

---

**NOTE:** This is the full-text of the pre-published version of the following article:

Perry-Rivers, P., & Edmonds, D. L. (2015). Stratification's effect as an entrepreneurial context on social enterprise strategy. *Journal of Ethics & Entrepreneurship*, 5(2), 5.

**Proquest Published Article:**

<https://www.proquest.com/openview/4aa9b87be954ecd0722c4cd2ac78b8df/1?pq-origsite=gscholar&cbl=1176340>

---

**STRATIFICATION'S EFFECT AS AN ENTREPRENEURIAL CONTEXT ON SOCIAL  
ENTERPRISE STRATEGY**

**Patrice Perry-Rivers and Doris L. Edmonds**

**ABSTRACT**

This study analyzes the effect of entrepreneurial context on entrepreneurial strategy by comparing social enterprises embedded in socially stratified environments. We find that stratification—a macro-level environmental context in which groups of people are categorized as advantaged or disadvantaged in their access to social and economic resources based upon achieved or ascribed traits—is an antecedent to elements of social enterprise strategy, and that the primary strata composition of social enterprises affects the dominant type of entrepreneurship, value creation focus (economic or social), and interest orientation exhibited by these enterprises. These findings support existing entrepreneurship theories that emphasize the centrality of entrepreneurial context to entrepreneurial strategy. They also uniquely contribute to the field by (1) providing empirical support for the dual identities of social enterprises, often focused on creating

both social and economic value, and (2) demonstrating that status position derived from an enterprise's environmental context drives organizational strategy.

**Keywords:** social entrepreneurship; social stratification; social value creation; mixed methods; megachurches

**PATRICE PERRY-RIVERS** is an Assistant Professor of Management and Director of the Center for Entrepreneurship at Virginia State University, Reginald F. Lewis College of Business, Singleton Hall, P.O. Box 9209, Petersburg, VA 23806. Telephone: 757-528-3608 Email: [pperry-rivers@vsu.edu](mailto:pperry-rivers@vsu.edu)

**DORIS L. EDMONDS** is an Assistant Professor of Sociology at Norfolk State University, 700 Park Avenue, BMH 250, Norfolk, VA 23504. Telephone: 757-289-6731 Email:

## INTRODUCTION

The study of social entrepreneurship—the practice of entrepreneurial firms leveraging resources to address social problems (Dacin, Dacin, & Matear, 2010)—often focuses on community-based organizations that are embedded within or tied to communities in which there are social market failures (Peredo and Mclean, 2006; Robinson, 2006). As social market failures typically occur within communities bearing certain characteristics—like resource deprivation or marginalization, (Alvord, Brown, & Letts, 2004), one could characterize all social entrepreneurship literature as emphasizing *the role of environment in the strategic choices of organizations to engage in a specific type of entrepreneurship*.

Research on commercial entrepreneurship is also concerned with how environment affects entrepreneurial action (Austin, Stevenson, & Wei-Skillern, 2006; Webb, Tihanyi, Ireland, & Sirmon, 2009). Commercial entrepreneurship's emphasis on “the people, the context, the deal, and the opportunity” (Austin et al., 2006) highlights how entrepreneurial actors seek to match their internal resources, like employees' requisite skills and economic resources, with the

conditions of their external environment. Commercial entrepreneurs assess how conducive environmental conditions (like turbulence or competition) are to their innovation (Austin et al., 2006; Sahlman, 1996; Audretsch and Keilbach, 2007; Davis, Morris, & Allen, 1991). Even Schumpeter's (1947) and Venkataraman's (1997) foundational conceptions of commercial entrepreneurship are concerned with how entrepreneurship affects and is affected by the macro-economic environment.

The importance of the environmental context to entrepreneurship is illustrated in the definition of entrepreneurship by Ireland, Hitt, & Sirmon (2003): "entrepreneurship is a context dependent social process through which individuals and teams create wealth by bringing together unique packages of resources to exploit marketplace opportunities." The primary emphasis of this definition and our analysis in this paper is on value creation context—how the characteristics of an entrepreneurial firm's environment—including the macro-environment, the "unique" attributes of key participants in the endeavor, and these actors' access to resources—drive an entrepreneurial firm's strategic actions.

Several entrepreneurship scholars have noted that the environmental context in which enterprises are situated affects their strategy (Davis et al., 1991; Moss, Short, Payne, & Lumpkin, 2011; Welter and Smallbone, 2011). Environmental context affects the focus of firms' value creation (social or economic) and the prioritization of their residual profit-seeking (whether this will be their primary or secondary emphasis) (Moss et al., 2011; Lumpkin, Moss, Gras, Kato, & Amezuca, 2013). The context in which a firm is posited also affects the type of entrepreneurship in which it engages (Zahra, Gedajlovic, Neubaum, & Shulman, 2009; Ridley-Duff, 2007; Townsend and Hart, 2008; Moss et al., 2011).

Based on this prior research, we posit that *specific types of entrepreneurship*—social, commercial, as well as other forms—*emerge from environmental and organizational contexts bearing specific characteristics*. Our theory is that when firms are embedded within contexts wrought with social ills and a culture permeated with communitarianism (Ridley-Duff, 2007), they engage in largely other-interested, “entrepreneurship with a social mission” (Dees, 1998) primarily focused on creating social value as in social entrepreneurship. When firms are posited in resource-rich environments and a culture pervaded with utility-focus and/or self-interest, they engage in innovative, value-creating activities primarily focused on generating economic return and opportunity exploitation, or commercial entrepreneurship (Austin et al., 2006).

One organization that has historically engaged in “context dependent” activity in which its members have used their unique resources to “exploit marketplace opportunities” (Ireland et al., 2003) and create social and/or economic wealth—or entrepreneurship—is the Church. Though scholars have studied the entrepreneurial activities of churches, they have rarely considered how the divergent contexts in which churches are posited impacts their strategy—including the type of entrepreneurship in which they engage. Scholars have also not considered that the contextually-driven strategy differences of churches could inform the entrepreneurship field. Yet, the vast historical entrepreneurial activity of churches makes them highly appropriate organizations for study. We have selected churches for this study because they exhibit economic and entrepreneurial characteristics similar to those of other social and commercial enterprises, and, for this reason, believe our findings are relevant in other contexts.

In this paper, we analyze how a specific aspect of the environmental context in which social enterprises are posited—their nation’s social stratification system—can create or foster the requisite conditions for primarily carrying out social or commercial entrepreneurship. Social

stratification is a macro-level environmental context in which society is divided into socially constructed groups that are structurally advantaged (higher strata) or disadvantaged (lower strata) in their access to social and economic resources based upon achieved or ascribed traits (Robinson, Blockson, & Robinson, 2007; Massey, 2007). Because of its allocation of power and resources to some and its restriction of power and resources to other groups in a society, stratification as an entrepreneurial context has the unique ability to produce divergent strategies among entrepreneurial actors posited within the same macro-environment in terms of value creation (social or economic), interest orientation (utility/self-interest or communitarian/group-interest), social issue concern level (higher or lower), and ultimately the type of entrepreneurship in which organizations engage. These divergent strategies are based upon actors' primary strata position and the group-based experiences and social identity that strata position affords.

If our theory is supported, then the primary products<sup>1</sup> (speeches) of the high and low strata<sup>2</sup> social enterprises in this study should reflect divergent value creation emphases, interest orientations, and social responsibility levels. These products should also reflect the type of entrepreneurship in which church enterprises are primarily engaged. Products in social enterprises comprised primarily of members with structurally advantaged (high) strata positions will be less inclined than social enterprises comprised primarily of members with structurally disadvantaged (low) strata positions to address social ills like domestic poverty, homelessness, or unemployment via social entrepreneurship. Instead, these higher strata enterprises will be more focused on the primary business of enterprises—generating revenue for self-sustenance via commercial entrepreneurship—because their leaders (managers), congregants (dually firm members and customers), and social environment are less likely to be adversely affected by social ills, and because they possess slack resources facilitating their engagement in activity to

bolster their enterprises' profitability. The environment is converse for church enterprises comprised primarily of members with structurally disadvantaged strata positions. We anticipate that products in these lower strata enterprises will more likely address the social ills of the environment in which the enterprises' leaders, members, and/or communities are embedded, and that these enterprises are more likely to engage in social entrepreneurship.

We test this theory via quantitative content analysis of 21,180 speeches (sermons) from low strata and high strata U.S. megachurches, each with 2,000+ members, followed by an independent means comparison of the two groups. All of the organizations in this study meet the requirements of the definition for social entrepreneurship used in this paper<sup>3</sup> (Dees, 1998). However, we seek to determine the extent to which their primary products reflect a dominant entrepreneurship type, which may or may not be different than social entrepreneurship, and determine if their value creation emphases, interest orientations, and levels of social concern have been influenced by the socially stratified context of their environment.

## **Literature Review**

### ***Modern Conceptualizations of Churches as Enterprises***

Before reviewing relevant entrepreneurship literature, it is important to clarify why the social enterprises chosen for this study are relevant and appropriate for research in entrepreneurship and management.

Churches are not just civic clubs or social organizations. Though often studied as centers of civic-political mobilization (Goss, 1999; Minkenberg, 2003; Anderson, 2008) and as havens for social support and psychological comfort (Katz and Kahn, 1966; Hatch, 1985; Coleman, 1988), churches' actions are quite explicitly business-like, and necessarily so considering that U.S. religious organizations generated over \$100.95 billion in 2009 (Giving USA, 2010). Put in

perspective, this is more than the combined contributions of the apparel and furniture industries to U.S. G.D.P., and comparable to the motion picture and sound recording industry (Gross Domestic Product by Industry Accounts, 2010). Understanding churches, at least in part, as economically driven enterprises, is central to the propositions in this paper.

The subset of churches studied in this paper are even more firm-like and entrepreneurial than churches in general. U.S. megachurches are very large enterprises which emerge based on their ability to create superior value in the market via matching the technological progress of society at large and appealing to modern convenience-based needs of spiritual guidance seeking consumers (Iannaccone, 1998; Thumma and Bird, 2009). These entrepreneurial organizations are mostly Protestant; many are relatively new as churches go (40 years old or less) and are not affiliated with typically older, mainline Protestant denominations (Thumma and Bird, 2009); have from 2,000 up to 50,000 members; are run by college-educated and technically qualified staff, including M.B.A.'s and non-religion related Ph.D. holders; and often have ancillary revenue-generating activities, including publishing arms, music recording studios, broadcast television entities, bookstores, schools (both at the secondary and collegiate-levels), and restaurants. Out of necessity, they function as efficiency-driven modern enterprises because of the large numbers of customers they serve, and the correspondingly large budgets they wield. The average megachurch's annual budget approaches \$5 million, and larger church budgets exceed \$20 million. This large revenue-pool is derived from funds acquired primarily through member's tithing and voluntary donations (which are akin to sales received from members' affective responses to the churches' primary products—sermon messages) (Kroll, 2003; Warf and Winsberg, 2010; Thumma and Bird, 2009). They often possess multi-million dollar real estate assets, including the Compaq Center, the Houston Rockets' former stadium, purchased and

renovated by Joel Osteen’s Lakewood Church for over \$95 million; and the World Dome purchased for \$18 million “with no bank financing” by World Changers Church in Atlanta, pastored by Dr. Creflo Dollar (An Inspiration to Millions, 2011; About My Pastors, 2011). Additionally, they engage in explicitly innovative, novel market-seeking, product/service creation and delivery activities, as evidenced by their multi-thousand dollar advertising budgets used to attract new customers, and rent or purchase space in shopping malls, sports stadia, and/or corporate buildings—not traditionally occupied by other major denomination-affiliated church organizations (Kroll, 2003; James, 2003; Warf and Winsberg, 2010).

### ***Historic Conceptualizations of the Church as an Enterprise***

Conceptualizing churches as “enterprises” to understand what they do is not novel. In the mid to late 1700s, Adam Smith conceptualized the Church rather explicitly as a firm and analyzed how the economic operation of churches contributed to the “wealth of nations” (Smith 1776). In his work, Smith (1776) described the Western European Church as largely economic in nature and as possessing the requisite characteristics of a firm later expounded upon by Alfred Chandler (1992), including functioning as (1) a state-sanctioned *legal entity* that signed agency contracts with its suppliers, distributors, employees [priests], and customers [congregants] (Fama and Jensen, 1983; Smith, 1776; Qui-gang, 2003; Kelly, 2006; Minkenberg, 2003; Anderson, 2008; Ekelund, Herbert, & Tollison, 2002; Osterman, 2006); (2) an *administrative entity* that establishes a division of labor for coordinating and monitoring its goal-oriented activities<sup>4</sup> (The Bible, 1611; Smith, 1776) (3) a *resource-possessing entity* with a pool of learned skills, land/facilities, and liquid capital<sup>5</sup> (Smith, 1776; Kraaijenbrink, Spender, & Groen, 2010; Barney, 2001); and (4) a *production and distribution entity* with the goal of residual profit<sup>6</sup> (Smith, 1776;



The Bible, 2011). We present a more detailed discussion of the church as economic actor in the notes and in subsequent research.

Perhaps the clearest description of the Church as a firm comes from Davidson and Ekelund (1997) who described it as “a loosely integrated monopoly composed of upstream and downstream elements with clear market power over the sale of assurances of eternal salvation.” The Church’s market power was largely derived from its ability to “price discriminate” in the selling of its intangible products, which are “intellectual or philosophical in nature.” The spiritual products offered by the church are, therefore, “pure credence goods,” according to Davidson and Ekelund (1997), which, unlike tangible products, are those for which consumers face high costs, and have difficulty deciding the right amount to buy and/or determining the quality of the product they have purchased (Darby and Karni, 1973).

In sum, throughout its history, the Church has functioned as a viable, value-creating, and profit-seeking firm (Ekelund, 1996; Davidson and Ekelund, 1997; Iannaccone, 1998; Ekelund, Hebert, & Tollison, 2002; Ekelund, Hebert, & Tollison, 2004) largely engaged in societally beneficial actions. Even today, the fact that the Church’s legal form is termed “non-profit” is inconsequential to the profit-seeking, firm-oriented activities in which its entities are literally engaged (Thomson, 1985; Walrath, 2009). These entities provide valuable insights for the fields of management and entrepreneurship.

### ***Entrepreneurship and the Church***

Understanding the Church as an economically-focused firm lays the foundation for also understanding its efforts as entrepreneurial (Hayes and Robinson, 2011). Entrepreneurship, as used in this paper, is “a context dependent social process through which individuals and teams create wealth by bringing together unique packages of resources to exploit marketplace

opportunities” (Ireland et al., 2003). This definition is particularly useful because of its emphasis on entrepreneurial context. Throughout its history, the size and revenue-generating potential of the Church’s market has been based upon the value it created and delivered to consumers (members), and the Church has engaged in residual profit seeking, entrepreneurial activity to sustain its efforts, *which were largely influenced by its historical context* (Smith, 1776; Iannaccone, 1998; Ekelund, Hebert, & Tollison, 2002).

For all of the reasons noted above, churches are an appropriate group of enterprises for study in entrepreneurship and management.

### ***Entrepreneurial Context***

The environmental contexts of the organizations in this study are highly relevant for understanding their actions, as noted by several entrepreneurship scholars who emphasize the influential role of environmental context on entrepreneurial behavior at the organizational level (Galbraith and Stiles, 2003; Audretsch and Keilbach, 2007; Webb et al., 2009; Keating and McLoughlin, 2010; Cefis and Marsili, 2011; Welter and Smallbone, 2011). Cultural context and common history of actors within entrepreneurial organizations strongly influence organizational entrepreneurial action based on Galbraith and Stiles’ (2003) comparative analysis of Native American tribes’ response to gaming regulation intended to spur entrepreneurship. An entrepreneurial environment (one in which multiple start-ups foster a knowledge-rich context resulting from knowledge spillovers) influences entrepreneurial opportunity for the firms posited within it (Audretsch and Keilbach, 2007). According to Keating and McLoughlin (2010), access to financial and networking resources in a venture’s environmental context directly affects its leaders’ entrepreneurial decisions. Strategic decisions of entrepreneurial firms, including their decisions to exit specific types of business and/or to merge with other firms, are directly affected

by their technological and competitive environmental contexts (Cefis and Marsili, 2011). Finally, institutional context creates the environmental conditions that influence the overall nature, development pace, and extent of entrepreneurship within economies (Welter and Smallbone, 2011). Institutional context influences the behavior of individual entrepreneurial actors, which can be heterogeneous based upon varied responses to institutional conditions, entrepreneurs' "situational configuration" within their institutional context, the characteristics of the enterprise, and the background of key players within an entrepreneurial venture (Welter and Smallbone, 2011).

Webb, Tihanyi, Ireland, and Sirmon (2009) also explicate the framing role of institutional context on strategic entrepreneurial action. Their research indicates that divergent collective identities—driven largely by institutionally-perpetuated differences in meso-level groups' resource access and perceptions of the viability of opportunities presented in the formal economy—can drive some entrepreneurial actors to engage in informal entrepreneurship. As such, Webb, Tihanyi, Ireland, and Sirmon's (2009) and Welter and Smallbone's (2011) theories support the primary theory we seek to explicate in this paper—that social stratification, a specific, macro-level institutional context, and the social strata positions of members of firms derived from this context profoundly affect the actions of social enterprises.

Perhaps Moss et al.'s (2011) article on social venture organizational identity provides the most specific insight into how an entrepreneurial firm's context affects its strategic actions. According to these scholars, an entrepreneurial firm's organizational identity is derived from its context and drives how organizational members "collectively" view the organization, "how key issues are interpreted and how decisions are made," and guides how members respond to "strategic issues" facing the organization by motivating them to support "strategic objectives."

As such, their paper supports the theory this paper seeks to test: that a firm's entrepreneurship type (social or commercial), value creation emphases, interest orientation, and level of social responsibility are all driven by its stratified context.

### ***The Differences between Social and Commercial Entrepreneurship***

Commercial and social entrepreneurship display entirely different value creation and profit-seeking prioritization emphases. The distinctions between social and commercial entrepreneurship activity are relevant to this paper because a social enterprise's stratified context will likely impact the extent to which it engages in activities more similar to social or commercial entrepreneurship.

Several definitions of social entrepreneurship exist, but the concept of actors leveraging economic resources to address social problems is an uncontested component of most of the definitions (Dacin et al., 2010). Dees (1998) provides, perhaps, one of the most inclusive conceptualizations of social entrepreneurship when he states that it includes both non-profit and for-profit ventures where "the social mission is explicit and central" and where the enactors are "catalysts and innovators behind economic progress" (p. 2). Understanding social entrepreneurship in this way posits many of the charitable activities of legal form "non-profits" like churches as social entrepreneurial since they engage in residual profit-seeking activity often with the added aim of societal good (Dees, 1998).

Many social enterprises are dually focused on creating social and economic value (Short, Moss, & Lumpkin, 2009; Moss et al., 2011). In fact, many social enterprises are heavily focused on revenue generation activities to ensure their sustainability as their success is, in large part, measured by their financial performance (Moss et al., 2011; Austin et al., 2006). However, the distinction between social and commercial entrepreneurship lies in the focus of firms' value

creation and the prioritization of their profit-seeking. Social value creation in lieu of shareholder wealth-creation is the primary focus of social enterprises (Austin et al., 2006). This subjugation of the rational, individualistic pursuit of residual profit indicates that social entrepreneurial efforts are primarily other-interested or collectivistic (Mair and Marti, 2006; Baron, 2007).

The distinction between social entrepreneurship and commercial entrepreneurship can also be understood as being primarily influenced by group-interested, communitarian philosophies vs. being primarily influenced by self-interested, utility-focused philosophies of corporate organization. Communitarian philosophies of social enterprise assume that entrepreneurial actors are “embedded within—and penetrated by” a set of cultural assumptions and knowledge that spur group behavior that focuses “less on the development of individual rights and the pursuit of self-interest” as with utility-focused philosophies, and more on “shared values” and achieving “common good” (Ridley-Duff, 2007). Moss, Short, Payne, & Lumpkin (2011) further clarify the “other-interested” nature of social entrepreneurship firms by stating that, though social ventures often have dually utility-focused and communitarian identities, their success is not gauged solely upon the organization’s financial performance, but on the “impact, activity, and capacity of the venture” to improve the lives of others.

### ***Commercial Entrepreneurship***

In contrast, commercial or traditional entrepreneurship is primarily concerned with creating innovative, superior value (or novel resource-combining or opportunity-seeking) ***in order to generate an economic return*** (Schumpeter, 1947; Chiles, Bluedorn, & Gupta, 2007; Gedeon, 2010). The prioritization of profit is what distinguishes its pursuit from that of social entrepreneurship, where the primary focus is on creating social rather than economic value (Austin, Stevenson, & Wei-Skillern, 2006). The earliest historical references to entrepreneurship

can in fact be traced to the field of economics, and these references were highly focused upon the “nature and sources of profit” which were all thought to derive from some combination of land, labor, and capital (Smith, 1776; Gedeon, 2010). Consequently, entrepreneurship became associated with all activity that resulted in economic profits that exceeded the rate of return for inputs (Gedeon, 2010).

From its emergence, the utility-focused nature of commercial entrepreneurship has been clear. Smith (1776), in his analysis of how the *entrepreneurial* efforts of nations in the mercantile system affected their wealth, emphasized that self-interest was an integral component of this pursuit. He states: “in the mercantile system, *the interest of the consumer is almost constantly sacrificed to that of the producer*; and it seems to consider production, and not consumption, as the ultimate end and object of all industry and commerce” (Smith 1776). From this statement it is clear that normative or communitarian concerns emphasizing “others” as in social entrepreneurship are not the primary focus of commercial entrepreneurship (Ridley-Duff, 2007; Moss, Short, Payne, & Lumpkin, 2011).

The differentiation between commercial and social entrepreneurial firms is also evident in Baron’s (2007) work distinguishing the primarily utility-focused and economic value creation efforts of commercial entrepreneurship firms engaged in CSR from the primarily communitarian-interested and social value creation efforts of social entrepreneurship firms. Using Whole Foods’ economic empowerment programs for the poor as an example, Baron (2007) classifies firm efforts to intentionally make a profit from the “goodwill” publicity of socially responsible activities as CSR, as they are primarily enacted for self-interested reasons. A true social entrepreneurship firm would be willing to take a financial loss (risk) to engage in social-ill redressing behavior (Baron, 2007). Baron’s example demonstrates that even CSR

efforts can serve the utility-focused interests of commercial firms and that self-interest is a distinctive component of commercial entrepreneurship.

### ***Social Stratification as an Entrepreneurial Context***

As explicated above, the specific characteristics of the environmental context in which an enterprise is situated influences facets of its entrepreneurial strategy, including its value creation emphasis, interest orientation, and social concern level, all of which impact the type of entrepreneurship in which it engages. In this study, for instance, though all of the firms studied are highly social entrepreneurial, we anticipate finding that some are more so than others depending on their environmental context.

One highly relevant feature of the macro-environmental context in which all enterprises are posited with characteristics that directly affect organizational outcomes is social stratification (Wiersema and Bird, 1993; Ravlin and Thomas, 2005). Social stratification theory postulates that at the macro-institutional (structural) level all human societies have social systems that categorically rank people “as superior or inferior to one another” based upon “socially important” (Parsons, 1940) achieved or ascribed traits (Parsons, 1940; Massey, 2007). These systems result in inequality in the distribution of people across social categories and maintain group members’ divergent access to scarce resources (Massey, 2007). However, stratification systems take their unique form based upon the societies in which the systems are posited (Mills, 1997; Wiersema and Bird, 1993). For example, “societal stratification” is a “distinguishing feature of Japanese culture,” which, though extremely racially homogenous, is quite stratified along economic class lines. This is so much the case that “ties to the imperial family and to formerly noble or ‘old-money’ families distinguish the elite from the nonelite” in and between organizations, and “small variations in material wealth or status” reflect “acute differences in

social position” (Wiersema and Bird, 1993, p. 6). In the United States, stratification has assumed a tri-partite face. Race, socio-economic class, and gender determine the allocation of social and economic resources, and various features of American society at virtually every level have been organized to maintain this system (Massey, 2007; Mills, 1997; Ravlin and Thomas, 2005).

Once initiated, the categorical inequality of stratification systems is maintained via social boundaries with built-in mechanisms for reproducing inequality (Tilly, 1998). These mechanisms include exploitation by the elite, opportunity hoarding by the non-elite, emulation or diffusion of these practices to vast realms of society, and adaptation and maintenance of stratification systems because of the invention of mental procedures for use in daily life that automatically assign individuals and groups to categories (Tilly, 1998). The inequalities created by stratification can be reproduced without explicit in-group bias or active discrimination because “structural relationships among groups can contribute to processes that enable intergroup inequality to persist” (Ditomaso, Post, Smith, Farris, & Cordero, 2007, p. 175).

Social stratification in the U.S. is based on race, gender, and economic class, with race being the strata category serving as the most enduring determinant of one’s strata position (Ravlin and Thomas, 2005). The result has been the categorization of African-Americans as the lowest strata group in society, and the group’s access to social and economic resources in every realm of American social life has been limited accordingly (Massey, 2007). Correspondingly in America’s stratification system, European-Americans (white) have been categorized as the highest strata group, and their access to resources has been advantaged (Massey, 2007). As such, persistent social and economic inequities are more inclined to affect blacks than whites because of their historical position as a societal out-group, and these same inequities are less inclined to



affect whites because of their converse historical position (Massey, 2007; Tilly, 1998; Mills, 1997).

The ultimate result of stratification systems is within and between organizational variation in opportunity and rewards based upon individuals' group strata membership, often regardless of individual determinants that should warrant better outcomes (Ravlin and Thomas, 2005). In addition, inter-organizational resource differentials and divergent strategies emerge, as demonstrated in labor markets with unions comprised of members of the same lower economic and skill-set class compared to those comprised of higher-economic and skill-set classes (Baron, 1984). Divergent collective identities also emerge causing entrepreneurial actors who are otherwise part of the *same macro-institutional* environment to engage in *distinctive meso-level* group activities that are driven by the contrasting norms, values, and beliefs of the primary sub-groups with which their organizations are comprised (Webb, Tihanyi, Ireland, & Sirmon, 2009). These normative and value differences themselves can emerge from or be strengthened by macro-level institutional constraints on the behaviors of individuals and groups considered "less legitimate," as is the case for low strata actors; and conversely macro-level institutional enablement of the behaviors of individuals and groups considered most legitimate, as is the case for high strata actors (Webb, Tihanyi, Ireland, & Sirmon, 2009).

Though race, gender, and/or economic status are valid measures of stratification in the U.S. context, strata position is an entirely different, much more rigid and less permeable concept that is context-based (Wiersema and Bird, 1993), and that is often overlooked in American management literature (Ravlin and Thomas, 2005). This is the case because in U.S. "management literature, stratification processes tend to be deemed irrelevant because U.S.-based research focuses on the role of the individual and his or her personal responsibility" for outcomes

in lieu of the enduring, constraining impacts of societal position (Ravlin and Thomas, 2005). Though there are some notable strides toward admitting the relevance of the inflexibility of societal structure on group outcomes in entrepreneurship and management literature (Shelton, 2010), much of it is still based upon the assumption that individual determinants drive social and economic outcomes in lieu of recognizing the enduring constraints of institutions.

Race is the primary feature of U.S. stratification upon which we focus in this paper as it has primarily determined the differences in social and economic resources that we anticipate will result in divergent entrepreneurial strategies for social enterprises. Though race was the primary measure of strata we utilized in this paper, the results from the hypotheses we seek to empirically test would be relevant in other stratified societal contexts composed of divergent strata groups, i.e. men and women in Europe, the Middle East, or the U.S. (Loscocco and Robinson, 1991; Robinson et al., 2007) high, middle, and low economic class (Spenner, 1988) in the U.S., elite and non-elite class in Japan (Wiersema and Bird, 1993), or Hindu and non-Hindu caste in India (Zacharias and Vakulabharanam, 2011; Darity, 2005).

Consequently, we anticipate that the strategies of organizations comprised primarily of one strata group or another will employ differential strategies based upon the societally imposed position of their group. In this study, as each subject organization is comprised primarily of members of one salient, ascriptively marked strata group whose members are therefore subject to the same system-wide effects, we anticipate finding detectable differences in firms' entrepreneurial strategies, and test the hypotheses below.

## **HYPOTHESES**

Since strata position creates resource-limitations or resource access in the environments in which entrepreneurial actors are posited, and plays a role in actors' development of shared

group identity that diverges by strata (Massey, 2007; Tilly, 1998; Webb et al., 2009; Shteynberg, Leslie, Knight, & Mayer, 2011; Darity, 2005), the interest orientations of high strata and low strata enterprises in this study will differ. In particular, lower strata enterprises will be more communitarian—focused on community, “other-interested” goals than enterprises composed of predominantly higher strata members, as indicated by the message(s) conveyed in their primary products’—their top managers’ speeches. Conversely, the resource-rich environments in which higher strata enterprises are posited will drive them to be more self-interested (utility-focused), and intent on maximizing the opportunities of their environment, as evidenced in their speeches.

**H1a:** Lower strata enterprises’ group-interest (communitarianism) is higher than higher strata enterprises.

**H1b:** Higher strata enterprises’ self-interest (utility-focus) is higher than lower strata enterprises.

Since groups of individuals develop divergent collective identities based on their status and the extent to which they share norms, values, beliefs, and other attributes (Doane, 1997; Webb et al., 2009), it follows that lower strata and higher strata enterprises would also have divergent social concern levels due to the different conditions to which organizational members are exposed because of their divergent status positions. As resource deprivation is a condition to which lower strata group members are more inclined to be exposed than higher strata group members, and as this is a primary cause of social ills, then lower strata enterprises will speak more often about redressing social ills and demonstrate greater social entrepreneurial characteristics than higher strata enterprises, as evidenced in their top managers’ speeches. Since higher strata enterprise members are more inclined to be posited within resource-rich environments with fewer social ills, higher strata enterprises will be more commercial entrepreneurial and focused on economic value creation than lower strata enterprises because of

their capacity to wield their more significant resources to innovate for their organizations' growth (Austin et al., 2006). This is much like traditional firms utilize slack resources for research and development and ultimately for competitive advantage over smaller firms who lack such resources (Nohria and Gulati, 1996).

**H2a:** Lower strata enterprises are more social entrepreneurial than higher strata enterprises.

**H2b:** Lower strata enterprises score higher on social value creation (redressing social ills) than higher strata enterprises.

**H3a:** Higher strata firms are more commercial entrepreneurial than lower strata enterprises.

**H3b:** Higher strata enterprises score higher on economic value creation (residual revenue generation) than lower strata enterprises.

## METHODOLOGY

We obtained data on U.S. non-denominational Protestant megachurches from the Hartford Institute's study on Megachurches (Thumma and Bird, 2009) and merged this with size and demographic information we derived from lists of non-denominational megachurches from research performed by Warf and Winsberg (2010). We corroborated the primary strata of each of these social enterprises from their websites and/or via phone calls to the organizations themselves. Next, we organized the total universe of social enterprises into three groups by total membership. This allowed us to control for the effect of size on the first test in which we used race as the primary measure of strata and allowed us to utilize size in a subsequent test as a proxy for economic status (another valid measure of strata in this research context). Social enterprises were categorized based on membership size as per Table 1.

	Small (2500-3999)	Medium (4000-6999)	Large (7000+)	Total
<b>High Strata</b>	2990	4853	10871	5710
<b>Low Strata</b>	3040	4667	10530	5336
<b>Total Both Groups</b>	2999	4825	10821	5650
<small>Note: Size measured by number of organization members.</small>				

We collected 21,180 leaders' speeches from 141 high strata and 35 low strata megachurches. This included representation from 74% of the total universe of high strata and low strata non-denominational megachurches with organizations sized from 2500+ members.

<b>Table 2: Total and Average Number of Observations Per Social Enterprise by Strata and Size*</b>								
	Total Number Obs** (n)	Avg. # Total Obs. Per SE <sup>+</sup>	Total # Small Obs.	Avg. # Small Obs. Per SE <sup>+</sup>	Total # Med. Obs.	Avg. # Med. Obs. Per SE <sup>+</sup>	Total # Large Obs.	Avg. # Large Obs. Per SE <sup>+</sup>
<b>High Strata</b>	<b>17433</b>	121	6044	90	7794	217	3595	88
<b>Low Strata</b>	<b>3747</b>	107	2753	153	473	53	521	65
<b>Total Both Strata</b>	<b>21180</b>	118	8797	103	8267	184	4116	84
* Size measured by number of organization members. **Observations refers to social enterprise messages analyzed. +Refers to social enterprise.								

For the primary test (in which strata is operationalized as race), we ran a test for normal distribution and removed outliers based on size resulting in a final N of 154 (n=126 high strata; n=28 low strata) and power of .91. For our secondary test (strata operationalized as economic class), we also ran a test for normal distribution and removed outliers based on size, resulting in an N of 129. To control for the extreme effects race has on U.S. economic class and to limit these effects on results, the sample in our secondary test was only comprised of megachurches with the same racial strata composition (white). To ensure group parity, all speeches were authored by each church's founder/pastor(s), and delivered within the same time frame, 2008-2011.

We utilized a mixed-methods research design for this paper. First, we employed quantitative content analysis, a deductive content analysis process, to identify the presence of words conceptually associated with our independent variables (White and Marsh, 2006). Then, we created formulas for variables we sought to measure based on research from the literature review (See Table 8). Next, we coded each message by creating customized queries associated with the independent variables based on semantics pattern and dictionaries in Tropes, a high performance, semantics-grounded content analysis software (Tropes, 2011). Then, to ensure content validity (White & Marsh, 2006; Short, Broberg, Cogliser, & Brigham, 2009), we augmented Tropes' dictionaries with customized dictionaries emergent from the data (Neuendorf, 2002) and with word associations using WordNet, a lexical database of English synonym sets developed by language researchers at Princeton (What is WordNet, 2011), as shown in Table 9. Finally, we converted this qualitatively-derived data into quantitatively-measurable form (Neuendorf, 2002; Krippendorff, 2004; Currall, Hammer, Baggett, & Doniger, 1999). We recorded the frequency of the presence of dependent variables in social enterprise speeches, and converted this frequency data into percentages based on the word count of each observation/message product. Following quantitative content analysis, we performed a Mann-Whitney U-test and a Welch's Robust ANOVA to test the hypotheses.

Our unit of analysis<sup>7</sup> was the strata group of the social enterprise (high or low) and the observations for each group were aggregately comprised of all speeches and speech summaries (sermons) available for 2008-2011 on the social enterprises' websites made by high and low strata top managers (senior pastors) and delivered to their enterprise members (congregants).

For reliability, we operationalized strata in two of the most common ways it is depicted in U.S. research contexts: as race in a primary test and as economic class in a secondary test. In the

primary test, we used a dichotomous, independent variable to depict social strata position as race (0-Higher [white], 1-Lower [black]). In order to classify a social enterprise as high strata or low strata, both the primary leader's strata (race) and the primary strata composition of the enterprise he or she led had to match.<sup>8</sup> This enabled us to control for effects that having an enterprise membership of mixed strata would potentially have on the social enterprises' strategies. In the secondary test in which we used economic class as the measure of strata in lieu of race, we classified enterprises into lowest, middle, and highest strata based on their membership size. Membership size is an accurate proxy for economic class in this context since megachurches generate most of their revenue from donations from and sales of their leaders' speeches to members of their organization (Kroll, 2003; Warf & Winsberg, 2010; Thumma & Bird, 2009).

Our dependent variables were social entrepreneurship, commercial entrepreneurship, self-interest (utility-focus), other-interest (communitarianism), social ills (explained below), institutional mobilization (institution building words, including church expansion and centric terminology), and residual profit-seeking (church revenue generation appeals).

Based upon the characteristics of social ventures indicated in entrepreneurship literature (primarily other-interested/communitarian, dually focused on creating social value via redressing social ills and on residual revenue generation) (Dacin et al., 2010; Dees, 1998; Moss et al., 2011), we created a formula including each characteristic to measure the social entrepreneurial levels reflected in the primary products of entrepreneurial church firms. Similarly, we developed formulas for commercial entrepreneurship based on the defining characteristics indicated in the entrepreneurship literature and the preceding literature review (Austin et al., 2006, Baron, 2007, Ridley-Duff, 2007). Because the use of words related to each of these constructs is context-specific, we first analyzed sample text from the products of one lower strata and one upper strata

megachurch to identify words that churches may use to refer to certain activity in their entrepreneurial context. For example, “love offering” or “love gift” actually refers to residual revenue generating activity of the church. We augmented the formulas we had created from standard words and definitions for each variable for all instances of context-specific language that referred to the same concept.

The social ill variable is based on the macro-level social and welfare issues monitored by the Organisation for Economic Cooperation and Development (OECD), which compiles data from “40 countries that account for 80% of world trade and investment” on “social and welfare issues,” which includes social (ethnic, racial, and gender) equality, employment, health policies, poverty reduction and social development (Social and Welfare Issues, 2011). We augmented this variable to also include prevalent U.S. social concerns like divorce, children, and family issues.

## RESULTS

Table 3 displays mean values and other descriptive statistics for high and low strata enterprises by racial strata, and Table 4 shows results of the Mann-Whitney test. H1a is not supported, as there is no statistically significant difference between the group-interest of the two groups based on the Mann-Whitney test ( $p=.840$ ), though comparing the means for high ( $\bar{x}_0$ ) and low strata ( $\bar{x}_1$ ) social enterprises shows an observable difference between the two groups in the direction predicted ( $\bar{x}_0=.036916$ ,  $\bar{x}_1=.045408$ ). H1b is supported and statistically significant based on results of the Mann-Whitney test ( $p=.001$ ).

H2a was not supported by the Mann-Whitney test ( $p= 0.10$ ), though the means comparison ( $\bar{x}_0= 0.003616$ ,  $\bar{x}_1= 0.005335$ ) showed low strata enterprises higher than high strata enterprises. H2b is not supported by the results of the Mann-Whitney test ( $p=.185$ ), though the means comparison is in the direction predicted ( $\bar{x}_0= 0.004237$ ,  $\bar{x}_1= 0.005964$ ).



H3a is not supported and results are in the opposite direction predicted based on the Mann-Whitney test, which provides strong, statistically significant evidence for low strata firms being more commercial entrepreneurial than high strata firms ( $p=.001$ ). This is corroborated via means comparison ( $\bar{x}_0= 0.002557, \bar{x}_1= 0.004500$ ). Likewise, H3b is in the opposite direction predicted based on results of the Mann-Whitney test which are highly statistically significant ( $p=.001$ ), and via a means comparison ( $\bar{x}_0= 0.004431, \bar{x}_1= 0.007154$ ), indicating that lower strata firms are more economic value creation focused than higher strata firms.

As noted previously in the methods section, we also tested the hypotheses with economic class or status<sup>9</sup> as the measure of strata in lieu of race in order to further establish if differences exist by strata. We classified enterprises into lowest, middle, and highest economic strata based on their membership size. Then, we compared the means of the three groups, and performed a Welch Robust ANOVA. Table 5 displays the mean values and other descriptive statistics, and Table 6 shows results of the Welch's ANOVA. With this test, we again observed an effect of strata on enterprise strategy and support for some of the hypotheses.

H1a is supported and the ANOVA shows a moderately statistically significant difference between the group-interest (communitarianism) of the three groups very close to the 95% confidence level ( $p= 0.066$ ). The means for group-interest were highest for the lowest and mid-tier strata groups, and lowest for the highest tier group ( $\bar{x}_1=0.060113, \bar{x}_2=0.032858, \bar{x}_3=0.028664$ ). H1b was not supported by the ANOVA ( $p=.283$ ) or via comparison of the means for self-interest of all three economic strata groups ( $\bar{x}_1=0.069966, \bar{x}_2=0.034269, \bar{x}_3=0.049837$ ).

H2a is not supported. The Welch's ANOVA ( $p=.748$ ) showed no statistically significant difference between the groups, and there was essentially mean equivalence between the highest and lowest strata groups ( $\bar{x}_1=0.005060, \bar{x}_2=0.005905, \bar{x}_3=0.005067$ ). H2b is not supported as

there is no statistically significant difference between the means of the three groups ( $p=0.266$ ) demonstrated by the ANOVA. Though, as observed in the means comparison for high and low strata groups in the first test, the social value creation mean was highest among the lowest economic strata ( $\bar{x}_1$ ) groups compared to the middle ( $\bar{x}_2$ ) and high economic strata ( $\bar{x}_3$ ) groups ( $\bar{x}_1=0.008379$ ,  $\bar{x}_2=0.003730$ ,  $\bar{x}_3=0.004371$ ).

As in the primary test, the commercial entrepreneurship mean ( $\bar{x}_1=0.005147$ ,  $\bar{x}_2=0.001982$ ,  $\bar{x}_3=0.002416$ ) is highest for the lowest strata enterprises in the opposite direction of H3a, though the ANOVA ( $p=0.459$ ) shows no significant difference by strata. For H3b, the economic value creation mean is highest for the lowest strata group ( $\bar{x}_1=0.007270$ ,  $\bar{x}_2=0.004711$ ,  $\bar{x}_3=0.004571$ ), and H3b is not supported by the ANOVA ( $p=0.588$ ). Table 11 displays a summary results table of all hypotheses for both the primary test using race as the measure of strata, and secondary test using economic class as the measure of strata.

**Table 3: Means and Descriptive Statistics for Higher and Lower Strata Enterprises**

	Strata (0-High 1-Low)	N	Mean	Std. Deviation	Std. Error Mean
SIZE (# members)	0	126	5977.07	5257.44	468.37
	1	28	5846.43	4124.05	779.37
TOTAL MESSAGES	0	126	136.44	239.89	21.37
	1	28	129.25	383.01	72.38
TOTAL WORDS	0	126	50891.44	109761.68	9778.35
	1	28	11297.32	16176.44	3057.06
SVC	0	126	.004237 .42%	.0058777 .59%	.0005236 .52%
	1	28	.005964 .60%	.0094106 .94%	.0017784 .18%
EVC	0	126	.004431 .44%	.0062917 .63%	.0005605 .06%
	1	28	.007154 .72%	.0065808 .66%	.0012436 .12%
GROUP INTEREST (Communitarianism)	0	126	.036916 3.69%	.0640069 6.40%	.0057022 .57%
	1	28	.045408 4.54%	.0769709 7.70%	.0145461 1.45%
SELF INTEREST (Utility Focus)	0	126	.039738 3.97%	.0807107 8.07%	.0071903 .72%
	1	28	.046819 4.68%	.0273872 2.74%	.0051757 .52%
COMM. ENT.	0	126	.002557 .26%	.0065372 .65%	.0005824 .06%
	1	28	.004501 .45%	.0040011 .40%	.0007561 .08%
SOCIAL ENT.	0	126	.003616	.0047027	.0004190
	1	28	.005335	.0169265	.0031988

*Strata measured by race.* Total N=144; Low Strata n=28; High Strata n=126. **Abbreviations:** SVC-Social Value Creation (Social Ills), EVC-Economic Value Creation (Residual Revenue Generating Activity). **SOCIAL ENT.**-Social Entrepreneurial. **COMM. ENT.**-

**Table 4: Independent Samples Mann-Whitney U Test**

(Difference Between Groups  $\neq$  0)

	STRATA (0-High, 1-Low)	N	Median	Mean Ranks <sup>+</sup>	Mann- Whitney U	Std. Error	z	Sig. (2-tailed)
SVC	0	126	.003413	75.25	2047.00	213.47	1.326	.185***
	1	28	.004303	87.61				
EVC	0	126	.003387	71.87	2474.00	213.47	3.326	.001*
	1	28	.005754	102.86				
GROUP INT.	0	126	.029753	77.16	1807	213.47	0.201	.840
	1	28	.031209	79.04				
SELF INT.	0	126	.032085	71.87	2473.00	213.47	3.321	.001*
	1	28	.044778	102.82				
COMM. ENT.	0	126	.000210	71.95	2463.00	203.20	3.442	.001*
	1	28	.004971	102.48				
SOCIAL ENT.	0	126	.000000	80.01	1447.50	192.53	-1.644	.100**
	1	28	.000000	66.20				

*Strata Measured by race.* N=154; Low Strata n=126; High Strata n=28; <sup>+</sup>Mean Ranks column allows for determination of direction of results in cases of statistical significance. **Abbreviations:** SVC-Social Value Creation (Social Ills), EVC-Economic Value Creation (Residual Revenue Generating Activity), **SOCIAL ENT**-Social Entrepreneurial, **COMM. ENT**-Commercial Entrepreneurial. N=144 Low Strata n=28 High Strata n=126. \*\*\*p  $\leq$  .20 \*\*p  $\leq$  .10 \*p  $\leq$  .05



**Table 5: Means and Descriptive Statistics  
for Higher and Lower Strata Firms**

		N	Mean	Std. Deviation	Std. Error
<b>STRATA*</b> <b>(Economic status)</b> 1-Low 2-Mid 3-High	1	60	2840.75	347.007	44.798
	2	31	4945.23	910.595	163.548
	3	38	11976.18	6423.200	1041.981
	Total	129	6037.53	5265.474	463.599
<b>TOTAL MESSAGES</b>	1	60	87.63	168.321	21.730
	2	31	211.97	383.104	68.808
	3	38	85.74	99.226	16.097
	Total	129	116.95	230.614	20.304
<b>TOTAL WORDS</b>	1	60	19183.27	29795.489	3846.581
	2	31	27872.52	35688.281	6409.804
	3	38	18159.58	22664.590	3676.682
	Total	129	20969.83	29522.643	2599.324
<b>SVC</b>	1	60	.008379	.0315336	.0040710
	2	31	.003731	.0014512	.0002606
	3	38	.004371	.0027813	.0004512
	Total	129	.006081	.0215813	.0019001
<b>EVC</b>	1	60	.007270	.0195442	.0025231
	2	31	.004711	.0034528	.0006201
	3	38	.004571	.0038322	.0006217
	Total	129	.005860	.0135960	.0011971
<b>GROUP INT. (Communitarianism)</b>	1	60	.060113	.1432206	.0184897
	2	31	.032858	.0087411	.0015700
	3	38	.028664	.0107496	.0017438
	Total	129	.044299	.0986287	.0086838
<b>SELF INT. (Utility- Focus)</b>	1	60	.069966	.2197770	.0283731
	2	31	.034269	.0161638	.0029031
	3	38	.030755	.0157055	.0025478
	Total	129	.049837	.1508424	.0132809
<b>COMM. ENT.</b>	1	60	.005147	.0198785	.0025663
	2	31	.001982	.0031228	.0005609
	3	38	.002416	.0035609	.0005777
	Total	129	.003582	.0137936	.0012145
<b>SOCIAL ENT.</b>	1	60	.003824	.0050598	.0006532
	2	31	.004733	.0059054	.0010606
	3	38	.003837	.0050667	.0008219
	Total	129	.004046	.0052484	.0004621

*\*Strata measured by economic class. Abbreviations: SVC-Social Value Creation (Social Ills), EVC-Economic Value Creation (Residual Revenue Generating Activity), SELF-INT (Utility-focus), GROUP INT (Communitarianism), SOCIAL ENT-Social Entrepreneurial, COMM. ENT-Commercial Entrepreneurial. N=129 Low Strata n=60 Mid Strata n=31 High Strata n=38.*

		<b>Statistic</b>	<b>df1</b>	<b>df2</b>	<b>Sig.</b>
<b>SVC</b>	Welch	1.349	2	77.982	.266
<b>EVC</b>	Welch	.535	2	83.464	.588
<b>GROUP INT.</b>	Welch	2.811	2	83.702	.066**
<b>SELF INT.</b>	Welch	1.281	2	81.588	.283
<b>COMM. ENT.</b>	Welch	.786	2	83.626	.459
<b>SOCIAL ENT.</b>	Welch	.292	2	68.475	.748

*Strata measured by economic class. Abbreviations: SVC-Social Value Creation (Social Ills), EVC-Economic Value Creation (Residual Revenue Generating Activity), SELF-INT (Utility-focus), GROUP INT (Communitarianism), SOCIAL ENT-Social Entrepreneurial, COMM. ENT-Commercial Entrepreneurial.: N=129 Low Strata n=60 Mid Strata n=31*

<b>Variable Element</b>	<b>Tropes Dictionary Pre-Established Macro Concepts (Scenarios)</b>	<b>Words Derived from Megachurch Context to Augment Tropes Scenarios</b>
<b>Communitarianism</b> <i>(Common-Good/Shared interest/Other-Interest)</i>	Aid and Assistance, Citizen, Community, Connection, Consent, Consideration, Equality and sameness, Family and genealogy, (You/We) Give, Group, Harmony and compatibility, Help, Integration, Kindness, Member, Peace, Relationship, Sacrifice, Selfless, Share, Together, Unity, Volunteer, We**	Many people, Others, People's lives, Not for me, Not for you, To bless others
<b>Utility-focused</b> <i>(Self-interested/ Individual Rights and Gain)</i>	Asset, Advantage, Benefit, Gain, Independent, Individualism and individuality, Opportunity, Practicality, Property and rights, Rights, Self and selfishness, Take, Unique, Use, Utility-focused and utility, Value, we/You***	
<b>Residual Revenue Generating Activity</b>	Donate, Finance(s), Money	Abundance, First fruit(s), Financial gift, Love gift, Increase, Offering(s), Prosper and Prosperity, Provision, Rich, Sow your, Sow seed, Tithe, Wealth
<b>Social Ill Redressing</b> <i>(Macro-Level Social Responsibility)</i>	Birth control, Child abuse and welfare, Community development, Disaster, Discrimination, Disease-Health-medicine, Divorce and family, Drugs, Economic development, Environmental conditions, Homeless, Housing, Hunger, Law and justice (crime, police, prison,), Needy, Orphan, Poor, Poverty, Race, Culture and Racism, Slavery, Social classes, Social welfare, Unemployment	Mission(s), Missionary, <b>Outreach, Soup kitchen,</b> Widow

\* A Scenario consists of several Semantic Groups, i.e. several combinations of substantives (a word or group of words functioning as a noun), lemmas (a word considered as its citation form along with all its inflected forms. For example, the lemma run consists of run along with runs, running, and ran) and/or Equivalent classes (groups of closely related references). \*\*We and all derivative pronouns were included as indicators of group interest. \*\*\*I and You and all derivative pronouns were included as indicators of self-interest based on the manner in which they are used almost universally in the speeches in our sample to direct the attention of listeners and the speakers to themselves.

**TABLE 8: Formulas for Social and Commercial Entrepreneurship**

<b>Social Entrepreneurship (SE)</b> = Social Ill Redressing Activity (SOCI) + Residual Revenue Generating Activity (RRGA) [Where Communitarianism (COMMUN) > than Utility-focused (UTIL) AND Social Ill Redressing Activity (SOCI)>0]
<b>Commercial Entrepreneurship (CE)</b> = Residual Revenue Generating Activity [Where Utility-focused (UTIL)> Communitarianism (COMMUN) AND Residual Revenue Generating Activity>0]

**TABLE 9: Results Summary Table**

<b>Hypothesis</b>	<b>Independent Variable</b>	<b>Dependent Variable</b>	<b>Statistic</b>	<b>Hypothesis Supported?*</b>
H1a	Social Strata-Race	Group Interest	Mann-Whitney U	No
	Social Strata-Economic Status	Group Interest	ANOVA	Yes <sup>++</sup>
H1b	Social Strata-Race	Self Interest	Mann-Whitney U	Yes <sup>++</sup>
	Social Strata-Economic Status	Self Interest	ANOVA	No <sup>**</sup>
H2a	Social Strata-Race	Social Entrepreneurship	Mann-Whitney U	No <sup>*** +</sup>
	Social Strata-Economic Status	Social Entrepreneurship	ANOVA	No
H2b	Social Strata-Race	Social Value Creation	Mann-Whitney U	No <sup>**</sup>
	Social Strata-Economic Status	Social Value Creation	ANOVA	No <sup>**</sup>
H3a	Social Strata-Race	Commercial Entrepreneurship	Mann-Whitney U	No <sup>*** ++</sup>
	Social Strata-Economic Status	Commercial Entrepreneurship	ANOVA	No
H3b	Social Strata-Race	Economic Value Creation	Mann-Whitney U	No <sup>*** ++</sup>
	Social Strata-Economic Status	Economic Value Creation	ANOVA	No
*Based on statistical significance **Trend toward significance in direction predicted. ***Significant in opposite direction. <sup>+</sup> p≤ .10 <sup>++</sup> p≤.05				

## DISCUSSION

This paper provides some direct and some suggestive evidence that divergent strata positions affect the entrepreneurial strategy of social enterprises. Two of our key hypotheses—that lower strata enterprises are more social entrepreneurial than higher strata ones, and that lower strata social enterprises are more focused on social value creation (or social ill redress)—were not supported at the  $^+p \leq .05$  level. However, they were trending toward significance at the  $^+p \leq .10$  or  $^+p \leq .20$  levels, respectively. The trend of these results, along with the hypotheses that were supported and those that showed significant differences between high and low strata enterprises in the opposite direction than predicted, suggest that there are differences in the propensity to engage in social entrepreneurship, social ill redress, and utility-focused vs. communitarian focused behavior between enterprises posited in more resource-deprived, disadvantaged contexts and those posited in more resource-rich, advantaged contexts.

The self-interest (utility-focus) of higher strata social enterprises is higher than that of lower strata enterprises and statistically significant in both tests (strata as race; strata as economic status) (H1b). Yet, considering the substantial economic resources that higher strata social enterprises wield and the large number of members that their efforts support, such utility-focused activity is necessary for organizational efficiency and survival (Thompson et al., 2011; Moss et al., 2011; Austin et al., 2006). That the group-interest (communitarianism) of lower strata social enterprises is higher than higher strata social enterprises (H1a) in the second test (strata measured as economic class), also supports our theory. This finding is also supported by sociological research that indicates that lower status settings tend to drive collective behavior or homogenize members (Rosenbaum, 1975).



Lower strata social enterprises in both tests (strata as race; strata as economic status) are more commercial entrepreneurial and economic value-creation focused than higher strata social enterprises and these findings are statistically significant. This is opposite of what was predicted in H3a & H3b. Yet, the statistically significant differences suggest that strata impacts social enterprise strategy. Further, these findings are supported by existing entrepreneurship literature which indicates that many social enterprises have dual identities and are compelled to emphasize economic value creation for their firms' sustenance and their organizations' social value creation goals (Moss et al., 2011). Further, "charitable activity must still reflect economic realities" (Austin et al., 2006). Since lower strata groups are more likely to be in vulnerable economic positions than higher strata groups (Massey, 2007; Wiersema and Bird, 1993), are less likely to have slack resources (Nohria and Gulati, 1996), and their members are more inclined to be adversely impacted by social problems (Massey 2007; Ravlin & Thomas 2005), it is rational for lower strata social enterprises to be more focused on generating revenue than higher strata ones for survival and to redress the greater number of social problems likely to impact their members.

There is a lack of statistical significance at the  $p \leq .05$  level for H2a predicting the social entrepreneurship of lower strata enterprises would be higher than higher strata enterprises'. Additionally, there is a lack of statistical significance at the  $p \leq .05$  level for H2b predicting the social value creation (or overall social ill redressing activity) of lower strata enterprises would be higher than that of higher strata enterprises. Thus, our findings seem to indicate both higher and lower strata social enterprises in this study are appropriately engaged in activities to "confer benefits upon society," as their I.R.S. tax-exempt status requires. Yet, the means for the propensity to engage in social entrepreneurship were higher for lower strata groups and the results were trending toward significance at the  $p \leq .10$  level in the direction predicted

when strata was measured as race. Additionally, the social value creation (the propensity to redress social ills) was higher for lower strata groups and the results were trending toward significance in the direction predicted at the  $p \leq .20$  level when strata was measured as race, and the mean for social value creation was highest for the lowest economic class amongst social enterprises of the same racial composition. This suggests that some differences still exist between higher and lower strata groups' social entrepreneurship and social value creation. These findings could be the result of the formulas we developed to measure social entrepreneurship and social value creation. It could also be that the two groups focus on different types of social value creation, or redress different social issues—something that was not specifically measured in this study. Further research is warranted to establish if statistically significant social issue emphases differences exist between the groups.

### **LIMITATIONS**

There are limitations to this study. First, there was a large difference in the mean size of the total words in speeches available to analyze in high strata social enterprises and low strata enterprises (45,000 words to 9,000 words). This affected the depth of the observations we were able to analyze, particularly when strata was measured by race. Though we removed outliers based on size,<sup>10</sup> we suspect that this speech size inequality still had an impact on results. The inequality likely exists because of resource differences between the two groups of churches. (Quality transcription can be very expensive, especially on a per message basis, as can necessary transcription technology and specialized staff for this task). Though we ran a second test in which we operationalized strata as economic status (among churches of the same racial composition) and got some stronger, significant results, further research is warranted with more equitable representation of observations from groups of lower racial strata.

Second, the primary strata compositions of the social enterprises we studied were very homogenous both when strata is measured by race and when it is measured by economic status.<sup>11</sup> As other types of enterprises may be more heterogeneously comprised in terms of strata, one should be aware of this when generalizing these results.

Lastly, although the speeches of the top managers of these enterprises were a good proxy for the strategic intent of the enterprises, it would be ideal to measure these organizations' actual strategic actions. Further research analyzing the websites or other available reports of these social enterprises activities could enable more precise measurement of the quantity and types of social and economic value creation in which these entities are engaged. These limitations signal that additional research is warranted to more fully understand differences driven by strata that may emerge in organizational settings.

## **CONCLUSION**

The evidence in this study contributes to existing entrepreneurship literature in several ways. First, through its analysis of social stratification and its effect on social enterprises, it affirms environmental context as an antecedent to entrepreneurial action. Second, it provides statistical evidence that context impacts specific aspects of strategic decisions for entrepreneurial organizations, including: (1) value creation emphasis, (2) interest orientation, and (3) the level of social concern that occupies the enterprise, which affect (4) the primary type of entrepreneurship an enterprise exhibits. Third, it empirically demonstrates that social enterprises tend to exhibit dually social and economic value creation identities due to the financial requirements necessary to effectively redress social ills. Fourth, this paper's unique analysis of churches as social enterprises expands the breadth of the type of organizations that can and, perhaps, should be studied in entrepreneurship and management because of their societal and economic relevance.

Finally, this paper bridges a research gap that currently exists between social entrepreneurship and sociology—the social science primarily concerned with moral entrepreneurship, the definition of social problems and the study of social structures that give rise to social problems. Integrated work between these two fields is necessary for analyzing the contextual conditions inclined to cause social entrepreneurship to arise.

As solving specific social ills is of increasing consequence for global sustainability, further research is warranted to refute or corroborate these results; on which social problems are prioritized by enterprises and leaders of different strata; and on what mechanisms spur societally-beneficial action across enterprises and individuals of different strata.

## NOTES

---

<sup>1</sup> According to Zack (1999), the products and services of a firm are reflective of its strategies. This is particularly the case with information products (Zack, 1999), like speeches for motivational speaking firms or marketing consultants and the sermon messages of churches, which are primary sources of churches' revenue-generation (Hull and Bold, 1994). For the megachurch enterprises we have studied in this paper, sermon messages are primary tools utilized to raise money from audience members, are even recorded and resold (Thumma and Bird, 2007), and are therefore classifiable as primary products for these firms. We have used sermon messages as units of analysis for this paper as they capture the articulated strategies of subject church firms. The community-oriented services of churches are also reflective of their strategies, but are not measured in this paper.

<sup>2</sup> In this paper, high and low strata refer to the primary organizational composition of the firms studied.

<sup>3</sup> We consider all organizations in this study to be social enterprises based upon: (1) The dominant rationale for tax-exempt legal status of churches and other charitable organizations under Internal Revenue Code section 501(c)(3) (Exemption, 2013) is that their activities “confer benefits upon society as a whole” and this code limits their ability to generate exclusively self-benefitting or individual shareholder profit (Brown, 1990). Based on this prescription and on our preliminary research on all of their websites, all organizations in this study were engaged in some form of social ill redressment. (2) Each of these enterprises are nascent, unaffiliated with traditional denominations, and

---

engage in innovative market-seeking behaviors. As such, they meet all prescriptions of the social entrepreneurship definition used in this paper.

<sup>4</sup> As described in Acts 15:6-29 (The Bible, 1611), early leaders of the Church sought to increase their organization's market share, and thus, appointed other sub-leaders, designated territories for them, and allocated the responsibility to them of functioning as managers to coordinate the Church's goal of proselytizing or market expansion (The Bible, 1611). This administrative function persisted as the Church aged and expanded throughout Europe, and was diffused in its various denominations as the Church expanded throughout the world.

<sup>5</sup> It is the possession of valuable, rare, inimitable, and non-substitutable resources (Kraaijenbrink, Spender, & Groen, 2010) that enabled the Church to garner demand for its products and services and to obtain sustained competitive advantage for nearly 2000 years. These resources for the early Church included intangible biblical translation services, biblical exposition services, and spiritual guidance that only the Church could give; and the wealth and propensity to help the needy (Smith, 1776). Though the possession and use of these resources has changed over time as governments began to offer social services to citizens and as the Western European Church evolved and split into two distinct denominational categories, Protestant and Catholic (Smith, 1776; Mangelaja, 2005), biblical exposition services and spiritual guidance expertise, as well as some measure of financial capital (wealth) and social capital (garnered by the church's moral standing and charitable giving) have remained in the resource pool for most churches in the West. As economic actors, the Church and its managers/agents have functioned as boundedly rational utility maximizers (Barney, 2001) wielding their resources in historical markets that have varied in their competitiveness.

<sup>6</sup> Because of the legitimacy afforded the Church via its legal status (Kelly, 2006), its administrative capability to monitor the dissemination (or distribution) of its products (Smith, 1776), and its possession of resources for which there has been significant, sustained demand<sup>6</sup> (Iannaccone, 1998; Minkenberg, 2003; Aarts, Need, Te Grotenhuis, & De Graaf, 2010), the Church has been able to engage in residual profit-seeking behavior that has allowed it to support the delivery of its services, pay its managers (priests/pastors), and expand its market. The origins of this residual profit-seeking behavior can be traced to early Church accounts, and even to the words of Jesus. In the book of Luke 19: 10-26, Jesus rebukes the "irresponsibility" of actors who do not engage in utility maximization when in possession of an asset with the ability to generate a return on its present value. Apparently heeding this admonishment, early church leaders directly engaged in raising money from the Church's existing customer base for proselytizing/market

---

expansion and for the delivery of its social services as described in 1 Corinthians 16:12, 2 Corinthians 8:1-5, and Acts 20:35 (The Bible, 2011).

<sup>7</sup> Though we had data at the individual enterprise level, we used aggregates of high and low strata groups in our analysis. Since we analyze group averages (and not individual enterprise's scores), our unit of analysis is the strata group (Trochim, 2006).

<sup>8</sup> Primary strata composition (race) verified based on information and pictures available on the churches websites of congregants and leaders, and via verification with the churches' main offices.

<sup>9</sup> Enterprise membership size is a proxy for economic size since megachurches generate most of their revenue from donations from and "sales" of their speeches to members of their organization or the emotional response of members' to the organizations' mission (Kroll, 2003; Warf and Winsberg, 2010; Thumma and Bird, 2009). The number of members of these organizations is directly tied to the amount of revenue they generate

<sup>10</sup> All churches with 1000 or less words available to analyze were removed from each group.

<sup>11</sup> This is because of the historical racial segregation of American churches, and the fact that American society itself is residentially segregated based on wealth and income. Many churches draw their memberships from neighborhoods within close proximity to their edifices and reflect this economic segregation, as well.

## REFERENCES

- Aarts, O., Te Grotenhuis, M., Need, A. & De Graaf, N.D. (2010). Does duration of deregulated religious markets affect church attendance? Evidence from 26 religious markets in Europe and North America between 1981 and 2006. *Journal for the Scientific Study of Religion*, 49(4), 657-672.
- Alvord, S.H., Brown, L.D., & Letts, C.W. (2004). Social entrepreneurship and societal transformation: an exploratory study. *Journal of Applied Behavioral Science*, 40, 260–282.
- Audretsch, D. B., & Keilbach, M. (2007). The theory of knowledge spillover entrepreneurship. *Journal of Management Studies*, 44(7), 1242-1254.
- Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: same, different or both? *Entrepreneurship Theory and Practice*, 30(1), 1-22.
- Barney, J. B. (2001). Resource-based theories of competitive advantage: a ten-year retrospective on the resource-based view. *Journal of Management*, 27(6), 643.
- Baron, D. P. (2007). Corporate social responsibility and social entrepreneurship. *Journal of Economics and Management Strategy*, 16(3), 683-718.
- Baron, J. N. (1984). Organizational perspectives on stratification. *Annual Review of Sociology*, 10, 37-69.
- The Bible*, King James Version. (1611). London, England.
- The Bible*, New International Version. (2011). Colorado Springs, CO: Biblica, Inc.
- Brown, T.A. (1990). Religious nonprofits and the commercial manner test. *Yale Law Journal*, 99(7), 1631-1650.

- Cefis, E., & Marsili, O. (2011). Born to flip. Exit decisions of entrepreneurial firms in high-tech and low-tech industries. *Journal of Evolutionary Economics*, 21(3), 473-498.
- Chiles, T. H., Bluedorn, A. C., & Gupta, V. K. (2007). Beyond creative destruction and entrepreneurial discovery: a radical Austrian approach to entrepreneurship. *Organization Studies*, 28(4), 467-493.
- Coleman, J. S. (1988). Social capital in the creation of human capital. *American Journal of Sociology*, 94, S95-S120.
- Currall, S.C., Hammer, T.H., Baggett, L.S., & Doniger, G.M. (1999). Combining qualitative and quantitative methodologies to study group processes: an illustrative study of a corporate board of directors. *Organizational Research Methods*, 2(1), 5-36.
- Dacin, P.A., Dacin, T., Matear, M. (2010). Social entrepreneurship: Why we don't need a new theory and how we move forward from here. *Academy of Management Perspectives*, 37-57.
- Darby, M.R. and Karni, E. (1973). Free competition and the optimal amount of fraud. *Journal of Law & Economics*, 16, 67-88.
- Darity, W., Jr. (2005). Stratification economics: the role of intergroup inequality. *Journal of Economics & Finance*, 29(2), 144.
- Davidson, A. B., & Ekelund, R. B. (1997). The medieval church and rents from marriage market regulations. *Journal of Economic Behavior & Organization*, 32(2), 216.
- Davis, D., Morris, M., & Allen, J. (1991). Perceived environmental turbulence and its effect on selected entrepreneurship, marketing and organizational characteristics in industrial firms. *Journal of the Academy of Marketing Science*, 19(1), 43-51.



- Dees, J.G. (1998). *The meaning of social entrepreneurship*. Kansas City, MO: Kauffman Center for Entrepreneurial Leadership.
- Ditomaso, N., Post, C., & Smith, D. R. (2007). Effects of structural position on allocation and evaluation decisions for scientists and engineers in industrial R&D. *Administrative Science Quarterly*, 52(2), 175-207.
- Doane, A.W., Jr. (1997). Dominant group ethnic identity in the United States: the role of "hidden" ethnicity in intergroup relations. *Sociological Quarterly*, 38(3), 375-397.
- Ekelund, Jr., R.B., Hébert, R.F., & Tollison, R.D. (2002). An economic analysis of the protestant reformation. *Journal of Political Economy*, 110(3), 646-671.
- Ekelund Jr., R.B., Hebert, R.F., & Tollison, R.D. (2004). The economics of the counter-reformation: incumbent-firm reaction to market entry. *Economic Inquiry*, 42(4), 690-705.
- Ekelund, R. B., Jr. (1996). *Sacred trust: the medieval church as an economic firm*. Oxford: Oxford University Press.
- Exemption Requirements: 501(c)(3) Organizations.** (2012). Retrieved May 28, 2013, from [http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501\(c\)\(3\)-Organizations](http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Exemption-Requirements-Section-501(c)(3)-Organizations).
- Galbraith, C. S., & Stiles, C. H. (2003). Expectations of Indian Reservation Gaming: Entrepreneurial Activity within a Context of Traditional Land Tenure and Wealth Acquisition. *Journal of Developmental Entrepreneurship*, 8(2), 93-111.
- Gedeon, S. (2010). What Is Entrepreneurship? *Entrepreneurship Practice Review*, 1(3), 16-35.
- Giving USA 2010: The annual report on philanthropy for the year 2009, executive summary.** (2010). Indianapolis: The Center on Philanthropy, Indiana University.

- Goss, K. A. (1999). Volunteering and the long civic generation. *Nonprofit & Voluntary Sector Quarterly*, 28(4), 378-415.
- Gross domestic product by industry accounts*. (2010). Washington, DC: Bureau of Economic Analysis. Retrieved March 5, 2012, from [http://www.Bea.Gov/Industry/Gpotables/Gpo\\_Action.Cfm?Anon=872318&Table\\_Id=26758&Format\\_Type=0](http://www.Bea.Gov/Industry/Gpotables/Gpo_Action.Cfm?Anon=872318&Table_Id=26758&Format_Type=0).
- Hatch, E. E. (1985). Institutionalizing social support through the church and into the community. *Health Education Quarterly*, 12(1): 81-92.
- Hayes, R.N., & Robinson, J.A. (2011). A research note on institutional logics and entrepreneurial action: the case of black church organizations. *Journal of Developmental Entrepreneurship*, 16(4), 499-515.
- Hull, B.B., & Bold, F. (1994). Hell, religion, and cultural-change. *Journal of Institutional and Theoretical Economics-Zeitschrift Fur Die Gesamte Staatswissenschaft*, 150(3), 447-464.
- Iannaccone, L. R. (1998). Introduction to the economics of religion. *Journal of Economic Literature*, 36(3), 1465.
- Ireland, R.D., Hitt, M.A., & Sirmon, D.G. (2003). A model of strategic entrepreneurship: the construct and its dimensions. *Journal of Management*, 29(6), 963-89.
- James, G. (2003). Exurbia and God: megachurches in New Jersey. *New York Times*. 29 June, A1.
- Katz, D., & Kahn, R. (1966). *The social psychology of organizations*. New York: John Wiley & Sons.

- Keating, A., & Mcloughlin, D. (2010). The entrepreneurial imagination and the impact of context on the development of a new venture. *Industrial Marketing Management*, 39(6), 996-1009.
- Kelly, C. (2006). Constantine: Britain's Roman Emperor. *History Today*, 56(7), 25-31.
- Kraaijenbrink, J., Spender, J., & Groen, A. J. (2010). The resource-based view: a review and assessment of its critiques. *Journal of Management*, 36(1), 349-372.
- Krippendorff, K. (2004). *Content analysis: an introduction to its methodology*. London: Sage Publications.
- Kroll, L. (2003). Megachurches, megabusiness. *Forbes.Com*. Retrieved May 9, 2011, from [http://www.forbes.com/2003/09/17/cz\\_1k\\_0917megachurch.html](http://www.forbes.com/2003/09/17/cz_1k_0917megachurch.html).
- Loscocco, K. A., & Robinson, J. (1991). Barriers to women's small-business success in the United States. *Gender & Society*, 5(4), 511-532.
- Lumpkin, G.T., Moss, T.W., Gras, D.M., Kato, S. & Amezuca, A.S. (2013). Entrepreneurial processes in social contexts: how are they different, if at all? *Small Business Economics*, 40(3), 761-783.
- Mair J., & Marti, I. (2006). Social entrepreneurship research: a source of explanation, prediction and delight. *Journal of World Business*, 41(1), 36-44.
- Mangeloja, E. (2005). Economic growth and religious production efficiency. *Applied Economics*, 37(20), 2349-2359.
- Massey, D.S. (2007). *Categorically unequal: America's stratification system*. New York: The Russell Sage Foundation.
- Mills, C.W. (1997). *The Racial Contract*. Ithaca: Cornell University Press.

- Minkenberg, M. (2003). The policy impact of church-state relations: family policy and abortion in Britain, France, and Germany. *West European Politics*, 26(1), 195.
- Moss, T.W., Short, J.C., Payne, G.T., & Lumpkin, G.T. (2011). Dual identities in social ventures: an exploratory study. *Entrepreneurship: Theory & Practice*, 35(4), 805-830.
- Neuendorf, K. (2002). *The Content Analysis Guidebook*. London: Sage Publications.
- Nohria, N., & Gulati, R. (1996). Is slack good or bad for innovation? *Academy of Management Journal*, 39(5), 1245-1264.
- Osterman, P. (2006). Overcoming oligarchy: culture and agency in social movement organizations. *Administrative Science Quarterly*, 51(4), 622-649.
- Parsons, T. (1940). An analytical approach to the theory of social stratification. *American Journal of Sociology*, 45(6), 841-862.
- Peredo, A.M., & Mclean, M. (2006). Social entrepreneurship: a critical review of the concept. *Journal of World Business*, 41(1), 56-65.
- Ravlin, E.C., & Thomas, D.C. (2005). Status and stratification processes in organizational life. *Journal of Management*, 31(6), 966-987.
- Ridley-Duff, R. (2007). Communitarian perspectives on social enterprise. *Corporate Governance: An International Review*, 15(2), 382-392.
- Robinson, J.A., Blockson, L., & Robinson, S. (2007). Exploring stratification and entrepreneurship: African-American women entrepreneurs redefine success in growth ventures. *The Annals of the American Academy of Political and Social Science*, 613, 131-154.

- Robinson, J.A. (2006). Navigating social and institutional barriers to markets: how social entrepreneurs identify and evaluate opportunities. *Social Entrepreneurship*. New York: Palgrave Macmillan.
- Rosenbaum, J.E. (1975). The stratification of socialization processes. *American Sociological Review*, 40(1): 48-54.
- Sahlman, W.A. (1996). Some thoughts on business plans. In Sahlman, W.A., Stevenson, H., Roberts, M.J. & Bhidé, A.V. (Eds.), *The Entrepreneurial Venture* (pp. 138–176). Boston: Harvard Business School Press.
- Schumpeter, J. A. (1947). The creative response in economic history. *The Journal of Economic History*, 7(2), 149-159.
- Shelton, L. M. (2010). Fighting an uphill battle: expansion barriers, intra-industry social stratification, and minority firm growth. *Entrepreneurship Theory and Practice*, 34(2), 379-399.
- Short, J. C., Moss, T. W., & Lumpkin, G. T. (2009). Research in social entrepreneurship: past contributions and future opportunities. *Strategic Entrepreneurship Journal*, 3(2), 161-194.
- Short, J. C., Broberg, J. C., Cogliser, C. C., & Brigham, K. C. (2009). Construct validation using computer-aided text analysis (CATA): An illustration using entrepreneurial orientation. *Organizational Research Methods*, 13(2), 320-347.
- Shteynberg, G., Leslie, L.M., Knight, A.P., & Mayer, D.M. (2011). But affirmative action hurts us! Race-related beliefs shape perceptions of white disadvantage and policy unfairness. *Organizational Behavior and Human Decision Processes*, 115(1), 1-12.

Smith, A. (1776). *An inquiry into the nature and causes of the wealth of nations*. Republished in 2009 by Project Gutenberg.

*Social and Welfare Issues*. (2011). Retrieved October 15, 2011 from

[http://www.oecd.org/topic/0,3699,En\\_2649\\_37419\\_1\\_1\\_1\\_1\\_37419,00.html](http://www.oecd.org/topic/0,3699,En_2649_37419_1_1_1_1_37419,00.html).

Spenner, K. (1988). Social stratification, work, and personality. *Annual Review of Sociology*, 14, 69-97.

Thompson, N., Kiefer, K., & York, J.G. (2011). Distinctions not dichotomies: exploring social, sustainable, and environmental entrepreneurship. In Lumpkin, G.T., & Katz, J.A. (Eds.), *Social and sustainable entrepreneurship: advances in entrepreneurship, firm emergence and growth* (Vol. 13, pp. 201-229). Bingley, UK: Emerald Group Publishing.

Thomson, W.M. (1985). Exempt organizations - standard for loss of exemption under IRS section 501(C)(3). *Duquesne Law Review*, 23, 1245-1260.

Thumma, S. & Bird, W. (2009). *Not who you think they are: the real story of people who attend America's megachurches*. Hartford, CT: Hartford Institute for Religious Research.

Tilly, C. (1998). *Durable inequality*. Los Angeles: University of California Press.

Townsend, D. M., & Hart, T. A. (2008). Perceived institutional ambiguity and the choice of organizational form in social entrepreneurial ventures. *Entrepreneurship Theory and Practice*, 32(4), 685-700.

Trochim, W. (2006). *Unit of analysis*. Web Center for Social Research Methods. Retrieved June 4, 2013, from <http://www.socialresearchmethods.net/kb/unitanal.php>.

*TROPES: high performance text analysis for professional users*. (2011). Retrieved October 15, 2011, from <http://www.semantic-knowledge.com/tropes.htm>.

- Walrath, M. (2009). *Essays on religion as an industry*. University of Minnesota Digital Conservancy. Retrieved from <http://purl.umn.edu/56255>.
- Warf, B. & Winsberg, M. (2010). Geographies of megachurches in the United States. *Journal of Cultural Geography*, 27(1), 33-51.
- Webb, J.W., Tihanyi, L., Ireland, R.D. & Sirmon, D.G. (2009). You say illegal, I say legitimate: entrepreneurship in the informal economy. *Academy of Management Review*, 34(3), 492-510.
- Welter, F., & Smallbone, D. (2011). Institutional perspectives on entrepreneurial behavior in challenging environments. *Journal of Small Business Management*, 49(1), 107-125.
- What is Wordnet?* (2011). Retrieved May 5, 2011, from <http://wordnet.princeton.edu/wordnet/>.
- White, M. & Marsh, E. (2006). Content analysis: a flexible methodology. *Library Trends*, 55.1: 22-45.
- Wiersema, M. F., & Bird, A. (1993). Organizational demography in Japanese firms: group heterogeneity, individual dissimilarity, and top management team Turnover. *Academy of Management Journal*, 36(5), 996-1025.
- Zacharias, A., & Vakulabharanam, V. (2011). Caste stratification and wealth inequality in India. *World Development*, 39(10), 1820.
- Zack, M. H. (1999). Developing a knowledge strategy. *California Management Review*, 41(3), 125-145.
- Zahra, S.A., Gedajlovic, E., Neubaum, D.O. & Shulman, J. M. (2009). A typology of social entrepreneurs: motives, search processes and ethical challenges. *Journal of Business Venturing*, 24(5), 519-532.