participant's level of optimism and questions nineteen through twenty-four focused on identifying the participant's resiliency. Social venture program initiation was also a uni-dimensional variable and the construct, social venture program initiation, was measure by question twenty-eight, in Part Two of the survey instrument. The principal components analysis with a varimax rotation was conducted to examine the validity of the constructs and to fulfill data reduction so as to extract common factors and identify whether the constructs of this study were consistent with the original set of variables.

Before completing EFA, a Kaiser-Myer-Olkin (KMO) test and Bartlett's test were performed. The purpose of the KMO test was to examine whether items were sufficiently predicated for each factor, whereas the purpose of Bartlett's test was to indicate whether items were highly correlated in order to provide a logical reason for performing EFA. KMO value should be at least .70 and Bartlett's test should be significant ($p<.05$) (Leech et al. 2005). On examining KMO values and Bartlett's test, the results indicated not only that all constructs in this study were sufficient for social science research, but also that EFA could be conducted to examine validity of the instrument. KMO values and Bartlett’s test of the dependent variable is exhibited in Table 4-4.

Table 4-4

<table>
<thead>
<tr>
<th>Construct</th>
<th>KMO</th>
<th>Bartlett's Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Venture Initiation</td>
<td>.888</td>
<td>2344.500 df 406 Sig. (p)</td>
</tr>
</tbody>
</table>
On examining KMO values and Bartlett's test for the independent variables, the results indicated not only that not all constructs in this study were sufficient for social science research due to the KMO value being greater than .70 (Leech et al, 2005) but EFA could be conducted to examine validity of the instrument with a significance of less than 0.05. KMO values and Bartlett's test of the independent variables (efficacy, optimism, hope, and resiliency) are exhibited in Table 4-5.

Table 4-5

<table>
<thead>
<tr>
<th>Constructs</th>
<th>KMO</th>
<th>Bartlett's Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Capital</td>
<td>.903</td>
<td>2195.402 276 .006</td>
</tr>
</tbody>
</table>

In the following, EFA examines the validity of psychological capital constructs of efficacy, optimism, hope and reliability. The four, six-item constructs were examined through principal components analysis with a varimax rotation. Based on the communalities, eigenvalue and the scree plot test, all factors were regrouped. The scree plot test determines how many eigenvalues of the correlation matrix should be maintained (Leech et at, 2005). According to communalities within the efficacy construct, efficacy one regrouped to hope one; efficacy two regrouped with efficacy three, efficacy three regrouped with efficacy four; efficacy four regrouped with hope two; efficacy five regrouped with hope one and efficacy six regrouped with optimism two according to factors loading.

Within the hope construct, hope one regrouped with efficacy five; hope two regrouped with optimism five; hope three regrouped with efficacy six; hope four...
remained hope four, hope five regrouped with become optimism one and hope six regrouped with efficacy one according to factors loading.

Within the optimism construct, optimism one was regrouped to become resiliency three; optimism two was regrouped to become hope six; optimism three was regrouped to become hope three; optimism four regrouped to become hope five; optimism five regrouped to resiliency two and optimism six remained optimism six according to factors loading.

Finally, within the resiliency construct, resiliency one regrouped to become residency four, resiliency two regrouped to become efficacy three; resiliency three regrouped to become resiliency five; resiliency four regrouped to become resiliency six, resiliency five regrouped to become optimism three and resiliency six regrouped to become optimism four according to factors loading. Therefore, each psychological capital variable included six items. As shown in Table 4-6, factor loadings of the four six-item constructs associated with the psychological capital were greater than .40 with an eigenvalue of 9.578. Based on Leech et al. (2005), the results presented that construct validity was acceptable for all constructs.
Table 4-6

Factor Loadings for Psychological Capital

<table>
<thead>
<tr>
<th>Item</th>
<th>Efficacy</th>
<th>Hope</th>
<th>Optimism</th>
<th>Resiliency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy 1 (R1)</td>
<td>.762</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficacy 2 (E3)</td>
<td>.759</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficacy 3 (E4)</td>
<td>.754</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficacy 4 (H2)</td>
<td>.747</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficacy 5 (H1)</td>
<td>.715</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficacy 6 (O2)</td>
<td>.710</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope 1 (E5)</td>
<td></td>
<td>.706</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope 2 (O5)</td>
<td></td>
<td>.691</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope 3 (E6)</td>
<td></td>
<td>.689</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope 4 (H4)</td>
<td></td>
<td>.641</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope 5 (O1)</td>
<td></td>
<td>.638</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope 6 (E1)</td>
<td></td>
<td>.632</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimism 1 (R3)</td>
<td></td>
<td></td>
<td>.625</td>
<td></td>
</tr>
<tr>
<td>Optimism 2 (H6)</td>
<td></td>
<td></td>
<td>.624</td>
<td></td>
</tr>
<tr>
<td>Optimism 3 (H3)</td>
<td></td>
<td></td>
<td>.610</td>
<td></td>
</tr>
<tr>
<td>Optimism 4 (H5)</td>
<td></td>
<td></td>
<td>.575</td>
<td></td>
</tr>
<tr>
<td>Optimism 5 (R2)</td>
<td></td>
<td></td>
<td>.554</td>
<td></td>
</tr>
<tr>
<td>Optimism 6 (O6)</td>
<td></td>
<td></td>
<td>.551</td>
<td></td>
</tr>
<tr>
<td>Resiliency 1 (R4)</td>
<td></td>
<td></td>
<td>.547</td>
<td></td>
</tr>
<tr>
<td>Resiliency 2 (E2)</td>
<td></td>
<td></td>
<td>.533</td>
<td></td>
</tr>
<tr>
<td>Resiliency 3 (R5)</td>
<td></td>
<td></td>
<td>.502</td>
<td></td>
</tr>
<tr>
<td>Resiliency 4 (R6)</td>
<td></td>
<td></td>
<td>.495</td>
<td></td>
</tr>
<tr>
<td>Resiliency 5 (O3)</td>
<td></td>
<td></td>
<td>.485</td>
<td></td>
</tr>
<tr>
<td>Resiliency 6 (O4)</td>
<td></td>
<td></td>
<td>.426</td>
<td></td>
</tr>
</tbody>
</table>

Eigenvalue | 9.578
% of Variance | 39.909

Extraction Method: Psychological Capital Component Analysis.

Level of education, civic networking and gender comprised of nine items holding eight components, and was examined through principal component analysis with varimax rotation. As identified in Table 4-7, factors loading for the mediating variable education
were all over 0.70. This result pointed out that the validity of all variables were acceptable according to social science research standards (Leech et al., 2005).

Table 4-7

Factors Loading for Mediating Variables

<table>
<thead>
<tr>
<th>Item</th>
<th>Factors Loading</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>1.248</td>
<td>.876</td>
</tr>
<tr>
<td>Civic Networks</td>
<td>1.017</td>
<td>.645</td>
</tr>
<tr>
<td>Gender</td>
<td>.734</td>
<td>.744</td>
</tr>
<tr>
<td>Eigenvalues</td>
<td>1.248</td>
<td></td>
</tr>
<tr>
<td>% of Variance</td>
<td>41.616</td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Mean and Standard Deviations for All Variables

In Table 4-8 the results for the mean of all social venture program research participants are identified. Table 4-8 identifies that the mean for administrators holding the degree of bachelor is higher than that of those holding master of doctorate degrees. Also, the majority of administrators were identified as having between seven and nine different civic networks groups. Male respondents outnumbered female respondents by more than a three-to-one ratio.

Table 4-8

Characteristics of all Social Venture Research Participants

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>No</th>
<th>%</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>179</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor</td>
<td>155</td>
<td>85.8%</td>
<td>1.09</td>
</tr>
<tr>
<td>Master</td>
<td>19</td>
<td>11.7%</td>
<td>1.21</td>
</tr>
<tr>
<td>Doctorate</td>
<td>5</td>
<td>2.5%</td>
<td>1.00</td>
</tr>
<tr>
<td>Civic Networks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-3 groups</td>
<td>10</td>
<td>6.1%</td>
<td>1.20</td>
</tr>
<tr>
<td>4-6 groups</td>
<td>35</td>
<td>19.8%</td>
<td>1.11</td>
</tr>
<tr>
<td>7-9 groups</td>
<td>111</td>
<td>62.4%</td>
<td>1.11</td>
</tr>
<tr>
<td>10 or more groups</td>
<td>23</td>
<td>11.7%</td>
<td>1.00</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>134</td>
<td>74.1%</td>
<td>1.09</td>
</tr>
<tr>
<td>Female</td>
<td>45</td>
<td>25.9%</td>
<td>1.13</td>
</tr>
</tbody>
</table>

108
As shown in Table 4-9, all variables in this study are briefly presented for the full sample. Psychological capital was calculated by the 24 items used to measure the four psychological capital constructs (efficacy, optimism, hope and resiliency). The mediating variables (education, civic networks and gender) are calculated by items 25, 26 and 31, respectively in Part Two of the survey instrument. The descriptive variable of social venture initiation is calculated by item 28 in Part Two of the survey instrument. From Table 4-9, the distribution of some variables was not normal because absolute value of the skewness of kurtosis were not less than one (Leech, Barett and Morgan, 2005).

Table 4-9

<table>
<thead>
<tr>
<th>Variable (Items)</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>3.67</td>
<td>2.83006</td>
<td>.637</td>
<td>3.179</td>
</tr>
<tr>
<td>Optimism</td>
<td>3.45</td>
<td>2.26501</td>
<td>.127</td>
<td>1.311</td>
</tr>
<tr>
<td>Hope</td>
<td>3.68</td>
<td>2.50089</td>
<td>.059</td>
<td>.588</td>
</tr>
<tr>
<td>Resiliency</td>
<td>3.60</td>
<td>3.08646</td>
<td>-.206</td>
<td>.567</td>
</tr>
<tr>
<td>Education</td>
<td>4.92</td>
<td>.359</td>
<td>-1.051</td>
<td>4.136</td>
</tr>
<tr>
<td>Civic networks</td>
<td>2.82</td>
<td>.720</td>
<td>-.631</td>
<td>.634</td>
</tr>
<tr>
<td>Gender</td>
<td>1.25</td>
<td>.435</td>
<td>1.156</td>
<td>-.672</td>
</tr>
<tr>
<td>SV Initiation</td>
<td>1.10</td>
<td>.302</td>
<td>2.679</td>
<td>5.235</td>
</tr>
</tbody>
</table>

Note: Sample of all independent variables N=179

As shown in Table 4-10, the item mean of all psychological capital constructs are shown. The percentages of question specific responses, to all psychological capital questions are identified.
### Table 4-10

**Item Mean for Psychological Capital Constructs**

<table>
<thead>
<tr>
<th>Psychological Capital Construct</th>
<th>Item</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Std. Deviation</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>1</td>
<td>10.3%</td>
<td>9.2%</td>
<td>32.8%</td>
<td>6.3%</td>
<td>10.1%</td>
<td>21.3%</td>
<td>.305</td>
<td>3.78</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>3.4%</td>
<td>6.1%</td>
<td>66.3%</td>
<td>24.0%</td>
<td>.652</td>
<td>5.11</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>1.7%</td>
<td>2.8%</td>
<td>68.2%</td>
<td>27.4%</td>
<td>.652</td>
<td>5.11</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>3.9%</td>
<td>8.9%</td>
<td>59.8%</td>
<td>27.4%</td>
<td>.715</td>
<td>5.11</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>2.2%</td>
<td>10.1%</td>
<td>54.7%</td>
<td>33.0%</td>
<td>.699</td>
<td>5.18</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>2.8%</td>
<td>7.3%</td>
<td>62.6%</td>
<td>27.4%</td>
<td>.663</td>
<td>5.15</td>
</tr>
<tr>
<td>Optimism</td>
<td>1</td>
<td>3.4%</td>
<td>1.7%</td>
<td>7.3%</td>
<td>59.8%</td>
<td>14.5%</td>
<td>13.4%</td>
<td>.736</td>
<td>5.12</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1.7%</td>
<td>1.1%</td>
<td>67.6%</td>
<td>29.6%</td>
<td>.736</td>
<td>5.25</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>5.6%</td>
<td>19.6%</td>
<td>62.0%</td>
<td>12.3%</td>
<td>0</td>
<td>.6%</td>
<td>1.753</td>
<td>2.83</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0</td>
<td>.6%</td>
<td>2.2%</td>
<td>8.4%</td>
<td>63.1%</td>
<td>25.7%</td>
<td>.686</td>
<td>5.11</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>2.2%</td>
<td>4.5%</td>
<td>60.9%</td>
<td>32.4%</td>
<td>.637</td>
<td>5.23</td>
</tr>
<tr>
<td>Hope</td>
<td>1</td>
<td>3.4%</td>
<td>1.7%</td>
<td>7.3%</td>
<td>59.8%</td>
<td>14.5%</td>
<td>13.4%</td>
<td>.736</td>
<td>5.12</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2.2%</td>
<td>7.3%</td>
<td>52.5%</td>
<td>38.0%</td>
<td>.690</td>
<td>5.26</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2.2%</td>
<td>7.3%</td>
<td>52.5%</td>
<td>38.0%</td>
<td>.690</td>
<td>5.26</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>4.5%</td>
<td>13.4%</td>
<td>57.0%</td>
<td>25.1%</td>
<td>.753</td>
<td>5.03</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>19.0%</td>
<td>21.8%</td>
<td>6.1%</td>
<td>32.4%</td>
<td>10.6%</td>
<td>10.1%</td>
<td>1.609</td>
<td>3.76</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>.6%</td>
<td>2.2%</td>
<td>63.7%</td>
<td>33.5%</td>
<td>.539</td>
<td>5.30</td>
</tr>
<tr>
<td>Resiliency</td>
<td>1</td>
<td>5.0%</td>
<td>7.8%</td>
<td>60.3%</td>
<td>26.8%</td>
<td>.737</td>
<td>5.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>3.4%</td>
<td>13.4%</td>
<td>49.2%</td>
<td>34.1%</td>
<td>.770</td>
<td>5.14</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2.2%</td>
<td>12.3%</td>
<td>53.1%</td>
<td>32.4%</td>
<td>.717</td>
<td>5.16</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>3.4%</td>
<td>13.4%</td>
<td>49.2%</td>
<td>34.1%</td>
<td>.770</td>
<td>5.14</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>6.7%</td>
<td>5.6%</td>
<td>33.5%</td>
<td>7.8%</td>
<td>26.4%</td>
<td>19.0%</td>
<td>.302</td>
<td>4.01</td>
</tr>
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<td></td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>3.9%</td>
<td>10.1%</td>
<td>56.4%</td>
<td>29.6%</td>
<td>.736</td>
<td>5.12</td>
</tr>
</tbody>
</table>
Reliability Analysis

Reliability of the instrument used in the study indicated that the variables do not have items measured with semantic differential rating scales. The internal consistency of the multiple-item scales were estimated through Cronbach’s alpha. A Cronbach’s coefficient alpha for each of the four psychological capital variables (efficacy, optimism, hope and resiliency) correlation for this study was used to evaluate social venture program initiation. According to Leech et al. (2005), Cronbach’s alpha is used to evaluate the reliability of a variable measured by the scale items to calculate the internal consistency based on the average correlation of each item in the scale with every other item.

Based on Leech et al. (2005) and Nunnally (1978), a Cronbach’s coefficient alpha for each of these scales need to reach .70, the minimum threshold for the internal consistency reliability in the social science research. Through Chronbach’s alpha, the coefficient’s of the psychological capital constructs range from .541 to .802. These are shown in Table 4-11. The results indicate that the instruments in the study have mixed internal consistency reliability. With respect to the dependent variable (social venture program initiation), the interrater reliability was employed to assess the reliability of social venture program initiation, depending on correlation between respondents.

Psychological capital has four constructs (efficacy, optimism hope and resiliency). In the original survey instrument, questions one through six of the psychological capital questionnaire focused on identifying the participants level of efficacy by presenting questions that focused on measuring the participants level of confidence in the areas of problem solving, strategic planning and goal setting.
Questions seven through twelve focused identifying the participant’s hope quotient by measuring the participants problem solving and decision making abilities. Questions thirteen through eighteen measured the participant’s resiliency level and focused on the participant’s ability to respond to organizational setbacks and disappointments and questions nineteen through twenty four focused on the participant’s optimism quotient and identified the participant’s level of self awareness and motivation. However, after exploratory factor analysis (EFA), most items were regrouped. See Table 4-6.

After EFA, Table 4-11 indicates that the internal consistency reliability of psychological capital and social venture initiation is mixed due to the alpha levels of the psychological capital constructs efficacy and resiliency being greater than .70 and the alpha levels of the psychological capital constructs hope and optimism and social venture program initiation being less than .70.

Table 4-11

*Internal Consistency Reliability of Psychological Capital and Social Venture Program Initiation*

<table>
<thead>
<tr>
<th>Variables of Psychological Capital</th>
<th>Items</th>
<th>Cronbach’s Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>6</td>
<td>.802</td>
</tr>
<tr>
<td>Hope</td>
<td>6</td>
<td>.575</td>
</tr>
<tr>
<td>Optimism</td>
<td>6</td>
<td>.541</td>
</tr>
<tr>
<td>Resiliency</td>
<td>6</td>
<td>.770</td>
</tr>
<tr>
<td>Social Venture Program Initiation</td>
<td>1</td>
<td>.302</td>
</tr>
</tbody>
</table>
Multiple Regressions

Pearson’s Correlation

In this section, a bivariate analysis examines the inter-relationship between all variables using Pearson’s correlation. According to Leech et al. (2005) Pearson’s correlation is a bivariate parametric statistic to examine the relationship between variables. Psychological capital (efficacy, optimism, hope and resiliency), mediating variables (education, civic networks and gender), and social venture program initiation are shown in Table 4-12.

The first variable examined was the correlation between psychological capital variables (efficacy, optimism, hope and resiliency) and social venture program initiation. Through (2-tailed) Pearson’s correlation, the full sample correlation between psychological capital and social venture program initiation is exhibited in Table 4-12.

Table 4-12

Pearson’s Correlation Matrix of Independent and Mediating Variables and Social Venture Initiation

<table>
<thead>
<tr>
<th>Elements/Dimensions</th>
<th>Efficacy</th>
<th>Hope</th>
<th>Optimism</th>
<th>Resiliency</th>
<th>Education</th>
<th>Civic Networks</th>
<th>Gender</th>
<th>Social Venture Initiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope</td>
<td>.828**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimism</td>
<td>.568**</td>
<td>.640**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resiliency</td>
<td>.651**</td>
<td>.663**</td>
<td>.632**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>.186*</td>
<td>.217**</td>
<td>.232**</td>
<td>.156*</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civic</td>
<td>.062</td>
<td>.050</td>
<td>.335**</td>
<td>.134</td>
<td>.141</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Networks</td>
<td>.005</td>
<td>-.013</td>
<td>-.045</td>
<td>-.064</td>
<td>.019</td>
<td>-.214**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>.111</td>
<td>-.076</td>
<td>-.095</td>
<td>.016</td>
<td>-.135</td>
<td>-.124</td>
<td>.063</td>
<td>1.000</td>
</tr>
<tr>
<td>Social Venture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *. Correlation is significant at the 0.05 level (2-tailed).**. Correlation is significant at the 0.01 level (2-tailed).
Four factors are revealed from the Pearson's correlation. First, all psychological capital variables (efficacy, optimism, hope and resiliency), and one mediating variable (education) are significant and positively correlated. One other mediating variable (civic networks) is significant and positively related to optimism.

Second, the only other significant correlation was two mediating variables (gender and civic networks) but was negatively related. The remaining civic networks correlation with education was positive but not significant. Third, gender had a negative correlation with three of the four psychological capital variables (hope, optimism and resiliency), but not significant. Gender and education has a positive, non-significant correlation.

Finally, social venture initiation has no significant correlations. Furthermore, three of the four psychological capital variables (efficacy, hope, optimism), and two mediating variables (education and civic networks) were negatively correlated. Hence, only resiliency and gender had a positive correlation with social venture program initiation.

Hierarchical Multiple Regression

Multiple regression analysis was one of the advanced statistical methods predicking explanatory relationships between two or more independent variables and one dependent variable (Leech et al. 2005). Aiken and West (1991) proposed multiple regression analysis as a general strategy for analyzing data. Hierarchical multiple regression is an appropriate statistical method when a causal design study requires "the order in which one wants to enter predictors and wants to know how prediction by certain variables improve on predictions by others" (Leech et al, 2005, p.91). As a result, the
SPSS 16.0 version enter method for hierarchical multiple regression was employed to examine the explanatory relationships. For this study, entering the variables of psychological capital (efficacy, optimism, hope and resiliency) and mediating variables (education, civic networks and gender) predicts the relationship to the influence on social venture initiation, the dependent variables, to test the five hypotheses. A significance level (α) of 0.05 was used. For each predictor, independent and mediating variables, a T
value was included to show the significant level of the psychological capital and mediating variables. Furthermore, the significant value (p) determines F that indicates the combination of all predictor variables for the independent variable (Leech et al. 2005). The adjusted R² indicted the variances, or explained from the predictor variables.

Hypothesis 1 states that psychological capital significantly influences social venture program initiation. For H₁ (F = 1.605, p = .175), the adjusted R² for social venture program initiation and psychological capital was 0.013, or 1.3% of the variance was explained by the four independent variables. The relationship among these variables were not significant, but included resiliency (T = 1.887, p = .061); efficacy (T = -1.476, p = 0.142), optimism (T = 1.334, p = 0.184), and hope (T = 0.296, p = 0.768).

Based on the standardized coefficients, the degree of strength of the predictor variables, resiliency (β = 0.207) and hope (β = 0.043) were positive predictors of social venture program initiation. However, efficacy (β = -0.202) and optimism (β = -0.139) were negative predictors. Therefore, as resiliency and hope increase, social venture program initiation increased, or a direct relationship (influence). However, as efficacy and optimism increase, social venture program initiation decreased, or an inverse relationship (influence).
Based on the multiple regression model shown in Table 4-13, $H_1$ is not supported.

Table 4-13

Regression Models for Social Venture Initiation – $H_1$

<table>
<thead>
<tr>
<th>Variable</th>
<th>Regression Coefficient</th>
<th>Standard Error</th>
<th>Standardized Coefficient</th>
<th>T</th>
<th>Significant T</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.407</td>
<td>.225</td>
<td>6.259</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Resiliency</td>
<td>.020</td>
<td>.011</td>
<td>.207</td>
<td>1.887</td>
<td>.061</td>
</tr>
<tr>
<td>Efficacy</td>
<td>-.022</td>
<td>.015</td>
<td>-.202</td>
<td>-1.476</td>
<td>.142</td>
</tr>
<tr>
<td>Optimism</td>
<td>-.018</td>
<td>.014</td>
<td>-.139</td>
<td>-1.334</td>
<td>.184</td>
</tr>
<tr>
<td>Hope</td>
<td>.005</td>
<td>.017</td>
<td>.043</td>
<td>.296</td>
<td>.768</td>
</tr>
</tbody>
</table>

Hypothesis 2 states that psychological capital and education significantly influence social venture program initiation. For $H_2$ ($F = 1.733, p = .130$), the adjusted $R^2$ for social venture program initiation and the psychological capital and education was 0.020, or 2.0% of the variance was explained by the independent variables. The relationship among these variables were not significant, but included efficacy ($T = -1.471, p = 0.143$), hope ($T = .395, p = 0.693$), optimism ($T = -1.140, p = 0.256$), resiliency ($T = 1.847, p = 0.066$) and education ($T = -1.483, p = .140$). Based on the standardized coefficients, the degree of strength of the predictor variables, hope ($\beta = 0.057$) and resiliency ($\beta = 0.202$) were positive predictors of social venture program initiation. However, efficacy ($\beta = -0.201$) optimism ($\beta = -0.119$) and education ($\beta = -0.144$) were negative predictors. Therefore, as hope and resiliency increase, social venture program initiation increased, or have a direct relationship (influence). However, as efficacy, optimism and education increase, social venture program initiation decreased, or has an inverse relationship (influence).

Based on the multiple regression model presented in Table 4-14, $H_2$ is not supported.
Hypothesis 3 states that psychological capital and civic networks significantly influence social venture program initiation. For $H_3$ ($F = 1.678, p = .142$), the adjusted $R^2$ for social venture program initiation, psychological capital and civic networks was 0.019, or 1.9% of the variance was explained by the independent variables. The relationship among these variables were not significant, but included efficacy ($T = -1.474, p = 0.142$), hope ($T = .078, p = 0.938$), optimism ($T = -0.720, p = 0.473$), resiliency ($T = 1.880, p = 0.062$) and civic networks ($T = -1.391, p = .166$). Based on the standardized coefficients, the degree of strength of the predictor variables, hope ($\beta = 0.011$) and resiliency ($\beta = .205$) were positive predictors of social venture program initiation. However, efficacy ($\beta = -0.201$), optimism ($\beta = -0.080$) and civic networks ($\beta = -0.113$) were negative predictors. Therefore, as hope and resiliency increase, social venture program initiation increased, or has a direct relationship (influence). However, as efficacy, optimism and civic networks increase, social venture program initiation decreased, or have an inverse relationship (influence).

Based on the multiple regression model shown in Table 4-15, $H_3$ is not supported.
Table 4-15

Regression Model for Social Venture Initiation – H₃

<table>
<thead>
<tr>
<th>Psychological Capital and Civic Networks</th>
<th>R² = .046</th>
<th>Adjusted R² = .019</th>
<th>Standard Error = .299</th>
<th>F = 1.678</th>
<th>Significant F = .142</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
<td>Regression Coefficient</td>
<td>Standard Error</td>
<td>Standardized Coefficient</td>
<td>T</td>
<td>Significant T</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.464</td>
<td>.228</td>
<td></td>
<td>6.423</td>
<td>.000</td>
</tr>
<tr>
<td>Efficacy</td>
<td>-.021</td>
<td>.015</td>
<td>-.201</td>
<td>-1.474</td>
<td>.142</td>
</tr>
<tr>
<td>Hope</td>
<td>.001</td>
<td>.018</td>
<td>.011</td>
<td>.078</td>
<td>.938</td>
</tr>
<tr>
<td>Optimism</td>
<td>-.011</td>
<td>.015</td>
<td>-.080</td>
<td>-1.720</td>
<td>.473</td>
</tr>
<tr>
<td>Resiliency</td>
<td>.020</td>
<td>.011</td>
<td>.205</td>
<td>1.880</td>
<td>.062</td>
</tr>
<tr>
<td>Civic Networks</td>
<td>-.047</td>
<td>.034</td>
<td>-.113</td>
<td>-1.391</td>
<td>.166</td>
</tr>
</tbody>
</table>

Hypothesis 4 states that psychological capital and gender significantly influence social venture program initiation. For H₄ (F = 1.470, p = .202), the adjusted R² for social venture program initiation and the psychological capital and civic networks was 0.013, or 1.3% of the variance was explained by the independent variables. The relationship among these variables were not significant, but included efficacy (T = -1.520, p = 0.130), hope (T = .294, p = 0.769), optimism (T = -1.311, p = 0.192), resiliency (T = 1.951, p = 0.053) and gender (T = .967, p = .335). Based on the standardized coefficients, the degree of strength of the predictor variables, hope (β = 0.043) resiliency (β = .214) and gender (β = 0.072) were positive predictors of social venture program initiation. However, efficacy (β = -0.208) and optimism (β = -0.136) were negative predictors. Therefore, as hope, resiliency and gender increase, social venture program initiation increased, or have a direct relationship (influence). However, as efficacy and optimism increase, social venture program initiation decreased, or has an inverse relationship (influence).

Based on the multiple regression model represented in Table 4-16, H₄ is not supported.
Hypothesis 5 states that psychological capital, education, civic networks and gender significantly influence social venture program initiation. For H5 ($F = 1.547, p = .155$), the adjusted $R^2$ for social venture program initiation and the psychological capital, education, civic networks and gender was 0.021, or 2.1% of the variance was explained by the independent variables. The relationship among these variables were not significant, but included efficacy ($T = -1.520, p = 0.135$), hope ($T = 0.214, p = 0.831$), optimism ($T = -0.646, p = 0.519$), resiliency ($T = 1.890, p = 0.060$), education ($T = 1.394, p = .165$), civic networks ($T = -1.066, p = .288$), and gender ($T = 0.754, p = 452$). Based on the standardized coefficients, the degree of strength of the predictor variables, hope ($\beta = 0.031$), resiliency ($\beta = .207$) and gender ($\beta = 0.058$) were positive predictors of social venture program initiation. However, efficacy ($\beta = -0.205$), optimism ($\beta = -0.073$), education ($\beta = -0.107$) and civic networks ($\beta = -0.089$) were negative predictors.

Therefore, as hope, resiliency and gender increase, social venture program initiation increased, or have a direct relationship (influence). However, as efficacy, optimism, education and civic networks increase, social venture program initiation decreased, or have an inverse relationship (influence).
Based on the multiple regression model represented in Table 4-17, $H_5$ is not supported.

Table 4-17

**Regression Model for Social Venture Initiation – $H_5$**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Regression Coefficient</th>
<th>Standard Error</th>
<th>Standardized Coefficient</th>
<th>T</th>
<th>Significant T</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.761</td>
<td>.350</td>
<td>-.205</td>
<td>5.025</td>
<td>.000</td>
</tr>
<tr>
<td>Efficacy</td>
<td>-.022</td>
<td>.015</td>
<td>-.073</td>
<td>-1.502</td>
<td>.135</td>
</tr>
<tr>
<td>Hope</td>
<td>.004</td>
<td>.018</td>
<td>.031</td>
<td>.214</td>
<td>.831</td>
</tr>
<tr>
<td>Optimism</td>
<td>-.010</td>
<td>.015</td>
<td>-.073</td>
<td>-1.502</td>
<td>.135</td>
</tr>
<tr>
<td>Resiliency</td>
<td>.020</td>
<td>.011</td>
<td>.031</td>
<td>1.890</td>
<td>.060</td>
</tr>
<tr>
<td>Education</td>
<td>-.090</td>
<td>.065</td>
<td>-.107</td>
<td>-1.394</td>
<td>.165</td>
</tr>
<tr>
<td>Civic</td>
<td>-.037</td>
<td>.035</td>
<td>-.089</td>
<td>-1.066</td>
<td>.288</td>
</tr>
<tr>
<td>Networks</td>
<td>.040</td>
<td>.053</td>
<td>.058</td>
<td>.754</td>
<td>.452</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Summary of Findings**

Based on the data analysis results mentioned above, the following is a summary of findings. Of the 179 qualified participants, 10% were Chief Executive Officers, 18.4% were Presidents, 16.8% were Chief Financial Officers, 35% were Chief Operations Officers, 18.4% were Chief Information Officers and 6% were managing directors.

Education attributes identified that 86.6% of participants attained a Bachelor degree, 10.6% attained a Master degree and 2.8% attained a Doctorate degree. The participants were 74.1% male and 25.9% female. Male respondents outnumbered female respondents by more than three-to-one.

The psychological capital variables comprised of four six-item constructs. Based on communalities and eigenvalues, all factors were regrouped according to factor loadings. All factor loadings of the four six-item constructs were greater than .40 with an eigenvalue of 9.578.
According to reliability analysis the internal consistency reliability of psychological capital and social venture program initiation is mixed. The alpha levels of the psychological constructs efficacy and resiliency were greater than .70, while the alpha levels of the psychological capital levels constructs hope and optimism and social venture initiation being less than .70.

Though the relationships were not significant, predictor variables were included for H1 ($F = 1.605, p = 0.175$); H2 ($F = 1.733, p = 0.130$), H3 ($F = 1.678, p = 0.142$), H4 ($F = 1.470, p = 0.202$); and H5 ($F = 1.547, p = .155$). Therefore, H1, H2, H3, H4 and H5 were not supported. As identified in Table 4-18, multiple regression analysis of psychological capital and mediating variables indicated that the $R^2$ for all independent variables was between .036 and .060, while the adjusted $R^2$ was between .013 and .021, indicating that between 1.3 and 2.1% of the variance was explained by the independent variable.

Table 4-18

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R$^2$</th>
<th>Adjusted R$^2$</th>
<th>Standard Error</th>
<th>F</th>
<th>Significant F (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 - Psychological Capital</td>
<td>.036</td>
<td>.013</td>
<td>.300</td>
<td>1.605</td>
<td>.175</td>
</tr>
<tr>
<td>H2 - Psychological Capital and Education</td>
<td>.048</td>
<td>.020</td>
<td>.299</td>
<td>1.733</td>
<td>.130</td>
</tr>
<tr>
<td>H3 - Psychological Capital and Civic Networks</td>
<td>.046</td>
<td>.019</td>
<td>.299</td>
<td>1.678</td>
<td>.142</td>
</tr>
<tr>
<td>H4 - Psychological Capital and Gender</td>
<td>.041</td>
<td>.013</td>
<td>.302</td>
<td>1.470</td>
<td>.202</td>
</tr>
<tr>
<td>H5 - Psychological Capital, Education, Civic Networks and Gender</td>
<td>.060</td>
<td>.021</td>
<td>.298</td>
<td>1.547</td>
<td>.155</td>
</tr>
</tbody>
</table>

As indicated in Table 4-19, hierarchical multiple regression identified that the psychological capital constructs of efficacy and optimism and the mediating variables of education and civic networks tested consistently as negative predictors of social venture program initiation, or an inverse relationship. The psychological capital constructs of
hope and resiliency and the mediating variable of gender consistently served as positive predictors of social venture program initiation, or a direct relationship. The standardized coefficients summary shown in Table 4-19 are generally consistent with the Pearson’s correlation bivariate analysis. See Table 4-12. The independent variables (psychological capital) of efficacy and optimism and the mediating variables of education and civic networks have an inverse relationship (influence) in the bivariate and multivariate analysis. On the other hand, the independent variable of resiliency, and mediating variable of gender have a direct relationship (influence) in both analyses. However, the independent variable of hope was inconsistent with an inverse relationship in the Pearson’s correlation and a direct influence in the multiple regression analysis.

The purpose of this study was to determine the relationship between the independent variables of psychological capital and three mediating variables to the dependent variable of social venture program initiation. Hence the research question was; are psychological capital (efficacy, optimism, hope and resiliency), education, civic networks and gender significant influences on social venture program initiation by organizational leaders? While the multiple regression results included all dependent and mediating variables for each model, the results were not significant with low R squares.

Table 4-19

<table>
<thead>
<tr>
<th>Predictors</th>
<th>H1</th>
<th>H2</th>
<th>H3</th>
<th>H4</th>
<th>H5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>-.202</td>
<td>-.201</td>
<td>-.201</td>
<td>-.208</td>
<td>-.205</td>
</tr>
<tr>
<td>Hope</td>
<td>.043</td>
<td>.057</td>
<td>.011</td>
<td>.043</td>
<td>.031</td>
</tr>
<tr>
<td>Optimism</td>
<td>-.139</td>
<td>-.119</td>
<td>-.080</td>
<td>-.136</td>
<td>-.073</td>
</tr>
<tr>
<td>Resiliency</td>
<td>.207</td>
<td>.202</td>
<td>.205</td>
<td>.214</td>
<td>.207</td>
</tr>
<tr>
<td>Education</td>
<td>*</td>
<td>-1.14</td>
<td>*</td>
<td>*</td>
<td>-1.07</td>
</tr>
<tr>
<td>Civic Networks</td>
<td>*</td>
<td>*</td>
<td>-.113</td>
<td>*</td>
<td>-.089</td>
</tr>
<tr>
<td>Gender</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>.072</td>
<td>.058</td>
</tr>
</tbody>
</table>

Note: * indicates not a variable in the hypothesis.
Chapter IV presented a description of the sample, the evaluation of measurement scales, results of tests for the five hypothesis and answers for the research questions for this study. Chapter V provides a discussion of the findings in terms of the interpretations, limitations, practical implications, conclusions, and recommendations for future study about the relationship between psychological capital, education, civic networks, gender and social venture program initiation.
A number of studies about the relationship between psychological capital and entrepreneurship have been discussed extensively (Luthans, Youssef and Avolio 2006; Jensen, and Luthans, 2006; Luthans, Youssef, and Avolio, 2007), but relatively little literature about the relationship between psychological capital and social venture program initiation has been identified. In consequence, this non-experimental, quantitative, correlational (explanatory) study was the first to examine the relationships between psychological capital (efficacy, hope, optimism, resiliency) (Luthans, Youssef and Avolio, 2007), and social venture program initiation; the first to correlate the relationship between psychological capital and education (Lauer, 2003), as an influencing variable in social venture program initiation; the first to correlate the relationship between psychological capital and civic networks (Denison, Hardy, et al. 2002), as a mediating variable influencing social venture program initiation; the first to correlate the relationship between psychological capital and gender (Macer, 2003), as a mediating variable influencing social venture program initiation; and the first to correlate the relationship between psychological capital (efficacy, optimism, hope, resiliency) education, civic networking and gender as variables influencing social venture program initiation. Therefore, the research question was; are psychological capital (efficacy, optimism, hope and resiliency) education, civic networks and gender significant influences on social venture initiation by organizational leaders? As a result, a total of five hypotheses were developed, tested and examined. Moreover, the most important statistical tests for the study was multiple regression models, which appropriately
analyzes the relationship among the independent variables to predict the dependent variable to identify whether psychological capital, education, civic networks and gender influence social venture program initiation. In Chapter V, therefore, a discussion of data analysis reported in Chapter IV and the conclusions for the analysis are presented.

In this study, the main psychological capital variables (efficacy, optimism, hope and resiliency) were identified to have no significant impact on social venture program initiation. In Part 1 of the survey instrument four psychological capital variables were measured by a six-point indicator scale (Luthans, Avolio, Avery, 2007). In Part 2 of the survey instrument the mediating variables of education and civic networks were measured by multiple choice scale to a survey question for each. Also in Part 2 of the survey instrument the mediating variable of gender was measured by a categorical scale. Finally, the dependent variable social venture program initiation was measured by a categorical scale in Part 2 of the survey instrument.

Through a secure web-based survey instrument, 416 eligible participants, including Chief Executive Officers, Presidents, Chief Finance Officers, Chief Operations Officers, Chief Information Officers, and Managing Directors were invited to participate in the study. Of the 416 eligible not-for-profit Urban League administrators, 180 agreed to participate in the study. Of these 180 participants who agreed to participate in the study, one respondent was deemed ineligible due to not holding the appropriate administrative title. There were 179 eligible participants, a response rate of 43%. All of the 179 qualified questionnaires were coded, entered and analyzed using SPSS 16.0. As a result, not only did findings indicate that psychological capital has no significant influence on social venture program initiation, but the results found that the mediating
variables of education, civic networks and gender were not significant explanatory variables in social venture program initiation. The following section provides further discussion, interpretation and conclusion of the findings.

**Interpretations**

*Instrumentation and Descriptive Characteristics*

Based on the data collected in the psychological capital questionnaire and social venture initiation survey instrument, a total of 179 qualified respondents agreed to participate in the research study. Of the 179 qualified participants, 18 (10%) were Chief Executive Officers, 33 (18.4%) were Presidents, 30 (16.8%) were Chief Financial Officers, 64 (35.8%) were Chief Operations Officers, 33 (18.4%) were Chief Information Officers and 1 (0.6%) was a Managing Director.

In assessing the gender of the study participants, 135 (75%) of the qualified respondents were male and 45 (25%) were female. The education characteristics of the 179 study participants, 155 (86.6%) attained a bachelor degree, 19 (10.6%) attained a master degree and 5 (2.8%) attained a doctorate degree. For the attributes pertaining to civic networks, of the 179 participants, 10 (5.6%) are identified as having between 1-3 civic network relationships, 35 (19.6%) are identified as having between 4-6 civic network relationships, 111 (62.0%) are identified that they have between 7-9 civic network relationships and 23 (12.8%) are identified to have 10 or more civic relationships.

In the study by Olson and Bosserman, (2001), it was identified that the psychological capital of not-for-profit organization administrators plays a contributing role in successful entrepreneurial venture implementation. In the study by Jensen and
Luthans (2006), the leadership attributes associated with psychological capital (efficacy, optimism, hope and resiliency) were identified as serving as predictors leading toward entrepreneurial venture success.

Based on the study by Jensen and Luthans (2006), psychological capital is viewed as an individual’s positive state, and is comprised of four constructs efficacy, hope, optimism and resiliency. The variables associated with psychological capital were on a 6-point scale. In scoring the psychological capital questionnaire, total points for the respective items were averaged for each construct. Three items on the test are scored in reverse order. For those items a “1” is scored as a “6” and a “6” is scored as a “1”. Items 1 through 6 on the psychological capital questionnaire measured efficacy. This subscale (efficacy) has been adapted from a study by Parker (1998) focusing on the roles of job enrichment and organizational interventions.

Items 7 through 12 on psychological capital questionnaire measured hope. This subscale (hope) has been adapted from the State Hope Scale established by Snyder, Rand and Sigmond (1990). This scale focuses on the level of anticipation and expectation held by an adult in the area of goal attainment.

Items 13 through 18 on psychological capital questionnaire measured resiliency. This subscale (resiliency) has been adapted from a study by Wagnild and Young (1993) that focused on an individual’s ability to rebound from disappointment. Additionally, the study identified adaptation outcomes (physical health, morale, and life satisfaction) and depression as factors that had an affect on an adult’s ability to overcome life obstacles.
Items 19 through 18 on psychological capital questionnaire measured optimism. This subscale (optimism) has been adapted from a study by Scheier and Carver (1985) that focused on an individual’s level of confidence. The study identified that research participants who exhibited a high level of optimism tended to have a high level of self-consciousness (Scheier and Carver, 1985). In this study therefore, four constructs, efficacy, optimism, hope and resiliency, were identified as making up psychological capital.

Of the mediating variables, education was identified as being of importance among respondents. The majority of respondents holding a Bachelor degree (86.6%) and those holding the degree of Master (10.6%) and Doctorate (2.8%) accounted for the second and third highest number of degrees held, respectively.

The mediating variable of civic networks identified that the majority of respondents have between 7 and 9 civic network relationships (62.0%), with those having between 4 and 6 civic network relationships (19.6%) being the second largest group. Those holding 10 or more civic relationships (12.8%) and 1 to 3 civic network relationships (5.6%) were identified as the third and fourth largest groups, respectively. Data also indicated that the majority of research respondents were male (75%).

**Psychological Capital Construct**

Based on the study by Jensen and Luthans (2006), the different constructs within psychological capital were tested. In this study, the relationship between the psychological capital variables (efficacy, optimism, hope and resiliency) and the
mediating variables education, civic networks and gender were examined through correlation, and their effect on social venture program initiation identified.

Multiple regression identified that the psychological capital constructs of efficacy and optimism and the mediating variables of education and civic networks tested consistently as negative predictors of social venture program initiation, or an inverse relationship. The psychological capital constructs of hope and resiliency and the mediating variable of gender consistently served as positive predictors of social venture program initiation, or a direct relationship. The standardized coefficients are generally consistent with the Pearson's correlation bivariate analysis. The independent variables (psychological capital) of efficacy and optimism and the mediating variables of education and civic networks have an inverse relationship (influence) in the bivariate and multivariate analysis. On the other hand, the independent variable of resiliency, and mediating variable of gender have a direct relationship (influence) in both analyses. However, the independent variable of hope was inconsistent with an inverse relationship in the Pearson's correlation and a direct influence in the multiple regression analysis. While the multiple regression results included all dependent and mediating variables for each model, the results were not significant due to low R squares.

**Hypothesis Testing**

In this study, the relationships between psychological capital, education, civic networks, gender and social venture program initiation were examined. In order to obtain an in-depth understanding about the psychological capital constructs (efficacy, optimism, hope and resiliency), the mediating variables (education, civic networks and gender) and
their relationship to social venture program initiation, the independent variables were examined using multiple regression.

In examining $H_1$ ($R^2 = .036, p = .175$), $H_2$ ($R^2 = .048, p = .130$), $H_3$ ($R^2 = .046, p = 142$), $H_4$ ($R^2 = .041, p = 202$), and $H_5$ ($R^2 = .060, p = 155$), multiple regressions including R-square ($R^2$) analysis were employed to examine whether education, civic networks and gender significantly influence relationships between psychological capital and social venture program initiation.

On examining the regression models, the hypotheses were not supported with none of them being significant. Based on results in Chapter IV, the research hypotheses are not supported and are presented in Table 5-1.

Table 5-1

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$ Psychological capital (efficacy, optimism, hope, resiliency) is a significant variable influencing social venture initiation by organizational leaders.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_2$ Psychological capital (efficacy, optimism, hope, resiliency) and education are significant variables influencing social venture initiation by organizational leaders</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_3$ Psychological capital (efficacy, optimism, hope, resiliency) and civic networks are significant variables influencing social venture initiation by organizational leaders.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_4$ Psychological capital (efficacy, optimism, hope, resiliency) and gender are significant variables influencing social venture initiation by organizational leaders.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_5$ Psychological capital (efficacy, optimism, hope, resiliency), education, civic networks, and gender are significant variables influencing social venture initiation by organizational leaders.</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>
Psychological Capital in Explaining Social Venture Initiation

For H₁, it was identified that psychological capital (efficacy, optimism, hope, resiliency) was not a significant explanatory variable in social venture program initiation. Psychological capital was identified as having no significant influence on an administrators' propensity to implement social venture programs. Therefore, the results were not supported by the study by Jensen and Luthans (2006), focusing on psychological capital and authentic leadership among organizational leaders. Additionally, the results were not supported by the study by Avolio and Luthans (2005) that focused on the relationship between psychological capital and leadership behavior.

Relationships between Psychological Capital, Education and Social Venture Program Initiation

For H₂, it was identified that psychological capital and education were not significant explanatory variables in social venture program initiation. Psychological capital and education were identified as having no significant influence on social venture program initiation, though this variable had correlation with the psychological capital constructs (efficacy, optimism, hope and resiliency). These results were not supported by the study by McDougall and Oviatt, (2003) which stated that entrepreneurs should gain education in entrepreneurial methodologies prior to venture initiation.

Relationships between Psychological Capital, Civic Networks and Social Venture Program Initiation

For H₃, psychological capital and civic networks, it was identified that psychological capital and civic networks were not significant explanatory variables in social venture program initiation. Psychological capital and civic networks were
identified as having a relationship with the psychological capital construct optimism, though not significant. These results were supported by a study by Stafford (2004), which assessed the effectiveness of civic networks in social venture initiation. Findings indentified that civic networks can be beneficial to social venture initiation. The results of the study were also supported by a study by Purdue (2001) that identified civic networks as an essential part of venture success. Findings were also supported by a study by Howard, Brown and Letts (2004) which identified social networks as a factor associated with successful program implementation.

**Relationships between Psychological Capital, Gender and Social Venture Program Initiation**

In examining H₄, psychological capital, gender and social venture program initiation, it was identified that gender was not a significant explanatory variable in social venture program initiation. Psychological capital and gender were identified as having no significant influence on an administrators’ propensity to initiate social venture programs, but gender was identified as having a relationship with civic networks, though not significant. Therefore, the results were supported by the Masters and Meier (1988) that stated that gender plays a role in an entrepreneurs risk taking propensities. Findings in the study were not supported by the study be Eaglet and Johnson (1990) which stated that gender plays a role in an administrators leadership abilities.

**Relationships between Psychological Capital, Education, Civic Networks and Gender and Social Venture Program Initiation**

When all independent variables, H₅, psychological capital, education, civic networks and gender were correlated, it was identified that the complete full set was not a
significant explanatory variable in social venture program initiation. Though the psychological capital construct resiliency and independent variable gender were identified as having correlation, the correlation was not significant. Therefore, the combined independent variables had no impact on an administrators’ propensity to initiate social venture programs. The results were not supported by studies by McDougall and Oviatt (2003), which identified networking, market knowledge and the ability to embrace culture norms as vital entrepreneurial attributes, nor were they supported by the Jensen and Luthans (2006) study which identified a positive relationship between psychological capital and entrepreneurial leadership.

From the interpretations resulting from data analysis, the relationship between psychological capital, education, civic networks and gender in social venture program initiation is not supported. That is H₁ was not supported, H₂ was not supported, H₃ was not supported, H₄ was not supported and H₅ was not supported.

**Practical Implications**

Based on the interpretation of the data analysis in this study, a number of concepts and ideas about the relationship between psychological capital, education, civic networks, gender and social venture program initiation have been identified, analyzed and explained. With the multiple regression analysis results, the models were not significant. However, each model included all of the hypothesized variables to predict social venture program initiation. Through adding to the professional literature, this study helps not-for-profit organizations understand the psychological, education and civic requirements of not-for-profit senior administrators who initiate social venture programs, the education and civic requirements for social venture program initiation and allows organizations and
administrators to further strengthen their understanding of the academic and emotional requirements for social venture programs to be initiated. Four of the examples in this study are presented:

1. Based on data gathered through the psychological capital questionnaire and data analyses efficacy, hope, optimism and resiliency play a role in an administrators' propensity to initiate social venture programs. With confidence being a significant attribute among administrators, efficacy is a highly favored attribute. The attribute hope focuses on optimism and positive which is an admired attribute among entrepreneurs. Optimism or the ability to view activities from a positive perspective is a needed entrepreneurial attribute as well as resiliency, which is the ability to respond to negative occurrences, is an attributes that entrepreneurs should pursue. Therefore, professional coaching should be encouraged to allow administrators access to professional guidance and collegial resources (Baum and Locke, 2004; Jain, 2001; Jensen & Luthans, 2006; Loaz, 2004).

2. Education plays a role in social venture program initiation and for administrators to fully understand the requirements of initiating social venture programs it is imperative for administrators to be educated in the business methodologies used in this not-for-profit organization business component. With tertiary level institutions expanding their program offerings in social venture program initiation, administrators should pursue additional resources to enhance their knowledge of the methodologies used in successful social

3. With communities being the primary area of social venture program focus, civic networks are a requirement in social venture program initiation. Administrators must be amenable to establishing civic networks and work to form productive and proactive relationships outside of their organization, to foster social venture program success (Benchley, 2008; Henton, Melville, & Walesh, 1997; Korosec & Berman, 2006; Stafford, 2004).

4. With gender playing a role in administrative leadership style, administrators must be open to gaining further understanding of gender leadership styles and methods of gender interaction. This level of gender education may enhance the success of social venture program initiation (Eaglet and Johnson, 1990).
Conclusions

This research study has advanced and proposed an integrative hypothesized model (see Figure 1-1). Based on Tables 4-18 the findings identifying the relationships among the constructs are presented in Figure 5-1.

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**Figure 5-1.** The hypothesized model results of the adjusted $R^2$ and significance values of multiple regression of integrative hypothesized model.
Based on interpretation of data analysis of the research question, hypotheses and the integrative hypothesized model, specific conclusions are drawn.

1. Psychological capital is not a significant positive explanatory predictor of social program venture initiation. In a previous study by Luthans, Avolio and Avery (2007), a significant positive relationship was identified between psychological capital and authentic leadership. In a study by Jensen and Luthans (2006) leadership attributes were identified as a factor to foster social venture implementation. Based on the research finding the results of this research study are not supported at a significant level. Studies by Luthans, Avolio and Avery (2007), or Jensen and Luthans (2006) were not supported in this study.

2. Psychological capital and education are not significant explanatory predictor of social venture program initiation. Though, for social venture program initiation to take place it is important for educational resources to be available to program proponents. The results supported the positions of Winfield (2005) and Benchley, (2008) in which these studies stated that social venture education should be presented at all levels of learning.

3. Psychological capital and civic networks were not found as being a significant explanatory predictor of social venture program initiation. Though, civic networks serve as a conduit leading to social venture acceptance. These finding were not supported by Stafford (2004) and Loaz (2004) which stated that civic networks and partnerships can benefit to social venture programs.
4. Psychological capital and gender were identified as having no significant influence on social venture program initiation. The independent variable gender was identified to have minimal effect on the dependant variable social venture initiation. These results supported research by Masters and Meier (1988) which stated that gender does not play a role in venture initiation propensity.

5. Psychological capital, education, civic networking and gender were identified as having no significant influence on social venture program initiation. Though non-significant correlations were identified between the psychological capital constructs, numerous administrative and community factors are required for social venture programs to be effectively initiated. These findings were not consistent with research by McDougall and Oviatt (2003), which stated that education, networking and adaptability play a role in venture initiation.

**Limitations**

The study was to be a comprehensive study of the relationship between psychological capital, education, civic networks, gender and social venture program initiation. In this study, instruments used to measure independent variables and social venture program initiation had mixed reliability, to test the hypotheses. Moreover, there was both a significant sample size and an appropriate data analysis in this study. However, there are several limitations appearing in this study.

1. Because the sample of the target population was produced through one organization, a selection bias existed.
2. Due to only focusing on administrators from the Urban League organization, findings and conclusions of the study may not be generalized to other organizations. That is, the external validity of the study is limited.

3. Because of the fact that the administrative sub-sample of Chief Operations Officers (n=64) is larger than that of the President (n=33) and CEO (n=18) sub-samples, the research may not fully explore and compare differences of administrative leaderships propensity to initiation social venture programs.

4. Because the gender sub-sample for males (n=135) was larger than that of the number of female participants (n=45), the research may not fully explore the role of gender in social venture program initiation.

5. A non-experimental design was weaker than comparisons to an experimental design, so the internal validity of this study may be limited.

6. Because it was limited to four variables, the effect of psychological capital on social venture program initiation may not be fully explored.

7. Measuring social venture program initiation using a self report consisting of one item with low reliability to calculate social venture program initiation may not completely reflect total social venture program initiation.

**Recommendations for Future Study**

Based on conclusions and interpretations of data analysis in this study, future studies are recommended to further explore relationships between psychological capital and social venture program initiation.

1. Social entrepreneurship education has been identified as a component leading to social venture program initiation; however at present limited corporate
training is available in the area of social venture program initiation. Therefore
future study should explore the availability of social entrepreneurship training
programs.

2. Civic networks have been identified as a component that can enhance social
venture program initiation. However it was identified that gaining community
support is a difficulty process. Therefore future study should explore methods
to garner social venture program support from community stakeholders.

3. Because the success rate of social venture programs was not assessed in this
study it is recommended that a future study assess the success rate of social
venture programs.

4. Adopting a quantitative method may not obtain an in-depth understanding of
an administrators’ psychological capital. It is recommended that a future
study should adopt a triangular approach of studying organizational
administrators’ capabilities, organizational structure and economics to
understanding psychological capital among administrators.

5. Economic factors are not identified as mediating the effect of social venture
program initiation. Therefore future research should examine how economic
factors effect social venture program initiation.

6. For-profit entrepreneurs are identified as having some of the same attributes
as not-for-profit administrators. Therefore future research should examine the
relationship between psychological capital, education, civic networks and
gender among for-profit entrepreneurs.
7. Social Entrepreneurs receive funding to initiate social venture programs.

Therefore future research should examine the relationship between psychological capital and social venture initiation among entrepreneurs who have received funding for social venture initiation.
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Appendix A

IRB Approval
Principal Investigator: Paul Van Putten II
Project Title: The Relationship between Psychological Capital and Social Venture Initiation.

IRB Project Number: 2008-036 Request for Expedited Review of Application and Research Protocol for a New Project

IRB Action by the IRB Chair or another Member or Members Designed by the Chair:

Expedited Review of Application and Research Protocol and Request for Expedited Review (FORM 3): Approved X Approved; w/provision(s) _

COMMENTS:
Consent Required: No _____ Yes X Not Applicable _____ Written X Signed__

Consent forms must bear the research protocol expiration date of 12/08/09 ___

Application to Continue/Renew is due:
1) For an Expedited IRB Review, one month prior to the due date for renewal X ___
2) Other _______

Name of IRB Chair: Farideh Farazmand ____________________________
Signature of IRB Chair ___________________ Date: 12/08/08

Cc. Dr. Green

Institutional Review Board for the Protection of Human Subjects
Lynn University
3601 N. Military Trail Boca Raton, Florida 33431
Appendix B

Authorization for Voluntary Consent
Psychological Capital and Social Entrepreneurship

PROJECT TITLE: The Relationship Between Psychological Capital and the Initiation of Social Venture Initiatives.


I, Paul van Putten, am a doctoral student at Lynn University. I am studying Global Leadership, with a specialization in Corporate and Organizational Management. One of my degree requirements is to conduct a research study.

DIRECTIONS FOR THE PARTICIPANT:

You are being asked to participate in my research study. Please read this carefully. This form provides you with information about the study. The Principal Investigator (Paul van Putten) will answer all of your questions. Ask questions about anything you don’t understand before deciding whether or not to participate. You are free to ask questions at any time before, during, or after your participation in this study. Your participation is entirely voluntary and you can refuse to participate without penalty or loss of benefits to which you are otherwise entitled.

PURPOSE OF THIS RESEARCH STUDY: The study is about the Relationship Between Psychological Capital and the Initiation of Social Venture Programs. There will be approximately 416 people invited to participate in this study. The study will focus on identifying the professional attributes of administrators who initiate social entrepreneurship programs and all research participants will comprise of administrators with not-for-profit organizations. The investigation of the interrelationship between psychological capital and social venture program commencement will be critically analyzed to assess that attributes that lead to social venture initiation. Additionally, the proposed quantitative instrument may also provide both academic research and destination practices to further understand the attributes the lead to social venture initiation.

PROCEDURES:

If you agree to participate after reading this consent form you may proceed to answer the survey by clicking on the “I agree” button at the end of this letter. You will complete a survey that contains a total of 33 questions. The survey should take no longer than 15 minutes to complete. After clicking the link http://www.surveymonkey.com/s/1sm-RvS6v9P9PFkI-MOCT_2bp_3J3d and completing the survey you may request further information about the study as well as request that the results of the research be sent to you upon its completion. Please do not write or submit any personal identifiers, such as your name or address.

You will first complete portion of the survey instrument that focuses on psychological capital which will assess characteristics associated with confidence, optimism, hope, and resiliency. Then you will be asked to complete a demographic analysis survey instrument. The two part survey instrument should take about 15 minutes to complete. Due to anonymity the report methods and protection of privacy of respondents include encryption, security, and protection of IP addresses.

POSSIBLE RISKS OR DISCOMFORT: This study involves minimal risk. You may find that some of the questions are sensitive in nature. In addition, participation in this study requires minimal amount of your time and effort.

POSSIBLE BENEFITS: There may be no direct benefit to you in participating in this research. But knowledge may be gained which may help understand the relationship between psychological capital and social venture initiation.

FINANCIAL CONSIDERATIONS: There is no financial compensation for your participation in this research. There are no costs to you as a result of your participation in this study.

ANONYMITY:

Anonymity will be assured through the use of data encryption methods used throughout the data gathering process. All data is stored on a secure server and will be destroyed upon completion of the research study to the degree allowed by the technology. Specifically, no guarantees can be made regarding the interception of data sent via the Internet by any third parties. All information will be held in strict confidence and will not be disclosed unless required by law or regulation.

Unrestricted datasets have been sufficiently purged of identifying information that we believe they pose and there is no significant threat to respondent.

The Survey will be anonymous. You will not be identified and data will be reported as “group” responses. Participation in this survey is voluntary and completion of the survey will constitute your informed consent to participate.

The results of this study may be published in a dissertation, scientific journals or presented at professional meetings. Your individual privacy will be maintained in all publications or presentations resulting from this study.

All the data gathered during this study will be kept strictly confidential by the researcher. All information will be held in strict confidence and will not be disclosed unless required by law or regulation.

RIGHT TO WITHDRAW: You are free to choose whether or not to participate in this study. There will be no penalty or loss of benefits to which you are otherwise entitled if you choose not to participate. You may choose to terminate, withdraw, or not respond to any question and any time during the survey process.

CONTACTS FOR QUESTIONS/ACCESS TO CONSENT FORM: Any further questions you have about this study or your participation, either now or any time in the future, will be answered by Paul van Putten II (Principal Investigator) who may be reached at [email protected] and Dr. Robert Green, faculty advisor who may be reached at [email protected] For any questions regarding your rights as a research subject, you may contact the Lynn University Institutional Review Board for the Protection of Human Subjects, at [phone number removed]. If any problems arise as a result of your participation in this study, please call the Principal Investigator (Paul van Putten) and the faculty advisor (Dr. Robert Green).
All the data gathered during this study will be kept strictly confidential by the researcher. All information will be held in strict confidence and will not be disclosed unless required by law or regulation.

RIGHT TO WITHDRAW: You are free to choose whether or not to participate in this study. There will be no penalty or loss of benefits to which you are otherwise entitled if you choose not to participate. You may choose to terminate, withdraw, or not respond to any question and any time during the survey process.

CONTACTS FOR QUESTIONS/ACCESS TO CONSENT FORM: Any further questions you have about this study or your participation, either now or any time in the future, will be answered by Paul van Putten II (Principal Investigator) who may be reached at: [redacted]. For any questions regarding your rights as a research subject, you may call Dr. Farideh Farazmand, Chair of the Lynn University Institutional Review Board for the Protection of Human Subjects, at [redacted]. If any problems arise as a result of your participation in this study, please call the Principal Investigator (Paul van Putten) and the faculty advisor (Dr. Robert Green) immediately. Please keep a copy of this consent form for your records.

INVESTIGATOR’S AFFIDAVIT: I hereby certify that a written explanation of the nature of the above project has been provided to the person participating in this project. By the person’s consent to voluntary participate in this study, the person has represented that he/she is at least 18 years of age, and that he/she does not have a medical problem or language or educational barrier that precludes his/her understanding of my explanation. Therefore, I hereby certify that to the best of my knowledge the person participating in this project understands clearly the nature, demands, benefits, and risks involved in his/her participation.

Date of IRB Approval: 12/08/2008
Expiration Date: 12/08/2009

1. I Agree to participate in this study

[ ] Yes [ ] No

Next >>
Appendix C

Permission for Instrument Use
To whom it may concern,

This letter is to grant permission for Paul van Putten to use the following copyright material;

Instrument: Psychological Capital (PsyCap) Questionnaire (PCQ) Authors: Fred Luthans, Bruce J. Avolio & James B. Avey.

Copyright: “Copyright © 2007 Psychological Capital (PsyCap) Questionnaire (PCQ) Fred L. Luthans, Bruce J. Avolio & James B. Avey. All Rights Reserved in all medium.”

for his dissertation research.

Five sample items from this instrument may be reproduced for inclusion in a proposal, thesis, or dissertation.

The entire instrument may not be included or reproduced at any time in any other published material.

Sincerely,

Vicki Jaimez
Mind Garden, Inc.
www.mindgarden.com
Appendix D

Survey Instrument
Psychological Capital (PsyCap) Questionnaire (PCQ)

Self Rater Version

Gallup Leadership Institute

Name: ___________________________ Date: ___________________
Organization ID #: __________________ Person ID #: __________________

Instructions: Below are statements that describe how you may think about yourself right now. Use the following scale to indicate your level of agreement or disagreement with each statement.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Disagree Somewhat</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

1. I feel confident analyzing a long-term problem to find a solution.  
   1 2 3 4 5 6

7. If I should find myself in a jam at work, I could think of many ways to get out of it.  
   1 2 3 4 5 6

14. I usually manage difficulties one way or another at work.  
    1 2 3 4 5 6

19. When things are uncertain for me at work, I usually expect the best.  
   1 2 3 4 5 6

24. I approach this job as if “every cloud has a silver lining.”  
   1 2 3 4 5 6

Note: See Appendix C. No more than 5 items may be presented in the proposal and dissertation.

For Dissertation and Thesis Appendices:

You cannot include a copy of the entire instrument in your thesis or dissertation; however you can use up to five sample items. Academic committees understand the requirements of copyright and are satisfied with sample items for appendices and tables. For customers needing permission to reproduce five sample items in a proposal, thesis, or dissertation the following page includes the permission form and reference information needed to satisfy the requirements of an academic committee.

Source: Copyright © 2007 Psychological Capital (PsyCap) Questionnaire (PCQ) Fred Luthans, Bruce J. Avolio & James B. Avey. All Rights Reserved in all medium. Used with permission.
Social Venture Initiation Questionnaire

Section II

The following questions are being presented to gather information pertaining to civic involvement, academic attainment, social venture initiation and gender. Please answer the questions by choosing the response that best represents your current situation.

25. With civic networks being identified as groups and/or organizations that deliver programs that assist you in completing your organizational objectives, how many civic networks do you consistently have affiliation?

☐ 1-3 ☐ 4-6 ☐ 7-9 ☐ 10 or above

26. What is your highest level of educational attainment?

☐ High School Diploma
☐ Attended College (No Degree)
☐ Associate Degree
☐ Bachelor Degree
☐ Master Degree
☐ Doctorate Degree
☐ Jurist Doctorate
☐ Other ________________ (Please Specify)

27. Have you ever received training in social entrepreneurship or social venture initiation?

☐ Yes ☐ No

28. Has a for-profit social venture been initiated through your organization?

☐ Yes ☐ No

29. If yes to question 28 above, was this social venture initiated within the past ___________________ (months).

☐ 2-6 months ☐ 7-12 months ☐ 13-24 months ☐ 25 months or more

30. If yes to question 28 above, what type of social venture project(s) has been initiated?

☐ Youth
☐ Education
☐ Environmental
☐ Community
☐ Health
☐ Other __________________ (Please Specify)

31. Gender

☐ Male  ☐ Female

31. What is your current occupation title? (Check all that apply)
☐ Chief Executive Officer
☐ President
☐ Chief Financial Officer
☐ Chief Operations Officer
☐ Chief Information Officer
☐ Managing Director
☐ Program Director
☐ Staff
☐ Other __________________