Tensions in Work Integration Social Enterprises in The Netherlands: balancing social and commercial goals in a multi-stakeholder context

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Abstract

Purpose

Social enterprises have proven to play a vital role in the transitions towards inclusive labour markets and sustainable economies. Yet, they often struggle to flourish within traditional economic systems due to the dual mission of pursuing social and commercial goals, leading to inherent tensions for social entrepreneurs. This study aims to explore tensions within Work Integration Social Enterprises (WISEs) arising from their dual mission and engagement with multiple stakeholders.

Methodology

Interviews with representatives from 10 Dutch WISEs were conducted to understand their day-to-day challenges. The typology by Smith and Lewis (2011), focusing on learning, belonging, organising, and performing tensions, was used for data analysis.

Findings

The study reveals tensions between social impact and commercial viability, with organizational challenges being predominant. Also, there's an observed temporal pattern in tension prominence: early stages emphasize belonging, organising, and performing tensions, while learning tensions become more prominent as enterprises mature.

Originality

This study offers insights into tensions within WISEs, highlighting the complexity of managing multiple identities in a multi-stakeholder context. By drawing on practical experiences, it contributes nuanced understanding to existing literature.

Keywords: *social enterprise; work integration social enterprise (WISE); dual mission; tensions; multi-stakeholder*

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Introduction

Recent estimates show that in Europe, 7% of people who are able and willing to work are unemployed (Eurostat, 2023). This means that despite high demand for employees in today's labour market, many people are unemployed (OECD, 2022). For societal challenges like this, an increasing appeal is made on social enterprises for potential solutions (KPMG and Nyenrode, 2020).

Social enterprises have proven to play a vital role in the transitions towards inclusive labour markets and sustainable behaviour and economies (Dupain *et al.*, 2022). Work Integration Social Enterprises (WISEs) aim to provide meaningful employment for those people, who are currently disadvantaged in the labour market (Roy *et al.*, 2017), also referred to as target group or beneficiaries. Successful WISEs can contribute to a more inclusive labour market by providing training and job opportunities, by forming a steppingstone to the 'regular' labour market or by being an end-employer themselves (see for instance (Vidal, 2005)). Having a paid job greatly contributes to the general well-being of individuals, to economic independence and helps establish and maintain social relations (Elmes, 2019).

While pursuing their primary social mission, social enterprises also pursue a self-sufficient revenue model. They are prominent examples of so-called hybrid organisations that operate at the intersection of commercial and social sectors (Battilana *et al.*, 2015; Pache and Santos, 2013). Social enterprises therefore operate in the same markets as for-profits and hence need to develop products and services that can compete with these for-profit enterprises. Facilitating social enterprises seems to require resolving the tensions that they face resulting from striving for both social and commercial objectives (Audretsch *et al.*, 2022; Kurland, 2022).

on how WISEs experience such tensions, resulting from working in a multistakeholder context with stakeholders from social perspectives and commercial perspectives. The main

purpose is to learn from practical experiences in WISEs, to contribute to a more detailed knowledge on salient tensions.

We focus on the Netherlands specifically, since a relatively high number of social enterprises is located there, of which the major part is aimed at work integration (Dupain *et al.*, 2022). The number of social enterprises, including WISEs, has increased over the past years, as have their revenue and impact (Social Enterprise.nl, 2021). Similar to other European countries, the call for stimulation of social entrepreneurship in the Netherlands is growing, as social enterprises are believed to help solve societal challenges (KPMG and Nyenrode, 2020). Despite it's focus on Dutch enterprises, this study aims to contribute to a general understanding of tensions which can also be applied beyond a specific national context.

A better understanding of the tensions that WISEs encounter, can aid policy makers in stimulating and supporting social enterprises and as such, contribute to solving societal challenges. We aim to provide more practical insights into the tensions that Dutch WISEs experience by performing a qualitative study. Our main research question is:

Which tensions do WISEs in the Netherlands experience in practice and how do they respond to them?

Theoretical Framework: Tensions within Social Enterprises

As stated in the introduction, tensions in social enterprises result from a balancing act between multiple objectives, related to both a social and commercial mission (e.g. Dacin, Dacin and Tracey, 2011; Battilana, 2018). These two missions are often accompanied by different goals, values, norms and identities, which cause tensions and competing demands (Muñoz and Kimmitt, 2019; Teasdale, 2012). If social enterprises cannot manage this duality, they may either prioritise commercial income over social goals, or focus on social goals at the cost of financial sustainability (Battilana, 2018; Westley *et al.*, 2014). Research refers to the

risk of an organisation's activities to drift from its (dual) purpose as 'mission drift' (Cornforth, 2014; Ebrahim *et al.*, 2014; Kurland, 2022; Muñoz and Kimmitt, 2019; Siebold *et al.*, 2018).

Several studies investigated tensions in WISEs and other social enterprises in relation to their dual mission. The first concerns the tension between measuring business outcomes and social outcomes (Alter, 2007; Audretsch *et al.*, 2022). While financial performance assessment methods are usually successfully applied, assessing the social mission often lacks standardisation and comparability (Ebrahim *et al.*, 2014). Assessing social impact may include elements such as health, human rights, education, job participation, which creates an unusual level of difficulty for measuring this impact (Arogyaswamy, 2017). Social impact may be of most importance for the enterprises, but performance is often measured through the clear and comparable terms of financial performance (Ebrahim *et al.*, 2014).

The second tension concerns competitiveness and customer perception. Customers here are the persons or organisations paying for the products and commercial services of the WISE. Whereas some customers are attracted by a WISEs social mission, others are attracted by the product or service and hold the organisation accountable for the standards of quality, efficiency and price that apply in the market. Given that some of the employees in WISEs can only perform work up to a certain level of productivity, these standards cannot always be met (Garrow and Hasenfeld, 2014; Krupa *et al.*, 2019; Lysaght *et al.*, 2024). To cover that, social enterprises must communicate (more) clearly about their social mission and call upon their customers to support this (Garrow and Hasenfeld, 2014). Other authors have however pointed out that explicating the social mission can also be risky as it might have a negative connotation (Bogacz-Wojtanowska and Wrona, 2017), thus illustrating a third tension.

Whereas the previous tension relates to the outward image, research also shows tensions in internal operations. For instance, the beneficiaries are both recipients of care and responsible for producing and delivering services. Battilana (2018) shows that deciding how much time beneficiaries should spend on the production line versus time in sessions with social workers can lead to tensions. Both sets of activities are critical to the enterprise and the beneficiaries it aims to help, but sometimes compete for the beneficiaries' time and attention. Some state that business should be subordinate to social service in order to prevent conflict in identity of the employees (Garrow, 2013).

The literature furthermore provides potential explanations for the origins of tensions and shows how they differ depending on the original nature or mission of the organisation, subgroups, the entrepreneur and over time. For instance, (Smith *et al.*, 2010) showed that tensions may differ depending on when an enterprise decides to profile itself as social enterprise. If an enterprise starts as a non-profit organisation that provides social service and turns into a social enterprise later on, this may cause tension or conflict because the business aspects are new in the enterprise. Employees might for instance identify themselves to the social mission and can be uncomfortable striving for efficiency or financial gain (Smith *et al.*, 2010). (Besharov and Smith, 2014) show how within an organisation different values and convictions may exist, which may lead to potential conflicts in subgroups. People that strive for efficiency and financial profit may for instance conflict with people that put the needs of the beneficiaries first. Wry and York (2017) contributed to the field of social entrepreneurship by building on identity theory and showing how identity of the founder of the social enterprise affects the type of opportunities that are recognised and pursued. (Siegner *et al.*, 2018) show that other tensions are experienced as the organisation grows. This aligns with an earlier study on scaling WISEs that showed how tensions between social and commercial

goals prevented scaling in some organisations, especially in 'young' WISEs (Bell *et al.*, 2019). These WISEs had outgrown the start-up stage but had not reached a growth stage.

Several authors also address the management of tensions. Ebrahim *et al.* (2014) studied challenges that may result from potentially conflicting objectives and accountability to multiple principal stakeholders. The main focus of this study was on organizational governance, in avoidance of mission drift. This study used two ideal types of hybrid organisations, being differentiated or integrated. Siegner *et al.* (2018) studied tensions and trade-offs. In their study the paradox of integrating social and financial mission is a core concept, which leads to tensions in activities and tensions in managing multiple stakeholders. They identified three areas affected by tensions, being the mission, human resources and organizational output. Overall they identified three strategies to manage tensions: structural separation (allocating divergent tasks to different units), temporal separation (compromise) and acceptance of the tension. Battilana (Battilana, 2018) outlines four theoretical pillars for organisations to achieve both social and financial goals over time: setting goals, structuring activities, selecting members, and socialising members. Setting goals involves balancing financial and social objectives and measuring performance against them. Structuring activities can involve separating or integrating social and commercial functions, aligning with strategies from Ebrahim et al. (2014) and Siegner et al. (2018). For selecting members, Battilana suggests mobilising individuals who can navigate both social and economic aims, whether they are hybrid individuals, domain experts, or adaptable 'clean slates.' Socialising members involves teaching and reinforcing desired values and behaviours within the organisation. Audretsch et al (2021) do not specifically address tensions within the WISEs but merely address how the entrepreneurial ecosystem around a WISE enables success. They build on the model of Isenberg's entrepreneurial ecosystem model, arguing that WISEs and other social enterprises have specific needs in terms of policy, markets, financing, culture, support and

human capital, in order to become successful as opposed to other kinds of enterprises. Despite the growing number of studies on tensions, only a limited number of studies investigated the tensions experienced in practice. This study aims to contribute to the knowledge on tensions, by studying the experiences in 10 WISEs.

Framework of analysis

The current study uses Smith and Lewis's (Smith and Lewis, 2011) typology of tensions within social enterprises and the analysis of social-business tensions by Smith *et al.* (Smith *et al.*, 2013) to categorise tensions that are experienced in Dutch WISEs. Based on a literature review of 360 articles focused on organising paradoxes Smith and Lewis identified four categories of tensions: learning, belonging, organising and performing. Smith et al. applied this framework in 2013 to a literature review specifically on social-business tensions and aimed to clarify the nature and management of the tensions from a theoretical perspective. Where the typology of Smith and Lewis's accounts for all organisations, Smith *et al.* (2013) specified the typology for social enterprises and showed how the typology can capture the tensions encountered by social enterprises. The tension categories are explained in the following section, based on these two studies (Smith *et al.*, 2013; Smith and Lewis, 2011). The work on the *paradox perspective* of Smith and Lewis (2011) encompasses the listed tensions, but also has proven to be a foundation in studying the development of social entrepreneurship, see for example (Berrone *et al.*, 2023; Besharov and Smith, 2014; Collings *et al.*, 2021; Hota *et al.*, 2019). As such we adopt this framework as the analytical lens for the current study.

Belonging tensions emerge from divergent identities. They arise when making choices about identity and occur both within the enterprise and between the enterprise and its external stakeholders. Organising tensions emerge from “divergent internal dynamics”. The realization of social and commercial goals often asks for different choices in structures, cultures,

practices and processes. Social enterprises look for the right way to organize themselves internally to achieve the desired results. Performing tensions emerge from having divergent outcomes, such as commercial and social goals. As a result of this diverse set of goals, social enterprises operate in a multistakeholder environment where they seek to strive to address multiple demands from a diverse set of stakeholders. Lastly, learning tensions are "tensions of growth, scale, and change that emerge from divergent time horizons" (Smith et al., 2013, p.410). Social enterprises seek stability and certainty in the short term, while striving for flexibility, growth and scale in the long term. Learning tensions manifest themselves mainly in making strategic decisions based on these different time horizons.

To gain a better insight into how tensions manifest themselves in practice in WISEs in the Netherlands, we analyse our data according to this typology of tensions by Smith and Lewis (2011). Since this study aims to study social-business tensions in practice, it can therefore complement the discussed theoretical insights.

Method

Participants

This study comprises 10 interviews conducted in the Netherlands as part of a research project on Sustainable Futures for Social Enterprises. Each interview, lasting from an hour to an hour and forty minutes, involved representatives from 10 Work Integration Social Enterprises (WISEs), with 8 of them being founders and the others being operational managers. These enterprises, presented in Table 1, responded to an open call on LinkedIn and through Social Enterprise.nl (national membership body for social enterprises). WISEs were selected that had some of their income from revenue (as opposed to funding from grants), without indicating how much this should be. In addition they should have formulated a commercial strategy while maintaining a dual social-commercial mission. The resulting

selection forms a diverse group varying in size, product, and primary beneficiaries. The participating WISEs operated for 5 to 10 years, half of them had more than 50% of their income from revenue, whereas the others relied more on funding from grants. Also, they each had an ambition to change the composition of the personnel (either the ratio between beneficiaries and other employees or aimed at specific capabilities), create more financial stability or to scale up their impact by business growth without jeopardizing the combined social and commercial mission. All enterprises targeted specific beneficiaries such as school dropouts, individuals with disabilities, those with addiction histories, or refugees. The participating WISEs ranged from 7 to 262 employees.

If beneficiaries were paid as employees, they are in this study labelled 'employees from target group', if they followed a development program they are labelled ‘participants’. Some persons are however unpaid, did not follow a program and it was unclear to the interviewees whether they were or weren’t part of the beneficiary group. These persons are categorized as ‘volunteers’. Table 1 provides an overview of the personnel composition of the participating WISEs. This table contains self-reported numbers. However, as one entrepreneur explained, it was sometimes difficult to distinguish between categories as one person could fit multiple categories.

[insert Table 1 near here]

Data Collection

The ten WISEs participated in this study through an interview. These interviews occurred in 2021, with 2 conducted on-site, and the remaining 8 via Microsoft Teams due to the COVID-19 pandemic. Drawing on the Value Proposition Canvas concept (Osterwalder *et al.*, 2014), the study examined how WISEs navigate multiple aims tied to distinct customer groups. These include paying customers (commercial clients), beneficiaries (those offered work opportunities), and "impact clients" such as investors or local governments supporting

the WISE for its social impact. These customer groups are visualized in the stakeholder triangle in Figure 1.

[Figure 1 here]

In the interviews, participants were questioned about their enterprise, current mission, and future ambitions. They were then presented with the stakeholder triangle to assess the enterprise's position based on stakeholder importance, time and energy allocation, and needs or requirements of each group. By separating the different stakeholder groups, different interests and demands for each group were made explicit, facilitating discussion on potential tensions within the stakeholder triangle.

Data Analysis

Thematic analysis (Braun and Clarke, 2006) was used to identify, analyse and report patterns within the data based on theory, aligning with the study's objectives and dataset characteristics. This approach emphasizes the exploration of collective meanings and experiences, crucial for understanding tensions across multiple WISEs.

From the many different styles of thematic analysis, template analysis fits best with our study. Template analysis (King, 1998) can be positioned in the middle between bottom up and top-down styles of analysis. It provided us the flexibility to start with some a priori codes based on the framework of Smith et al. (2013), while leaving room for codes that arose inductively during the coding process, which shed more light on how theory manifested itself in the WISEs in this study. The process, following King's steps, involved familiarizing with data, labelling sections with a priori themes (belonging, organising, performing, learning), independently coding by researchers and aligning interpretations.

Codes were inductively generated for each theme, initially applied to a subset of data and later refined across transcripts. Researchers discussed initial templates, merging and modifying to create a final version applicable to all transcripts. Iterative team efforts were

employed to identify, discuss, and analyse patterns. This method enabled a comprehensive understanding of how tensions manifest within WISEs, integrating theoretical frameworks with empirical data in a systematic manner.

Results

The remainder of this paper analyses the tensions in Dutch WISEs in further detail, following the four categories of tensions as identified by (Smith *et al.*, 2013): belonging, organising, performing and learning.

Belonging

The Dutch WISE's in this study struggled with articulating who they are and what they do. They found it especially hard to determine what aspect of their identity to display to the different stakeholders within the stakeholder triangle: internal stakeholders (beneficiaries and employees), commercial clients and other external stakeholders and how to align this. Table 2 below summarises the main belonging tensions as identified in the interviews before illustrating them in the next paragraphs.

[Table 2 here]

All social enterprises stated challenges operating in a complex multi-stakeholder environment requiring alignment and prioritisation of different goals. For instance, in relation to municipalities and funding institutions, the enterprises focussed on showing their mission and social impact in order to get funding. Whereas for commercial clients (paying for products or services), the WISEs struggled to determine to what extent the social and work integration aspects of the enterprise should be visible. For example: what elements of the background of a struggling teenager working in their restaurant should shared to their guests. The majority of WISEs participating in this study stated that they did not actively show the

social aspect of the business. WISE5 for example avoided sharing social dimensions of the enterprise due to negative perception of commercial clients of the quality of their products:

''What I'd like to say is that it is socially produced, but I know that's not the smartest thing to do. So we don't do that. We go for sustainable, locally produced'' (WISE5).

Showing the social aspects of the enterprise to external partners may thus be beneficial when municipalities, impact investors or commercial clients relate to the social mission, but may also be obstructive when 'social' is associated with lower quality or lower price.

The social mission is nevertheless a key aspect of the WISE: their reason to exist is to facilitate Work Integration for their beneficiaries. When explaining the concept of a WISE to the outside world, another tension arises. Because it often means detailing why beneficiaries need specialised attention and how the standard labour market fails to accommodate their needs. The beneficiaries themselves would rather not be treated differently. As one entrepreneur explained:

'If I give an interview, I know that my employees will read it too and they don't want to be labelled as "people with special needs" or that "don't fit in the labour market". They want to be cool, not pitiful. But I also want to explain what we do as an enterprise so that requires caution.' (WISE1).

Concluding, WISEs aim to serve a wide and diverse group of stakeholders at the same time. They belong to many groups and find it difficult to position themselves in this complex network of stakeholders. As a result, the participants found it difficult to construct and display the identity of the WISE. The findings showed two ways of coping with this tension. The first strategy is to not actively display the social aspect of the enterprise. The second strategy involves adaptation of what to display, depending on the partners they communicate with.

Organising

Organising tensions emerge from divergent internal dynamics—such as structures, cultures, practices, and processes (Smith and Lewis, 2011). Simply put, tensions in 'how things are done or organized'. Table 3 below summarises the main organising tensions, before illustrating them in the next paragraphs.

[Table 3 here]

Most of the enterprises adopted for-profit legal forms and integrated their social and commercial goals. Two enterprises had separate forms for their social and commercial activities, but this hardly led to any tensions. A noteworthy finding is that irrespective of their legal form, most of the enterprises made a division between commercial and social tasks. Mostly one person focused more on acquisition, marketing, communication and administrative tasks, whereas another was responsible for coaching and supervision of the beneficiaries and contact with social partners. Although there were no tensions with respect to the legal structure, the results show tensions in staffing, generating income and organising work.

Staffing

Starting with the tensions on staffing, this study did identify similar tensions as Smith et al. (2013) in relation to hiring employees. When it comes to hiring staff, tensions that emerged were for instance related to the skills that are needed, being that an employee should be business-minded while also being sensitive to characteristics of the beneficiaries. They should be productive, but also be able to slow down when needed. As an entrepreneur stated:

'What is especially difficult, is that they have to think along with the [social] relevance and also need to be commercial[…]' also: 'You shouldn't have judgments, no matter how hard it is. That is really very challenging'. (WISE6).

Another tension related to staffing was that the enterprises often wanted to hire additional employees but couldn't afford to pay them. At the same time these employees were necessary to generate more income.

In the interviews, many other topics in relation to staffing or to individuals in the organisation were addressed. Firstly, the entrepreneurs indicated they had to shift back and forth between the two goals and had to decide how to divide their time. The study showed that while most entrepreneurs indicated that the beneficiaries and commercial clients were most important to them, much of their time was also spent on the impact clients. Some social enterprises built on a management-duo or a team and could therefore divide their attention and limit this tension.

Secondly, decisions had to be made regarding whom to include in the enterprise. In the Netherlands, there is financial support for certain beneficiary groups, which influenced some social enterprises to include these groups in their operations. One of the WISEs for example welcomed everybody, but this affected their financial stability because they were not compensated for extra costs (such as coaching):

'There is no money for them, because the municipality does not pay. But I cannot say "no, just go away"' (WISE10).

Thirdly, the coaching and supervision of beneficiaries were highlighted. Since these WISEs worked specifically with individuals requiring support, on-the-job coaching and supervision were integral to their business, just as much as production or service delivery. There were several different ways this was organised: coaching by the entrepreneur him/herself, by one or more employees in the enterprise, externally hired or outsourced. When coaching was internally organised, it allowed for quick signalling of issues and needs, for example:

'And sometimes you see that they are not okay and you talk to them for a while and that's it. […] They only need a little nudge. If you don't do that right away, they get stuck' (WISE5).

Coaching also requires skills and time available in the enterprise, often at the expense of production or service delivery. Employing a specialist or outsourcing daily coaching to a care provider results in a clearer delineation of tasks and ensures access to specialised knowledge and skills. However, it also means that the entrepreneur may have less visibility into the beneficiaries' availability, thereby impacting the enterprise's day-to-day capacity. As an entrepreneur explained:

'[…] we just want that expertise to be with a healthcare partner and not with ourselves' [because] 'at some point they [beneficiaries] just work for us and sometimes I notice that I, as a commercial director forget "I cannot treat them as any other employee"' (WISE8).

To summarise, the findings show how some of the entrepreneurs are able to divide the tasks within the organisation and to limit the amount of tasks they have to manage. Coaching and supervision of beneficiaries is a set of tasks that is for instance assigned to a specific person or group. The results show that this is either done by the entrepreneur, one of the employees or by an external partner.

Generating Income

Having listed tensions relating to staffing and personnel, this paragraph lists organising tensions on generation of income. The diversity and changing sources of income, such as revenue, impact investors, donations and work integration budgets of the local government require attention. One entrepreneur explained that they would rather spend less time on impact clients. As they stated:

'It ends up taking quite a lot of intangible time. […]. It's also a lot of relationship management, it's a lot of reporting back. (WISE10)'

Another entrepreneur sought stability from public funds, especially since her commercial incomes were strongly affected by COVID-19. It became clear that they needed to invest more in that stakeholder group while reducing time and effort spent on the commercial client group. Reducing the supervision of the beneficiaries was not an option for them. This shows that tensions in staffing and income could also be intertwined.

How time and attention are divided over different stakeholders and sources of income may vary over time. One entrepreneur stated:

'In the beginning, those funds enabled us to fully focus on the company, that we could just pay ourselves a salary, since this was also a condition of the donation. This ensured that we could develop further' (WISE4).

At the time of the interview this company mainly relied on business-to-business income and not on any funds or loans. Also, WISE1, WISE2, WISE6, WISE9 and WISE10 specifically mentioned that they began with the help of one or more impact funds, with the ambition of becoming financially independent in the future. However, WISE1, WISE2, WISE9 and WISE10 indicated that they had not managed to achieve this independence yet.

Organisation of Work

A third category of organising tensions is about the organisation of work, ranging from tensions in acquisition, sales, accepting or rejecting orders, to planning work activities and adjusting them to the capabilities of the beneficiaries. From a commercial perspective, one might argue that individuals should conform to the work processes and organisation, whereas from a social perspective, it could be argued that work processes and organisation should be tailored to the individual. Some enterprises opted for the latter approach, by selecting a product or service that can be delivered through a standardised process. This decision accommodated the beneficiaries who excel with routines, involving similar tasks and minimal changes. WISE5 for example focused on a single product:

'You need to be able to sell the product in large numbers and not just one now and then, because then it simply costs too much time to learn how to make it'. (WISE5).

The selection of the product or service could prevent some organising tensions. A main tension was however that - given the service or product an enterprise offers – WISEs had to balance commercial gain versus benefits for their target group employees with every order:

'On the one hand you want to secure the survival of the company, and on the other hand you want to focus on the safety and development of people. And ideally that goes together, but in practice that is of course not always the case.' (WISE4)

WISE3 indicated that they sometimes refused large orders for this reason. Declining orders serves to protect the beneficiaries, by preventing fluctuations in production volumes or types. Another approach is to break an order into subtasks that are manageable for the beneficiaries. WISE8 for instance explained that when large orders come in he makes sure that the employees (both from target group and others) can focus on the product by taking upon himself some of the other tasks.

During interviews with the entrepreneurs, it became evident that organising tensions are the most prominent category of tensions for these WISEs. Several subcategories were identified, with significant emphasis placed on these tensions. Smith et al. (Smith *et al.*, 2013) identified tensions relating to hiring decisions, the extent to which the social and commercial mission should be differentiated or integrated, and the organisations' legal structure. This study shows limited tensions in relation to the legal structure. The tensions on hiring decisions do however seem to overlap partially with the current study, as the WISEs struggled to find the right persons and pay them appropriately. In terms of coaching and supervision, our findings illustrated the tensions identified by Smith et al. (Smith *et al.*, 2013).

In addition, most of the tensions identified seemed to be operational. However, the findings also show several ways of preventing these tensions and coping with them: by organising

things differently and by making choices in the product, clients and work processes, some of the tensions might be prevented or mitigated.

Performing

The performing tensions were expressed by challenges in measurement and comparison and by the pressure to meet market demands. Table 4 below summarises the main performing tensions as identified in the interviews before illustrating them in the next paragraphs.

[Table 4 here]

Firstly, performing tensions arose from the difficulty of measurement and comparison of social and commercial goals. The participants measured commercial goals such as: 'delivery time' (WISE8), 'quality of product' (WISE9) and 'revenue' (WISE6). Social goals encompassed 'gaining self-confidence' (WISE6), 'feeling of participation' (WISE5), and 'providing stability and structure' (WISE4). They found these social goals hard to assess and they considered it hard to determine when a goal was accomplished, for example for 'social activation'. As a result, comparing goals and prioritizing actions to achieve these goals is a difficult undertaking. We could not derive from the data whether quantifiable results are preferred or gain more attention than qualitative or non-measurable results within the social enterprises. However, stakeholders demanded transparency regarding the impact of the social enterprise's actions, requesting that results and impact be measured. Consequently, the majority of participants (7/10) were actively engaged in formulating and implementing a theory of change (impact measurement). These theories of change often included efforts to quantify social goals. Examples were: 'move on to another company within 15 months' (WISE6), 'number of people that move on to education or work in a year' (WISE10), 'number of people who have completed a trajectory this year' (WISE3). Most WISEs have started making these quantifications at the urge of funds. The risk with quantifying impact is

that attention can easily shift to measurable results, potentially neglecting those aspects that are harder to quantify.

Secondly, in line with the previous tension, performing tensions arose from meeting market demands. As these entrepreneurs stated:

'The customer, the buyer of the product, is the most important to us, because without the financial means we cannot serve the rest' (WISE6) and *'To be able to achieve the impact, we need money' (WISE1).*

An enterprise that pursues social objectives in addition to commercial objectives has a certain favourable factor with the consumer. However, the entrepreneurs indicated that this is far from sufficient: just like their non-social competitors, they must deliver quality for a competitive price. WISE 4 illustrates this:

'Most important are: how it looks, the price and the quality […]. But I think the extra that we add, that it's socially and sustainably produced, can really win people over' (WISE4).

The enterprises struggled with setting their prices and valuing their product or service. They faced competition from non-social enterprises while having to account for additional costs. Moreover, they found it challenging to quantify the costs associated with their social activities. As the entrepreneur of WISE10 stated:

'What I find the most difficult, is the price-quality ratio. […] We are all used to buying a jacket at the [discounter store] for three euros. […] There is only margin if you don't take the working hours into account. Otherwise, we'll just make a loss' (WISE10).

Performing tensions are tightly related to belonging tensions and very influential for the existence of the business. They demand significant attention and time from the entrepreneurs, diverting focus from the business's core activities. Our findings add a more specific and more commercially oriented stance on sustaining and supporting social metrics. The WISEs aim to

be competitive and cost efficient, and as such search for a price that fits both the social and commercial mission.

Learning

Learning tensions relate to growth and scale of enterprises (Smith et al., 2013, p. 410). Table 5 below summarises the main learning tensions before illustrating them in the next paragraphs.

[Table 5 here]

A criterion for inclusion in the study was that the enterprises had an ambition statement necessitating a reassessment of the balance between commercial and social objectives. This might involve investing further in financial stability while maintaining focus on the social mission, or to grow in impact, hand in hand with economic growth. In practice however, the day-to-day business required the entrepreneurs to focus on short term issues and less on future plans. This was shown by the examples on staffing, where entrepreneurs indicated they needed people to help grow their enterprise, but on a short term couldn't afford this. Another example (in WISE3, WISE4 and WISE8) was that large orders sometimes came in and as a result all the other activities - including working on strategy and plans - were put on hold. This may also be labelled as a tension between short and long term or as a tension between working on the enterprise on a strategic level versus working on the enterprise on daily operational tasks.

Nevertheless, the entrepreneurs did formulate ambitions for the future. They mostly explained their ideas for future products and goals, not necessarily related to the upscaling and growth of the enterprise. However, growth in terms of increasing impact remained a prominent goal. The following quotation exemplifies how the interviewee aims to enhance

social impact while simultaneously achieving commercial growth through the introduction of a new product:

'I want to introduce a new version of our product that shows how everyone is different. By selling this product, our social impact becomes more visible and hopefully larger' (WISE6)

Although the learning category contains relatively few tensions, there are several noteworthy topics concerning the future and growth of the enterprise. These topics are primarily connected to tensions discussed in earlier paragraphs.

One of these learning topics relates to staffing and is easiest described as a chicken and egg dilemma: you need staff to acquire new orders and to deliver them, but at the same time you need those orders to be able to hire new staff. This tension is also listed under staffing tensions as part of organising tensions.

Another topic connected to learning as well as organising tensions relates to investments: when starting the enterprise there may be more dependence on external investments that set specific requirements on how the investment should be spent. As the source of income from product or services of the enterprise grows, it becomes more independent. This creates more freedom for the entrepreneur to decide when to invest in the enterprise and with what aims. This aligns with the organising tensions on income. In line with the changing source of income, the earlier mentioned tension on order acceptance becomes more prominent with the ambition to grow. Growth in impact is tied to growth in income, implying that more orders or larger orders are necessary. And, as described in the section on organising tension, this may require extra capacity or restructuring the work process.

Having listed these tensions and topics our findings are similar to the long term versus short term tensions Smith *et al.* (2013) describe. We notice that it seems, once the entrepreneurs have found ways to respond to or accept other tensions related to organising, performing and belonging, opportunity opens up to start considering growth, upscaling and

future goals. At the starting phase of the enterprise, most focus is on the tensions related to the organising, performing and belonging category. While, once the enterprise is stable for a few years, attention for the future and new ideas arise and learning tensions surface.

Furthermore, we observed that the learning tensions in these WISEs were existent in the phase of developing ideas, and not necessarily connected to concrete plans. The entrepreneurs seemed to have their focus on the near future, and plans for the longer term were not yet fully detailed. WISE5 for instance mentioned a plan to change the communication about the enterprise to attract a new group of customers, but had no plans yet on how to do that. WISE4 explained how they would like to update their online platform and website to a more professional standard but "cannot free up time to think it through". And WISE3 stated that they saw a clear road ahead but "we are just busy doing the things we do". WISE1, WISE6, WISE8 and WISE10 were all strongly affected by Covid-19 lockdowns, which may have led to more focus on survival instead of learning as well.

Discussion and conclusion

This research was set out to gain further insight in tensions in work integration social enterprises. Participants were questioned on how they divide their time and attention over stakeholder groups and on the resulting challenges and tensions. A 'stakeholder triangle' was employed for this purpose and proved to be an effective tool for unveiling tensions. Participants considered it easy to understand and it highly aligned with the daily practice of participants. By isolating stakeholders in the triangle, the participants could assess their significance and influence on the enterprise, leading to a deeper understanding of their own positioning.

To analyse the tensions, the findings were categorised according to Smith and Lewis' (Smith and Lewis, 2011) model on tensions, listing belonging, organising, performing and

learning tensions. Based on the results we found a good fit between the tensions described in the literature review, the theoretical model of Smith and Lewis and the experiences of the WISEs.

The findings show that organising tensions are most common in these enterprises, reflecting their day-to-day challenges in hiring, income generation, and workflow management. This category features a notable number of tensions, possibly because it addresses immediate operational concerns. Belonging and performing tensions may focus more on external stakeholder relationships, while learning tensions concern future positioning. A second possible explanation could be the broadness of this category. A third possible explanation could be that belonging tensions and possibly performing tensions have gotten more attention in earlier years and learning tensions have not surfaced yet.

The results show that belonging tensions stem from the heart of the enterprise: its social mission and they affect how things are organized (organizing tensions) and what needs to be achieved (performing tensions). It seems that once belonging, organising and performing tensions are settled, the entrepreneurs have room to look ahead and plan activities for the future. The tensions that arise from this process fit the learning tension category.

The tensions that the participating WISEs experience mostly confirm and enrich the knowledge on previously identified tensions. The findings confirm for instance the performing tensions on measuring both social and commercial goals and belonging tensions about communicating the social mission. They add however also positive effects of communicating the social mission, depending on the audience.

The findings confirm organising tensions from previous literature on being competitive and with respect to staffing. Although the interviewees indicated that they mostly search for hybrid individuals in the organisation, the findings also show several examples where tasks are divided over individuals with different expertise, thus aligning with two options for

selecting organisational members by (Battilana, 2018). Coaching and supervision of beneficiaries is a set of tasks that is for instance assigned to a specific person or group. The results show how some entrepreneurs delegate this to an employee or an external partner, to separate this task from others, thus showing a separation strategy as referred to by (Ebrahim *et al.*, 2014; Siegner *et al.*, 2018). The findings show also additional organising tensions, for instance in time division of the entrepreneur and with respect to income.

In answering the question 'how the WISEs experience tensions in practice?' not only the tensions, but also approaches to dealing with tensions became visible. Some of the WISEs showed how deciding on a clear product or service that matches the beneficiaries' capacities could prevent tensions. This often meant limiting the variety of tasks or separating a process into clear subtasks. Others showed how mitigating peaks in demand and creating a consistent workflow - dividing work in time- could also prevent stress and therefore tensions. Another approach is to divide work over people and thus limiting tensions at the level of the entrepreneur. The findings show for instance how some of the entrepreneurs are able to divide the tasks within the organisation, to limit the amount of tasks they have to manage. Mostly one person focused more on acquisition, marketing, communication and administrative tasks, whereas another was responsible for coaching and supervision of the beneficiaries and contact with social partners. This finding aligns with the structural separation approach as identified by (Siegner *et al.*, 2018) and suggests that WISEs with multiple entrepreneurs or employees have more room to cope with tensions.

The findings hold significant implications for policy and further research. Regarding policy, it's crucial to consider the developmental stage when supporting WISEs, as each stage entails distinct tensions requiring different interventions from local or regional governments and funding institutions. Secondly, when tensions occur, all stakeholders should investigate and be aware of their own role within the tension. Currently, tensions are mostly experienced

by WISEs themselves, but resolving them requires involvement from other stakeholders. Increasing awareness of these tensions and stakeholders' potential contributions to resolution can limit tensions and mitigate their negative impacts on WISEs.

In conclusion, this study identifies tensions between social impact and commercial viability, with organising challenges being most prevalent. A temporal pattern in these tensions was observed: early stages focus on issues related to belonging, organizing, and performing, while learning tensions become more significant as enterprises mature. The tensions experienced by the entrepreneurs in this study generally align with those identified in the literature. However, the findings also highlight specific coping strategies adopted by the entrepreneurs when facing these tensions. Furthermore, insights into these coping mechanisms suggest ways enterprises might prevent or manage tensions proactively. It appears that prevention and strategic division of work are crucial in relation to tensions and for the stability and success of the enterprises.

Limitations and directions for future research

This study offers insights into tensions perceived by 10 WISEs in the Netherlands. There are however some limitations: it was limited to a small number of WISEs, included only Dutch WISEs and the study included no stakeholders other than the entrepreneurs. Also, COVID-19 restrictions during data collection hindered face-to-face interactions, potentially impacting data richness.

In addition, although the stakeholder triangle proved to be very useful in unveiling tensions in the participating WISEs, it requires further testing and refinement. For instance that the ‘impact clients’ category was often confused with 'other stakeholders,' leading to heterogeneous interpretations. Refining this category, and as such the instrument, can further improve understanding and analysing WISEs.

Despite the limitations, these findings complement earlier research on tensions, particularly within Smith and Lewis' model. The study used an explorative approach, gathering bottom-up insights from WISEs, yielding a rich set of data with practical examples. Future research on the developmental phases and how this affects the type of tensions and the coping ability of the enterprise is however necessary. While existing studies focus on specific phases, such as nascent (Wry and York, 2017) and growing enterprises (Bell et al., 2019), a broader study comparing WISEs across all phases could enhance understanding. In addition, such a study could also include the effect that these tensions have on development and the transition to another stage.

Other directions for future research could be to include employees' perspectives to uncover variations in perceived tensions. Additionally, studying other types of social enterprises, like those focusing solely on specific beneficiary groups or sustainability, would be insightful for comparing tensions.

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Table 1. Summary of the Participating WISEs

	Beneficiaries		**Number of volunteers**	**Other employees**	**Total workforce**
	Number of employees from target group	Number of participants			
WISE1	0	38	13	8	59
WISE2	1	26	6	2	35
WISE3	0	5	1	1	7
WISE4	2	14	0	3	19
WISE5	0	18 (plus 8 interns)	0	3	29
WISE6	3	5	2	27	37
WISE7	0	20	200	36	261-262
WISE8	9	100	1-2	9	120
WISE9	1	45	29	2	77
WISE10	2	27	1	4	34

Table 2. Summary of Main Belonging Tensions

Name	**Description**
Overall tensions	The WISEs emphasise different aspects of their identity towards different stakeholders or even have multiple identities to display, depending on the context.
External communication (about mission)	There is a tension on visibility of the social mission in communication to commercial clients and other stakeholders
Identity and beneficiaries (communication about people)	The enterprises aim to gain attention towards social entrepreneurship and to do so often need to emphasise specific needs of their beneficiaries and how they differ from 'normal' employees, while they'd rather emphasise their talents and possibilities

Table 3. Summary of Main Organizing Tensions

	Staffing
Skills	The need for both social and commercial skills
New hires	The need to hire versus the financial ability to do so: More employees would allow enterprises to acquire more income, but more income is needed to be able to hire employees
Leadership	Dividing time over the social and commercial goals and associated activities
Inclusion	Tension between the wish to include everyone, while inclusion of some specific groups is rewarded through financial incentives (thus excluding other groups, or including them against potentially higher costs)
Coaching and supervision	Providing coaching within the enterprise as part of the core business versus outsourcing this to external experts
	Generation of income
Sources of income	Most WISEs have different sources of income that each require time and attention to acquire and maintain
Duration of income	Many external sources of income are temporary and short-term, whereas a longer forecast is necessary to provide stability for the employees and beneficiaries
	Organizing work
Order acceptance	With every order an enterprise has to decide whether it fits with the social aims or if an order should be declined to prevent pressure for the beneficiairies, despite the income it could regenerate
Reorganizing the order	One can choose to subdivide an order into tasks and redivide them, thus limiting tasks for the beneficiaries.

Table 4: Summary of Main Performing Tensions

Name	Description
Measurement and comparison	Commercial goals are often quantified and easier to measure, social impact is harder to capture
Valuation of products and services	WISEs must compete with prices charged by non-social enterprises but also have to take extra costs into account for supervision and possible limitations in productivity

Table 5. Summary of Main Learning Tensions

Name	**Description**
Long versus short term	Day to day business versus long-term strategy.
New hires	The need to hire versus the financial ability to do so: More employees would allow enterprises to acquire more income, but more income is needed to be able to hire employees
Sources of income	Sources of income may vary over time and a new development phase may require other (temporary) sources of income
Order acceptance	With every order an enterprise has to decide whether it fits with the social aims or if an order should be declined to prevent pressure for the beneficiairies, despite the income it could regenerate

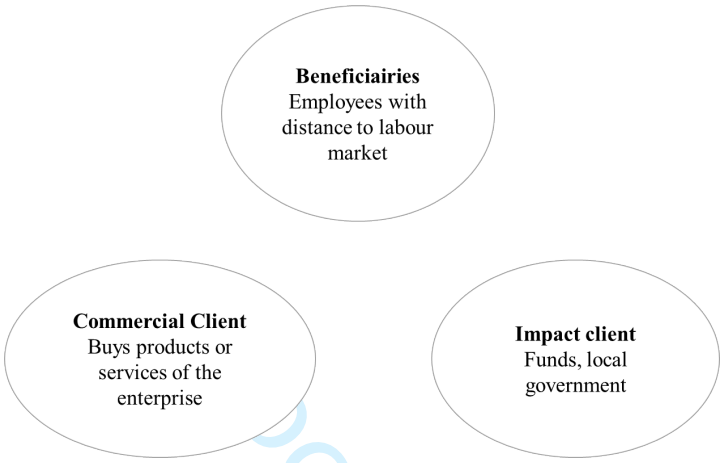
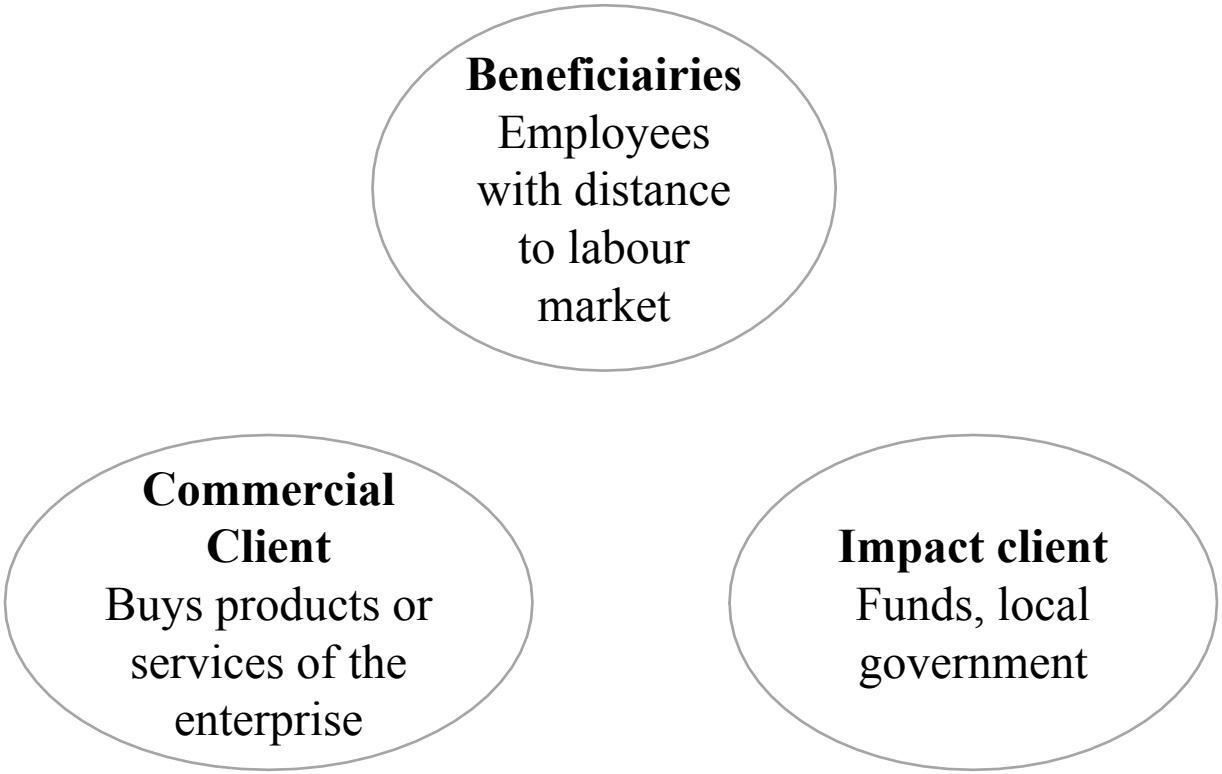


Figure 1. Stakeholder Triangle: Representation of Customer Groups for Interviews

Source for figs and tables: Author's own work


Beneficiairies
Employees with distance to labour market
Commercial Client
Buys products or services of the enterprise
Impact client
Funds, local government