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Title: 'Empathic Social Enterprise: The role of empathy and shared intentionality'.

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Abstract

Research conducted with the UKs first professional symphony orchestra cooperative provides evidence and insight into how empathy and shared intentionality impacted upon their cooperative governance. Individual semi-structured interviews, conducted with 36 of the orchestral musicians, were analysed and four themes emerged from the data, which were interpreted as: 'empathy', 'shared intentionality', 'provide and preserve', and 'cooperative governance'. Findings of the research indicate that performing arts groups such as symphony orchestras can be social enterprises. The paper examines the relationship between empathy and social enterprise. Empathy is presented as a multidimensional moral and psychological concept. New concepts of 'external' and 'internal' empathy are also proposed in relation to social enterprises and their beneficiaries. Empathy and social enterprise leadership is explored and implications for business leadership education are discussed. Finally, a new model for the definition of a social enterprise based upon the intersection of high-levels of innovation and entrepreneurship and empathy and shared intentionality is presented.

Introduction

The paper begins with a review of literature that examines the concept of empathy from a moral perspective, exploring the relationship between empathy and shared intentionality and moral reasoning. It continues with an examination of empathy from a psychological perspective, explaining the change in the perception of empathy as a unitary concept to a multidimensional concept. The role of empathy in business leadership education is then discussed. The paper continues by explaining the impact of the current financial crisis on performance arts groups and how it has resulted in many of those groups engaging in innovation and enterprise by setting up revenue generating organisations. Following on from this the notion of performing arts groups as social enterprises is discussed, along with the unique organisational structures and mission focus that social enterprises utilise. Finally, the research study conducted with the musicians in the UK's first professional cooperative orchestra is reported and the results of the study are presented. The findings of the study are discussed in relation to the role of empathy in social enterprise formation. An original contribution to knowledge is made through the proposition that: on a continuum of empathy and shared intentionality, the point where high levels of empathy and shared intentionality intersect with high levels of innovation and entrepreneurship indicates a transformation from an enterprise to a social enterprise.

Literature Review

Empathy: the moral perspective.

Literature focused on reasons for action indicates that an internal reason to do something must have a rational connection to an individual's desire or interest in order to motivate action towards ends (Joyce, 2001). However, moral reasons for action can be independent of

an individual's desires, interests and commitments, which suggest that moral reasons are external rather than internal. This viewpoint suggests that moral reasons for motivating action can exist independently of an individual's internal prior interests and desires. Therefore, a moral individual [i.e. one having the capacities for 'empathy' and 'shared intentionality' (Hourdequin, 2012)], can be motivated to action by moral reasons even when those reasons fail to directly link up with their pre-existing desires or interests. In other words, moral individuals can be motivated by reasons grounded in the desires, projects, commitments, concerns and interests of others (Hourdequin, 2012). In order for individuals to be moral, two key elements are required: attunement to others' *emotions* through empathy and attunement and to others' *ends* through shared intentionality (Hourdequin, 2012). Furthermore, empathy and shared intentionality are linked to the acquisition of and reactions to social norms, collective beliefs and cultural institutions (Tomasello and Carpenter, 2007).

Empathy, in its most basic sense, is the sharing of emotions or the ability to anticipate how another individual is likely to feel in a particular situation (Hoffman, 2000; De Waal, 2008). Empathy goes beyond emotional mirroring and is a case of being attuned and responsive to the affective states of the others that one has empathy with. Empathy allows us to be aware of the affective state of others, without necessarily having a pre-determined internal desire, goal or commitment to alleviate that state. In other words, empathy is not in itself a desire, though it may trigger other-directed desires and provide a reason for action allowing a motivational link to others' goals (Hourdequin, 2012). Shared intentionality emphasises the sharing of perceptions, intentions and goals and involves not merely discerning other's goals but adopting them so they become joint goals and consequently reasons to act. Empathy and shared intentionality are the basis for human motivational orientations in which other's ends count as reasons for us to act (Tomasello, Carpenter, Call, Behne, Moll, 2005). Empathy and shared intentionality are widespread in human beings and are necessary capacities to provide moral agency. Even 'self-centred' individuals, who may not have altruistic orientation or ends, as long as they are capable of shared intentionality, have the potential to be motivated by moral reasons (Hourdequin, 2012). For example, an opportunistic professional seeking to get ahead, having little regard for the broader social good, may possess fundamental social capacities enabling him/her to collaborate with co-workers by discerning co-workers' ends and taking these ends as a reason to act. In contrast, an individual who is completely unable to take others' reasons as reasons for his/her actions may be regarded as socially dysfunctional. Individuals who lack the capacity to be motivated by reasons grounded in the ends of others are deficient in empathy and shared intentionality, which impairs moral agency (Hourdequin, 2012).

Empathy: the psychological perspective.

An empathic response first requires recognition of one's own and other's emotions and the ability to replicate others' emotional states, whilst recognising those emotions are not one's own (i.e. affective responsiveness). Secondly, the ability to adopt other's perspectives is required, whilst simultaneously preserving a distinction between self and other (emotional perspective taking). Finally, the optimum empathic response must be chosen (e.g., soothe a sad person without being as sad as they are) (Carré, Stefaniak, Besche-Richard, D'Ambrosio and Bensalah, 2013). Empathic response is not to be confused with sympathy, which is feeling an emotion for the other rather than feeling an emotion as the other feels it (Eisenberg, 2010). From a psychological perspective, empathy was originally conceived as a unitary ability (Lipps, 1979; Titchener, 1909) but more recently has been considered to be based on two components: affective and cognitive (Davis, 1983a, 1983b; Deutsch and Madle,

1975; Hoffman, 1977; Hogan, 1969; Jolliffe and Farrington, 2006; Lawrence, Shaw, Baker, Baron-Cohen and Davis, 2004; Mehrabian and Epstein, 1972). According to the dual concept view, empathy is an essential part of both emotional functioning (affective) and interpersonal understanding (cognitive) (Carré, *et. al.*, 2013). Affective empathy is the ability to feel an emotional response when confronted with another's mental state (Bryant, 1982), whilst cognitive empathy is concerned with being able to understand that emotional state (Hogan, 1969). Questionnaire scales have been developed to measure empathy based upon the two concept model of empathy [i.e., the Interpersonal Reactivity Index (IRI; Davis, 1983b) and the Basic Empathy Scale (BES; Joliffe and Farrington, 2006)]. However, a recent study (Carré, et. al., 2013) explored the possibility of a three component concept of empathy based upon: emotional contagion, emotional disconnection and cognitive empathy (Decety, 2011a; Decety and Michalska, 2010). In the triple concept view of empathy, emotional contagion is described as the automatic replication of another's emotion (Iacoboni and Dapretto, 2006; Lipps, 1979) and is the first step in empathic functioning (Lamm, Porges, Cacioppo and Decety, 2008). Emotional disconnection is a regulatory factor, which provides self-protection from extreme emotional impact (Lamm, Batson and Decety, 2007) and is considered to be a more efficient way to react than complete emotional contagion (Gross, 2002). Cognitive empathy is described as the ability to understand another's emotions (Decety, 2011b). Carré, *et al.*'s (2013) study employed factor analysis to compare the one-two- and three-dimensional models of empathy and reported that the three dimensional model was more appropriate for measuring empathy in emotional and interpersonal functioning and therefore proposed that empathy should be considered a multidimensional concept (Carré, *et al.*, 2013).

Empathy: the leadership education perspective

Recent research (Holt and Marques, 2012) has examined the occurrence and importance of empathy in business leadership and found that empathy was consistently ranked lowest among ten leadership qualities. Although there was general consensus around the need for qualities such as intelligence, charisma, responsibility, vision and passion, the consensus did not extend to empathy. Technological changes, globalisation, the composition and skills-base of workforces, increased demand for social responsibility and requirement for partnerships, suggest that in order to prepare business leaders to deal with this context, business education should include the promotion of empathy in the curriculum (Allio, 2009; Hopen, 2010). Research has found that business students (in particular finance students) are more focussed on self-interest and narcissism than empathy when compared to students in other fields (Brown, Sautter, Littvay, Sautter, and Bearnes (2010). Brown, *et al.*, (2010) reported that business students were more likely to cheat, less likely to be cooperative and that they took these unethical and narcissistic traits into their professional careers. Indeed, prior research has likened these behaviours to psychopathic behaviours that further affirm the widely accepted political model of modern democratic capitalism, as well as an individualistic business culture in modern society (Andrews and Furniss, 2009).

Prior research has also identified that there is a link between corporate responsibility (CR) and the absence of psychopaths at the helm of businesses (Ketola, 2006). A further study examining corporate psychopaths revealed that their behaviour affects employee commitment and the organisation's corporate social responsibility (CSR) (Boddy, Ladyshewsky and Galvin, 2010). Stout (2005) argued that excessive self-centredness and a lack of empathy or guilt were traits of ruthless and fundamentally flawed but brilliant and charming manipulative leaders who were described as sociopaths. It would seem that empathy in leadership needs to be taken seriously if unethical and repressive business practices are to be prevented (Holt and

Marques, 2012). Business leaders must demonstrate empathy, attunement, organisational awareness, influence, interest in developing others, inspiration and teamwork (McDonald, 2008). Education in business ethics should be concerned with cooperative, mutually beneficent outcomes and fostering behaviour that contributes to those outcomes (Cohen, 2012). Cohen (2012) argues that cultivating empathic experiences is a more efficient way to inculcate cooperative, mutually beneficent outcomes than focusing on moral reasoning or ethical decision making as a tactical outcome (i.e., improved moral reasoning in itself may not manifest in changed behaviour).

<u>Performing arts groups as social enterprises</u>

Performing arts groups such as symphony orchestras, ballet and opera companies are significantly reliant upon state and private philanthropic subsidy for their financial sustainability, which has left them dependent upon the prevailing economic and political climate in their recipient societies (Mariani and Zan, 2011). In the current global financial crisis, levels of financial subsidy are in decline therefore, the innovation and entrepreneurial activities of performance arts groups are becoming crucial to their survival (Rosenbaum, 2011; Di Domenico, Haugh and Tracey, 2010). This difficult financial situation has prompted some performing arts groups to form revenue generating organisations (Pomerantz, 2006; Brkic, 2009). Any shift away from grant dependency towards revenue generation can afford performance arts groups increased autonomy, flexibility to adapt to the needs of the local community and the potential to apply innovative business models (Austin, et al, 2006; Borzaga and Defourny, 2001). Some prior research has identified revenue generating performing arts groups as social enterprises (Social Enterprise Alliance USA, 2011; Pomerantz, 2006; Brkic, 2009; Palmer, 1998; Dimaggio, 1987). It can be argued that performance arts groups such as symphony orchestras have a 'product' that bears some similarity to a public good and can therefore be regarded as social enterprises (Spear, 2000; Thompson and Scott, 2013).

Prior research has argued that social enterprises are a unique business form as they operate different organisational structures, aims and values in comparison to private and third sector organisations (Dart, 2004). In addition to this, social enterprises have aims that are both economic and social and it is this 'double-bottom line' of aims that distinguishes social enterprise from other forms of business (Ridley-Duff and Bull 2011; Dees, 1998; Mehan 2009; Moizer and Tracey, 2010). This double-bottom line of mission aims originates from the dual ownership structure that social enterprises operate, in which the owners, beneficiaries and external stakeholders have access to the company's decision-making processes in a form of 'associative democracy' (Gui, 1991; Reid and Griffith, 2006). It can also be argued that in engaging with all stakeholders a social enterprise is able to foster 'empathy' and 'shared intentionality' amongst its members that allows the needs of the beneficiaries in particular to be pursued (Hourdequin, 2012). Campi *et al*. (2006) also highlighted how this multi-stakeholder approach to decision-making allows social enterprises to source income from the private, public and third sectors. This flexibility in income generation allows the social enterprise to bring 'added value' to its operations through flexible income generation such as private trade or public sector contracts, as well as through the utilisation of 'social capital' from the community such as volunteering (Haugh and Kitson, 2007; Reid and Griffith, 2006). Social capital such as volunteering could also be seen as a demonstration of 'empathy' and 'shared intentionality', as it provides an example of how the 'institutional norms' and 'collective values' of the social enterprise motivate individuals to act in the interests of others (Hourdequin, 2012; Tomasello *et al*. 2005).

This focus on involving all stakeholders in the decision-making processes and the diversification of income generation means that social enterprises are also suited to operating as a cooperative, and vice-versa, with the participatory governance model enshrined in the legal structure (Ko, 2012). A cooperative exists to serve its members and to reduce inequalities amongst members, enabling them to monitor the enterprise, communicate amongst themselves and make collective decisions (Spear, 2000). Cooperatives also espouse the ethical values of self-help, democracy, equality, equity and solidarity and the principles of openness, autonomy, independence, education and concern for the community (Spear, 2000). The unique nature of cooperatives is their ability to build trust through their values and principles (Birchall, 2004). These many positive qualities of cooperatives, and those related to social enterprise in general, mean that they foster empathy, shared understanding, openness and confidence leading to an increasing sense of trust (Majee and Hoyt, 2009). Financial survival for an orchestra as an entity is important to its individual musicians because it provides them with employment, but it is also important to them because it enables them to fulfil their social mission: to perform, preserve and develop music cultural experiences for society (Pompe, Tamburri and Munn, 2011).

Summary

Having examined the concept of empathy from a moral and psychological perspective it would seem that empathy has a role to play in moral decision making and that it is a multidimensional concept. Moral and ethical leadership in business plays a crucial role in avoiding exploitation and promoting cooperative, mutually beneficent outcomes. Business education has a role to play in providing empathic experiences as part of the curriculum in order to reduce the potential for unfair exploitation in business. As the current financial crisis impacts on society, performing arts groups such as symphony orchestras must negotiate their financial survival through increased innovation and entrepreneurship. This situation presents a unique opportunity for orchestras to change their governance and form cooperative social enterprises, which can develop their musicians' financial futures, whilst at the same time promoting cooperative, mutually beneficent outcomes for society through moral decision making. The formalised participatory decision-making structures adopted by social enterprises and cooperatives suggests that the stakeholders involved have 'mutual empathy' and 'shared intentionality', which allows them to pursue the goals and needs of others over and above their own self-interest. This paper argues that it is this 'empathy' and 'shared intentionality' that separates social enterprises from traditional businesses.

The current study

Aims of the research

The aim of the study was explore the role of empathy in the transformation of this professional symphony orchestra into a cooperative social enterprise.

The orchestra

The governance structure of the orchestra is an Industrial Providence Society (IPS), which is a UK legal form in which a cooperative is registered as a limited company. The cooperative orchestra, based in the South East of England, has a pool of 44 freelance professional musicians that can be called upon to form the symphony orchestra to rehearse for and perform concerts. The orchestra also produces audio and visual recordings that are marketed

to raise income for the cooperative. There is currently a governing board of five members who hold board meetings at which various management tasks are distributed between board members. The orchestra cooperative can be described as a social enterprise as it has a 'product' that can be regarded as a social good and a social mission to perform, preserve and develop music cultural experiences for society, particularly for disadvantaged communities.

Method

Participants

The research participants were 36 of the 44 musicians forming the 'pool' of musicians that form the cooperative who responded positively to being asked to be interviewed.

Procedure

Each musician was involved in individual semi-structured interviews with a researcher. Because the musicians live over a wide geographical area and had busy lifestyles, interviews were conducted with a researcher via the telephone. The length of the interviews ranged from 48m.00s to 10m. 21s. All 36 interviews were recorded and transcribed for analysis.

Analysis

The interview transcripts were subjected to qualitative analysis procedures based upon Grounded Theory (Glaser & Strauss, 1967). This method of analysis focuses on a process where categories (and subsequently themes) emerge from the data via inductive reasoning rather than coding the data according to predetermined categories (Maykut & Morehouse, 1994).This analytical process produced 52 units of analysis from which four themes emerged. These emergent themes were subsequently interpreted by researchers as: 'empathy', 'shared intentionality', 'provide and preserve' and 'cooperative governance'. The researchers also analysed the 'commitment' of the participants to the cooperative, with three levels of commitment emerging from the data. These were interpreted as: 'total commitment', 'reserved commitment' and 'no commitment'.

Results

Empathy

The theme interpreted as 'empathy' was characterised by musicians talking about how they have an affective empathic experience when performing together.

> *"I mean that's* [empathy] *something that can enhance music making because it means that you kind of know how somebody is going to approach the particular bit of playing. You can have a sixth sense about when they're going to come in with a chord or the volume they're going to come in at."* (P4)

This theme was interpreted as affective empathy because it represents musical interaction on an affective level. It could also be interpreted as emotional contagion regulated by emotional disconnection in order to provide a successful affective response to musical others. However, empathic contagion without regulation might result in musical breakdown if musician's emotions are not regulated.

Shared intentionality

The theme 'shared intentionality' was characterised by participants describing the need to control one's individual narcissistic tendencies in order to collaborate and realise a cooperative mutually beneficent musical and cooperative governance outcome.

> *"A symphony orchestra plays, and as an orchestral player you have very individual artistic feelings and reactions. You obviously have to practice them as an individual but then when it comes to it you have to go with whatever the artistic direction is. You can't be an individual in an orchestra. I suppose in a cooperative that is kind of the same thing to me, you all have to bring your own individual expertise, but you are all working towards one thing."* (P6)

This interpretation is informed by the moral argument for shared intentionality but could also be interpreted psychologically as cognitive empathy because it demonstrates an understanding of the feelings of empathy in both a musical and governance sense.

Provide, preserve and develop

The theme 'provide, preserve and develop' was characterised by the musicians expressing the desire to make the classical music experience widely available in society.

> *"Yeah, I mean we are very supportive of trying to get high quality live music out there as often as we can and wherever we can. And feeling that it is accessible to people of all walks of life, and people who live in all types of communities, and if this* [becoming a cooperative] *is a practical means by which you can make it financially possible, that has got to be the ultimate goal."* (P6)

This theme provides examples of how their new governance structure enables them to work towards, cooperative mutually beneficent outcomes. It also demonstrates how a shift from grant dependency to income generation allows the orchestra the flexibility to adapt to the needs of its local community and provide a public 'good'.

Cooperative governance

The theme 'cooperative governance' is characterised by feelings of democracy, team building, empowerment, openness and rapport, which is described as being in stark contrast to feelings generated in orchestras with more autocratic governance systems.

> *"I feel there is more openness between players, you have more right to speak or you feel you can talk to our committee in our case. Whereas if I'm in another orchestra situation or another freelance situation, I never dare tried to say what I want or what I wanted from the orchestra for the fear of not ever being asked again."* (P10)

This theme demonstrates the democratic environment created by cooperative governance, which facilitates group decision making and the opportunity to consider the social mission.

Participant commitment

The analysis process engaged in by the researchers also enabled the researchers to identify levels of participant commitment to the cooperative. Three levels of commitment were identified and interpreted as: 'total commitment', 'reserved commitment' and 'no commitment'. Table 1 indicates the distribution of participants by commitment to the cooperative.

Table 1: Commitment to the cooperative		
Level of Commitment	*Participants*	*Total*
Total commitment	29, 1, 6, 12, 24, 25, 8, 2, 4, 32, 5, 7, 18, 19, 9 20, 21	17
Reserved commitment	34, 3, 26, 30, 11, 27, 10, 14, 17	9
No commitment	23, 31, 28, 33, 13, 16, 35	7

NB. Of the 44 musicians that form the 'pool' of musicians involved in the orchestral cooperative, 36 responded to being asked to engage in an interview. The researchers felt it was not possible to accurately interpret the level of commitment for three of the interviewees (15, 22, 36) so these three participants do not appear in Table 1. Also, eight of the 44 strong 'pool' of musicians declined to be interviewed, which leaves the commitment level of 11 of the 'pool' unaccounted for but can reasonably be interpreted as lacking commitment.

Discussion

Empathy and the orchestral cooperative

The results of the current study revealed that the orchestral musicians were able to become attuned to other's emotions during their music making. They described being able to anticipate how the other musicians felt during music making and how this form of affective empathy has the potential to enhance their musical performance. In the two-dimensional psychological model of empathy, it could be argued that this behaviour demonstrates the musicians' capacity for affective empathy (Bryant, 1982) or in the three-dimensional model their capacity to experience emotional contagion, which is then regulated by emotional disconnection (Carré *et. al.*, 2013). Affective empathy, or emotional contagion regulated by emotional disconnection, are precursors to cognitive empathy, which brings with it a collaborative understanding of what the orchestra is trying to achieve on a musical and cooperative governance level. It is proposed that this collaborative cognitive empathy facilitates shared intentionality (Hourdequin, 2012), which for the orchestral musicians is manifested as optimal musical performance and cooperative governance. The musicians displayed their capacity for empathy and shared intentionality by creating a musical 'product' that can be regarded as a public good (Spear, 2000; Thompson and Scott, 2013). The musicians also transfer these empathic behaviours to their cooperative governance.

> *"I think of it as all the individual members working together towards one goal. I think the interesting thing about having a cooperative is all working towards the same thing, you all have to bring your own individual expertise, but you are all working towards one thing."* (P6)

The expression of their cooperative governance exemplifies the positive qualities of empathy, shared understanding, openness and confidence that cooperative governance can bring to an organisation (Majee and Hoyt, 2009). It is proposed that the cooperative governance of the

symphony orchestra has provided it with the opportunity to engage in a social mission, which takes the cooperative beyond mere financial sustainability for the orchestra and the individual musicians involved. This demonstrates that the orchestra is operating a double-bottom line in its business model; seeking to be financially sustainable whilst delivering their social mission (Ridley-Duff and Bull 2011; Dees, 1998; Mehan 2009; Moizer and Tracey, 2010). The orchestra's social mission is evidenced in the performance, preservation and development of music cultural experiences and institutions for society (Pompe, Tamburri and Munn, 2011; Tomasello and Carpenter, 2007) and education and concern for the community (Spear, 2000).

> *"The structure of the orchestra and the support from inside enables us to offer the kind of deals for potential venues that they would struggle to get for this kind of quality elsewhere. So if they are keen to bring music back to their community, we provide a way forward, or at least an option."* (P32)

> *"It's by becoming a part of the community that people get to know about an orchestra and feel like they know what they're coming to see….it's a way of building audiences as well as giving something back to community."* (P4)

Ideally, all the members of a cooperative would have total commitment to the aims of their cooperative. It can be argued from a moral perspective that this would require the all the members of the cooperative to engage in empathy and shared intentionality (Hourdequin, 2012). In the current research, three levels of commitment to the cooperative were identified: 'total commitment', 'reserved commitment' and 'no commitment'. It can be argued that the totally committed cooperative members were capable of both empathy and shared intentionality along with displaying altruistic orientation or ends, which attributes them with moral agency (Hourdequin, 2012). The cooperative members with only 'reserved commitment' could be viewed as more 'self-centred' individuals with little regard for the broader social good (i.e., lacking empathy) but are still capable of shared intentionality and therefore have the potential to be motivated by moral reasons (Hourdequin, 2012). The cooperative members with 'no commitment', who are unable to discern the cooperative's shared intentionality and lack the capacity to be motivated by reasons grounded in the ends of others may be regarded as socially dysfunctional (Hourdequin, 2012).

> *"Well I'm not actually a member, I'm just being asked to play. So, I'd have to say if they're offering the money then it means it's a good offer, sorry for a bit of a cold answer, but it's kind of reality."* (P23)

Fortunately for the cooperative orchestra involved in the current study, the majority of the members displayed some level of commitment to its goals. In the current financial climate, performing arts groups increasingly have to become involved with innovation and entrepreneurship in order to survive (Rosenbaum, 2011; Di Domenico *et al.*, 2010). The results of the current study provide evidence that if performing arts groups such as symphony orchestras aspire to be social enterprises, innovation and entrepreneurship should be complemented by empathy and shared intentionality, as it can be argued that it is these psychological constructs that facilitate the dual ownership structures (Gui, 1991; Reid and Griffiths, 2006) and double-bottom line mission focus (Ridley-Duff and Bull 2011; Dees, 1998; Mehan 2009; Moizer and Tracey, 2010) that are key components of social enterprise business models.

Implications for social enterprise

The current research has presented a multidimensional view of empathy and has demonstrated how empathy can interact within a cooperative symphony orchestra. Based upon the results of the current study, it is proposed that where empathy impacts positively on the governance of an entity it can foster the moral and psychological environment necessary for social enterprise to flourish. However, this may be an overly simplistic view of the impact of empathy on cooperative social enterprise in general. Based on the findings of the current study, it is proposed that empathy can influence behaviour within social enterprises (internal) and between social enterprises and their potential beneficiaries (external). 'Internal empathy' can be defined as how the moral and multidimensional psychological concepts of empathy impact upon behaviours within a social enterprise, particularly amongst the many stakeholders that are often involved in the governance of the social enterprise (Campi *et al.*, 2006). 'External empathy' can be defined as how the moral and multidimensional psychological concepts of empathy interact between the social enterprise and its beneficiaries. Indeed, if the role of empathy in social enterprise is to be fully understood, it is necessary to make the distinction between 'internal' and 'external' empathy and how these shape the interaction between the social enterprise and its stakeholders and beneficiaries.

Internal empathy, when considered as a multidimensional concept, relates to the empathy that takes place between the leadership and staff of a social enterprise that can facilitate moral decision-making and shared intentionality. External empathy is the emotion generated by the social enterprise for the beneficiaries it is trying to help. It is proposed that it is 'external empathy' that requires further consideration when exploring the impact of empathy on social enterprises. Many social enterprises are started because social entrepreneurs empathise with the plight of the people they wish to help. This is the point at which social entrepreneurs should be aware of the multidimensional concept of empathy: emotional contagion, emotional disconnection and cognitive empathy (Decety, 2011a; Decety and Michalska, 2010). If social entrepreneurs are experiencing emotional contagion only (Iacoboni and Dapretto, 2006; Lipps, 1979) then there is a danger that they will be so emotionally involved in the plight of their intended beneficiaries that they will not be able to react objectively to alleviate their plight. This situation could lead to a failure to produce an appropriate social enterprise business model to help their potential beneficiaries. The emotional contagion experienced requires regulation through emotional disconnection, which can protect the social entrepreneur from extreme emotional impact (Lamm, Batson and Decety, 2007) enabling a more rational response to the plight of their beneficiaries. Having regulated the emotional contagion through emotional disconnection, the social entrepreneur can then experience cognitive empathy (Decety, 2011b), which enables the understanding of other's emotions and can return objectivity when trying to help their potential beneficiaries. This means that social entrepreneurs who are leading social enterprises will require the quality of empathy in addition to the qualities of intelligence, responsibility, vision and passion (Holt, 2012). Figure 1 below provides an overview of the proposed role of empathy in social enterprise formation.

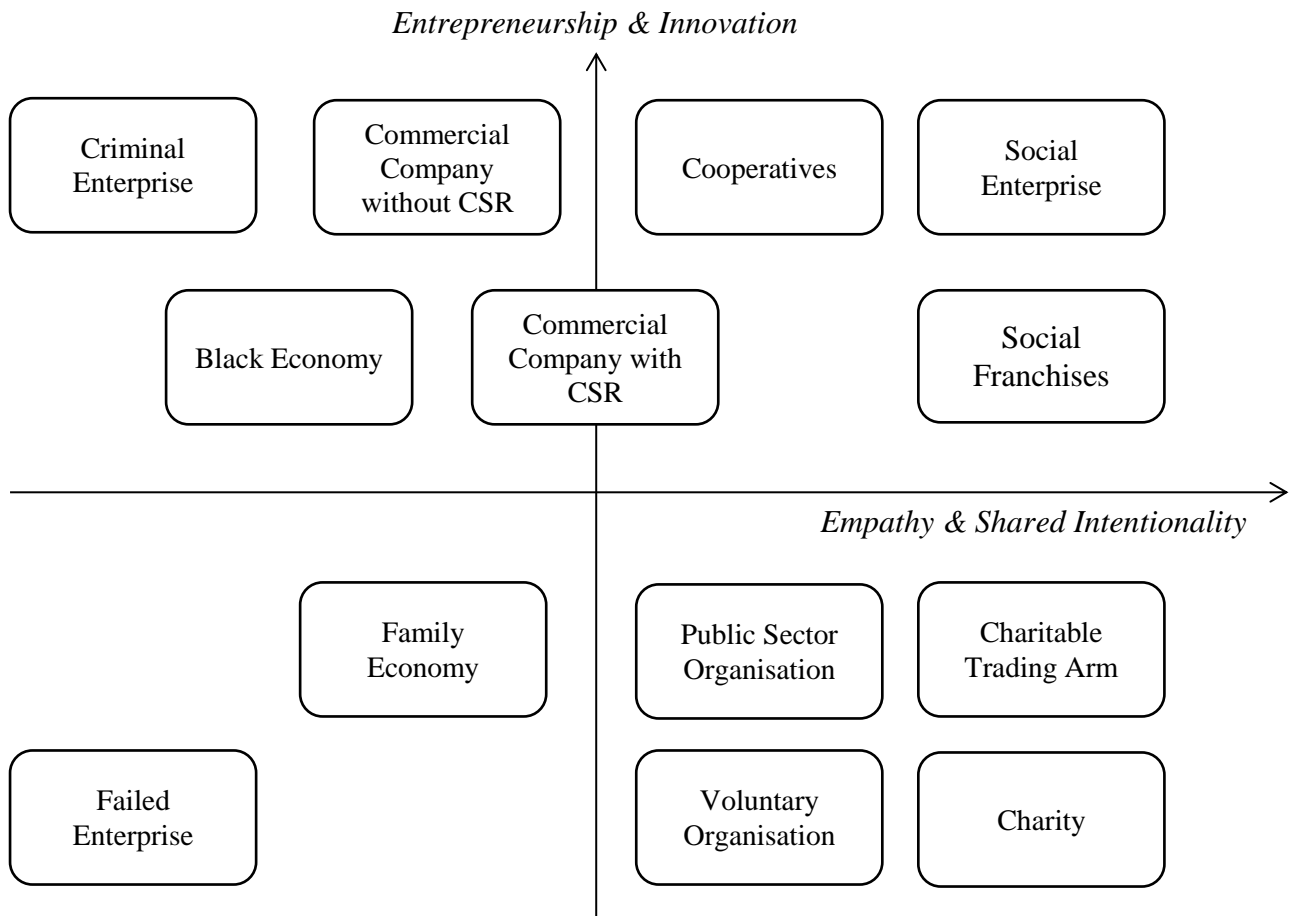Figure 1 – The role of empathy in social enterprise formation:
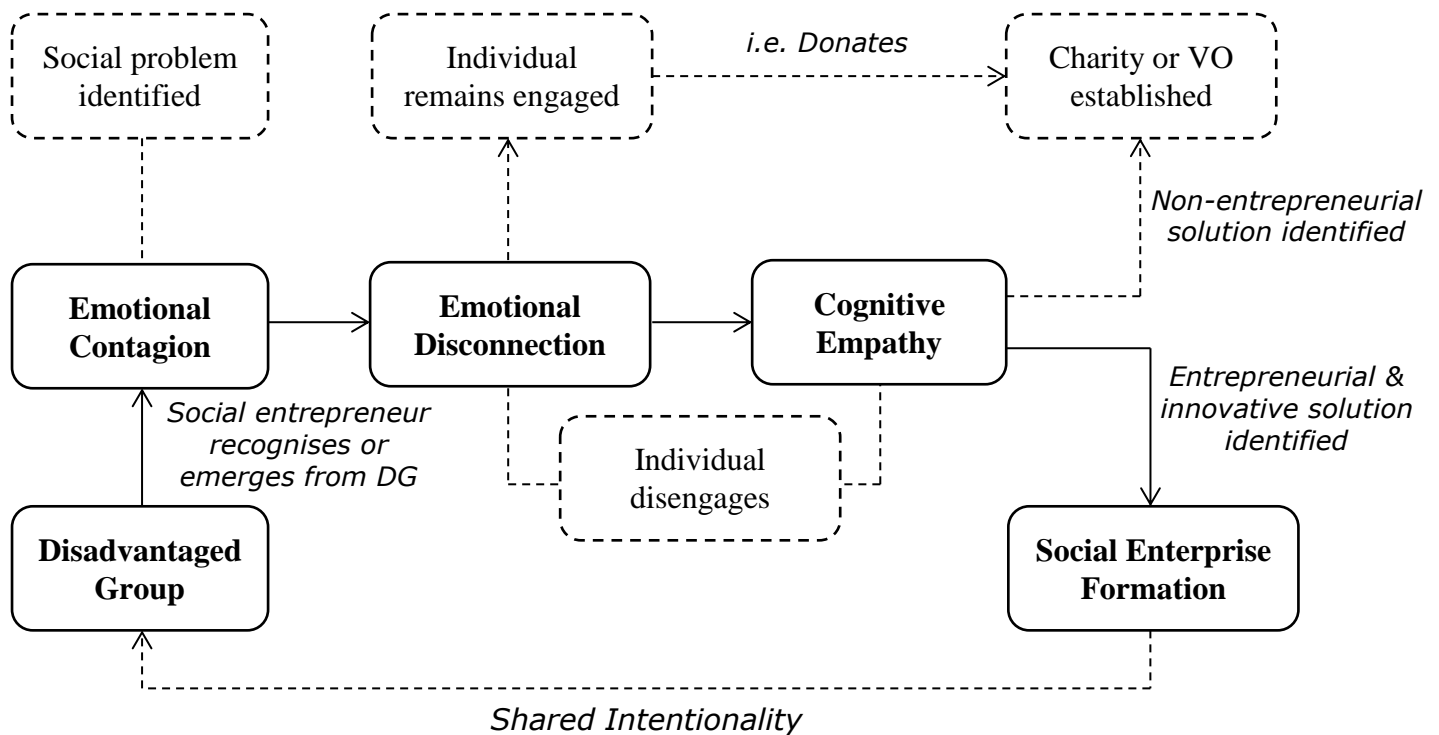
In understanding the formation of social enterprises based upon an understanding of empathy, Figure 1 outlines the emergence of the nascent social entrepreneur(s) from, his/her/their recognition of a disadvantaged group and social problem. This leads the nascent social entrepreneur (or social entrepreneurs) to experience 'emotional contagion', as they empathise with the disadvantaged group (Iacoboni and Dapretto, 2006; Lipps, 1979). However, in order to progress to the 'cognitive empathy' stage of the model the nascent social entrepreneur must experience emotional disconnection (Lamm *et al.*, 2007). If they do not emotionally disconnect then they will only participate in non-solution based activities such as donating money to a charity that seeks to alleviate the social problem. However, if the nascent social entrepreneur does emotionally disconnect, then they progress to the 'cognitive empathy' stage (Decety, 2011b). At this stage they formulate potential solutions to the social problem that they have identified. However, it is only if the solution that they identify is both innovative and entrepreneurial that they progress to form a social enterprise. If the solution is neither innovative nor entrepreneurial then they may form another organisational type (i.e. charity or voluntary organisation). The social enterprise then provides the social entrepreneur with the opportunity to develop 'shared intentionality' with the disadvantaged group and pursue their ends and goals (Hourdequin, 2012).

Defining a social enterprise based on empathy

Based on the findings of the current study, it is proposed that the concepts of empathy and shared intentionality are important in revealing the difference between a commercial enterprise and a social enterprise. A model of the relationship between empathy and shared intentionality and innovation and entrepreneurship is proposed (See Figure 2).

11

Figure 2: The relationship between empathy and shared intentionality and innovation and entrepreneurship

Entrepreneurship & Innovation

| Criminal Enterprise | Commercial Company without CSR | Cooperatives | Social Enterprise |

| Black Economy | Commercial Company with CSR | Social Franchises |

Empathy & Shared Intentionality

| Family Economy | Public Sector Organisation | Charitable Trading Arm |

| Failed Enterprise | Voluntary Organisation | Charity |

NB. The organisational types referred to in the model are derived from Pearce's (2003) 'Three Systems of the Economy' model.

It is proposed that at the point that high-levels of empathy and shared intentionality intersect with high-levels of innovation and entrepreneurship, a commercial enterprise becomes a social enterprise. At one extreme end of the continuum, innovation and entrepreneurship combine devoid of empathy and shared intentionality to create commercial enterprises without the constraint of morality associated with empathy and shared intentionality (e.g. criminal enterprise). At the other end of this continuum lies pure empathy and shared intentionality with limited innovation and entrepreneurship (e.g. voluntary organisations or charities), which are unlikely to be financially sustainable over the long term. The role of empathy in shaping the mission and organisational structure of the social enterprise is crucial, as it is the empathic engagement that first allows the social entrepreneur(s) to identify the gap in the market (the social mission). It is then the shared intentionality of the social entrepreneur(s) that allows them to seek to further the goals of the beneficiary group, even if this is at odds with their own goals. This can be delivered through a number of organisational forms; however, when this shared intentionality (arising from cognitive empathy) is delivered in an innovative and entrepreneurial manner then a social enterprise is established.

Summary

The current research has demonstrated the role played by empathy in a cooperative orchestra operating as a cooperative social enterprise. Findings of the research are discussed in relation to the multidimensional nature of empathy from a moral and psychological viewpoint. In addition, new concepts of 'internal' and 'external' empathy have been proposed. How these new concepts relate to the perception of empathy in social enterprise is discussed and a new model for the definition of a social enterprise based upon the intersection of innovation and entrepreneurship and empathy and shared intentionality is presented. Although there is some evidence to suggest that empathy and shared intentionality are widespread in human beings (Hourdequin, 2012), empathic experience is largely absent from business school curricula (Brown, *et. al.*, 2010). This lack of exposure to empathic experience means that business schools tend to produce 'self-centred' leaders with unethical and narcissistic traits that can be likened to psychopathic and sociopathic behaviours that affirm the widely accepted model of democratic capitalism and business culture in modern society (Brown, *et al.*, 2010; Andrews and Furniss, 2009; Ketola, 2006; Stout, 2005). If business leaders, especially social entrepreneurs, are to demonstrate empathy, attunement, organisational awareness, interest in developing others, inspiration and teamwork they need to experience business ethics courses that cultivate empathic experiences (Holt, and Marques, 2012; McDonald, 2008; Cohen, 2012). This research therefore proposes that empathic experiences, when combined with shared intention, entrepreneurship and innovation provide the key underpinnings to social enterprise formation. This has important implications for policy-makers, educators, practitioners and academics in understanding how best to foster social entrepreneurship. Further research is needed to explore the levels of empathy amongst business leaders and within different types of organisation. The findings reported in this research study are derived from a limited and unique sample (a cooperative orchestra). Therefore, further research that explores the role of empathy and shared intentionality in non-music based social enterprise formation would enhance our understanding.

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By embracing empathy, social enterprises can ensure that they stay true to their community and causes. Related: How the Kind Foundation is Connecting Youth, Spreading Kindness and Creating Future Social Entrepreneurs. Putting Employees First Makes Business Sense. Â These days, empathy is important for social enterprises, which themselves are a relatively new concept. A social enterprise puts people, communities, and the environment before producing profits. Â However, the Cambridge Dictionary defines it as "the ability to share someone else's feelings or experiences by imagining what it would be like to be in that person's situation." We can think of it in layman terms as putting ourselves in another's shoes. What is another person experiencing?