

A study of entrepreneurial action within the social enterprise sector of Scotland

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Declaration

No proportion of the work referred to in this thesis has been submitted in support of another application for another degree or qualification of this or any other University of institution of learning.

Signed

M A Anderson

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ABSTRACT

Social enterprises exist to deliver a specific social or environmental mission. In Scotland they operate in a diverse range of sectors including housing, health and community development. It is both their diversity and contribution that provided the impetus for this study.

Entrepreneurship as an academic subject area is prevalent and spans many areas including business, universities, and society. However, the role of entrepreneurship in the social enterprise sector is not well understood. There is little discussion or discourse specifically of the “enterprise” element of social enterprises. This study sought to address this gap by mapping current entrepreneurial approaches, attitudes, activities, and support within the social enterprise sector. It set out to consider how the role of entrepreneurship in the social enterprise sector and how it can be supported to develop the entrepreneurial potential of social enterprises.

The study was undertaken from an interpretivist stance with semi-structured interviews with participants from across the social enterprise sector. The analysis was thematic and brought to light different levels and perceptions of understanding of entrepreneurial action within social enterprises. It also evidenced a wide range of entrepreneurial activities and approaches currently being undertaken in the sector, often confined to specific organisations, but with potential to be shared and disseminated across the sector. Entrepreneurial approaches focused on providing pathways to increased economic sustainability and embedding entrepreneurship in the organisation.

The key contribution of the study is a qualitative review of the entrepreneurial orientation model, developing a framework with which organisations in the social enterprise sector can gain an understanding of their entrepreneurial stance. A set of recommendations focusses on ideas to develop the entrepreneurial potential of the sector, building on existing initiatives, and offering collaboration and support.

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Dedication

This DBA is dedicated to my friend Karen McLaverty

This DBA is only possible with the support of many people I am lucky to have in my life. I have completed this DBA during lockdown because of the COVID 19 pandemic, which has been a very different and challenging time for us all.

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Chapter 1 INTRODUCTION

1.1 Overview

It has been said that the term ‘social entrepreneur’ was originally coined to describe Robert Owen, the father of the co-operative movement in Scotland, and those who subsequently adopted his management practices (Banks, 1972). The history of the social enterprise sector includes many Scottish examples who worked to enhance the lives of those in their communities, innovated and balanced the social aims of their organisations with the need to also be enterprising at the same time, to keep the organisation sustained and thriving.

At times in its history, the social enterprise sector in general, has been viewed as being at the periphery of those organisations engaged in entrepreneurial action, focussing more on their social aims and objectives. It was this neglect or oversight that generated the interest in this subject area for this study. Entrepreneurship is all about potential, innovation, doing things differently and driving forward. It is not the preserve of one type of person or organisation, it is universal and constantly in use in people and societies. Entrepreneurial potential would appear to be somehow under the radar in the social enterprise sector in Scotland – the social enterprise census (Coburn, 2019) documents the contribution made by the sector to the Scottish economy - 6,025 organisations with a net worth of £6.1 bn. The census is an encouraging read – many facts and figures, but what lay beneath? What wasn’t so obvious was what shape or form did entrepreneurial action take in the social enterprise sector? How were the social enterprises “enterprising”? With such potential and contribution, entrepreneurial action must be taking place in some shape or form, and how could this be mapped / appreciated and somehow illustrated more clearly, aside from the facts and figures. What are the details of the entrepreneurial action in the sector? Where and how does it take place? Who is involved? And what supports that activity? Often local authorities aren’t quite sure how to handle the social enterprises in their area – often they know all about the

social impacts they want to make, but do they really want to be entrepreneurial, and how could that be supported and developed. This particular issue was mooted by an Economic Support Agency when this study was being formulated.

1.2 Purpose of the Study

This study is a result of the author's extensive history and experience in lecturing in entrepreneurship both in Higher Education and in the business context. As part of that role, the work involved a wide range of organisations and people in the social enterprise sector.

This study grew from curiosity, from a desire to experience and explore entrepreneurship outside of the traditional settings, all of which are well researched – private sector, education and born global businesses. With so many people involved in the sector, a desire to find out more and explore that potential led to this study setting course to find out what lay beneath the social enterprise sector in Scotland – what entrepreneurial action took place there?

The approach taken is a qualitative one to give a voice to those who lead organisations in the social enterprise sector, to find out the lived experience of entrepreneurial action, and to use that to understand the possible ways the entrepreneurial potential could be developed and nurtured.

The research study has the following aims and objectives:

1.2.1 Aim

The overall aim is to investigate entrepreneurial action within social enterprise sector in Scotland.

1.2.2 Objectives

1. To examine entrepreneurial activity in the context of social enterprises in Scotland
2. To investigate the main features of entrepreneurial understanding, approaches and activities within the social enterprise sector
3. To develop a practice based framework to inform the role of entrepreneurial activity within social enterprises
4. Produce recommendations to help develop and support the entrepreneurial potential of the social enterprise sector

1.3 The Social Enterprise Definition

A common starting point for any study is to define the remit of the study and set the context. An immediate issue in this particular subject area is the disagreement across the literature and in the sector as to what exactly a social enterprise is. For this particular study, two leading definitions will inform the sector to be studied. First is that of J. Pearce and Kay (2003) whose seminal work defined social enterprises as entities that should have a primary social purpose to benefit the community, or a specific beneficiary group, engage in trade- exchanging good and services, be non-profit distributing so personal financial gain is limited, hold assets in trust and not sold for individual benefit; be run on democratic lines as much as possible and be accountable to their wider community. They also suggests underpinning values – co-operation, decentralisation, inclusivity, good work, environmental sustainability and being people-centred. It is said that the Scottish model for social enterprises evolved from this model.

J. Pearce and Kay (2003) furthered their definition to be more specific, suggesting the following criteria had to be in place in order for an organisation to be considered a social enterprise:

- Having a social purpose.
- Engaging in trading activities to achieve social purpose (at least in part)
- Not distributing profits to individuals.
- Holding assets and wealth in trust for community benefit.

- Democratically involving members of its constituency in governance of organisation.
- Independent organisation with accountability to defined constituency and wider community

In considering the Scottish context, a further definition was developed and implemented as The Voluntary Code of Practice for Social Enterprise (SENSCOT, 2013) . It defines social enterprises as organisations with the following main characteristics:

- They trade in a marketplace with the primary objective of social or environmental benefit
- Any profits are reinvested back into the business or for the benefit of the people it exists to serve, rather than distributed to shareholders (an asset lock)
- On dissolution, any assets are reinvested in another organisation with similar aims and objectives
- They aspire to financial independence through trading, which sets them apart from other charities and voluntary organisations
- They operate outside of the direct influence or control of public authorities

1.4 Social Enterprise in Scotland

Social enterprises have a long history in Scotland, as far back as the founder of the co-operative movement, Robert Owen in the nineteenth century. Owen identified that his workers were being exploited by the mill owner, so he bought and sold quality goods and passed on the savings from the bulk purchase of goods to the workers. These principles became the basis for the co-operative shops in Britain, which continue in an altered form to trade today. He was also responsible for enhancing infant and child health, particularly in Scotland (Banks, 1972)

In the 1970s, the social enterprise model was used as a novel approach to community economic self-help by the Highlands and Islands Development Board (now Highlands

and Islands Enterprise), and its success within that region brought it to the attention of more urban regions, particularly Strathclyde, which embraced it, giving rise to the development of community businesses, housing associations, credit unions and community enterprise activities during the 1980s across the central belt of Scotland. (Roy, McHugh, Huckfield, Kay, & Donaldson, 2015)

More recently, the devolved Scottish government has developed a “Scottish Model” for encouraging social enterprises to set up and thrive. The full history of this development is explored further in Chapter 2, the Literature Review.

1.5 Framing the Social Enterprise Sector in Scotland

It is important at this point to examine the scale and scope of the Social Enterprise Sector in Scotland. The Social Enterprise Census in Scotland (Coburn, 2019) identified the net worth of Social Enterprises to Scotland as being £6.1bn , contributing £3.1bn of earned income from trading activities, with 6025 social enterprises operating in total.

The table below also illustrates that it is a growth sector, making a substantial contribution to the Scottish economy.

Criteria	Measurement
Social enterprises currently operating in Scotland	6,025
Full-time equivalent employees in the sector	88,318
Gross Value Added (GVA) to the Scottish Economy	£2.3bn
% of Scottish social enterprises led by women	65%

Coburn (2019)

With regard to the spread of social enterprises in Scotland, the central belt of Scotland has 57% of social enterprises in Scotland, with every region being represented from Aberdeenshire through to the West of Scotland. Coburn (2019)

1.6 Issues and Challenges in the SE sector

Having established the scale of the social enterprise sector, and its increasingly prominent position in the political and economic forefront in Scotland, it is important to consider some of the issues and challenges faced by the sector. The issues and challenges faced can be divided into two main areas: 1: Support for Social Enterprises – around creation and operation and 2: Developing their potential – building their capacity and growth.

Roy et al. (2014) suggest that there is the plethora of support agencies in place at a strategic level for Social Enterprises, but little at the grassroots. The diagram below shows the numerous support available to the social enterprise sector - 32 Third Sector Interfaces were established in 2013 to regulate and support the social enterprise sector, alongside the 3 major organisations: Social Enterprise Scotland, SENSCOT and Social Firms Scotland, with specific groupings around training and certain sectors, e.g. housing.

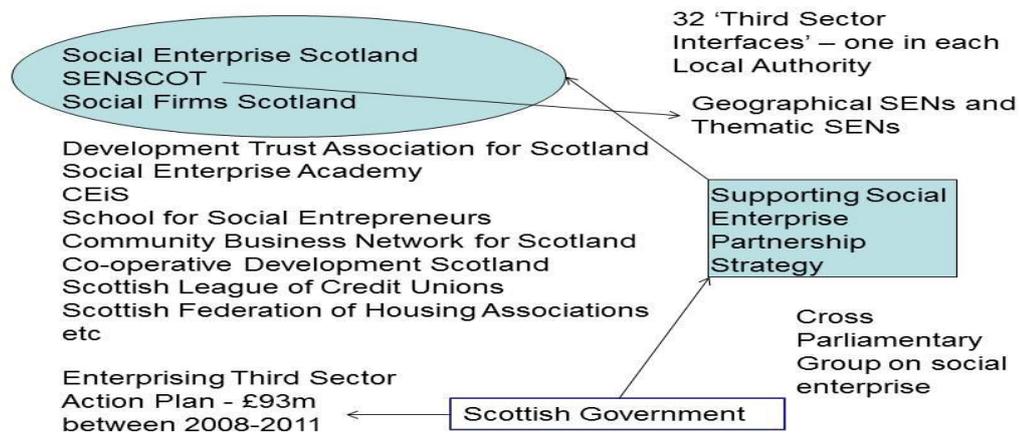


Figure 1: Support for Social Enterprises (Roy et al., 2014)

The second main challenge faced by the sector is how to develop to their full potential, and be more entrepreneurial in their approach. The Social Enterprise census (Coburn, 2015) identified that there was cause for optimism, particularly around political support and further development of potential via the Community Empowerment Act (2014), which aims to facilitate the increased participation of social enterprises within the public sector, particularly within procurement. The opportunity for increased purchasing of services from the sector by public bodies and businesses gave good cause for optimism. What wasn't so clear was if the social enterprises were up for the challenge and ready to embrace the new opportunities.

The census identified a number of obstacles that hold the social enterprises back from reaching their full potential, as mentioned previously, most trade only within their region, and have somewhat blinkered perspectives.

Within the 2015 census, a number of obstacles were identified: (Coburn, 2015)

59% had a lack of time / capacity to develop trading activity
50% felt insecure about their future or faced declining grant funding
41% experienced increasing costs
22% had a skill gaps or shortages

An updated census in 2019 (Coburn, 2019) also identified similar obstacles:

34% needed marketing advice
32% wanted help to look for new opportunities to trade
32% needed support around collaboration
28% wanted help with developing new products and services

The issues around constrained potential and lack of entrepreneurial outlook and skills is one that provided the spark for this study. A local economic agency suggested that social enterprises needed targeted business support – around areas such as entrepreneurship, business development, business planning, marketing and promotion, and finance. One of the funding mechanisms for social enterprises is grants, but most agree that in the long term, this is not viable. The issue has been that there exists a cultural aversion to debt in the sector, and social enterprise managers have shied away from accessing traditional repayable finance which would enable the growth they need and want. This mentality also links back to the skillset and mentality gaps of those who run the social enterprises. Most are risk averse. The census also indicated that 58% of the social enterprises said that the proportion of their income from trading and contracts would increase in the next 12 months. There is an acknowledgement of the need to enhance trading opportunities and potential – but are the skills and mind-set there to do it? They also anticipated an increase in demand for their services (82%) so the demand clearly exists.

The discussion within the Economic Development Agencies is about how to best enable the development of the social enterprise sector, particularly away from grant funding towards sustainability and how to provide better support around being entrepreneurial? Some have considered developing a specific Social Enterprise Business Support pathway to enhance the skills aligned to entrepreneurship. (Lab, 2014). This could be adapted across Scotland if there was an identified need and desire to develop the entrepreneurial potential of the social enterprise sector.

This study aims to discover what entrepreneurial action exists in the social enterprise sector in Scotland, and how best to support that in developing entrepreneurial potential of that sector.

The thesis consists of 6 chapters with supporting appendices. Having provided the introduction in this chapter, with the overview, aims and objectives identified, the thesis has the following structure:

Chapter 1 provides an introduction to the thesis topic, an overview and outline of the aims and objectives

Chapter 2 reviews and considers the literature on Entrepreneurship, social entrepreneurship, the social enterprise sector and support for the social enterprise sector. It concludes with a summary of the gaps identified from the review and the research questions that emerge from the literature.

Chapter 3 outlines the research methodology and the options provided by the philosophical stances. An outline of the ontological, epistemological and axiological positions adopted is provided. As an interpretivist, a qualitative approach was deemed appropriate for the research questions posed, and the desire to understand the topic to be explored. The use of semi-structured interviews was considered the most appropriate data collection technique. All ethical issues were identified and address. The pilot study and the data analysis techniques are also described.

Chapter 4 presents the findings from the data collection and considers the themes emerging from the data analysis.

Chapter 5 discusses the key findings in relation to the main literature and presents an EO framework to consider the entrepreneurship of social enterprises.

Chapter 6 considers how the aims and objectives have been achieved, makes recommendations for practice and future study and outlines the limitations of this study.

Chapter 2 LITERATURE REVIEW

2.1 Introduction

This chapter will outline the key literature providing an underpinning of the study. The key themes will be discussed and developed, concluding with the research questions.

The challenge in determining the themes to be considered, is to explore the key literature about social entrepreneurship, and to pinpoint the sector characteristics. It is also necessary to find a vehicle for its study within the social enterprise sector in Scotland. The history of the development of social enterprise sector in the UK and specifically in Scotland is a very entrepreneurial and inspiring story. This review will consider certain themes in order to provide a pathway from generic social entrepreneurship to specifically social entrepreneurship in Scotland. Attention will then focus on the context of the study – the social enterprise sector in Scotland, and the support it attracts for entrepreneurship. The discussion will then progress to considering entrepreneurial orientation as a possible mechanism by to bring all of the elements together. The research questions will be summarised at the end of the review.

The literature review will explore the following themes:

- Social Entrepreneurship
 - The social entrepreneur
 - Social Entrepreneurship
 - Social entrepreneurship in Scotland
 - The social enterprise sector
 - Position in the UK economy
 - Defining the social enterprise entity
 - Support for the social enterprise sector
- Entrepreneurial Orientation
 - Entrepreneurial Orientation and Social Enterprises

2.2 Social Entrepreneurship

The development of entrepreneurship as a subject area beyond the entrepreneur as an individual, to include different types of organisations led to the emergence of the social entrepreneur, undertaking entrepreneurship in the social enterprise sector. Three aspects will now be discussed within the social entrepreneurship theme: the social entrepreneur, social entrepreneurship and social entrepreneurship in Scotland.

2.2.1 The Social Entrepreneur

This study focuses on the social enterprise sector, so it is important to consider the development entrepreneurship and to consider how it applies to that sector. For this the concept of a social entrepreneur will be discussed and how their role has developed historically. Within the literature, the North American discussion uses the term “non-profit” sector, whereas in the UK, the term social enterprise sector is used. The specific nature and definition of the sector will be discussed in the next section.

Shaw and Carter (2007) identified that social enterprises were actively involved in identifying and exploiting opportunities in the form of unmet social needs, in a process very similar to that of traditional businesses. Entrepreneurship in the non-profit context can be defined as “entrepreneurial activity with an embedded social purpose” (Austin, Stevenson, & Wei-Skillern, 2006). This definition suggests that, in essence, entrepreneurial activities in the non-profit context is the same as in the for-profit context, albeit focused primarily on a social purpose or mission. Often this entrepreneurship activity involves meeting gaps in provision for the social cause, or taking advantage of an opportunity to raise revenue to fund the social cause.

An early study by (Dees, 1998, p. 4), brought together the classic thoughts on entrepreneurs to develop a basic definition of a social entrepreneur, based on key characteristics. He suggested that social entrepreneurs play the role of change agents in the social sector, by:

- “Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created”

As interest grew in the subject, and after the report by Leadbeater (1997) on the rise of the social entrepreneur in Europe, social entrepreneurship also grew worldwide. As the literature further developed, after 2005, more detailed studies were carried out on social entrepreneurship, but Short, Moss, and Lumpkin (2009) noted that the majority of studies on social entrepreneurship were conceptual in nature rather than empirical.

Recent reviews of the literature by Alegre, Kislenko, and Berbegal-Mirabent (2017) noted that key themes emerged in the groupings of the types of studies undertaken – a social and financial grouping, followed by the community and innovation clusters, respectively. These have widened the literature around social entrepreneurship beyond that of an individual and towards an organisation and the community it serves.

This particular study is interested in considering how social enterprises of Scotland exhibit their entrepreneurship. In the literature, researchers review traditional entrepreneurship observed in traditional businesses, and explain how they can be applied to the social enterprise sector. This is often in discussions around entrepreneurial activities and approaches. For example, the traditional perspectives of entrepreneurship discuss entrepreneurs, “creating and pursuing opportunities relentlessly, without regard to alienable resources currently controlled, with a view to both creating wealth that may be reinvested in the business to assure its sustainability, and social value” (Hart, Stevenson, & Dial, 1995). Entrepreneurs attempt to realise opportunity despite the fact they may not have all the resources at their disposal, but alienable resources – product development, business planning expertise and managerial capacity are developed over time by them or their enterprise. This is not the preserve of “traditional” entrepreneurs, and is also readily observable in social entrepreneurs.

Following on from this application to the social enterprise sector, Kwiatkowski (2004) argues that internal (inalienable) resources such as social, personal, and intangible ones such as tacit knowledge, emotional intelligence may be mobilised but not included explicitly in economic based definitions of entrepreneurship. Social entrepreneurs and traditional entrepreneurs could equally be seen to be driven by the challenges, the funds generated and wanting to make a difference – not purely the economic motives often given in definitions. Hence, there is some common ground.

One key issue identified in the literature discussing social enterprises and entrepreneurship is the focus of their culture and ethos upon principles of voluntarism, ethical behaviour and a mission with a social cause – is this consistent with and entrepreneurial led for profit organisation? Does entrepreneurial behaviour have a place in social enterprises? In her discussion about this subject, Chell (2007) points towards the different degrees of Not For Profit organisations,

from pro-social e.g. Save the Whales, with a focus on charity but using commercial activities to boost activities, through to social enterprises that have as their mission social benefit, but have no charitable status – there exists a spectrum of type of social enterprise, with varying degrees of “commercial” activities.

The critical key defining feature of the organisations on this spectrum is the funding source of the social enterprise, from purely philanthropic to mixed sources e.g. subscriptions and retail activities, to those that are entirely commercially underpinned (Chell, Nicolopoulou, & Karataş-Özkan, 2010). This is a critical aspect in this study – in the social enterprise sector there are a full range of funding sources, which do influence the entrepreneurial approaches undertaken.

Chell (2007, p. 13) draws the traditional entrepreneurship definition together with that of a social entrepreneur by deducing that:

“To behave entrepreneurially is to engage in a process that creates value

- that value serves two purposes: it positions an enterprise among competitive enterprises and it generates wealth, that is to be distributed among its stakeholders
- The process is embedded within a socio-economic context
- The business behaviour is the entrepreneurial process of pursuit of opportunity with a view to the creation of economic and social value”

Kwiatkowski (2004) also highlights that analysis of entrepreneurial behaviour is incomplete if it does not include the role of social capital. Entrepreneurs use their social and personal networks in the realisation of opportunities. The invaluable resource often evident in entrepreneurs is their ability to connect with people – this is not the exclusive preserve of the economic entrepreneur. Kent and Anderson

(2003) highlight that the very essence of social entrepreneurship is the capability to connect with social and community value via networking to realise their potential. Social and community businesses often pursue their activities in an entrepreneurial way, generating income, allocating resources, recognising and pursuing opportunities to create social and economic outcomes.

Chell (2007) also draws together the traditional and the social entrepreneur by arguing that two important strands of entrepreneurship literature – the “opportunity recognition” and the “goal oriented behaviour” may be brought together to result in the “creation of something (of value)”. She argues that this could then be given to a community or cause, enabling the link to social enterprises, not just the preserve of purely economic enterprises. She challenges the argument that business founding is either a necessary or sufficient condition of entrepreneurship, widening the possibilities of applying the entrepreneurship themes and literature to different types of organisations, particularly social enterprises. The focus of any study of entrepreneurial behaviours can also be sociological, focussing on the structure and “agentic” aspects. Social constructionism she argues, enables understanding of entrepreneurs, but also social embeddedness enables a study of the social and structural relations in which entrepreneurs operate, Zimmer (1986) and Southern (2000) both argue that entrepreneurs should be seen as agents of change and that they create social and material value, meaning that researchers should go beyond the norm and consider instead the stakeholders in social enterprises.

In the Scottish context, social enterprises have in a sense come to the fore within the economic and entrepreneurship worlds in the last 15 years (Ainsworth, 2012; Coburn, 2015). Attention has been given to social enterprises because of their increased role in the economy to deliver goods and services. Coburn (2019)

identified the net worth of Social enterprises to Scotland as being £3.86bn, contributing £1.68bn in economic terms to the economy, with 200 new social enterprises forming each year. The sector includes services in health, arts, culture and education. Increasingly changes in the sector, demands from government and the public for greater efficiency have led to the sector becoming increasingly entrepreneurial both in terms of setting up new organisations, but also in terms of innovation and incorporating new business models. (I. Pearce, John, Fritz, & Davis, 2010) increasingly there is a desire to better understand how they work, and just how does their entrepreneurship exhibit itself? Increasingly in Scotland is the desire to increase the role social enterprises have in the economy in general, and in the procurement process by government policy (Government, 2016) It is important to map what entrepreneurship currently exists, but also to make sure the organisations area being supported to develop their full entrepreneurial potential.

2.3 Social Entrepreneurship

To further consider where social entrepreneurs operate, and what form social entrepreneurship takes, it is helpful to explore the development and representation of it in the literature.

Ridley-Duff and Bull (2015) outline the three main schools of social entrepreneurship, which will enable the positioning of this study and also will serve to provide some thoughts around the issues in the sector.

The first is by Austin et al. (2006) who focus their definition on social innovation – something that improves community well-being. In this particular definition, the attention is on the entrepreneur – a social entrepreneur who set up the Mondragon

Co-Operative Corporation. The focus is on the priest who is identified as being responsible for social inventions, Father Arizmendi.

The second school of social entrepreneurship is linked to the first, but more emphasis is on understanding and developing social entrepreneurs, with attention on their value propositions and social missions (Nicholls & Cho, 2006). In this school, value propositions are translated into social purpose, which then becomes the basis for agreeing social objectives. In this model, the social enterprise fulfils and achieves social objectives, which enable the measurement of the entrepreneur's and their enterprise's social impacts.

The third school emphasises the creation of social enterprises that have socialised ownership and control – seen as crucial to meet the commitment to democratic principles of organisation and participation in decision making, often a feature of UK social enterprises, and particularly those in Scotland. This is called the “socialisation” school and distinguishes between the reciprocal interdependence that underpins mutual aid, and the philanthropy that underpins charity (Ridley-Duff & Bull, 2015). The mutual element to this definition is critically important in the discussion as it implies a network relationship where parties help, support and supervise each other, as opposed to the uni-directional relationship between the owner-manager and employee in a traditional business. Social enterprises pursuing a mission tend to be philanthropic ventures e.g. charities or foundations, those focussed on developing mutual relationships with the wider community tend to prefer to be co-operatives and mutuals.

The three schools are not opposing, there are overlaps, and help in defining the focus and purpose of different types of social enterprises. Further attention will be paid to this as the study progresses to define the type of social enterprises to be investigated. More recent literature focus on social enterprises being economic, but being democratic where multiple stakeholders can participate in ownership, governance and management of the organisations (Novkovic & Webb, 2014)

2.3.1.1 Social Entrepreneurship in Scotland

Historically, social enterprises have developed within countries worldwide, being supported regionally and in a variety of ways. In the UK, Scotland has historically had a strong social enterprise sector, but remains part of the wider UK political reach. Hazenberg, Bajwa-Patel, Roy, Mazzei, and Baglioni (2016) discuss how the UK, with its four nations, displays uneven regional geographies of social enterprises. Some studies, (Roy et al., 2015) build on the Scottish politician claims that Scotland has a model that is the most supportive in the world for social enterprises

In February 2012, Scotland's First Minister declared that he wanted to "continue to provide the most supportive environment in the world for social enterprise" (Ainsworth, 2012). Additionally, John Swinney, the then Scottish chancellor, claimed in 2014 that Scotland had been recognised as the best place in the world to start a social enterprise, and that there was increasing international interest in the "Scottish Model".

The development of the "Scottish Model" highlighted by the politicians give narrative to the current social enterprise climate in Scotland, but it is useful to consider how this has developed and been arrived at historically.

In the 1970s, the social enterprise model was used as a novel approach to community economic self-help by the Highlands and Islands Development Board (now Highlands and Islands Enterprise), and its success within that region brought it to the attention of more urban regions, particularly Strathclyde, which embraced it, giving rise to the development of community businesses, housing associations, credit unions and community enterprise activities during the 1980s across the central belt of Scotland. (Roy et al., 2015)

The possibility of the development of the Scottish Model started when in 1979 Scotland with its Labour majority found itself, although not devolved, at odds with the right wing Conservative government and its monetarism economic approach. The widening of opportunity and support of entrepreneurial individuals by the UK government wasn't favoured in Scotland, which instead implemented the opportunities provided by initiatives such as Compulsory Competitive Tendering by focussing on establishing community businesses, working with local people in local authorities eg Strathclyde.

In the wider business context in Scotland, the launch of the Business Birthrate Strategy in 1993 focussed the support and economic development firmly on entrepreneurship. The approach was to increase the number of new businesses starting up, surviving and growing.

By 1997, the New Labour policy – a “third way” then attempted to build on the entrepreneurial focus but develop them in a partnership and collaborative way. This led to a shift in policy in the UK which enabled public, private and third sectors to work together to solve societal problems and delivery services (Haugh & Kitson, 2007)

In Scotland, the process of devolution and the establishment of the Scottish Parliament in 1999 enabled increased divergence from UK wide policies and this also had an effect on the social enterprise sector. Initially both governments were Labour led, and largely in agreement of the focus for the sector, but by 2007 and the growth of the SNP majority in Scotland, together with a Conservative-led coalition in Westminster in 2010, saw a divergence in approaches develop. In England, the state support for social enterprises shifted towards a market model – with finance from private and social investors and support from NGOs such as the Big Lottery Fund (Nicholls, 2010)

The emerging “Scottish Model” kept support for social enterprises firmly provided by the state – via the Community Empowerment Bill and the

Procurement Reform (Scotland) Act (2014) . Devolution enabled a separate approach to be developed by the Scottish government to business support in general and social enterprise support in particular. It developed more practitioner-led support for the social enterprise sector, setting up the “Social Entrepreneur Network for Scotland” (SENSCOT, 2013). This support has been focussed on local authorities, enabling localised, focussed attention, but has also led to some criticism around lack of co-ordinated support across Scotland as a whole.

A study by Hazenberg et al. (2016) explored the perceptions of social entrepreneurship in Scotland by key stakeholders. It identified those factors which participants felt enabled or prevented the growth of the social enterprise sector. There was agreed criticism of the focus on trying to agree on an operational definition, a common point in the social enterprise literature. The study emphasised the need for more effective communication in the sector and found that more support was needed on how to make the social enterprise work, not just focussing on impacts and definitions, which seemed to be a priority for SENSCOT (SENSCOT, 2013).

In terms of how the social enterprise sector is supported, (Hazenberg et al., 2016) also found that it was often not co-ordinated and had a detrimental effect on how social enterprises had developed in Scotland. Support was focussed on local authority support and community engagement.

The Scottish social enterprises have significant amounts of support available to them from both government sources and private/community initiatives, and that these have shaped the development the sector. In general the focus for the Scottish sector support historically has been primarily grant and community funding.

More recently, the social enterprise sector in Scotland is described as ‘thriving’ in Scotland’s Economic Strategy (Government, 2016) and further developed in the ‘Building a Sustainable Social Enterprise Sector in Scotland: Action Plan 2017-2020’ (Government, 2017). This Acton Plan outlines a number of commitments

to develop organisational capacity through finance and business support, develop market opportunities through procurement and the coproduction of services, as well as supporting national and international recognition. There are also a range of policy interventions in Scotland aimed at supporting the development and finance of social enterprises.

2.3.2 The Social Enterprise Sector

2.3.2.1 Position in the UK economy

Social enterprises are able to operate within and independent of the “third sector” in the UK. The most comprehensive attempt to map the first, second and third sectors was by J. Pearce and Kay (2003) whose diagram incorporates organisations at neighbourhood, district, national and international levels, and differentiates between them based on their income mix, and is helpful to consider in making sense of the social enterprise sector in Scotland. The work of Pearce outlined five key elements in any social enterprise:

- Primarily the focus is to benefit the community
- It should engage with trading activities
- It is non-profit or profit distributing
- Democratic
- Accountable to the wider community

The mapping by J. Pearce and Kay (2003) of the first, second and third sectors was an influential diagram for the development historically of the social economy in Scotland, both its place and scope Kay, Roy, and Donaldson (2016)

The mapping in Figure 2 is relevant for this particular study as it helps locate the position of the social economy in relation to the wider economy, and the other two sectors – first and second systems. It also highlights the type of organisations found in the third sector – quite distinct from the others, and also maps their focus – self-help, mutual or social purpose – which was referred to earlier in the discussion. The context is also useful, showing that social enterprises exist at all levels, not just at those at a local or national one.

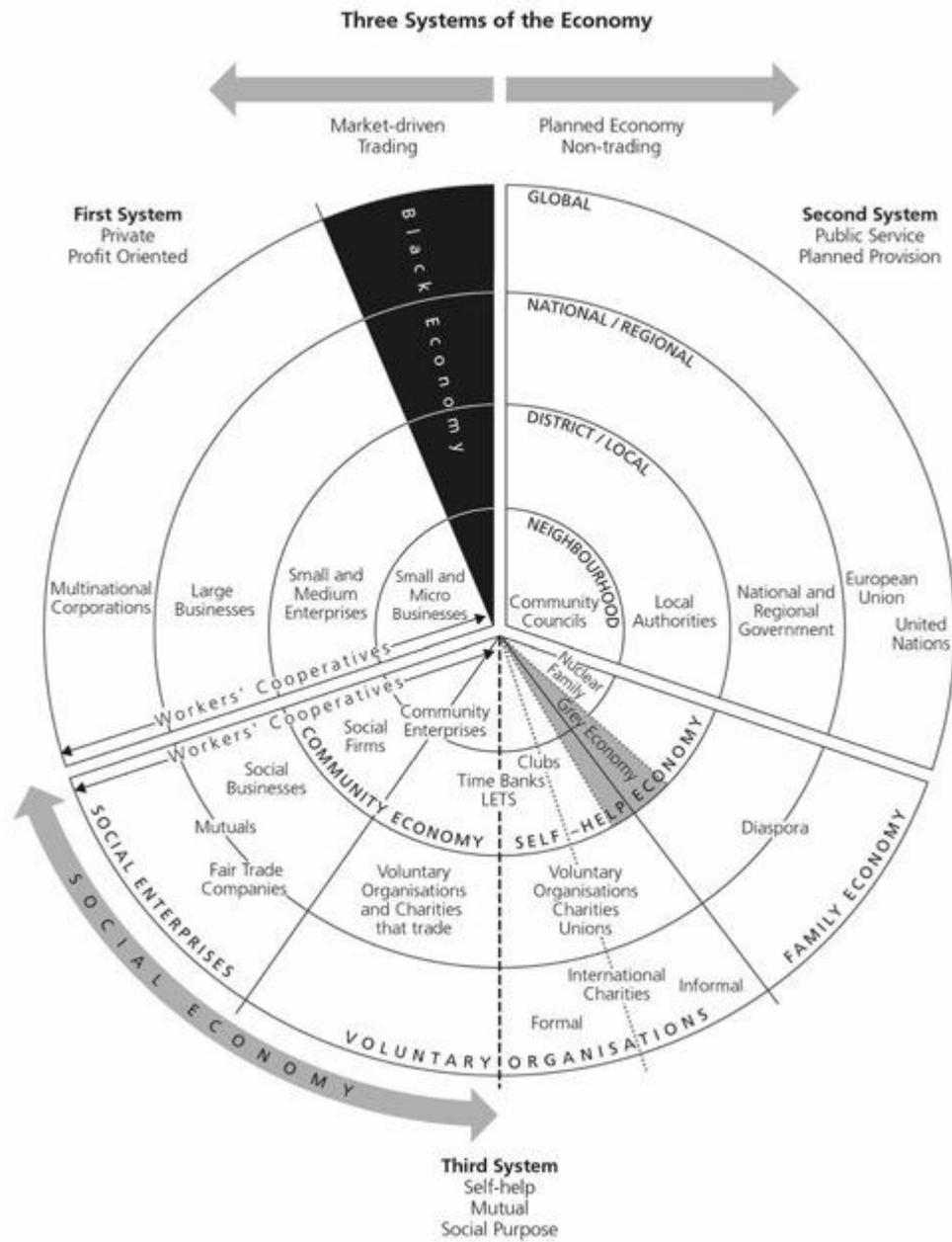


Figure 2: The first, second and third systems of an Economy (J. Pearce & Kay, 2003)

2.3.2.2 Defining the Social Enterprise Entity

The social enterprise as an entity has a widely discussed and debated definition, across different countries, and within a wide variety of disciplines. From a geographical perspective, (Comini, Barki, & de Aguiar, 2012) and (Buchko, 2017) consider it from three standpoints – the North American, the European and the developing countries. The North American view defines social enterprises as private organisations that apply the logic of the market for the resolution of social problems, encompassing social innovation and earned income. The European perspective has emerged from tradition of cooperatives and associations, with the emphasis on the role of civil society organisations with public functions. It is based on the tension between obtaining finance and getting social results, emphasising beneficiary participation. For developing countries, the term used is inclusive business – concerned with poverty reduction and long-term social impact.

Within the UK, support for and attention to the social enterprise sector has been from government and policy makers. In 2003, the UK government defined social enterprises as businesses with basically social purposes, and that all profits generated should be reinvested according to the purpose of the business or the community (DTI, 2003).

Widening the definition of a social enterprise on a European scale, the Emergence of Social Enterprise in Europe Project outlined by Borzaga and Defourny (2001, p. 19) suggests the characteristics of the social enterprise "ideal type" include:

- “1. A continuous activity producing goods and/or selling services;
2. A high degree of autonomy;
3. A significant level of economic risk;

4. A minimum amount of paid work;
5. An explicit aim to benefit the community;
6. An initiative launched by a group of citizens;
7. A decision-making power not based on capital ownership;
8. A participatory nature, which involves the persons affected by the activity;
9. Limited profit distribution”

Also, social enterprise in Europe is viewed as belonging to the "social economy" where social benefit is the main driving force. Indeed, main organizations in the social economy include cooperatives, mutual organizations, associations, and foundations (OECD, 2003).

Within the literature, there is still no universal definition for social enterprise, but the nature of it is more clearly understood. A few of the common definitions are listed below:

Social enterprises may refer to a non-profit organization, a socially-minded enterprise or a revenue-generating venture set up to create a positive social impact in the context of a financial bottom line.(Dees, 1998)
A social business is a business with social goals, whose profits are reinvested in the community or in the business (Ridley-Duff & Bull, 2018)
A social enterprise can be a private or non-profit organization to create positive social impact or organisation that combines a corporate and social dimension with a social goal or direction or a social mission that seeks to solve social problems whose profits are reinvested in the community or business. Buchko (2017)

In social enterprises, the relationship between social missions and economic outcomes is not only mutually beneficial, but also mutually constitutive, so that social missions define business purposes and vice versa (W. K. Smith, Gonin, & Besharov, 2013)

Within Scotland, Roy et al. (2015, p. 20) point to the historical roots of social enterprises, which largely emerged from community owned enterprises and co-operatives, like the European model. They summarise the issue around definition by saying,

“The nature of social enterprise is, however, widely understood and falls into that odd category of things, that we all understand, but cannot precisely and accurately come up with a widely shared description”

In their work they try to reimagine how social enterprise can be in the future of the Scottish economy and anticipate that it will be able to use economic activities as a means to an end – the end being working towards social, environmental and societal impacts.

2.3.2.3 Support for Social Entrepreneurship

Support in the UK for entrepreneurship is in most regions in the form of an economic development agency run by the public sector e.g. Scottish Enterprise and Highlands and Islands Enterprise in Scotland. Most will also include a start-up business programme or incubator space for new business owners, and sometimes a growth and development programme. Their effectiveness and reach has often been questioned (Tötterman & Sten, 2005) (Amezcuca, Grimes, Bradley, & Wiklund, 2013). In Scotland in particular, much has been made of the entrepreneurial ecosystem, and how effective it is,

Spigel (2016) points out that the structure of the support is largely dominated by the public sector, not the entrepreneurship community visible in other international models.

Specific support for the social enterprise sector in Scotland is via the Just Enterprise programme - their support is focussed on start-up, business support and leadership. A recent evaluation of their work suggested their model needed to be reviewed and widened. Both partners and service beneficiaries / recipients need to be aware of the brand, and specifically what the offer is, and who and what is eligible (including Third Sector Intermediaries and Interfaces)" Whitcomb (2018).

The Scottish Government has attempted to rationalise support structures for the social enterprise sector by the setting up of a single 'Third Sector Interface' in every local authority area in Scotland (32 in total). These are tasked with supporting the development of Third Sector activity, including social enterprise, in each area, but they are grouped with the voluntary sector organisations, meaning it has a very wide remit. It has also tried to encourage co-operation between SEN- SCOT, Social Enterprise Scotland and Social Firms Scotland, through a 'Supporting Social Enterprise' partnership strategy, but the specific support is still complicated and disjointed. Scotland's Social Enterprise Strategy 2016 Government (2016) sets out the Scottish Government's long-term framework for developing social enterprises

2.4 Entrepreneurial Orientation

Having discussed the entrepreneurship and how it is demonstrated, the challenge is to find a possible way to examine more closely the social enterprises in terms of their

overall approach and specifically to unearth their entrepreneurial actions, if they exists.

One option is to consider the Entrepreneurial Orientation (EO) of the social enterprises, which offers a possible pathway to help critique the entrepreneurship and overall focus of social enterprises, and this will now be discussed.

Entrepreneurial Orientation (EO) has emerged in the literature as a mechanism to enable measurement of the levels of entrepreneurship within organisations (Miller, 1983). Jeffrey G Covin and Lumpkin (2011) describe it as, “a usually general or lasting direction of thought, inclination, or interest pertaining to entrepreneurship”, which has been referred to in a number of ways – entrepreneurial posture by (Jeffrey G Covin & Slevin, 1989) and Michael H. Morris et al. (2011) describe it as a construct to capture the essence of entrepreneurship. There is also extensive discussion to ascertain if Entrepreneurial Orientation is a dispositional or a behavioural construct. As a disposition, the organisation would engage in behaviours: risk taking, innovativeness, proactiveness, autonomy and competitive aggressiveness that lead to change in the organisation or marketplace. I. Pearce et al. (2010, p. 219) argue that Entrepreneurial Orientation is a set of “distinct and related behaviours, hat have the qualities of innovativeness, proactiveness, competitive aggression, risk taking and autonomy”.

Despite having differing perspectives, most writers on the subject agree that the context of Entrepreneurial Orientation is a “firm level” phenomenon, a strategic business unit, ranging from a department to an SME, rather than being on the entrepreneur or an individual. The challenge is to extend this into the social enterprise / nonprofit sector. Jeffrey G Covin and Slevin (1989) argue that the Entrepreneurial Orientation focuses on the behaviours which are the defining attributes of entrepreneurial firms, extending the argument by Gartner (1990) that we know entrepreneurs through their actions, not their traits. They argue that a

behavioural model of entrepreneurship is appropriate because behaviours rather than attributes are what give meaning to the entrepreneurial process. Jeffrey G Covin and Lumpkin (2011) also suggest that non-observable elements relating to how inclined the business is towards entrepreneurship can be associated with EO but not define it – for example a supportive organisational culture. They also add that an occasional exhibition of entrepreneurial activity does not constitute EO, the behaviours must be ongoing and sustained such that the pattern of behaviour is recognised as a defining attribute of the organisation over time.

2.4.1 Entrepreneurial Orientation and Social Enterprises

The research undertaken in the area of EO acknowledges several different theories / theoretical lenses developed to examine it in context. The first of these is the subjectivist theory of entrepreneurship – where the entrepreneur’s experience and prior knowledge can affect how the organisation takes opportunities etc. (Kor, Mahoney, & Michael, 2007). It could explain how the availability of resources enabling innovation, leads to high levels of EO in some firms but not in others.

A second theory is that of dynamic capabilities – defined as, “the abilities to reconfigure a firms’ resources and routines in the manner envisioned and deemed appropriate by its principal decision-maker”. Jantunen, Puumalainen, Saarenketo, and Kyläheiko (2005, p. 225) argue that entrepreneurial firms create opportunities through their actions. To make the most of these opportunities, they will need to reconfigure their resource base and dynamic capabilities enable this.

Another theory around EO is the concept of Dominant Logic, particularly entrepreneurial dominant logic. Prahalad and Bettis (1996) describe it as how firms, “conceptualize and make critical resource allocation decisions – be it in technologies, product development, distribution, and advertising or in HRM” (p490). This inherent mindset would infer the existence of an EO, evolving from the result of management beliefs, and attitudes regarding entrepreneurial actions.

EO provides this particular study with a possible pathway into organisations – it could enable the research of organisational level entrepreneurship, where there is an acknowledged gap in the literature, and more specifically within the context of the nonprofit / social enterprise businesses. The benefit of it is the possibility of providing a continuous variable or set of variables on one of more dimensions, by which all firms can be plotted. EO has been described as the behaviours shared by any firm that passes the litmus test of exhibiting entrepreneurship (Jeffrey G Covin & Lumpkin, 2011). The challenge is how to apply EO within the social enterprise sector, and will it provide the information required to map the entrepreneurship of the sector?

The approaches used to conceptualise EO can be divided into Unidimensional (Jeffrey G Covin & Slevin, 1989) and Multidimensional (Lumpkin & Dess, 1996). The former would argue an EO exists to the extent that risk taking, innovativeness, and proactiveness are concurrently manifested by the organisation. The latter views EO as existing as a set of independent dimensions – risk taking, proactiveness, competitive aggressiveness and autonomy. These five elements make up the construct of EO.

The literature on EO has also enabled research across different contexts of entrepreneurship – international, policy, institutional and academic, along with

social entrepreneurship, examining the differences across the contexts. (Michael H. Morris et al., 2011) applied the EO to the non-profit sector, which is a starting point for this particular research. What is clear, however, is that the studies have rarely and minimally adapted the EO scale to reflect the differences in the entrepreneurship form across the contexts. The focus for this particular study is social enterprises which provides an interesting arena for the development and application of EO.

Michael H. Morris et al. (2011) undertook to examine the EO framework – innovativeness, risk taking and proactiveness, within the context of non-profits, but also discussed how these dimensions change within the sector. They echoed the stance of Jeffrey G Covin and Slevin (1989) and Miller (1983) in saying that being truly entrepreneurial means that an organisation's management strongly emphasise all three in defining their firm's posture. In locating entrepreneurial behaviours in the non-profit sector, they argue that perhaps there is more need for them in some of the key tasks: managing multiple stakeholders, finding funding, managing the scarce resources and employing innovation in addressing very complex social problems. Some writers go further, suggesting that non-profits often act as fundamental agents of change, having to find bold solutions that produce dramatic social returns. (Brooks, 2008), (Leadbeater, 1997). Non-profits often have unique social mission-driven motivation to survive, and this in turn influences the manifestation of entrepreneurship therein.

Michael H. Morris et al. (2011) put forward a reconceptualised framework for exploring EO within non-profit organisations, developing the three key themes along alternative axes. This framework is outlined below:

	1. Emphasis on innovation directed at core mission achievement, either by increasing efficiencies, or enhancing what is done for those individuals
Innovativeness	2. Emphasis on innovation directed at generating new sources of revenue, such as from selling products or launching ventures, that are supplementary to or independent of the social mission
	3. Emphasis on innovation directed at both revenue generation and mission accomplishment in concert with another
	1. Enactment of change is how social purpose is achieved relative to organisations with similar missions
Proactiveness	2. Enactment of change is how financial requirements are met relative to organisations with similar missions
	3. Enactment of change relative to stakeholder expectations
	1. Willingness to take actions that incur meaningful probability and magnitude of loss in the amount of social impact achieved by the organisation
Risk Taking	2. Willingness to take action that incur meaningful probability and magnitude of financial loss
	3. Willingness to take actions that incur meaningful probability and magnitude of loss of non-financial stakeholder support

Figure 3: Entrepreneurial Orientation in Non-profit Organisations (Michael H. Morris et al., 2011)

What this framework tries to do is to provide a method by which the researcher can consider the entrepreneurial orientation of a social, rather than a traditional enterprise. The EO literature offers a lens to look at the workings of social enterprises, as defined earlier in the study, in particular the entrepreneurial behaviours within them, joining up the overall themes outlined at the start of the literature review.

2.5 Summary

This study is interested in unearthing what entrepreneurship exists within the social enterprises of Scotland. The development of the entrepreneurship literature has led to the focus of the study being entrepreneurial behaviours within social enterprises – specifically putting them under the lens to see what they exhibit in terms of the understanding of entrepreneurship, the attitudes towards it, the approaches undertaken and activities generated by it. From this, support mechanisms for helping develop their entrepreneurial potential can be derived and developed.

Key themes have been discussed around entrepreneurship, social entrepreneurship and entrepreneurial orientation

A study of the literature has offered distinct areas of discussion within the overall subject of Entrepreneurship. Common themes have emerged in the literature around core entrepreneurship activities such as new business creation, attitudes towards entrepreneurship and support. Leading from that there has developed the widening of where we look for entrepreneurship away from the individual entrepreneur towards a more organisational focus. This has brought into focus the literature around how entrepreneurship is documented, and often the writers have justified

such behaviours being common to both traditional and social enterprises, providing a wide scope for this particular study. The concept of Entrepreneurial Orientation was discussed, providing a framework via which the entrepreneurship could be considered, with further discussion around how this has already been explored in the literature.

In summary, it has been acknowledged that entrepreneurship is not a heterogeneous subject, and not generalizable, but dynamic and unpredictable, which provides challenges when researching it. Studying the archetype of the entrepreneurial venture within social science is said to be a complex process, and Low and MacMillan (1988) argue that researchers within entrepreneurship must acknowledge that entrepreneurship studies could and should be carried out at multiple levels of analysis and that these analyses complement each other. This includes macro and micro levels and to integrate different levels of analysis in empirical research, and presents a challenge going forward.

Within Scotland, there are a number of considerable challenges facing public services and no end of 'rallying cries' for the Third Sector to step forward to meet these, perhaps investigating their entrepreneurship and developing their entrepreneurial potential will enable that to happen. Support is in place, but do the social enterprises utilise it or find it helpful towards developing their potential?

2.6 Conclusion: Research themes and Questions

The theoretical underpinning examining the definition of entrepreneurship and its history was introduced, from the initial home in economics, to the development of it beyond the entrepreneur, to be a feature of organisations.

The review then focused on the specific idea of a social entrepreneur emerging from the application of entrepreneurship to the social enterprise sector. Social entrepreneurship as a theme and subject area was then discussed, specifically in relation to the Scottish context.

A discussion of the social enterprise sector and specially its scope and definition in the Scottish context was highlighted.

A gap was identified in the literature around what entrepreneurship currently exists in the social enterprise sector. A lack of empirical studies on the sector in general was also noted. Consequently, the study needed to address that lack of empirical evidence within the social enterprise sector, focusing on entrepreneurship in particular, and examining their EO. Examining the shape and form entrepreneurship takes within the sector will provide the missing empirical link. Examining the EO of the organisations and how this model applies to the Scottish social enterprise sector using a qualitative approach will also be interesting. Finally the aspect of support – not for social enterprises per se, but for their entrepreneurial efforts.

These are presented in the summary Table below that outlines thematic linkages to topics for investigation and key authors. The themes informed the direction of the study approach and research design as outlined in the following Chapter 4.

Table 1: Research Aims / Themes and Authors

Research Aim	Theme	Topic for Investigation	Key Authors
To investigate entrepreneurship within Social enterprise sector in Scotland	Understanding how Entrepreneurship is defined in the social enterprise context	How is entrepreneurship defined?	Schumpeter (1934) Timmons and Bygrave (1986) Borzaga and Defourny (2001) (Drucker, 1985)
		What is the social entrepreneur and social entrepreneurship?	Dees (1998) Austin et al. (2006) Leadbeater (1997) Chell (2007) Ridley-Duff and Bull (2015) Coburn (2019)
		What is the social enterprise sector? In Scotland?	J. Pearce and Kay (2003) Kay et al. (2016) Roy et al. (2015)
	Entrepreneurship Activities and Approaches Adopted	What activities do entrepreneurs do?	Gartner (1990) Bull and Willard (1993) Kent and Anderson (2003) Chell et al. (2010)
		What is their mind-set / approach?	Drucker, 1985 Bygrave, 1993
		What is the Entrepreneurial Orientation of the social enterprise sector?	Jeffrey G Covin and Slevin (1989) (Lumpkin & Dess, 1996) Jeffrey G Covin and Lumpkin (2011)
	Factors enabling entrepreneurship	Support currently available for the social enterprise sector	Spigel (2016) Whitcomb (2018)
		How effective is that support?	Hazenberget al. (2016) Whitcomb (2018)

The key research questions to emerge from the literature review are:

- What is the current understanding of and attitudes towards entrepreneurship within the social enterprise sector?
- Using the lens of entrepreneurial orientation, what entrepreneurial activities and approaches are undertaken by the social enterprise sector in central Scotland?
- What key factors enable social enterprises to be more entrepreneurial?

Chapter 3 RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the theoretical underpinning for the research design and methods used in the study. The aim is to show clearly the research approach, with the reasoning for it, and also for the methodological approach and methods used.

It will firstly discuss the research aim and research questions to set the path, then it will introduce the research paradigms and rationale for undertaking interpretivist qualitative research, with a discussion of those considered and rejected. The chapter then outlines the pilot study experience, the sampling methods, data collection and analysis techniques and approaches which have been followed.

3.2 Overall Aim and Research Questions

3.2.1 Aim

The aim of this research is to investigate entrepreneurship within social enterprise sector in Scotland

3.2.2 Research Questions

- What is the current understanding of and attitudes towards entrepreneurship within the social enterprise sector?
- Using the lens of entrepreneurial orientation, what entrepreneurial activities and approaches are undertaken by the social enterprise sector in central Scotland?

- What key factors enable social enterprises to be more entrepreneurial?

Grix (2010) provides a framework for helping to explain and provide an understanding of the chosen research philosophy. This and the work of Crotty (1998) help to outline and clarify the key elements of the philosophical perspective adopted in this research.

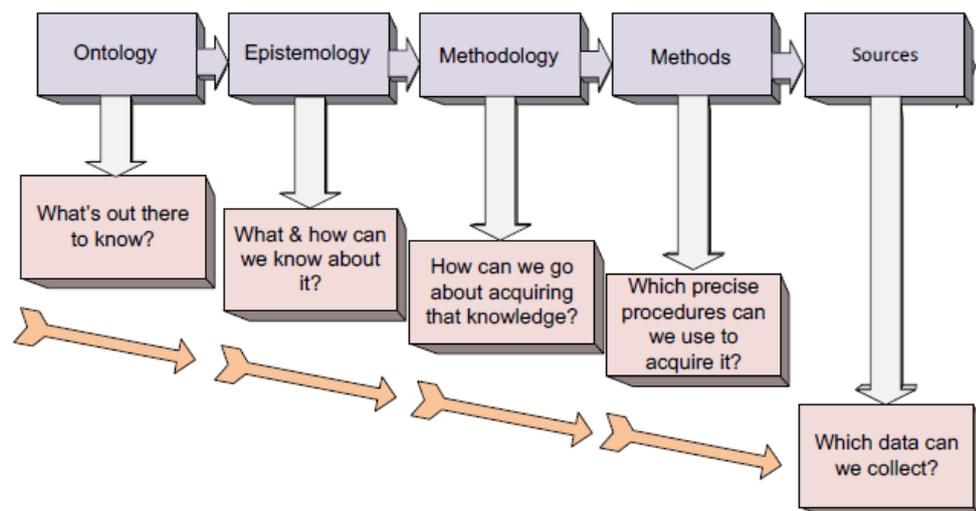


Figure 4: The interrelationship between the buildings blocks of research (Grix, 2010)

For any given research approach, three questions need to be answered - the ontological question – how does the researcher view the world? The epistemological question – what is the lens through which the researcher views the study? The methodology and methods questions – given the ontology and epistemology adopted by the researcher, what are the most appropriate methodology and methods of gathering data?

3.3 Ontology

Guba and Lincoln (1989) describe this as a “basic set of beliefs that guides action”. All research is guided by a set of beliefs and feelings, personal to the researcher, and about the world and how it should be understood and studied (Denzin & Lincoln, 2011)

The ontological position of the researcher is a belief that the “truth” is socially constructed, subjective and may change – this falls under the constructionist research paradigm. The reality sought is constructed by social actors and people’s perception of it, and belief that because of that, social reality may change and have multiple perspectives (Hennink, Hutter, & Bailey, 2020). In adopting this position, the researcher rejects objectivism and a single truth as proposed in positivism. The preference always is to interact and have dialogue with the studied participants, which will be discussed in the methodology section. The emphasis on this paradigm is on understanding as opposed to explanation, as interpretivists do not believe in relying on mere observation to understand, they need to get underneath things for meaning. This approach seeks to understand the lived experiences. Entrepreneurship research has evolved from a purely positivist approach, as it initially had its roots in economics. As the subject widened to include more data sets including organisations and sectors, more it also implies that entrepreneurship is constructed in social interaction between individuals and that it is the task of research to enhance our understanding of these interactions (Chell, 2000) (Downing, 2005); (Fletcher, 2006); (Drakopoulou Dodd & Anderson, 2007) . Lindgren and Packendorff

(2009) suggest that that contemporary entrepreneurship research is a young and lively field and should encourage pluralism in its development.

A criticism of the approach is that it can have a limited generalisability as a result of its interpretive basis. This is acknowledged, but inherently the research aimed to understand and appreciate the research subject and would rather take this approach and feel that it had got to the heart of the meaning with depth, to discover the real lived experience. Guba and Lincoln (1989) suggest that a strength of this type of approach is trustworthiness and authenticity it exhibits in the methodology. Data collection feels more authentic and getting to the heart of the matter, and that key fact makes it a preferred approach for this researcher. (Easterby-Smith, Thorpe, & Jackson, 2012)

In developing the particular research philosophy chosen, it is helpful to highlight why others were rejected, and their perceived limitations in this context. In terms of rejecting the positivism philosophy, the researcher does not see the subject area - entrepreneurship as a subject area producing law-like generalisations similar to those produces by the physical and natural scientists (Remenyi, Williams, Money, & Swartz, 1998). The researcher doesn't believe that within this particular research subject, that there are patterns and regularities, causes and consequences as such, positivism would pinpoint. There is no single truth here to be discovered.

From a critical realist perspective, the assumption is that social enterprises can only be understood, and changed, if the researcher could identify the structures at work that generate entrepreneurship. The focus would be to identify these structures via practical and theoretical work (Bhaskar, Collier, Lawson, & Norrie, 1998) The Critical Realism research approach would focus upon finding and unpacking or deconstructing the underlying mechanisms and contexts via theory and explanations – the researcher does not see this as being appropriate for the subject area – from previous research, no clear “patterns” or “mechanisms” have been identified, and the unearthing of these behaviours is entirely possible to discover and appreciate without the need to find the cause or make a difference to the situation (Sayer, 2004). Social enterprises need to be studied from within, to understand the

entrepreneurship at work – the social phenomena under scrutiny in this study. The researcher acknowledges that they do not remain independent in such an approach, and therefore will be inextricably part of the social reality, not detached.

Previous studies using the Entrepreneurial Orientation(EO) model have mostly used a positivist approach (Jeffrey G Covin & Slevin, 1989) (Miller, 2011)– developing numeric scales per criteria, and ultimately awarded a value to the EO of the organisation. It was reading such approaches that led the researcher to want to gain a better understanding of the phenomena of entrepreneurship within the social enterprise sector, that using quantitative research methods could not offer. Miller (2011) discussed the EO literature and methods, suggesting that it shied away from qualitative studies, perhaps because they are hard to carry out due to the time, skills, and access required, and identified this as a possible area for further development of EO within entrepreneurship. Randerson (2016) also acknowledges the development of how EO is explored and researched, from being embedded in positivism, but suggests that there is an opportunity to be more holistic in approaches to applying it via social construction. They argue that qualitative approaches are needed to provide a deeper understanding, aside from the measurement of the EO dimensions. Vora, Vora, and Polley (2012) emphasise the importance of qualitative studies of EO as they inform both theory and practice.

It is intended that this particular study reviews the EO model in considering the dimensions it suggests but also reviewing and adding what emerges from the data collected qualitatively.

3.3.1 Epistemology

The second element of the set of beliefs is the epistemological stance – from which viewpoint does the researcher view the study? (Alcoff, 1998) suggests that in considering this, the researcher must ask what is meant by a truth claim? what constitutes valid information? how can one distinguish between true and false? and

what is the relationship between the knower (the researcher) and the known (the research)?

This is the lens through which the researcher views and researches an issue. As a result of this choice, the appropriate methodologies will emerge. Having considered the wide range of lenses available, the researcher has adopted an interpretivist lens in approaching knowledge. An interpretivist position is based on the view that a strategy is required that respects the differences between people and the objects of natural sciences – the researcher has to grasp the subjective meaning of social action (Bell, Bryman, & Harley, 2018). Interpretivism respects the differences between people and the objects of the natural sciences. It enables the researcher to work towards grasping the meaning of the social action. It is concerned with the empathetic understanding of human action, rather than the forces that act on it. Crucial to this epistemology is that the researcher has to adopt an empathetic stance, the challenge is to enter the world of social enterprises and understand the world from their point of view. The study of the social world requires a different logic of research that reflects the distinctiveness of humans. Interpretivism has been highlighted as being appropriate in the case of business and management research, with the complexities and the difficulty of generalisations about complex situations.

Interpretivism is a constructionist approach which focuses on individual's lived experiences and the meanings individuals attach to such experience. The overall aim is to understand their experience of entrepreneurship within their social enterprises.

The approach also will enable the researcher to produce “reflexive narratives, not explanatory models or theoretical propositions” Mantere and Ketokivi (2013)

3.3 Methodology

The research adopted an interpretivist research philosophy, and constructionist ontology which then lead to a discussion of methodology and methods. The methodology refers to how the researcher will go about acquiring the knowledge, and a discussion of the combination of techniques used to enquire into a specific situation (Easterby-Smith et al., 2012) The methods will cover the precise, individual procedures used to acquire it. In terms of methodology, those adopting this philosophy acknowledge this as a means of understanding society -social actors and their perceptions of their roles and positions in society.

The research approach commonly adopted by those from an interpretivist philosophy emphasises words rather than quantification in the collection and analysis of data. It also predominantly emphasises an inductive approach to how theory relates to practices – emphasis being placed on the generation of theories. The common data collection methods are qualitative, this is because they intrinsically lend themselves to generating the in-depth, holistic, and social data the interpretivist wants in order to build an understanding of the subject area.

Qualitative methodologies vary in relation to the object of their enquiry, their purpose and the overall aim of the research. Other factors are the nature of the data and the role of the researcher. In terms of this study, an interpretivist approach was adopted.

Grounded theory Strauss (1998) is approach is not widely adopted in the entrepreneurship field and, although the idea of developing the theory from nothing was an interesting challenge, it was felt that ignoring what was already well researched – entrepreneurial orientation, but adapting it made for a more coherent and progressive approach.

An ethnographic approach, being part of the world being researched over a period of time providing participant observation providing insight would have been

interesting, but from a resource point of view - the time and commitment needed to facilitate it ruled it out of this research.

Methods

3.4 Semi- Structured interviews

Within qualitative research, the interview is the most common technique used. Silverman (2015) suggests that it can reach areas of reality that would otherwise remain inaccessible, such as people's experiences and attitudes. The focus is very much the interviewee perspective, and it is convenient and appropriate for this particular study.

The specific interview method chosen was semi- structured interviews, which involves having a list of questions on specific topics, but providing the interviewee with lots of leeway in how to reply. This meant that all interviewees were given the same opportunity to provide data across the research areas. By using this type of method, the researcher wanted to understand the participants perceptions, helping them to articulate their thoughts and ideas around entrepreneurship, to enable them to relate their lived experiences, and providing rich, detailed answers (Bell et al., 2018). The list of questions on the specific topics are provided in Appendix 1. The questions asked link to the EO dimensions, and approach also undertaken by Zellweger and Sieger (2012) in their study of EO in family firms.

Interviewees were free to discuss openly their answers and develop examples of each element - this approach was primarily used to enable comparisons between the types of social enterprises, but opportunities were provided to develop answers and to discuss specific examples to their organisations.

All of the interviews took around 60 minutes, and most were conducted at the social enterprise premises, with the interviewer recording for transcription purposes, and to allow better interaction with the interviewee. Each was held in a private office, with no distractions from the staff of the organisation. Where meeting face-to-face proved logistically difficult – getting a mutual time, or place, the interviews were held via skype and still recorded, this was the case for two of the interviews.

3.5 Triangulation

It is anticipated that the final recommendations – contribution to theory and practice generated by the study will be presented to those who lead the social enterprise sector in Scotland, and also those who participated in the study. A small step towards that was taken with a key informant within the sector who did get to have this, and provided valuable feedback.

3.6 Sampling

For this study, non-probability sampling was used – so that generalisations can be made, but not on statistical representation grounds. More specifically, study employed stratified purposive sampling, which enabled the researcher to select a minimum of two social enterprises from each of the six sectors in the subgroup social enterprises, the unit of classification was the type of structure the social enterprise was set up as, except the co-operative which only had one.

For each organisation, the manager, leader or CEO was chosen as the interviewee to enable a full and holistic discussion of the organisation.

3.7 Research Organisations

The list of organisations within the sample are detailed in Table 2. Without disclosing their identities, some indication of their core business is provided, to enable clarity

when the analysis is undertaken. An indication of the role of the interviewee is also provided.

The details included linked to those developed by Zellweger and Sieger (2012) in their study of family firms, and included criteria such as age / number of employees and type / ownership of the organisation.

Table 2: Sampling Frame

TYPE OF SOCIAL ENTERPRISE	ROLE OF INTERVIEWEE	CORE BUSINESS ACTIVITIES
1. Co-operatives and Mutuals	Project Lead	Community Arts Workshops
2. Social Firms	Managing Director	Local Business Development Organisation
	Chief Executive Officer	Entrepreneurship Training
	Company Director	Rehabilitation for offenders
	Manager	Gift Manufacturer
3. Community Interest Companies (CICs)	Chief Executive Officer	Community Business Organisation
	Manager	Performing Arts
	Manager	Alcohol
4. Development Trusts	Chairman	Local community trust
	Chief Executive Officer	Local community trust
5. Credit Unions	Chairperson	Community Bank
	Director	Credit Union
6. Housing Associations	Chief Executive Officer	Housing
	Chief Executive Officer	Housing

3.8 Pilot Study

Coulis (2014) suggest that Interpretivism tends to use small samples and have a natural location – the data collection method used for the pilot was a case study, using a Scottish social enterprise. The study of EO by Vora et al. (2012) gave an excellent example of how a case study approach could work.

The organisation was chosen particularly because of its history and a recommendation from a local economic development agency who have an overview of all social enterprises in the geographic area where the researcher is based. The region has a long history of social enterprise and has a healthy sector within the Scottish context.

The pilot case study approach had its limitations – it was difficult to negotiate access to the sources of data, and to get the trust of those involved in the organisation, especially as this was the first introduction from the researcher. It was also hard to settle on the scope of the study at the time of the pilot, and it was important to understand the history of the organisation to do it justice. In this case, the researcher knew of the organisation, but only via the previous manager, so introduction and buy-in had to be negotiated, which was difficult purely via email. Once the face-to-face meeting had taken place, much more buy-in was afforded, which helped generate some secondary data sources. Eisenhardt (1989) also suggests that when doing case study research it is important to understand the context, and the dynamics within the setting. This proved quite a challenge to do in reality, particularly within the limitations of the pilot study. The researcher had undertaken some homework on the organisation, but this was quite limited.

The main method was a face-to-face semi-structured interview, with the manager at the social enterprise premises. The interview questions were very much modelled on the EO dimensions, but, at times, many of the terms used had to be explained and this felt frustrating. A copy of the questions is provided in Appendix 2. An example

of this was the word, “innovativeness”, which has a variety of meanings, and which the manager felt very strongly the organisation wasn’t, yet the interviewer could identify lots of innovative practice from observations and understanding of the organisation. This observation has clearly highlighted the limitation of using interviews – they can extract good data, but, in a case study approach, they need to be supplemented with additional data sources.

What was clear to the researcher was that the social enterprise chosen did undertake a huge amount of entrepreneurial activity, via its staff and board. What was not so obvious from the findings was that the methods used were able to unearth that. The interview was quite frustrating, despite framing the EO in all of the questions, just by prompting and reminding the manager of certain activities, a more rounded picture could be painted of the entrepreneurial behaviours of this particular social enterprise. One outcome of the pilot study was the manager realizing that nothing was documented around their activities, and she went off to map and develop that. A limitation of doing a pilot of a case study was that it felt the researcher was only the skimming of the surface, and the time limitation in what methods that are doable. Also, the manager had not been in the organisation very long

After the pilot study, some reflections were observed before going forward to the final study:

- challenges existed in gathering information on the organisation:
 - time to get a variety of data for depth
 - meeting with a variety of staff to get perspectives
 - feeling that the researcher has only really skimmed the surface of all of the entrepreneurial activities within the organisation.
- To get buy in at the offset from the organisation, it is worth taking the time needed.

- The organisation chosen was a good fit for the study, but perhaps using it for the pilot meant that it only really skimmed the surface of what they do and all of the elements that make it up.

3.8.1 Reflection on Pilot Study

On reflection, the pilot study provided a good introduction to a social enterprise in action, on the ground. The process enabled the researcher to be reassured about the topic and also that the sector itself was interested in the subject of entrepreneurship. The interview part of the case study was face to face at the business premises, which enabled some good interactions and being there in person, meant the researcher could appreciate the scale and logistics of the operation – this positive observation informed the decision to interview those in the final sample where possible in their work spaces, to enable a greater sense of the social enterprise operation, and also to enable those being interviewed to be more comfortable.

In terms of the specific methods used, the interview with the manager was constructive, but sometimes a lot of clarification was needed – this was expected, and led to a further review of the questions, to make sure the language used was understandable for the interviewee- it was a good idea to send the questions were sent before to allow for some preparation. The questions were answered comprehensively, and the pilot study enabled a testing of these, and provided helpful points for review for the final interviews. An example of this was the use of the word “innovation”, which clearly has a number of meanings, and in this context, with the interviewee, it meant something very specific and beyond their organisation. The researcher took time to review the questions and make the key elements etc. innovation much less academic in nature and more understandable at a manager level. Overall, however, the interview was very positive and the manager seemed engaged, which was encouraging in terms of the interviewer’s style and approach.

The use of a case study approach was also challenged when undertaking the pilot study— this organisation had been in existence for many years, but little tangible material was available, making the development of case material more difficult. This helped the researcher review the case study approach to the study, and was helpful

The organisation was very helpful but doing the pilot study also made the researcher aware of the engagement level needed per organisation to truly gather the materials to create a viable case study. This led to a review of the methodology towards thinking more about structured interviews, across the six types of social enterprise, paying attention to the role of the interviewee and also how long they had worked at the organisation. This revised approach meant that a wider view of the social enterprise sector was possible, rather than just a focussed approach on a chosen organisation – this felt more real and robust for the overall subject area.

3.9 Data Collection

(Bell et al., 2018) outline several key elements to consider when carrying out interviews as part of research, and these will be discussed in relation to this study.

3.9.1 Know the schedule

For any interview it is important the interviewer is conversant with what questions are to be asked. For this the researcher had, prior to the first interview undertook a “mock” interviewee with a colleague to familiarise themselves with the questions, and saying them out loud. The interviewer didn’t take notes but did record each interview, which helped with focus, and as the interviews progressed confidence in the questions grew. The researcher also had previous HRM experience of interviewing so drew on those skills to make sure the interviewees were at ease and able to respond in a comfortable and relaxed manner.

3.9.2 Introduce the research

Participants were provided with a credible rationale for being asked to participate in the research. This was initially mostly via email, with some follow-up phone calls, but kept very personal –, the researcher always had a specific link to the organisations chosen or had taken the time to consider why they would be a useful inclusion in the study. An introduction to the researcher and the study was also included in the initial email, with contact details to verify the request if necessary. Some interviewees asked for follow on phone calls to discuss the study further before committing to be interviewed. The advice provided by (Bell et al., 2018) was adopted, “ be self-assured – you may get a better response if you presume that people will agree to be interviewed, rather than that they will refuse”. Most people asked did participate, only those with time limitations declined. They also suggest making the time to suit the interviewee – this was provided in the initial email, only a preferred two-week timeframe was indicated.

3.9.3 Rapport

Establishing a good rapport with the interviewee is very important to ensure engagement and to put them at ease. This was made easier as all the interviews were face-to-face, and body language cues could be acted upon, with the interviewer paying attention to smiling, nodding at answers, and maintaining good eye contact.

3.9.4 Ask the questions

The questions on the specific topics were printed out on an A4 sheet in large print in order, to enable consistency of approach per interview.

3.9.5 Record the responses

The interviewer did not take notes, but recorded all of the interviews, meaning that every word was accurately noted. Skype software enabled this as well as the use of a digital recorder per interview.

3.9.6 Question order

This followed the order provided in the questions sent to the interviewees before the interviews. No questions were personal, and most were grouped around certain key ideas which were introduced in the question wording. All of the questions were open and allowed for any further clarifications to be asked as the interview progressed.

Most interviews lasted 60 minutes, and each was recorded, and then fully transcribed by the interviewer soon after the interview for further analysis.

3.9.7 Revise Questions

For the final study, the interview questions were revised and less focussed on the key themes of the EO model. These dimensions had been restrictive in the pilot, making the interviewee think in a very specific way about her work, and a review of these questions led to a much more generic and open set which generated much better data about entrepreneurship, they were in some ways much less academically technical. A copy of the interview questions asked in the final study are in Appendix 1.

3.9.8 Transcription

The recordings were all transcribed by the researcher to keep familiar with the data and this took approximately 2 hours per 1 hour of recording. Although this took a long time, this process made the researcher more familiar with the data and the lived experiences of those interviewed were very clear in their discussions, and had

touch typing skills. It also allowed much closer understanding of the data to revisit it after the interviews in such depth.

3.10 Data Analysis

The data was analysed using a thematic analysis Lewis and Ritchie (2003) describe as, “a matrix based method for ordering and synthesising data”. An index of key themes and sub-themes is constructed into a matrix, which are then applied to the data. These emerged from the literature and the data provided from the interviews.

Schwandt (1997) referred to coding as the procedure that disaggregates the data, breaks it down into management segments, and identifies or names those segments. It is important to not just describe the data, but analyse it. The coding process used links into what (Braun & Clarke, 2006) call Thematic Coding.

3.10.1 Themes

The starting point for the Initial themes were the dimensions provided by the EO model – innovativeness, proactivity and risk taking. The data was initially broadly organised around these using NVivo. However, as the analysis developed, it was clear that these dimensions were very narrow for those trying to explain their entrepreneurship in their context. If these were the only themes considered, then the study would not capture the entirety of the lived experienced provided in the interviews. This initial analysis was stored and the data then subject to further scrutiny, to try and capture the depth and breadth of that experience. The three dimensions appeared throughout the revised themes, which was a more honest approach to integrating them, rather than have them as standalone themes.

From the transcripts, several additional themes emerged which were consistently addressed in the data from all of the participants. They were:

- 1 Understanding of entrepreneurship
- 2 Attitudes to entrepreneurship
- 3 Entrepreneurial approaches
- 4 Entrepreneurial activities
- 5 Key support factors

1 Understanding of entrepreneurship

The study is trying to gauge attitudes to entrepreneurship and understanding what being entrepreneurial actually means within the social enterprise sector. This was one of the first questions asked in the interviews, and provided a base line for understanding how the participants defined the core concept of entrepreneurship

2 Attitudes to Entrepreneurship

Attitudes to entrepreneurship - this theme emerged as the participants highlighted their own attitudes towards entrepreneurship – personal attitude and also how that is enacted in the organisation. Considering this also helps map the premise from which the entrepreneurial activities and approaches emerge and develop and provides a baseline for the sector.

3 Entrepreneurial Approaches

This combined how the organisations have developed entrepreneurship within their organisations and implemented it. Were these approaches innovative? How were they embedded, or did they just see being entrepreneurship as a personal behaviour?

4 Entrepreneurial Activities

This explored and drew out the specific activities described by the organisations around entrepreneurship e.g. opportunity spotting, revenue generation etc.

5 Key Support Factors

The fifth thematic code was Key Support around how best to be supported in being entrepreneurial in the social enterprise sector. The interviewees were asked what helped enable entrepreneurship across the types of organisations studied.

3.11 Thematic Development Process

The three tables below show how the thematic analysis developed from the data in three stages

Stage 1

This table shows the initial themes that emerged from the first exploration of the transcripts. Each was derived after listening to each interview and reading the associated transcript. A total of 66 themes were identified.

Table3: Stage 1 Themes

1	Local community	34	Planting seeds
2	Longevity of the SE	35	Collaboration
3	Giving something back	36	Partnerships
4	spotting opportunities	37	Clear vision and objectives
5	doing things differently	38	Building social capital
6	Entrepreneurial spirit	39	Being enterprising
7	Funding / Govt funding	40	Calculated risk taking
8	Coming up with ideas	41	Working with other organisations
9	Creative solutions	42	Headspace for ideas to germinate
10	Freedom	43	Being inspired by others
11	Risk Taking	44	Responding to local needs

12	Networks / Connectivity	45	Local authority partnerships/ relationships
13	Partnerships	46	Forward looking
14	Poverty	47	Being risk averse
15	Social Impact	48	Being inclusive
16	Business Viability	49	Developing a track record
17	SE identity as a sector	50	Bringing resources together
18	Being adaptable and flexible	51	Income not grants
19	Consortiums	52	Innovating on what exists
20	Shared good practice	53	Entrepreneurial opportunities
21	Innovative practice	54	Bridge to community
22	Sustainability (financial)	55	Community ownership
23	Taking initiative	56	Connection with National Support organisations
24	Focus	57	Opportunities via collaboration
25	Passion	58	Core values
26	Generating Income	59	Doing something completely different
27	Entrepreneurial projects	60	Making a difference in our communities
28	Business Planning	61	Taking initiative
29	Supportive Board	62	Protecting the core services
30	Commercialisation	63	Challenge
31	Generating income to fund social projects / outreach	64	Pioneering
32	Creating communities	65	Business Development
33	Embeddedness	66	Pushing Boundaries

Stage 2: The sixty six themes were grouped to create nine core themes, and the key elements listed alongside each in the table below:

Table 4: Stage 2 Themes

1	Local community	Making a difference in our communities	Building social capital	Giving something back	Responding to local needs
		Bridge to community	Community ownership	Being inclusive	Creating communities
2	Spotting opportunities	Entrepreneurial spirit	Entrepreneurial projects	Commercialisation	
		Being enterprising	Business Development	Planting seeds	
3	Innovative practice / approaches	doing things differently	Shared good practice	Creative solutions / New ideas	Innovating on what exists
		Pioneering	Doing something different	Entrepreneurial opportunities	
4	Funding / Government funding	Sustainability (financial)	Business Planning /Viability	Generating Income	Income not grants
5	Supportive Board	Clear vision and objectives	Developing a track record	Bringing resources together	
6	Risk Taking	Being adaptable and flexible	Taking initiative	Calculated risk taking	Risk aversity
7	Networks / Connectivity	Consortiums	Partnerships	Collaboration	Working with others
		Local authority partnerships/ relationships	Opportunities via collaboration	Connection with National organisations	Being inspired by others
8	Social Impact	Generating income to fund social projects / outreach	Poverty	SE identity as a sector	Core values
		Longevity of the SE	Protecting the core services		
9	Entrepreneurial Behaviours	Forward looking	Focus	Passion	Freedom
		Headspace for ideas to germinate	Challenge	Pushing Boundaries	

Stage 3 Themes

Stage three then joined up several of the core themes identified to generate four overall themes which emerged from the data, and formed the basis of the analysis.

Table 5: Stage 3 Themes

Theme level 2	Theme level 3
Entrepreneurial Behaviours	Understanding Entrepreneurship
	Attitudes towards Entrepreneurship
Entrepreneurship and the Social Impact	Approaches
Local community	Approaches
Innovative practice / approaches	Approaches
Risk Taking	Entrepreneurial Activities
spotting opportunities / opportunistic	Entrepreneurial Activities
Funding / Government funding	Support
Supportive Board	Support
Networks / Connectivity	Support

3.12 Strengths and Limitations of the Approach

In approaching the research from a constructionist / interpretivist philosophy, it is clear that the results and conclusions will be around gaining and understanding of the meaning those involved in social enterprises attach to entrepreneurship.

The interpretivist perspective can be criticised for the lack of generalisation in the context of trying to capture the rich complexity of the social situations. In this study this isn't a concern, no one is looking for a percentage / a figure or a solution, the main parties interested in the research want a perspective, an overview and a sense of what is happening, all of which tie in with an interpretivist approach.

A limitation which was improved from the pilot study, but still existed to a degree was the terminology used still being academic and open to interpretation. It was a complex issue as it was important to learn what those who participated understood the particular terms such as innovation and entrepreneurial, and yet also trying to be consistent in their analysis across the sample. The study definitely encouraged those taking part to reflect on past practice and approaches, but sometimes it felt that they had not ever framed their approaches or activities in entrepreneurial language – they often discussed how it clearly was entrepreneurial, but sometimes that was a surprise even to them to be expressing it as such. Perhaps presenting entrepreneurship as a distinct subject for discussion felt unusual, and unexplored, just talking about their work in a new way was a new experience for them.

3.13 Ethical Considerations

From the outset, the research had to observe the overall guiding principles for any research within Edinburgh Napier University - and be conducted with honesty, rigour, transparency and open communication, with care and respect and accountability. Permission for the study was gained from the Business School Research Integrity Committee

Before any research was undertaken, informed consent was obtained from participants. A full and open discussion took place in order to get the individual to participate, and within that, the researcher explained fully the data to be collected and how it would be used. Additionally, a participant information sheet was sent out in advance of research interviews. A copy of this sheet is in Appendix 3. It was critical to fully discuss all elements with the appropriate level of staff to explain the usage of the data in dissemination after the data capture, and also explain how the data will

be protected by the researcher. A signed copy of the participant consent form was collected from each interviewee.

One issued encountered was to ensure that participants were assured that their contributions remained commercially confidential. Each organisation was coded, no organisation or personal names were used throughout the research. All data was stored on a USB memory stick with password protection that only the researcher had access to.

Chapter 4 FINDINGS AND ANALYSIS

4.1 Introduction

This chapter will provide a discussion and analysis of the data. (Patton, 2014) says that, “qualitative data analysts seek to describe their textual data in ways that capture the setting or people who produced this text on their own terms rather than in terms of predefined measures and hypotheses. What this means is that qualitative data analysis tends to be inductive—the analyst identifies important categories in the data, as well as patterns and relationships, through a process of discovery”.

This study aims to consider entrepreneurship within the social enterprise sector of Scotland using a purely qualitative approach. As has been discussed in the methodology, the aim is to, “seek answers to questions that stress how social experience is created, and given meaning”, Denzin and Lincoln (2011)p8. This approach aims to give a voice to those who work in and lead the social enterprise sector in Scotland, to detail their lived experiences of entrepreneurship. The findings here are the co-creation of those actors involved in the study and the researcher Guba (1990).

This study has explored contextual variables, and those things that surround entrepreneurship to enable it to happen, within the social enterprise sector. The idea is to gain an understanding of what those in the sector understand the think of and how they understand entrepreneurship, their attitude to it, and to present a snapshot of the entrepreneurial activities and approaches currently undertaken by the social enterprises considered. It also sought to highlight any factors inside or outside of the social enterprises that have enabled or hindered the overall entrepreneurial activity.

The aim was to frame the lived experiences of the social enterprise sector, without describing it purely via a set of categories within a particular model. The EO model was chosen as it provided a lens to look through, to develop a true picture of the

sector, but to approach this in a new way, and then evolve the elements considered in the model to somehow capture the essence of entrepreneurship in social enterprises in Scotland. The research didn't seek to prove or disprove the EO model in the new context, but instead map out an alternative set of variables from qualitative research methodology which captures the nature of entrepreneurship within the sector studied.

An inductive approach was followed, rather than trying to fit the findings into an established EO framework, even one developed for non-profit organisations (Michael H. Morris et al., 2011), the research developed key themes from the data and literature to try and represent the entrepreneurial position of social enterprises in Scotland at the present time.

Discussion is structured around key themes that emerged from the data, not from a previously applied approach which Michael H. Morris et al. (2011) developed for the not-for-profit sector. They developed a typology to use to explore entrepreneurship within this sector. This was an attempt to extend the traditional reach of the model, across different contexts. Their focus was on exploring the differences between the profit and not-for-profit sectors via the EO model. Their particular enhancement involved developing three further elements for each of the overarching ones were again focussed on measurement and not discussion. They also proved very specific and quite narrow to somehow transfer to the Scottish social enterprise sector.

The discussion first consider the attitudes and approaches to entrepreneurship in the sector, the entrepreneurial activities undertaken across the social enterprises are mapped, and will conclude with factors that have enabled those entrepreneurial activities and approaches, with the aim of developing a more coherent picture of entrepreneurship in social enterprises, and think about how this can be developed further by a range of organisations as a result of knowing the current position. A summary will then be provided of the key findings.

4.2 RESEARCH INTERVIEWS

A total of 13 social enterprises took part in the research, covering an area across the Central Belt of Scotland. The details of these organisations and specifically their category of social enterprise is shown below in Table 6. The organisations were chosen by contacting the parent umbrella organisation eg the Development Trust Association and Social Firms Scotland, and from an initial email contact, positive responses followed up. The table also shows which local authority the organisation was located in. Six of the organisations from the sample were located in Fife, which is where the researcher was based and had an established network to draw upon to help get engagement from the organisations. The start date of the social enterprise is also provided, and how many core staff are employed and also involved in the operation – this can often be volunteers or sessional staff. A brief outline of the core activities is provides some insights into the work they undertake – a wide range of activities were identified, providing a varied and interesting sample. These details are limited to protect the identity of the organisation. The interviewee chosen from each organisation was the person most senior– sometimes this was a CEO or the owner/ social entrepreneur, and this is also indicated on Table 6.

Table 6: Organisations in the Sample

CODE	ROLE OF INTERVIEWEE	CORE STAFF	CORE BUSINESS ACTIVITIES	DATE SET UP	LOCATION
COP1	Project Lead	1 F/T lead, plus sessional workers	Community Workshop with a permanent space to be open to the community and businesses	2018	Glasgow
SF1	Managing Director	26 F/T staff	Economic and Business Development Organisation, focussing on employability for the region	1988	Fife
SF2	Chief Executive Officer	1 F/T and sessional staff	Social Entrepreneurship Training Organisation	2002	Fife
SF3	Company Director	1 F/T owner/ manager plus sessional staff	Crafts manufacturer, enabling ex-offenders to gain skills	1993	Fife
SF4	Manager	F/T manager and sessional staff	Gift and Corporate merchandise Manufacturer, working with adults with learning difficulties	2015	Fife
CIC1	Chief Executive Officer	1 F/T CEO	Community Business Hub, working with local social enterprises and providing accounting services and training	2019	Forth Valley
CIC2	Manager	1 F/T lead, plus P/T admin, sessional workers	Community Performing Arts Provider and Hub, providing community and corporate events and training	2017	Edinburgh
CIC3	Manager	1 f/t manager, 5 staff	Alcohol manufacturer – making spirits to fund charities and provide employment to ex-service people	2016	Edinburgh
DT1	Chairperson	2 F/T	Community action organisation	2010	Angus
DT2	Chief Executive Officer	21 staff	Environmental Community Organisation	2009	Fife
CU1	Chairperson	2 F/T	Community Bank	2015	Edinburgh
CU2	Director	1 administrator, P/T manager	Credit Union	1990	Edinburgh
HA1	Chief Executive Officer	176 FTE	Housing Provider, builder and maintenance	1979	Fife
HA2	Chief Executive Officer	18 FTE	Housing Provider, builder and maintenance	1992	Fife

For each of the organisations chosen, the CEO or a Director level manager was interviewed, to enable a full appreciation of the organisation and its activities and focus. The majority of the interviewees had been in post for more than 5 years, ensuring that they could draw on historical knowledge of activities and events undertaken by the organisation.

For the purpose of the discussion of the data, the designations used for each interviewee, and a reference to their type of social enterprise and their core business activities provided in Table 7.

Table 7: Coding of the Sample Organisations

TYPE OF SOCIAL ENTERPRISE	CODE	ROLE OF INTERVIEWEE	CORE BUSINESS ACTIVITIES
1. Co-operatives and Mutuels	COP1	Project Lead	Community Arts Workshops
2. Social Firms	SF1	Managing Director	Local Business Development Organisation
	SF2	Chief Executive Officer	Entrepreneurship Training
	SF3	Company Director	Rehabilitation for offenders
	SF4	Manager	Gift Manufacturer
3. Community Interest Companies (CICs)	CIC1	Chief Executive Officer	Community Business Organisation
	CIC2	Manager	Performing Arts
	CIC3	Manager	Alcohol
4. Development Trusts	DT1	Chairman	Local community trust
	DT2	Chief Executive Officer	Local community trust
5. Credit Unions	CU1	Chairperson	Community Bank
	CU2	Director	Credit Union
6. Housing Associations	HA1	Chief Executive Officer	Housing
	HA2	Chief Executive Officer	Housing

4.3 Aims and Research Questions

4.3.1 Aims

The overall aim for this research is to investigate entrepreneurship within the social enterprise sector in Scotland

4.3.2 Research Questions

The literature review generated the following key research questions:

- What is the current understanding of and attitudes towards entrepreneurship within the social enterprise sector?
- Using the lens of entrepreneurial orientation, what entrepreneurial activities and approaches are undertaken by the social enterprise sector in central Scotland?
- What key factors enable social enterprises to be more entrepreneurial?

4.4 Themes

As a result of linking the primary data to the literature review, aims and research questions, the following themes have been identified:

- 1 Understanding of Entrepreneurship / Attitudes towards Entrepreneurship
- 2 Entrepreneurial Activities and Approaches
- 3 Factors enabling and hindering entrepreneurship

4.5 Thematic Discussion

4.5.1 Theme 1.

Understanding what Entrepreneurship means within the social enterprise sector

Gartner (1990) identified seven aspects of the term, “Entrepreneurship”, which act as a basis for this discussion. These themes encompass the entrepreneur / manager as the initial focus – their personality and abilities, then this widens to innovation and the idea of doing something new – product, service, market or technology. It widens to include organisation creation, and the behaviours it takes to achieve that and ultimately creating value for others within that organisation via its activities. Gartner (1990) adds that entrepreneurship also involves individuals who are owners and managers of their business. This scoping offers quite a wide range of elements within the entrepreneurship area, and is a useful structure for this discussion.

Low and MacMillan (1988) argue that researchers within entrepreneurship must acknowledge that entrepreneurship studies could and should be carried out at multiple levels of analysis and that these analyses complement each other. This includes macro and micro levels and to integrate different levels of analysis in empirical research, and also include a variety of type of organisation, such as the social enterprise.

All of those interviewed were asked to define what they thought an entrepreneur was and also to indicate what they saw as entrepreneurial behaviours. All offered a definition and for those who had set up the social enterprise personally, they expressed a feeling that they were entrepreneurs whilst undertaking that process – getting the idea and getting started – CIC (2) said, “in the true sense of what an entrepreneur is we were more like it at the beginning – putting in lots of hours and believing in what you do, having a concept that on one sees as you are the first to trial it out – lots of practices were entrepreneurial.” She acknowledges that she saw herself as a dreamer and visionary, “I’ve found it a really useful tool”. Others did identify as being entrepreneurs, and SF (1) came to the organisation having previously been an entrepreneur in the more traditional sense. His motivation now was to give something back. His challenge in the social enterprise was to try and embed entrepreneurship – “there has to be a mechanism where that entrepreneurial spirit can flourish.” SF (1) The focus of their social enterprise, covering a variety of businesses and projects, is “not just about saying we have a policy that everyone has to be entrepreneurial, it has to be something that you nurture and allow people to come up with ideas and run with them”. SF (1)

A number of the social enterprises talked about what they see an entrepreneur as – CO (1) said, “if you have a true entrepreneur and create businesses, then you have got to have a lot of tenacity and motivation, you have to be able to find your own way and reason to get out of bed in the morning, that catches your imagination”. They see some of the tasks as being about identifying problems, needs and gaps and coming up with solutions, to make money. Others mentioned building on what already exists – adapting and changing things is also part of their role. Qualities such as having a vision, determination, and resilience were also mentioned and being able to deal with failure now and again, and to be able to learn from it. Most mentioned working hard and being able to take or manage risks – having the self confidence about what they want to do, not necessarily confident people, but sticking to what they want to achieve. CIC (1) said, “often they can see there’s something bigger they could develop and that seems to take them over”. Others suggested it was about being courageous, and having a certain mind-set – others

admired famous entrepreneurs like Richard Branson for, “developing a wide range of different businesses from a simple beginning” (CIC, 3)

Although they could provide a definition of what an entrepreneur was, half of those interviewed were very clear that they would not label themselves as one. Some didn't like the term as they felt it had ruthless business connotations and felt that the term was overused. It didn't define what they did. From an operational viewpoint, however, as a function, being an entrepreneur, the action, rather than the person was much more akin to their own experience. CU (1) said, “I think we can all be entrepreneurial, but being an entrepreneur is different, you have to be entrepreneurial in your approach at times to get through the challenges”. They aligned more with the behaviours, rather than the status.

Chell (2007) draws the traditional entrepreneurship definition together with that of a social entrepreneur by deducing that:

- To behave entrepreneurially is to engage in a process that creates value
- That value serves two purposes: it positions an enterprise among competitive enterprises and it generates wealth, that is to be distributed among its stakeholders
- The process is embedded within a socio-economic context
- The business behaviour is the entrepreneurial process of pursuit of opportunity with a view to the creation of economic and social value

Chell (2007) also draws together the traditional and the social entrepreneur by arguing that two important strands of entrepreneurship literature – the “opportunity recognition” and the “goal oriented behaviour” may be brought together to result in the “creation of something (of value)”. She argues that this could then be given to a community or cause, enabling the link to social enterprises, not just the preserve of purely economic enterprises. She challenges the argument that business founding is either a necessary or sufficient condition of entrepreneurship, widening the possibilities of applying the entrepreneurship

themes and literature to different types of organisations, particularly social enterprises

When characteristics and behaviours were discussed, they all referred to those well documented in the literature – passion, creativity, risk taking, driven, inspired, hard-working, visionary, mind-set and being good at adapting and having new approaches. The discussion around these was more familiar and acceptable to those interviewed – they could identify with the entrepreneurial behaviours, and demonstrated many of these in their work, they just didn't want to be labelled an entrepreneur. CIC (2) said, "there is definitely a context here where I would not use that word, I'm much more down in the mud". COP(1) said "if it's the business world, then I'm not really a fan, but I do like trying new ideas, taking risks and being driven, but I fear the word has been taken over a little by the business world". DT (1) said, "it is someone who is prepared to do a lot of work and take risks into doing something that they are really interested in doing". The behaviours outlined described their approaches and they were more willing to express this than more personal characteristics. Those outlined were then referred to later in the discussion about entrepreneurial activities e.g. acting on opportunities, having vision, making things happen, being passionate about their work and seeing value in things and people.

One of the criticisms of the social enterprise sector has been their perceived lack of enterprise, with a focus on the social. Maybe the problem is with the language used, and particular the word entrepreneur, they are more familiar and comfortable with the idea of an entrepreneurial approach to their work and social enterprise. Shaw and Carter (2007) also suggested that the social enterprises viewed entrepreneurship as more of a collective rather than an individual activity. That would concur with the findings of this study.

4.5.2 Attitude to Entrepreneurship

When considering the attitudes observed towards entrepreneurship, a few elements were considered: did they think their organisations were

entrepreneurial? Were they forward looking in their approach? What was their attitude to taking risks, and what attitude should social enterprises take towards risk? How does entrepreneurship help sustainability?

Most of the organisations said they felt their overall approach was entrepreneurial – some had developed that approach via necessity, and often becoming more entrepreneurial was linked in discussion about the need for the organisation to be sustainable. They had a desire to move away from grant funding and being entrepreneurial enabled that. They also noted examples of where they had been entrepreneurial in their approach to meeting local needs – being able to be flexible in their approach, to work with others to get the best outcome for the community, trying to make a difference. COP (1) said, “we build on things and adapt entrepreneurially”, others indicated that they were happy to take risks and be opportunistic, SF (1), “we are quite opportunistic and spend a lot of time making connections”

Unlike business entrepreneurs who have been characterised as being motivated by a high need for achievement and autonomy (McClelland, 1961), the findings by Shaw and Carter (2007) suggest that social entrepreneurs are greatly motivated by their social aims.

Some of the organisations have become more entrepreneurial by working with others, and learning from them, in order to work towards being sustainable. DT (2) said, “we have built our confidence by working with Enterprise Scotland who taught us how to take opportunities and do an action plan”. DT(1) indicated that being entrepreneurial was a decision they made, “we made the decision 3 or 4 years ago that we had to try and find other ways of generating income, so I think our organisation has become quite entrepreneurial”. They described it as “taking small steps and proving it to yourselves we can do it. A lot of it is about courage”

Shaw and Carter (2007) also identified the desire by those in their study of social entrepreneurs to affect change and make a difference, to meet local social needs and to tackle a particular social issue.

Often the level of entrepreneurship was about the amount of time and resource they had to dedicate to entrepreneurial activities, and how embedded it was in their organisation, not just in the leader. COP (1) said, “we have lots of entrepreneurial opportunities, the major thing is time to do it all, with so few staff”. The housing associations have been first to do a lot of entrepreneurial projects in their sector – setting up a wind turbine, free WI-FI and an electronic car club. They were also very keen to embed an entrepreneurial mind-set in staff, to generate ideas and entrepreneurial ways of working across the organisation, an approach echoed by SF (1).

4.5.3 Forward looking?

The organisations talked a lot about where they would like to be in 2/ 3 years’ time and referred to development plans in place. Often funding is in 3-year cycles, so they have to constantly be looking for the new opportunities and sources of finance to enable their work. DT (2) said, “ we are very aware of the fact we have to become financially sustainable, so we are always looking for ways to generate income so that when the grant funding stops, we don’t collapse”. SF (1) said, “ we have a clear vision, and I am very much forward thinking, I think you have to be in business”. All the organisations talked about momentum being very important, and the need to keep moving forwards, not just resting on current funding or projects. They also hoped their staff enabled that by coming up with fresh ideas and some employed business development managers to look ahead for them.

4.5.4 What was their attitude to taking risks, and what attitude should social enterprises take towards risk?

Shaw and Carter (2007) described how, unlike business counterparts, social entrepreneurs experience significantly less personal financial risk. This then could question if risk taking was an aspect to be considered. However, studies have illustrated how those in this sector have faced other risks of a non-financial kind, and also they risk the assets and stability of the organisation.

The overall discussion around this form of risk taking showed a positive approach to it, often the person leading or managing the organisation was prepared to take the risks, and their board was the moderating element if they were perceived as too risky. “My approach is not to see the risks at all, but the board are asking, why do we need to take these risks? CU2. Most talked about managing the risk, it was an accepted part of their work, “ I like to say we take measured risks” SF(1) , “I think it is an educated risk we take”, SF(2). In the management of that risk, they sought to minimise the impact of the risk on the rest of the activities. Only one organisation, SF (2) was more cavalier, “nothing ventured, nothing gained, if it all goes pear shaped, then it all goes”.

Another point was the need to take risks, “if you don’t take risks you can just be treading water” SF(1) and managing the risk across the range of projects undertaken by the organisation, often at different stages, with different risk profiles. Sometimes the board can also be a restriction to the activities, particularly around risk taking, “one of the biggest challenges faced across our sector is that the board is more risk averse than the staff” DT (2). Clearly each faced different levels of risk, but overall, the approach was to embrace it as a business activity, none shied away from it.

In terms of what risks were felt to be too much for a social enterprise, those interviewed talked about scale and fit. Those in organisations which were averse to taking a risk that would be too big financially for the organisation and put other areas at risk, for example borrowing too much. “I wouldn’t take on anything big, I would only ever do it the we have done it, and grow it ourselves” HA (1) “There has to be a line in the sand, but it depends how you are doing in other areas” HA(2). For smaller organisations, the risk is encountered when they have taken on staff and started to grow, “it feels terrifying to just cover our overheads” CIC (2). Some were also quite comfortable watching other organisations go first on projects and watch and learn. A further risk too far mentioned was one which would take the organisation away from its core values, this was particularly emphasised in the Co-op organisation.

4.5.5 Sustainability

This theme was discussed by most of the social enterprises, echoing the constant tension faced by their organisation type to balance the social purpose and be financially successful (Young & Kim, 2015). A common concern is the idea of “mission drift” where social enterprises find themselves compromising their social aims in response to funding requirements (Hopkins et al., 2009). The term sustainability here refers to keeping the business viable and not an environmental definition.

Social enterprises have increasingly turned to commercial activity to sustain themselves (Chell, 2007 Chell (2007) (Dees, 1998)), leading research to emphasise the entrepreneurial and “business-like” practices of social enterprise (Dart, 2004) (Diochon & Anderson, 2009; Mair & Marti, 2006)). Profitability is argued to be fully consistent with social entrepreneurship (Mair & Marti, 2006). Chell (2007) suggests that in acknowledging the need for and executing commercially focused strategies that deliver surplus, a social enterprise can ensure their sustained provision of positive social impact

A clear concern of most of the social enterprises was the constant need to evolve as an organisation and also work towards being sustainable. Often funding was available to start and often in 3 yearly timeframes. Often the commercial / income generation was a necessity to facilitate the other social cause work the organisation undertakes. CIC (1) have set up community catering cabins on building sites but have made this transferrable to a permanent canteen when the building is complete – offering sustainable employment for staff. The funding then enables community outings, projects and emergency funds.

DT (1) said, “we are very aware of the fact we have to become financially sustainable, so we are always looking for ways to generate income, so that when the grant funding stops, we don’t collapse”

The short-termness of how the sector is constructed was discussed by CIC (2), now in their third year of operation and with some full-time staff. They took the decision to only offer their new projects for a minimum of 1 year. This provides continuity and ultimately makes the projects much more likely to be sustainable and gain momentum. “if we can get the CIC model to work, then the corporate work will fund the social outreach, and we will have a strong core of clients who will have been with us for at least a year”.

Sometimes it’s a challenge to balance the day-to-day whilst still planning ahead, CIC(2) said “it’s a case of balancing the growth of the company and securing the future, versus doing what we said we would do on a daily basis for our community – it’s a very fine line” . Being “at the whim of funders” was a common theme – and often they can exercise control and direction.

The desire to meet the needs of the community via social enterprise means is very strong – CU(1) said, “it’s a commitment to try and make a difference in our society is what is behind our organisation – the 80% mainstream helping the 20% who feel they have no choices and are very exploited by other organisations in our sector. Our priority is to be a sustainable business – driving the 80% to help the 20%”

Often social enterprises have felt the need to prove themselves, with the tie to funding sources. That can be challenging, but often a path to sustainability. SF (1) talked about the triangle of the users / the social enterprise / the funders – all have to line up and ultimately the project has to “fit” with what the users would like and benefit from, funders don’t always understand that. Some are more risky too, and SF (1) said, “some I have to commit more resource to just to make it work because I’ve got to think strategically for the whole organisation” The assumption of 3 years of funding for any new projects is no longer possible – some provide 1 year and then you have to demonstrate success to be awarded further monies. He also suggested that economic development should have a bigger influence in the social enterprise sector, not just focussing on the social side, but equipping social enterprises to be more entrepreneurial in the income generation. The issue around types of support is raised, more than just support for social aims is needed.

A longer standing social enterprise (SF2) very much sees their role as having action plans for products and services, and that they sell and procure as core activities. “the longevity of our programmes is what sets us apart. We are creating a community, I pay former fellows to come back and join in new programmes, to give back and we also work in partnership with a lot of mainstream organisations which helps, like Business in the Community and Price Waterhouse Cooper. Commercial contracts are the way forward, I’m not reliant on government” SF (2)

One organisation felt they had failed as they weren’t sustainable, “someone needs to talk to me and change my mind about what success means in a social enterprise. I feel like I’ve failed – I’ve tried to hold on to the model for too long without thinking, is this sustainable?” CIC (1)

Jenner (2016) identified the key drivers that promote the sustainability of social enterprises to be: collaborative networks, organisational capabilities, resourcing and legitimacy. Additionally, those who were most successful at being sustainable, had a strategic growth orientation associated with commercial outcomes as the primary driver for sustainability of their ventures. Contemporary social enterprise leaders possess a pragmatic orientation to commercial growth, seeing it as necessary to achieve organisational longevity and the ongoing delivery of positive social impact

Sharir, Lerner, and Yitshaki (2009) identified organisational resourcing, collaborative networks, legitimacy and organisational capabilities as the key drivers of social enterprise survival

Each of the social enterprises talked about sustainability as a huge issue, a constant presence, hanging over them. The short term funding strategies by governments and the third sector agencies have made organisations live year to year, the recent development of awarding funding initially for 1 year, not 3 has had a huge impact on what the social enterprises deliver and can realistically maintain.

What wasn't so clear was the alternatives open to social enterprises and some guidance on how to develop pathways to being sustainable. It all seemed very ad hoc in various approaches and, although some had clearly identified entrepreneurship and enterprise as a strand of that pathway, no one pointed to a successful strategic approach or even a coherent approach by the sector or by the particular type of social enterprise. Certain types had more security – housing associations by the sheer asset value, or the credit unions by their lending model certainty. Common concerns emerged from the interviews, without much discussion of solutions or approaches.

4.5.6 Summary

Overall the attitudes to entrepreneurship were neutral, the interviewees could all offer a definition, some more positive than others, but very few saw their main activity as being about entrepreneurship. They could all name some characteristics and behaviours but some of these were related to some classic examples of famous entrepreneurs, there wasn't a great sense of ownership of these characteristics within them personally. Only one of the interviewees identified as an entrepreneur who had come into the social enterprise sector from the private sector.

The organisations were more comfortable talking about having to think about working in a more entrepreneurial fashion in their daily work and mission and saw it increasingly as a vehicle to increased sustainability. The impression given was that they were learning about it as they did it, and no organisation talked about any training or specific guidance around how to develop entrepreneurial skills. Some of the organisations wanted to instil more entrepreneurial behaviours in their staff, meaning that the focus wasn't entirely with one person and that embedding it in the culture of the organisation would lead to more entrepreneurial activities.

Attention and focus is definitely around the "social" wording in their label, rather than the "enterprise" one.

4.6 Theme 2: Entrepreneurial Activities and Approaches

Entrepreneurship in the non-profit context can be defined as “entrepreneurial activity with an embedded social purpose” (Austin et al., 2006)) This definition suggests that, in essence, entrepreneurship in the non- profit context is the same as entrepreneurship in the for-profit context, albeit focused on a social purpose or mission.

Shaw and Carter (2007) Identified that social enterprises were actively involved in identifying and exploiting opportunities in the form of unmet social needs, in a process very similar to that of traditional businesses.

Activities identified in this study focussed on revenue generation, opportunity spotting and taking initiative /new ways of working.

Entrepreneurial Activities

4.6.1 Revenue Generation

All of the CICs were primarily sellers of goods and services, with the revenues providing the funding for the social purpose. They had all developed the ideas from scratch and brought them to market, with a commercial viability. The Social Firms had all also started with a core product or service and then added multiple variations and developments as the businesses grew and strengthened.

Often the social enterprises referred to their approaches to revenue generation in given situations, sometimes when faced with hardship or funding difficulties. Others had learnt to adapt in situations that weren't perfect or planned for. CIC 1 said, “ the innovation side of me was when I made it work, despite being told no. I had bought an empty building and had no money left – my innovative approach made it happen”. They also said that sometimes their approach to revenue

generation proved difficult for their board, “sometimes I think I take the innovation too far”.

The Housing Associations probably discussed the most revenue generation around products and services and new businesses – their longevity had enabled them to do this. Some examples were: buying a wind turbine, developing a business centre of commercial property in a very poor local town, setting up an electric car share scheme, and currently planning to offer 5G and free Wi-Fi to all tenants and the local community to attract businesses and to upgrade the overall network of the surrounding area, making it an attractive place for entrepreneurs and local business people to locate to. The impetus for these revenue generating activities largely came from the community and the housing association having the mentality to develop ideas. HA2 said “it’s trying to do things differently to make a difference. Through the diversity of our activities we don’t just accept how things have been done in the past, we look for different models of delivery to make a difference” Another approach taken by the housing association HA(1) was to offer mid-price rental accommodation when the government slashed social housing subsidy levels for public housing, “we looked for alternatives and pushed the boundaries, a lot of house associations don’t have our approach and panicked at the government cuts, rather than see it as a challenge”. The CEO (HA2) said “it’s nice to be first, I think what we did was entrepreneurial and we can utilise the money generated into community projects”.

The co-op in the study discussed revenue generation in a hopeful but so far limited way - this would always be subject to the democratic process instilled in the organisation. “our values must drive everything we do, at least we give it a go on that basis, we are small and trying to make a difference”. The nature of a cooperative, means it is governed by democratic means, even down to product development choices – ownership is the critical value, and sometimes that gets in the way of what others would see as true product development and new revenue generation for a market. To date they just offer one type of product, and, although they can see the potential to sell more, they don’t have the resources to pursue those opportunities to increase their revenues.

The Development Trusts have always had a mixture of activities and services that were free and those that brought in revenues. Increasingly they have added more that they charge for to generate revenues – cookery schools, bike track hire, and charity shop rental. They identified these as necessary for their survival and saw it as a need to be more entrepreneurial in overall approach. Development Trust (DT1) said, “we haven’t really been the first mover on anything, and sometimes we are the second mover. Our Cook school has been innovative, but we were very inspired by a project in Livingston for that. Other groups respond to our work, and that’s fine – similar projects have popped up in other parts of Scotland, which is great”. They are happy for others to copy their ideas in different geographical areas.

Some of the organisations, HA2 and SF3 appointed Business Development managers to look at opportunities to grow the business and do things develop more revenue opportunities. Others looked outside the normal funding streams to facilitate new ways to fund their ideas, SF2 have Government and Lottery sponsored programmes, as well as a large corporates, quite a new approach in the sector to have that funding and for an extended period. Some, who couldn’t attract such funding, found the time to follow up revenue generating ideas the hardest, the COP (1) said, “ we have lots of entrepreneurial opportunities, but time is the hardest thing to find to follow them up”.

4.6.2 Opportunity Spotting / Idea Generation

A key aspect of the entrepreneurial process is that of venture creation ((Gartner, 1990) (Birley & MacMillan, 1993; Vesper, 1990)). Central to this process is the concept of opportunity recognition, often deemed essential in initiating a new venture Kirzner (1979) Omura, Calantone, and Schmidt (1993). Shaw and Carter (2007) identified that for most social entrepreneurs, the recognition of a gap in the provision of services or an unmet social need had been the key driving force in their creation and development

In terms of how the social enterprises discussed spotting opportunities and generating ideas, often it was about taking the initiative in given situations, moving

forward and also looking ahead and being future facing. A key feature of how the organisation did this lay with the drive and impetus demonstrated by the CEO or manager, and the effectiveness was often in the hand of the board to whom each CEO was responsible.

CIC (1) and SF (1) had competed with others for local contracts from councils, and had developed models that challenged the traditional methods and were successful in gaining that business. Within the entertainment field CIC (2) is in, they have tried to “professionalise” the whole approach in the sector, and be more business-like. This is not related to being a social enterprise, but the nature of their work, they are also one of a few organisations in their area of work to set up as a CIC to enable their corporate work to pay for community projects. CIC(2) said, “we are quite opportunistic, we spend a lot of time making connections, we see ourselves as trying to work in partnership where we can, we plant a lot of seeds”. Their seed planting has led to many opportunities coming to fruition, enabling them to work towards being more sustainable.

SF (1) also was open to spot opportunities by taking a successful model of local community and business development and applying to do the same thing in another region. This was met with some opposition from the stakeholders and users, who had seen the organisation grow and be successful but also being very tied to one geographical location. The manager had to convince them of the potential benefits to their organisation of spreading their skills and expertise, and strengthening the core organisation by going in that direction.

New projects are often quite a risk for social enterprises so some join up with other organisations to mitigate the risk, CIC(2) said “it’s nice to work with another young company, doing something in parallel, we both involve each other in projects”. This means they are also more likely to venture into new things having the possibility of a partner. When discussing new opportunities they also referred to future planning, looking ahead and going forward. CIC (3) said I’m very much forward thinking, you have to be in business, I have long-term ambitious plans. Our next stage will be focussed on getting investment and securing growth.”

DT (1) said “we made the decision 3 years ago we had to find ways to generate more income and I think our organisation has become quite entrepreneurial in that time”. The other DT (2) employs a very entrepreneurial member of staff who they try and support - “he has great ideas and we try and do everything he wants”. They identified that they were good at responding quickly to opportunities – completing grant applications, having connections who highlight opportunities to them and being flexible enough to respond. DT (2) said “if you work hard and are opportunistic, then things will happen, we are all very much invested locally”. Their management committee has a formal structure, which has a group whose remit is around opportunities, making things happen. When DT (2) set up the Development Trust, it was from a position of wanting to do something about the environment locally. Their environmental focus had been around campaigning before establishing the Trust, which then set about helping the local community to tackle their carbon footprint. The energy of this organisation really came across, they said, “It’s responding to the needs of community, not waiting for ideas to come to us”, moving forward, growing and developing are key elements of that particular organisation, “we are very aware of the fact that we need to keep moving forwards”. How that organisation enabled proactivity was also interesting, the CEO always wants ideas and staff and community to come to her with ideas, but she also recognised that “it’s about keeping time for future planning and thinking time – giving people headspace to be able to process opportunities and think about things”

Often social enterprises have to juggle many different projects and funding streams, they need to be finding funding, often every 3 years. HA (1) added, “we have other projects in various stage of their development, to be ready for any funding opportunities, quite entrepreneurial – it’s always nice to be first to do something”. Another example of this for HA (1) was the development of the idea of offering free 5G WIFI for the community – the idea arose when they realised the young people were coming near their building to use their Wi-Fi for homework etc., and instead of changing the password, they realised many parents only had Wi-Fi via phones, not via broadband at home.

SF(2) felt there was now more a focus on the “enterprise” side of being a social enterprise, income generation as a focus rather than a necessity when funding runs out. She also acknowledged that her organisation had built up a good pedigree of successful projects, people trust them to deliver and all her staff proactively get connected to bring in more ideas and projects, not standing still.

CU(2) also wanted to deliver a better service for their clients and have worked at developing cloud based services as a test for the developers who will then be able to sell the product to other credit unions. This opportunity isn't from wanting to take customers – CU (2) has a very discreet customer base that no other credit union could probably access. It comes from the board and manager wanting to do better, to meet what their lenders and borrowers are demanding in terms of technology – quick decision making, apps, and instant access to information. There is a sense of developing opportunities for the sector in the initiative they described.

Often the opportunities just “land” but some organisations have a business development role, others have a remit for commercial ideas, a Futures working group - all trying to scan for opportunities and bring them back to the core. Ideally a lot of the organisations want to build into their staff a culture of generating ideas and opportunities. This would appear to be much easier with smaller organisations – SF (1) encourages staff to network, see what is out there and bring back ideas and opportunities for collaboration or future projects – even if they appear strange, “I encourage them to come up with ideas, as ludicrous as some of them may be, I say let's run with it and see how far we can take it. We nurture that to develop entrepreneurial staff”. One organisation actually tries to pre-empt where the funding opportunities might lie in the future, following trends, and drafts some proposals to be able to take off the shelf when needed. This was the case when the government released funding for electric car schemes in communities – HA (1) had a proposal ready to finalise, having scanned the environment and tried to predict trends. Another area where opportunities arise is when the organisation hits problems or issues and wants to improve. HA (2) responded to poor maintenance reports from its tenants by bringing the whole maintenance function in-house rather than contracting it out. The result was much better work, and also the

opportunity to sell their services in the future to other local associations. That opportunity came from a problem, but the CEO firmly believes the culture of the organisation enabled that solution to be created – the desire to do things differently and improve is embedded via their change programme.

In relation to who is responsible for spotting opportunities, no organisation pointed to one person. Many relied on all staff having an awareness of what the organisation would like to work on, and often the CEO or manager set the tone for that, and they were often the most entrepreneurial member of staff. SF (1) said “some people are good at spotting ideas, others are good at coming up with creative solutions, and that’s why it’s a team effort”. His approach was looking and listening to what was going on locally, and encouraged all of his staff to do this. This was also sometimes a challenge for him, as he identified himself as an entrepreneur who sees opportunities in everything. He also added that every opportunity spotted couldn’t be acted upon, but the key to success was to try and be flexible and adaptable in your approach to opportunities, and work with others.

4.6.3 Taking the Initiative

Within the entrepreneurship literature, creativity and innovation are acknowledged as important entrepreneurial characteristics used to identify entrepreneurs and entrepreneurial organisations ((Jeffrey G. Covin & Wales, 2012). Their findings suggest that the prevailing culture within most participating social enterprises was conducive to encouraging entrepreneurship. Leadbeater (1997) argued that social entrepreneurs may be more innovative than business entrepreneurs, particularly with regard to the management of their enterprises.

There was evidence of some of the social enterprises studied taking the initiative in the sector and also within their particular type of social enterprise. CIC (1) has established a social enterprise which is the first of its kind in Scotland – it is a social enterprise accountancy practice, which focuses on supporting and delivering accountancy services primarily for the sector. CIC (2) had formed a unique

partnership to develop a show which was also the first of its kind in Scotland. CIC (3) had pioneered their overall concept to be a world first to trade in their specific goods in the social enterprise sector – they also have growth plans and investment ideas “not seen before in the social enterprise sector” CIC (3).

CU (2) was also the first of its kind in Scotland, in the sector in which it operates. The Development Trust (2) is branching out to create an online programme for people to study sustainability – an educational track they didn’t see anyone else doing, they also were the first to invest in the purchase of a charity shop, within the remit of recycling – convincing funders it was a reuse and sustainable business.

Both of the Housing Associations interviewed have, over the years had a variety of first to do projects and initiatives. Their longevity lends itself to a longer list of projects they have developed, but one particular pioneering one was the purchase of a wind turbine. The CEO (HA2) said “it’s nice to be first, I think what we did was entrepreneurial and we can utilise the money generated into community projects”. He acknowledged that his organisation often took the initiative and another example of that was their joint initiative with the local council and several other Housing Associations to develop a local Alliance, which ultimately made it a much better service for the end users and their work has been “copied” very successfully by other Housing Associations, and held up as good practice.

HA2 said: “When you think about the different things we do and how differently we are doing those things, probably yes we are innovative, but maybe not to the scale of what happens in the private sector”. He added that, “Innovation can also be using others ideas too”, the idea that innovation wasn’t just always in the hands of the few.

HA2 also added, “We are always trying to push the agenda”, within their sector there is opportunity to influence governments and councils in particular. They see that as part of the innovation they do.

Recently one of the social firm’s SF (1) extended the geographical reach of the area they work in. Traditionally all previous funding and work had been around the local

town and areas. They realised their model could be applied to other areas to improve and develop them. SF1 said, “sometimes the first step is the hardest, because you are walking into a space no one has populated before, or if they have, they haven’t succeeded, hence the need for a whole new approach”

4.6.4 New Approaches

Often the social enterprises referred to their innovative approaches in given situations, sometimes when faced with hardship or funding difficulties. Others had learnt to adapt in situations that weren’t perfect or planned for. CIC (1) said, “the innovation side of me was when I made it work, despite being told no. I had bought an empty building and had no money left – my approach made it happen”. They also said that sometimes their approach proved difficult for their board, “sometimes I think I take the innovation too far”. The organisations often developed programmes or projects to help in their communities, the CIC (2) said, “being innovative is being able to listen and respond accordingly – making sure we know the need and can support it.”

The new approaches discussed by the social enterprises often mentioned working in new ways, or perhaps in unusual or different partnerships. CIC (3) referred to this, “we have a number of unusual partnerships, working with organisations like Greenspace Trust and Sustrans, both of whom aren’t linked to our core business. We have pioneered some events and projects working together”. They also felt that their organisation had worked hard to stand out in their sector – “the way we conduct ourselves, being reliable and professional, having a close client relationship, doing things to a good standard, differentiates us from every company in our sector”. They are in the entertainment sector, which often gets a reputation for being wary of being “business-like” or “professional”. The COP (1) also referred to working in partnerships with Housing Associations to make products.

The Credit Union (CU2) also recognised that it had to adopt a new approach to stay ahead – in their case to lead on technology – they partnered to pioneer cloud based

systems, and now others can benefit from their initial innovation. They also identified that they had to constantly be innovative in the financial sector and that means, “providing services the banks are unable to match” (CU2)

As well as producing a new product within the social enterprise sector, CIC (3) also outlined what they perceived as a new approach to employing people – making sure those from the sector they supported by their profits, were also given employment and training opportunities, as well as their families. This approach had evolved from where the founder was at when he decided to start the social enterprise – homeless and unemployed, “for me I wanted to find a new way – why not have a business where the majority can benefit and where there are incentives for everyone?” CIC (3)

Some of the organisations spoke about being the “second mover” or undertaking projects they had observed elsewhere – the Development Trust (DT1) said, “we haven’t really been the first mover on anything, sometimes we are the second mover. Our Cook school has been new, but we were very inspired by a project in Livingston for that. Other groups respond to our work, and that’s fine – similar projects have popped up in other parts of Scotland, which is great”.

Sometimes the resources to develop new ways of working and new projects was a restriction on undertaking new approaches. Some of the organisations e.g. HA (2) and SF (3) appointed Business Development managers to look at opportunities to grow the business and develop new approaches. Others looked outside the normal funding streams to facilitate new ways to fund their ideas, SF(2) have Government and Lottery sponsored programmes, as well as a large corporate, quite different for the sector to have that funding and for an extended period. Some, who couldn’t attract such funding, found the time to follow up ideas the hardest, the COP (1) said, “we have lots of entrepreneurial opportunities, but time is the hardest thing to find to follow them up”. The COP(1) also identified that the nature of the organisation meant they were always trying to do business in a different way – “our values must drive everything we do , at least we give it a go on that basis, we are small and trying to make a difference”. The nature of a cooperative, means it is

governed by democratic means, even down to product development choices – ownership is the critical value, and sometimes that gets in the way of what others would see as true product development for a market.

The pace of new approaches within social enterprises is often slower than other organisations. HA(1) referred to this “our 10 year plan has taken longer than expected, but the pace has been about right for our community – not a forced pace, it has given people the time to come along with it – rather than having things done to them, they have been involved”. This was also evident in the cooperative, with the democratic nature of every decision made.

Some organisations pushed the boundaries within their sector, developing new approaches where others hadn't. The Housing Associations both acknowledged undertaking projects very different to what housing associations would normally do. Some examples were provided: buying a wind turbine, developing a business centre of commercial property in a very poor local town, setting up an electric car share scheme, and currently planning to offer 5G Wi-Fi to all tenants and hopefully the local community to attract businesses and to upgrade the overall network of the surrounding area, making it an attractive place for entrepreneurs and local business people to locate to. What is interesting is that the impetus for these innovations largely came from the community and the housing association having the innovative mentality to develop ideas. HA2 said” it's trying to do things differently to make a difference. Through the diversity of our activities we don't just accept how things have been done in the past, we look for different models of delivery to make a difference” Another approach taken by the housing association HA (1) was to offer mid-price rental accommodation when the government slashed subsidy levels, “we looked for alternatives and pushed the boundaries, a lot of house associations don't have our approach and panicked at the government cuts, rather than see it as a challenge”.

4.7 Theme 3: Factors that help or hinder entrepreneurship

The organisations were asked to discuss factors that hindered their entrepreneurial activities, and provided a few examples, around funding, structural issues of the sector, and board membership.

4.7.1 Funding

Roy et al. (2014) noted that Scottish social enterprises are increasingly relying on existing public and social investment sources, and were increasingly trying to develop alternative and innovative sources of revenue and financial support. The financial security and resilience of social enterprises concerned nearly all of the organisations in this study. All organisations continually face the challenge of financial stability, but those in the social enterprise sector are more dependent upon institutional and political factors more than customer loyalty, making them more vulnerable.

All of the organisations discussed the funding landscape as a barrier to their growth and development. They felt vulnerable with the timeframes often associated with grants, SF(1) said, “most funding now is a year, or they give you 3-year funding, but will review it on an annual basis, so in essence, it's like getting a 3-year lease with break clauses every year. It's only really a year, so that causes its own problems”. The 3-year timeframe was workable, if concerning, but additional pressures after year one was a concern. Often the organisations felt they had to tweak their own ideas and models to that of funders, “The funders can limit you as well so the thing about tweaking things for your funders, and little tweaks are ok but I can't sell myself short and just change everything I'm doing just for the sake of getting money” SF(2). The issue with uncertainty didn't stop with the length of funding but also with those providing. The European funding is very uncertain going forward, and some organisations spoke of the difficulty in working with institutions who are more established e.g. local councils, who, “made things complicated and confusing” DT (1). Although funding is a concern, most of the organisations were keen to be away from grant funding, and self-sustaining, but looked to be better understood as a sector. “I don't think funders or local government still quite know about co-

ops that much, or social enterprises either, they still think of the co-op supermarket. We have a lot of work to do to get the word out – it’s a tough sell, education and investment is needed” COP (1) and “we hope to be able to be sustainable – we don’t want to be dependent on grants and handouts” SF (4)

4.7.2 The Sector

The sector itself was highlighted as a hindrance, the lack of creativity within it, and the idea that all of the organisations within the social enterprise sector are considered as a homogenous group, when there is such a variety of types and scale of organisation. “The sector can sometimes shut the door to people who are not in the club” SF (2) – this was mentioned only by one interviewee, who had experience of the SE sector for many years. They acknowledged things had progressed favourably with the recent growth and development of the sector. There appeared to be a lack of connectivity across the sector, linked to the idea that so many different types of social enterprises are being treated as one group. The credit unions were also frustrated being treated legislatively alongside the main financial institutions – their legislation is so out of date that it affects their ability to be more flexible and entrepreneurial. There appeared to be a lack of connectivity or support and mentoring for the social enterprise sector, none of the organisations spoke of training or guidance to help with the entrepreneurial activities, and very few appeared to have any live business connections to non-social enterprises.

This would challenge the endeavour by the Scottish government to, “continue to provide the most supportive environment in the world for social enterprise” Alex Salmond (2012) More recently, Scotland’s Finance Secretary John Swinney MSP, said that “Scotland has been recognised as the best place in the world to start a social enterprise and there is increasing international interest in what some are calling the ‘Scottish Model’... an enterprising third sector is a vital partner in our economy, in civic society and in the creation of a fairer and more inclusive Scotland” (The Scotsman, 2014: 1).

The CICs discussed their frustration at being charged Corporation Tax, again with no acknowledgement of their social enterprise status, just being considered alongside much bigger players in their industries.

4.7.3 Board

Spear, Cornforth, and Aiken (2009) outlined a few challenges social enterprises face when recruiting and maintaining boards - recruiting' board members with the right skills and experience, managing external stakeholder interests, managing membership, the power of boards to control management, managing the interdependencies between boards and management, balancing of social and financial goals,. They also identified that entrepreneurial activities and managing risks led to those challenges being more acute than in similar voluntary sector organisations. The challenge of developing and professionalising board roles in small and growing social enterprises is also a feature of some studies.

The organisations in this study discussed how challenged they can be in trying to assemble a board that is supportive of their entrepreneurial activities. Some discussed the problem was, that the organisation had recruited staff and board members from the voluntary sector, not the business sector, and had therefore a more grant funded mentality and a risk averse approach to their work. DT (1) said, "I think probably the biggest challenge we have internally is culture and the fact that for quite a long time we were purely a grant funded charity. So, it's a bit scary for some people to leave their comfort zones". Others were honest and said the problem lay with their own approach to the business, "I think on the inside it's been me for such a long time and at the beginning that was the thing that limited it – it was my little baby here and nobody is getting a hand in it" SF(3) . The turnover of board members was also discussed and having to try hard to compile a supportive, understanding yet challenging group of people to work together for the good of the organisation was a constant worry, and often took years for this to fall into place.

4.7.4 Factors that helped entrepreneurship

The issues that helped them develop their entrepreneurship were working in partnerships and collaborations with others, managing stakeholders, and networking

4.7.4.1 *Collaboration*

Lurtz and Kreutzer (2017) suggest collaboration within social enterprises is the ability to engage in “collaborative behaviour” for the purpose of resource and knowledge transfer from other enterprises, foundations and organisations.

Collaborative arrangements and partnerships within social enterprises have been identified as helping the achievement of organisational aims (Diochon & Anderson, 2011), improving access to resources and funding, (Shaw & de Bruin, 2013) and build legitimacy (Spear, Huybrechts, & Nicholls, 2013) and also for providing a means for the exchange of tacit knowledge (Chalmers & Balan-Vnuk, 2013)

The social enterprises frequently discussed working in collaboration or in partnership with others and how important they were. Often to be sustainable they worked with others to make joint bids, to increase their economies of scale and found many benefits in those collaborations. Most were with like-minded organisations, and frequently, but not always within their particular sector of social enterprise. They also discussed frustrations around being in collaboration or lost potential.

CIC (1) enabled the start-up and partnership with another CIC by offering a joint working space, similar board members and collaborative working with clients. They see it as a win-win for both organisations. The core business of that new start CIC is around accountancy, so they have also developed working in partnership with other agencies, linking with accountancy companies.

CIC (2) spoke a lot about taking advantage of the opportunities partnerships offered,” we spend a lot of time making connections, and see ourselves as trying to work in partnerships where we possibly can, so a lot of our new projects come out of those partnerships. The small size and nature of CIC (2) means that they simply wouldn’t have the capacity to undertake certain work and projects unless they found partners. Within this there have been issues, often there is a lack of leadership and so democratic that nothing gets done. They now work with a clear agenda in their partnerships and set up a project lead at an early stage. “We have a lot of unusual partnership, linking with groups outside of our normal sector – creating an event which was a first in Scotland. No one else is doing that” CIC (2)

COP(1) also work in partnership, with two commercial groups involved in culture and tackling social isolation – four different organisations in the same sector also have provided selling opportunities. For the co-op the values have to align, and therefore partnerships have taken longer to establish, there is a lot more potential, if they had the resources to pursue the opportunities. COP (1) also noted that “often social enterprises work in a very guarded way – not sharing information, we have so much potential to collaborate – book keeping, transport, all sorts of things, but it doesn’t happen.” This is certainly an area for further discussion around collaboration within the social enterprise sector.

Working in partnerships enabled some of the social enterprises to have a wider reach, or extend their offer – CU (2) said “writing a collaboration agreement with our sponsors enabled us to provide a much wider range of services”. DT(1) gave the example of three geographically close development trusts coming together for successful projects, which has made them now, “think about other projects we could work on together going forward”. It has been a gradual acceptance by DT (2) that working in partnership can be mutually beneficial – “on a scale of 1-10 we were probably a 6 at seeking partnerships or finding them. Having some success with Enterprise Scotland has built our confidence by teaching us how to take opportunities”. The

Development Trust (DT(1) felt they were lacking in confidence and understanding about the potential of partnerships, and how other organisations beyond development trusts could be an opportunity for them. They have frequently gone on to develop more collaborations simply via networking locally. They have undertaken exchange visits to similar projects and worked in partnership to enable both parties to bid for a larger contract to cover a whole region – neither organisation had the resources to deliver across the whole area, nor did the council want two different bids.

The housing associations have worked in partnerships with each other, and also collaborated with a wide range of organisations not particularly linked to housing. HA(10 and HA(2) said “the Fife Housing Association Alliance is a good example of where we were able to get the other three housing associations together and remove wasteful competition with each other”. That initiative took away the need for a new applicant to complete potentially 23 application forms, one per housing association. It was also mirrored by other regions in Scotland – “a Scottish success story within our sector” (HA1). Other linkages are with employment agencies, employers, and councils - “we look at what we provide and try to look a different way, a wee bit more joined up” DT (2)

Collaborations and partnerships are not without their frustrations, SF(1) said, “if you are going to into partnership, you need to accept that everyone brings something different to the party – we have worked hard to make partnerships outside of our normal sphere – with Universities, Resilience Scotland and Green Power Trust”. The key aspect identified was to have the confidence as a social enterprise to try for those partnerships and not limit the organisation to those in its own sector or social enterprise universe. SF (1) pursue joint ventures, collaborations, consortiums, all with different agencies and organisations on different terms. The leader of SF (1) identifies himself as an entrepreneur, and maybe that enables him to take the chance and go beyond the known. This is also the case for SF (2) who became quite frustrated with the social enterprise sector, “the sector itself is a limitation – we look for corporate partners outside of it – Price Waterhouse Cooper, Universities,

Bank of Scotland, lots of these organisations want to be involved in social enterprise and learn about it – the opportunities have to be right for us – we take our time to consider if it is right for our organisation”. They are working towards working in partnership with corporates as stakeholders. “I have worked with Price Waterhouse Cooper since 2007 – it works, I don’t feel like it’s them and us, the staff enjoy that you are doing something different, not corporate ladder type environment”

SF (3) has found some partnerships to be frustrating – “they love the idea but don’t take any action after lots of meetings”, and she spoke about being sure you are choosing the right partner – “partnerships can hinder you if you go into the wrong one”. This is particularly true of funding partnerships, “I can’t sell myself short, and just change everything for the sake of getting money” SF (3) this is a common theme – the social cause drives the funding opportunities.

Often local partnerships have been forged where public sector organisations have come alongside social enterprises – SF (4) talked about Fife Council, Business Gateway, BRAG and the Robertson Trust enabling the work to continue.

4.7.4.2 Stakeholders and Board Support

When the social enterprises were asked about their stakeholders and those engaged with the organisation, most talked extensively about their boards. Discussion was around how the board function, the importance of its composition and approach and how it supports the aims of the organisation.

Frequently the social enterprises felt supported by their boards and stakeholders, but also acknowledged that sometimes they needed the board to moderate the more entrepreneurial decisions being made or else encourage the organisation to be more risk taking. It ranged from comments such as, “my board don’t get the chance to say not, often I just run and jump”

CIC(1), “I do get challenged, I need that on my board”, “I am entrepreneurial and will just go for it, but the co-op voice in my head tells me I have to check it out with the group – ownership is more important” to sometimes having a board or stakeholders who push the organisation to be more entrepreneurial – “one of the biggest challenges faced by social enterprises is that their board is more risk-averse than they are” “sometimes the board wonder if we should try to grow and stabilize at the same time”. The board are seen as the ones who keep the social cause on track, “the board are very keen that the things we do will result in services being universally available to the lowest”.

There would appear to be a high level of respect for the board of the social enterprises – their composition is a critical factor to a good working relationship. “you want to get a range of people who aren’t afraid of making decisions, it’s also important to have risk takers on the board. “one of the first things we did do when we set up was to try and get a good mixture of people on the board – from the community and from business”. “we work in a collegiate way, with our board providing a mixture of views – those who are cautious, those linked to the community and those in the middle – so it’s working with them all”

Having a good relationship with the board is something all the interviewees acknowledged that they have had to work at, often via different iterations of the composition of the board. Trying to keep it fresh and with a variety of people and interested represented were critical factors. Most expressed some frustrations at how long it can take to get the board on board for certain projects, “it has taken 3 years to get a good working board – this is frustrating for me, but I’m positive about going forward now”. DT (1) also talked about having the mix of those who are risk takers on the board as well as some who are risk averse, “that’s good, it makes you keep your feet on the ground every so often, but still supportive”. The ideal board is “strong and supportive and they really understand the difference between governance and management”. “A few of the board come from the private sector or a social enterprise background – they get it and that’s really important” SF(1) made

this point: “I would suggest you have to earn that freedom with the board – give the board confidence and success breeds success.”

4.7.4.3 Networks

Networking is a well-documented activity to be encouraged within the business community, and many different networks exist to facilitate it. Birley, Cromie, and Myers (1991) described it: “Networking, with its emphasis on informality and opportunism would seem to be an ideal mechanism for effectiveness in variable economic conditions”. This value is also extended to the social enterprise sector. Wong and Lam (2015) in their study concluded that it is an effective way for social enterprises to explore business opportunities.

Networking has emerged as a key theme within the entrepreneurship research literature ((Curran, Jarvis, Blackburn, & Black, 1993; Shaw, 1998; Zimmer, 1986) Shaw, 1998). For social enterprises, networks and networking were important for many of the same reasons which have been established within the entrepreneurship literature: acquiring market and customer information; identifying opportunities and providing introductions to possible funding sources and generating local support for the enterprise ((Carson, Cromie, McGowan, & Hill, 1995) (Hill & McGowan, 1996)

There was much discussion about networks in the interviews, both the importance attached to them and the nature of the networks the social enterprises engaged with. Many had several types of networks, based on geographical location, on being a social enterprise or specific to the sector of activity they were in e.g. housing

Regarding how important networks were to the social enterprises and the use they made of them, the discussion was often about learning to network, honing those skills and also realising how invaluable networks can be for their organisation and their own development. CIC (1) said, “the networking really helped, and it gave me an extra set of skills and business support to lead me to the trading opportunities – it pushed me to start trading more”. SF (1) also saw it as very important to the organisation, “we spend a lot of time making connections, new projects often come out of these. The DI (1) gave an example of how a networking event led to a conversation, “at the end of the conversation, this guy said can you write me a grant application and we got a grant of £65,000, so it’s about being well networked” Going to networks also inspires our social enterprises, “you talk to people about what they are doing, and most are doing better than us, so I admire them”. They also found them useful for keeping in touch with what’s happening in the sector and found them to be inspiring just talking to others. Quite often the networks were on a national or international level which means they have a wider picture of what is going on across the UK and beyond, which the social enterprises found useful.

As well as learning from peer networks, many of the social enterprises found value in being in networks where their clients participated and engaged – it helped them listen to their concerns and needs and respond where they could. The continual search for new partners, a common theme is also facilitated by networking – SF(2) is “continuously looking for new partners, via networking we build on existing relationships, for example we currently work with Heriot Watt and want to extend that to the other universities. My job is all about connections”

The social enterprises also mentioned a few specific networks they were involved in, some local, some in their sector, and some with other social enterprises. Many had local specific social enterprise networks: Glasgow Social Enterprise Network, Fife Social Enterprise Network, and Social Enterprise Edinburgh. Some of the interviewees chair their local network, and

one had resurrected a local forum that had closed, so that better networking could once again take place

National networks around the specific type of social enterprise were also mentioned – Co-operatives UK, Development Trust Association, Scotland's Housing Network, Social Firm Scotland. All of the organisations could also benefit from the national organisations, who provide support and guidance, a few did mention these: Social Enterprise Scotland, Women in Business, Chamber of Commerce, and School for Social Entrepreneurs. The roles local councils play in affording networking opportunities was also discussed as was government working groups and forums, there was no consistent approach, and often the drive for this lay with the manager, and often they were the representative for the organisation.

The nature of the networking took many forms, some just kept in touch, reading newsletters, staying as members, going along to local or national meetings, attending conferences. One overall observation about the discussion on networks was the tendency to stay within their own sector, e.g. CICs or Housing Associations. Most of the organisations knew of the operation of those most like them, but never mentioned a different type of social enterprise in any of the discussions. They also "took" from the networks, and no mention was given of "giving" to it, or enabling it, apart from SF (1) who was the local chairperson. Any engagement with the organised networks came across sometimes as a necessary task, but not one that the social enterprises did with much awareness of what they could bring to the network, and its potential.

The Third Sector interfaces were discussed by SF (2) but not mentioned by the other social enterprises.

4.8 Analysis Summary

Across the social enterprise sector studied entrepreneurship was understood and applied to different degrees and in varying ways by all of the organisations within this study. Their attitudes to it were mixed, with some being very anti the term entrepreneur, but could identify with the term entrepreneurial in relation to their work. Most interpreted it as a mechanism by which their organisation could become more sustainable. They had varying degrees of approaches to entrepreneurship, but all could discuss a variety of entrepreneurial activities within their own organisations.

Some of the more established sectors e.g. the Housing Associations had a much more entrepreneurial approach and capabilities overall, and were able to articulate many examples of entrepreneurial activities and attitudes – they were also the most long time established of all of the organisations, and had developed that confidence. The CICs also were much more product and service revenue-driven, and the social firms each demonstrated entrepreneurial attitudes and approaches. The Development Trusts showed they had worked at being more entrepreneurial to ultimately be sustainable – they were still learning but both appreciated the need for the approach. Some of the larger organisations had worked on developing their staff to be more entrepreneurial – they wanted to embed the skills and attitudes, and not be the sole person who worked in that way.

All of the organisations endeavour to be self-sufficient and sustainable and clearly they have identified being entrepreneurial in a number of ways can lead to that eventually. Some had legal, structural barriers and attitudes to overcome, but acknowledged that they could find pathways.

Very few of the organisations worked with other social enterprises outside of their sector, and their networks largely focussed on their structure e.g. Development Trust forums, Housing Association Networks. Their frame of reference remained firmly within their sector – possibly something to develop, the idea of joining up entrepreneurial approaches and practice across the sector. Some spoke of the frustration of the sector being often seen as a homogenous group, despite a wide

variety of types of organisation. In the interviews no mention was ever made of knowledge of the work of other local organisations.

None of the organisations mentioned any form of training or development within entrepreneurship, and yet they all saw the need to undertake it for survival. Perhaps there are some pathways to sustainability via entrepreneurship within the social enterprise sector to be explored and developed.

The next stage of this research will be a discussion of some of the key findings in the analysis. This discussion, when expanded will hopefully be of use to the policy makers and those who support social enterprises in Scotland. To date all support has been very “top down” and no real research exists as to the potential and current state of play of those operating and working in the social enterprises. This research hopes to give those actors a voice, to enable the sector to grow and flourish.

Chapter 5 DISCUSSION

This chapter aims to develop the research findings and emergent themes and their components in order to explore entrepreneurship within the social enterprise sector.

5.1 Where does the analysis lead to and tell us?

The research aims to understand the place entrepreneurship has within the social enterprises studied. Of particular interest is do they have the entrepreneurial potential to meet the challenges and opportunities offered to them. If we are able to understand where the social enterprises are in terms of their approaches to and understanding of entrepreneurship then appropriate support and development can be put in place to enable them to meet their entrepreneurship potential. The Social Enterprise Census by Coburn (2019) documented the scale of the social enterprise sector, but didn't focus in on the entrepreneurial attitudes, understanding or activities adopted by those organisations, or the support available, so this study provides an opportunity to give these insights.

The study challenges the traditional view that the social enterprise sector is at the behest of funders, with no need for entrepreneurship. The behaviours demonstrated behind those activities, give meaning to the entrepreneurship process within the sector, and the challenge is to keep it ongoing and sustained. Additionally, by mapping the types and scale of the entrepreneurial activities undertaken within the sector, there is insight into what is possible, and some boundaries / threads can be demonstrated to enable others to learn from and take inspiration from their own social enterprise.

The overall approach has been to fundamentally understand the lived experience of those in the social enterprise sector, to appreciate it from their point of view, from

the grassroots, not from the strategic support agencies viewpoint. Bell et al. (2018) describe this approach as the researcher seeking the understanding, behaviours and beliefs in the given context of the qualitative study.

What do we now understand about the current position of entrepreneurship within the social enterprise sector, the understanding, attitudes and activities, and how does that link with Entrepreneurial Orientation – where the study started? What does it also tell us about what is needed to further develop the entrepreneurial potential in social enterprises in Scotland?

The discussion will cover the three elements considered – understanding of entrepreneurship, approaches and activities undertaken, and then will link these to the EO model. A new framework will be proposed to enhance the EO model for the social enterprise sector in Scotland, with final section on how support and understanding can be mapped alongside the key dimensions to enable effective support for developing the entrepreneurial potential within social enterprises.

5.2 Understanding Entrepreneurship and Attitudes Towards it

The study shows that a variety of definitions of entrepreneurship and its associated behaviours exist in the social enterprise sector. Participants defined what is meant by entrepreneurship and listed behaviours. Overall were confident in defining the term “entrepreneurship”, and also provided a comprehensive list of behaviours associated with it. Most of the sample were reluctant to identify personally as entrepreneurs, based on the definitions they presented, some indicating that “types” of entrepreneur were not appropriate for the social enterprise sector – those focussed purely on personal gains or setting up multiple businesses. Others saw the term “entrepreneur”, as referring to those individuals who start-up businesses as their main activity, and didn’t label themselves as entrepreneurs or even social

entrepreneurs. The term “entrepreneur” here was not linked to being the founder of the organisation, as is often the case with social entrepreneurs, only two of the sample actually founded the social enterprise, most were managers and leaders, hence the focus on entrepreneurship as behaviour not as a status. Participants did, however see the value of being entrepreneurial in their approach, if not personally being labelled as entrepreneurs. Their focus was the organisational benefit not a personal one from their entrepreneurial activities. This aligns with Chell (2007) who described social entrepreneurs as those who behave entrepreneurially and who engage in a process that creates value, to generate wealth to be distributed among the stakeholders, not shareholders. She challenges the argument that business founding is either a necessary or sufficient condition of entrepreneurship, allowing for entrepreneurship themes – behaviours and definitions - to be applied to different types of organisations, in this case the social enterprise.

This is an important finding when communicating and exploring the role entrepreneurship has within social enterprises in Scotland. A common remark was that no one had ever asked the participants to review the role entrepreneurship had in their work, or organisation, and most of them welcomed this opportunity to discuss and explore it in their own context, as well as within the social enterprise sector. Often the focus for the sector is entirely on the “social” and rarely the “enterprise”. Michael H Morris, Santos, and Kuratko (2020) called this not an oxymoron, as it would appear, but different directions for the organisation, both having a place. The opportunity for further exploration of entrepreneurship in their sector is there, and joining up the common understanding would help it embrace the entrepreneurial attitudes and approaches if the understanding was established, rather than rarely being addressed.

The types of entrepreneurial behaviours identified in this study were being innovative, trying to be forward facing as an organisation, taking risks, opportunity spotting and collaboration, but no evidence emerged of the participants having

consciously ever explored them before as a skill-set which could enhance or develop their organisation. Lau, Shaffer, Chan, and Man (2012) largely echo this list, defining the dimensions of social entrepreneurial behaviours as being innovativeness, risk taking, change orientation, and opportunism. In common with for-profit entrepreneurs, Shaw and Carter (2007) suggested that a key behaviour was being able to identify and exploit an unmet need – opportunity spotting, which they see as a key element of the entrepreneurial process. They also identify innovation as a key characteristic of social entrepreneurs - Leadbeater (1997) P8, also argues that while it is possible to be a successful entrepreneur without being innovative, social entrepreneurs almost always use innovative methods. Ultimately the entrepreneurial behaviours are about change – in markets, industries and organisations – moving positions as the new replaces the old and outdated, as Pittaway (2000) broadly defined them.

Risk taking as a behaviour was identified by all of the participants, and most identified the necessity of calculated risk taking to further the social enterprise at an organisational level, but not at the cost of the social cause. Others felt constrained in wanting to take risks by their boards. Interestingly no organisation said they were risk averse, it had a place, just maybe a more cautious approach was adopted to those perceived to be adopted by mainstream entrepreneurs. This concurs with the study undertaken by Shaw and Carter (2007) who identified that the risk taking behaviour is different within social enterprises, in that unlike their business counterparts, social entrepreneurs experience significantly less personal financial risk. Any risks were on behalf of the organisation. Very few would identify profit as a key objective, but would agree that they sought to address unmet social needs by generating income.

The identification of entrepreneurial behaviours within social enterprises was also discussed by J. Smith and Neal (2019) who found that social enterprises shied away from promoting entrepreneurial behaviour, as it could be seen as detracting from the social mission, and might jeopardise donor funding. However, they also

acknowledged the key role of support in developing and promoting entrepreneurial behaviours to enhance the social enterprise experience and improve the skills of the social entrepreneurs.

5.3 Entrepreneurial Approaches

Within the study, those who spoke about having a specific or planned entrepreneurial approach or focus, could link it clearly to their success in becoming a more sustainable entity. They could identify a specific entrepreneurial approach to their income generation to fund the social cause, not just ad hoc, but a range of planned activities and an embedded culture of entrepreneurship, embedding it in their employees. Some type of organisations are further along this path e.g. the housing associations and the CICs both demonstrated this as an approach and identified it clearly in their organisations. The Development Trusts had gradually come to appreciate the linkages over time, and were learning how to do it, and becoming more confident in adopting an entrepreneurial mind-set in their approach and trying to embed that in their staff too. The smallest organisation, the co-operative could appreciate the opportunity that being more entrepreneurial and learning about how to be that would greatly enhance the organisation potential, but felt constrained by limited resources in trying to do that.

The social firms were very aware of the need for sustainability, and felt acutely the grant funding vulnerabilities, they were often mixed in their combination of grant funding and self-generated income, and trying to be 100% sustainable. The potential to utilise that approach to enable the organisation to be able to be less grant funded and be financially sustainable is a powerful driver. The challenge for the sector is to harness it and somehow illustrate this possibility– sustainability is often seen as the Holy Grail in the social enterprise sector, but even a very basic starting point of talking about entrepreneurship and new approaches, linked to sustainability could provide the pathway towards it for many social enterprises. Some of those in the study were

very small, struggling and looking for inspiration and help beyond asking for the next fund, investing in their development of entrepreneurial approaches for their social enterprise, could give entrepreneurship that place in their “social enterprise” title, rather than just focussing on the social impact. From day one when they set up the organisation, the social enterprises are encouraged to meet their social purpose, but it would appear that they aren’t asked about how they will be entrepreneurial as they do that. This echoes the finding of Miles, Verreynne, Luke, Eversole, and Barracket (2013) who observed that social enterprises had the focus of economic viability, not profitability as perhaps traditional entrepreneurs would. Additionally, strong economic performance viewed was a means to do good, not an end in itself.

Often those who had grasped the link had learnt how to be entrepreneurial from others, from role models, or had support from business support organisations e.g. Business Gateway, who provided some training and collaboration opportunities, but all of these were mostly around specific business topics e.g. marketing, rather than developing skills in entrepreneurship. They were often also confined to the particular type of social enterprise e.g. Development Trust or Housing Association. There was no real crossing of the boundaries of type to collaborate or learn from each other about how entrepreneurship could work to being more sustainable, as some of the organisation types have found out. Those organisations gradually saw the need for entrepreneurial approaches after they had small successes and often after undertaking collaboration with other social enterprises – the DT1 worked with SF2 in developing a cooking programme, reaching out to a new type of client, and generating income, building on the greater experience of SF2 and networking to bring them together. Their overall learning approach would appear to be more practically focussed within the sector, but wider than their own type of social enterprise – to engage with those ahead via mentoring and good practice forums in which they could engage and share, and take risks.

The importance of the Scottish Model here is that the infrastructure for providing support is largely in place, the issue is that non-engagement of the social enterprise sector and a lack of tailored support around being entrepreneurial, and how that can link to sustainability.

The encouragement of the developing of entrepreneurial skills for the staff and leaders of the social enterprises would enhance the entrepreneurial potential of the sector. In this instance, addressing the sector is a starting point, as the opportunity to mix or even learn from other types of social enterprises, and those who maybe have had more experience is simply not there. When the CIC2 interview took place, the interviewer left thinking how good it would be if they could be put in touch with some of the other interviewees to help them grow in confidence and their entrepreneurial approaches, so evident in some of the other organisations. Their sphere or network didn't currently enable that. This is not ignoring the fact that some feel the sector is the problem, and that often it is treated as a homogenous group – for this understanding to grow, it is important to appreciate and join up the different types of social enterprise, and acknowledge their experience and common entrepreneurial approaches and attitudes. Michael H Morris et al. (2020) identified the need to look at different categories of NPOs and the EO within them, and not just consider the sector as one entity.

It would appear that a specific need within the social enterprise sector is for coherent support around how to develop entrepreneurship within the organisation with a view to increasing levels of sustainability, using it as a pathway to economically viable. The existing support is focuses on being “social” and via specific social enterprise associations e.g. the Development Trust Network, not about being an “enterprise”. Certain organisations e.g. Just Enterprise do offer specific entrepreneurship training for the social enterprises, but a recent evaluation of their work suggested their model needed to be reviewed and widened. “there is a very real need for the brand to be strong and recognised. Both partners and service beneficiaries / recipients need to be aware of the brand, and specifically what the offer is, and who and what is eligible (including Third Sector Intermediaries and Interfaces)” Whitcomb (2018, p. 77). Their support is around being a better social enterprise, and focusses on start-up, business support and leadership. What is missing from this approach and support for the social enterprise sector is a specific focus on being entrepreneurial, and what that means in their context, it would appear that the existing support views

entrepreneurship as the spark that starts the social enterprise, but isn't core to the growth and sustainability of the organisation.

The Scottish Government has, in an attempt to rationalise support structures, encouraged the development of a single 'Third Sector Interface' in every local authority area in Scotland (32 in total). These are tasked with supporting the development of Third Sector activity, including social enterprise, in each area, but they are grouped with the voluntary sector organisations, meaning it has a very wide remit. It has tried to encourage co-operation between SEN- SCOT, Social Enterprise Scotland and Social Firms Scotland, through a 'Supporting Social Enterprise' partnership strategy, but the specific support is still complicated and disjointed. Scotland's Social Enterprise Strategy 2016 Government (2016) sets out the Scottish Government's long-term framework for developing social enterprises. The framework is organised around three priorities: stimulating social enterprise, developing stronger organisations and realising market opportunity. The focus is to provide business support and stimulate social enterprise, but ultimately the focus is to "mainstream" that support and integrate with general business support. Overall the aim is to develop social enterprises to be more in number, and to encourage community-led regeneration. The strategy also acknowledges the importance of collaboration for growth in the sector, which will be discussed later. The concept of being entrepreneurial in their ongoing work doesn't feature in the strategy – it focusses that on raising awareness and getting the social enterprises started.

The social enterprise sector would appear to have a constant balancing act with their social cause and entrepreneurship. However, this study has perhaps indicated that they aren't mutually exclusive, and it is possible and indeed preferable and beneficial to also focus on entrepreneurship to help enable strengthen and further the social cause. The CICs and Social Firms clearly found that balance, and in some ways wanted to be viable businesses as a motivation to do above and beyond in order to enable their social cause – one fed the other. The challenge for the sector is not to ignore completely the "enterprise" label as it can definitely help further the social cause, the difficulty is that social enterprises are perceived sometimes as not quite businesses, but just somehow playing at it to enable their social cause, when, in reality they have

created viable and entrepreneurial organisations, driving innovation and often exhibiting creative solutions and approaches. J. Smith and Neal (2019) agree that government and policy makers need to embrace and promote entrepreneurial characteristics in order to enhance the social enterprise sector and improve the skills of social entrepreneurs.

(Michael J. Roy, 2014)p796) reviewed the provision of support for the social enterprise sector and concluded that, “rather than claiming that the conditions in Scotland are the 'most supportive in the world for social enterprise' perhaps it would be more productive to ask whether the conditions are the most supportive they can be for Scotland”

5.4 Entrepreneurial Activities undertaken by Social Enterprises

This study uncovered a wide range activities across all of the sectors within the social enterprise sector in Scotland. It aligns with what Shaw and Carter (2007) identified in that social enterprises were actively involved in identifying and exploiting opportunities in the form of unmet social needs, in a process very similar to that of traditional businesses. This range of was interesting, varied and a challenge to map comprehensively. The types of entrepreneurial activities described by the social enterprises were many and varied, mostly around income / revenue generation, opportunity spotting, taking new initiatives for the community, creating value, collaboration on new projects. Each organisation in the study could list at least three specific activities – those who had been established longer clearly had a longer list. Entrepreneurship in the non-profit context can be defined as “entrepreneurial activity with an embedded social purpose” (Austin et al., 2006)) This definition suggests that, in essence, entrepreneurial activities in the non- profit context is the same as in the for-profit context, albeit focused on a social purpose or mission. Often this involved gaps in provision for the social cause, or taking advantage of an opportunity to raise revenue to fund the social cause. Shaw and Carter (2007) Identified that social enterprises were actively involved in identifying and exploiting

opportunities in the form of unmet social needs, in a process very similar to that of traditional businesses.

The interviewees commented that the question had caused them to stop and think and actually list what activities they undertook, and historically that created a long list. For the CICs, the activities were more expressing their core business idea, to generate the funding for their social causes, and therefore more explicit e.g. spotting opportunities for new customers and also exploiting opportunities in their existing markets. For the other organisations, entrepreneurial activities took place alongside, in parallel to their core activities e.g. the housing associations activities were linked to their core clients but were a subsidiary which could also reach further afield, the revenue generation of the social firms took the form of multiple projects, addressing the needs of different groups and frequently widening the remit to allow for revenues to be generated in new ways. The development trusts described activities that grew from initial projects around cycling, health, and fuel poverty – they developed products and services they could then charge for to enable wider participation and the creation of a revenue stream. Other activities were more wide ranging – wind turbines, starting employability projects, training young chef etc., and these were mostly from spotting opportunities then convincing their boards that they would be good ideas for their organisations, despite no close linkage to their core social cause.

The scale and success of the activities was also varied, from local initiatives generating money to enable social activities to the setting up of a car club to investing in a community wind turbine. What was striking was the sheer range of activities, not all specifically what might be “expected” of the organisation, and seeing the opportunities to take and the courage to do so for some of the projects, could be very inspiring to the other social enterprises, if only they knew of their existence.

The knowledge of the activities described largely remain within the specific social enterprise, or within the organisation type e.g. housing associations. There was little evidence that any sharing or knowledge via an exchange or good practice was known

about any activities across the different types of social enterprises studied, which seems a lost opportunity for the sector.

5.5 EO model – a lens

In order to assess that potential and scope the understanding, attitudes, approaches and activities the EO model was initially chosen as the lens with which to consider the social enterprise sector in Scotland. Michael H. Morris et al. (2011) describe it as a construct to capture the essence of entrepreneurship, which made it an ideal starting point. Using it has led to further development and suggested enhancement of the model for this particular context, and within a qualitative approach. The EO model was adapted and developed for the non-profit sector by Michael H. Morris et al. (2011) and was a helpful starting point to think about the elements involved in considering how to map entrepreneurship in a sector. Their approach was to develop the three key themes – innovativeness, proactivity and risk taking along three extended tangents for non-profits, but ultimately measure the EO for each organisation on a low / medium / high scale. The application of the EO model to non-profits enabled it to be extended and widened, but it still lacked a qualitative depth, and that is what this study sought to undertake. It sought to understand entrepreneurship in a wider interpretation, not measured as such, but enhancing the key themes, adding to the EO model via a qualitative approach. It didn't set out to say are the social enterprises in Scotland entrepreneurial – yes or no, or provide a scale or figure to define it, it instead wanted to provide a scoping of what attitudes, knowledge and activities did exist and identify the gaps in ultimately developing entrepreneurial potential in the sector.

Morris et al. (2011) also found difficulties in applying the EO model to the social enterprise sector, and criticised a number of studies which have examined entrepreneurial thinking in non-profit organisations, highlighting that they don't account for the complex stakeholder relationships held by non-profits, and suggested

that a more complex EO framework is needed to consider EO in the social enterprise sector (J. Smith & Neal, 2019). A further review of how EO is applied in general was undertaken by William J Wales, Gupta, and Mousa (2013) who expressed a strong need for qualitative studies on how EO is manifested within organisations.

The purpose of this particular study was not to say the organisation has or has not an EO per se but to be able to illustrate how and where entrepreneurship exists in terms of understanding, approaches, activities and support. (Miller, 2011) calls this approach, “the how and why of EO”. Lurtz and Kreutzer (2017) also noted that previous studies applying EO without adapting it somehow for social enterprises haven’t been able to really capture the entrepreneurial behaviours of the organisation. (Coombes, Morris, & Allen, 2009; Michael H. Morris et al., 2011; I. Pearce et al., 2010). This study tried to do that.

Overall, It is agreed that there is a lack of empirical studies within the non-profit sector, and in his review of the studies undertaken since his initial work, Miller (2011) suggested the need for increased qualitative approaches, and focus on exploring EO on an organisational level, which is where this study fits in.

5.6 EO elements

Each of the three key elements of the EO – Innovativeness, Proactiveness and Risk Taking were extended by Michael H. Morris et al. (2011) to apply to the social enterprise sector. If these three dimensions are examined closer in their application, each has a key focus – innovativeness focuses on emphasis on innovation directed in three specific ways – core mission, revenue generation and both with others. Proactiveness focusses on enactment of change relative to three specific groups in

relation to the dimension – social purpose, financial requirements and stakeholder expectations. Risk taking is focussed on the willingness to take action around losses – social impact loss, financial loss and stakeholder support.

The challenge in taking the developed model by Michael H. Morris et al. (2011) in terms of the three existing dimensions of innovativeness, proactiveness and risk taking via a qualitative study have been translating them to enable discussion and further development. This study used the dimensions of the EO as the starting point for investigating the social enterprise sector, but found that in order to understand it from the point of view of those within it, they became just a starting point, not the focus. For example, the EO focus is on the actions and activities of the organisation, and this concurred with what this study wanted to understand. It wasn't applied to individuals, or entrepreneurs, but the organisation itself. Those interviewed discussed their organisational not personal perspectives.

This study also agreed that the three dimensions of innovativeness, proactivity and risk taking are present, and have a place in the description of entrepreneurship within the social enterprise sector, but, for this study they purely served as a starting point. When introduced to those being interviewed, their definition and application wasn't so clear cut. For example, when asked about innovativeness, the discussion also included elements of proactivity, and the definitions within the model weren't what was experienced in the organisations. J. Smith and Neal (2019) also noted that the much more complicated stakeholder relationships within social enterprises make them treat innovation, proactiveness and risk taking very differently

A study by William John Wales (2016) concurred with this difficulty and those being interviewed finding it hard to distinguish between innovativeness and proactivity – this uncertainty was also echoed in the pilot study for this study, where definitions

weren't that clear to those being interviewed or as separate as dimensions as the literature would suggest. Risk taking was also part of the discussion, within understanding entrepreneurship, and discussion was around the approaches to it and level of risk taking for the organisation. In contrast to the application by Michael H. Morris et al. (2011), the focus was much wider than loss, and considered approaches and understanding of what taking risks meant within the sector.

It was hard to fully discuss the entrepreneurship within the social enterprises – types of approaches and range and type of activities using just the language of the three dimensions, and the qualitative approach enabled the discussion to go beyond these in order to more accurately describe their experience of entrepreneurship. The study of EO in family firms by Zellweger and Sieger (2012) also concurred with this, and sought to extend the EO dimensions to get a more finely grained depiction of corporate level entrepreneurship.

The use of a wide range of different types of social enterprise in this study also made it harder to pin the discussion uniquely and purely to the three EO dimensions. They represent such different sizes, histories and scale which also affected their interpretation of the key terms, and their experiences and discussion extended beyond the dimensions, and it is this that led to the proposed version of a framework to help apply the EO to the social enterprise sector in Scotland . It also makes the EO an enhanced diagnostic tool, a mechanism by which the social enterprises can review their entrepreneurial actions and position and then grow from that. This concurs with Michael H Morris, Kuratko, and Covin (2010) and J. Smith and Neal (2019) who suggested that a more applied Social Enterprise EO framework is needed to consider EO in the social enterprise sector.

(Michael H Morris et al., 2020) anticipated this by adding that applying the EO to social enterprise sector adds complexity across the dimensions, which is what this study has discovered. The definition of innovation in non-profits, for example, has received little attention, and there are no commonly accepted approaches to classifying types of innovation undertaken.

This study found that the elements of Innovation, proactiveness and risk taking were less distinct or discreet, often overlapping – innovation was more common in discussion about approaches, and proactivity in relation to activities and attitudes. Risk taking was often purely considered in terms of finance, but also the risk to the social cause, a key element within this sector

The desire to apply the model to the social sector has resulted in some additional EO criteria being added in some previous qualitative studies: Syrjä, Puumalainen, Sjögrén, Soininen, and Durst (2019) supported the idea that the EO is an important driver of survival and performance in social enterprises. They added entrepreneurial persistence, which they define as, “a firm level, enduring commitment to long-term social goals that results in continued effort in the face of difficulty”. This study would agree that persistence could be drawn out from the interviews as an underlying theme, but in this study, it wasn’t identifiable as a clear dimension for EO.

Lurtz and Kreutzer (2017) suggested that collaboration was so evident in their study of pre-start-ups that it should be considered an additional element for EO in social enterprises, alongside proactiveness and innovativeness. The type of collaboration they observed was the development of a culture of co-operation – collaboration with other social enterprises for resources. They also suggested outsourcing risk should replace risk taking – with a focus on funding alternatives. This study identified collaboration as a key success factor for enabling entrepreneurship within the social enterprise sector, but not as an EO dimension. For this study it formed part of the

support recommendations, as a result of the entrepreneurship identified and how best to support it.

Gerschewski, Lindsay, and Rose (2016) added passion and perseverance to the EO model, but in the context of born global enterprises. Reciprocity was added in the study by Hu.Y and Pang (2013). These additional dimensions are interesting but perhaps the different contexts of these studies brought them more to the fore in the discussion. In the analysis of this particular study, they did not emerge as additional dimensions.

This study acknowledges the overarching three key dimensions have a place in the mapping of entrepreneurship within the social enterprise sector in Scotland, but would suggest that the use of the Social Enterprise EO model – Table 8 - includes the three core dimensions but with a broader diagnostic and development framework. It should include innovativeness, proactivity and risk taking, but locate them within understanding, approaches and activities of social enterprises, widening out their application to practice, not focussing on the measurement of them, but seeing their place as part of the understanding etc. not as standalone dimensions.

This framework would enable a social enterprise to consider what their own entrepreneurial actions look like using the key elements covered in the study, whilst applying the three EO dimensions as part of that, but not the total of it. An example of this is risk taking, which is included in Entrepreneurial Activities as a key criterial, and then widens out to ask the organisation to define risk for itself and what it's approach to risk taking is and how it can take more.

The aim of this Social Enterprise EO framework is to enhance entrepreneurial potential within the social enterprise sector, and enable organisations to establish their positions / see how their understanding, attitudes and activities could be

enhanced. The Social Enterprise EO framework has three key themes, developed into key criteria, from which key questions and activities are proposed for the social enterprises to locate and develop their organisations along the entrepreneurial pathway.

Table 8: Social Enterprise EO Framework

Key Themes	Criteria	Locating and Developing the Social Enterprise
<p><u>Understanding of and Attitudes towards Entrepreneurship</u></p>	<ul style="list-style-type: none"> • Being Entrepreneurial within the SE sector – the role and the task • Identifying and developing Collective Entrepreneurial Behaviours and Actions • Developing the entrepreneurial social enterprise 	<ul style="list-style-type: none"> • What do we understand being Entrepreneurial to mean as individuals and as a social enterprise? • How does it fit in the social enterprise sector? • What are Entrepreneurial Behaviours and Actions? How can we develop them? Where are the gaps in our understanding and attitudes? • Do we identify as being an entrepreneurial social enterprise? How can this be strengthened?
<p>Entrepreneurial Approaches</p>	<ul style="list-style-type: none"> • Being innovative – finding new ways of working in the sector / being forward facing / taking initiative • Embracing Entrepreneurship as a pathway to Sustainability • Being Proactive 	<ul style="list-style-type: none"> • What have our approaches been to date? Our initiatives? • How can we embed entrepreneurship as an approach to the sustainability of this organisation? • How are we proactive? Do we take the initiative? How can we learn from others in doing this and not being hesitant?
<p>Entrepreneurial Activities</p>	<ul style="list-style-type: none"> • Revenue Generation • Opportunity Spotting • Spotting gaps in social provision • Improving existing provision and widening scope, scale and range • Risk Taking 	<ul style="list-style-type: none"> • What generates revenues for our organisation – list and rank • Who provides / finds the opportunities? • How do we scan the sector / environment for gaps? What is in place to do that? • Who plans ahead and harvests the ideas / improvements from stakeholders? How can we do this? How do others do it? • How do we define risk? Is it a no-go area or something decided at a strategic level? • How can we take more risks and thrive?

This enhanced model could be of help to those social enterprises to start thinking / mapping their position or develop their approaches to entrepreneurship, based firmly on the experiences of their sector. The three key dimensions of the EO have been enhanced and developed via three overarching themes – understanding, attitudes / approaches and activities, and in practice, could be further developed per type of social enterprise at different stages e.g. start-up or growing.

To take this further, the framework could be developed to add what support would be needed in practice to enhance the three areas in order to enhance the entrepreneurial potential. This would involve the underpinning knowledge about the three dimensions and entrepreneurship and some recommended support for each to enable that potential to be realised. This enables the Social Entrepreneurship EO framework to be used to start the conversation about entrepreneurial potential in social enterprises at the grassroots, within the different types of social enterprises in the sector, not to measure it as in previous formats, but enabling mapping and developing instead, to raise that overall level

The Social Entrepreneurship EO framework also enables organisations to work as a group, not just to focus on the founder. This is an important element, particularly when the founder drives the organisation and focus inevitably is on them as an individual for the entrepreneurial approaches and activities. This is problematic where succession problems arise and the organisation is left without the skill set or EO criteria not embedded, as outlined in the study by Bacq, Janssen, and Noël (2019)

5.7 Summary

The study has provided a focused study of the current state of entrepreneurship within the social enterprises located in Central Scotland. It has endeavoured to hear the voice and experience of those working in the sector, managing the social enterprises and trying to be entrepreneurial in that role. It doesn't try to measure what levels of entrepreneurship exist, but instead presents a review of the

understanding of entrepreneurship within the sector, and how it is viewed from within.

Overall, the desire to be entrepreneurial in practice is there, if not the desire to be called social entrepreneurs. The attitudes to entrepreneurship are positive, and often not explicit, but these organisations do manage risks and by embracing entrepreneurship have understood how effective it can be in moving the organisation to a more sustainable financial position. The entrepreneurial activities are many and varied throughout the sector, from cooking schools through to wind turbines and electric car clubs. There are a few surprises and very successful income generation activities, but these are mostly hidden within the organisation delivering them. This would appear to be a missed opportunity – the word needs to get out to the sector of the nature and success of such entrepreneurial activities to encourage success and develop role models for others trying to be both social and entrepreneurial.

The EO model has been enhanced to represent the current entrepreneurial potential of the social enterprise sector in Scotland, and the proposed framework could facilitate a diagnostic process, whereby organisations can map their potential and utilise the support suggested to enhance it.

Key elements to support and develop entrepreneurship in the social enterprise sector were identified as an offer of sector specific support in entrepreneurship, increased opportunities to collaborate – and learn about how that works and good practice via a knowledge exchange, developing networking skills and help with managing and populating the boards that govern the social enterprises. These were mapped against the key dimensions to develop practice.

Chapter 6 Conclusions and Recommendations

6.1 Introduction

The purpose of this chapter is to report on the overall study and to produce a series of recommendations as a result of the research findings. Firstly an overview of the study is presented in the context of the research meeting the aims, considering all major elements of the study. Then, substantive and reflective recommendations are given for practice and the specific contribution to practice afforded by this study. Finally, the key message from the research study and the contribution to identifying and developing entrepreneurial potential within the social enterprise sector in Scotland is articulated, with recommendations for future research directions

The study had the following aims and objectives:

Aims: To investigate entrepreneurial action within Social enterprise sector in Scotland

Objectives:

1. To examine entrepreneurial activity in the context of social enterprises in Scotland
2. To investigate the main features of entrepreneurial understanding, approaches and activities within the social enterprise sector
3. To develop a practice based framework to inform the role of entrepreneurial activity within social enterprises
4. Produce recommendations to help develop and support the entrepreneurial potential of the social enterprise sector

The study has met the aims in terms of considering the level of understanding entrepreneurship within the social enterprise sector in six different types of social enterprise – those in the study could provide a definition of entrepreneurship, but

were sometimes hesitant to call themselves entrepreneurs as they didn't see it as a personal status, but an approach to their work. They were more comfortable discussing their entrepreneurial attitudes and approaches to their work, if not using the term to describe them personally. The entrepreneurial approaches uncovered featured a variety of levels of engagement, from taking small steps to, to trying it out for size as a mechanism to enable the organisation to be more sustainable, to fully embracing it and trying to embed it within the organisation culture. The study mapped entrepreneurial activities and approaches– it acknowledges that the social enterprise sector is not a homogenous group, but one of varying social causes, resources and approaches. A wide range of activities were outlined, some specific to the type of social enterprise, others common to all. The most common activities were opportunity spotting, income generation, taking the initiative, pioneering partnerships and taking calculated risks.

The key factors that enabled entrepreneurship within the social enterprises emerged from the findings were identified as having the opportunity to access being better sector-specific support of entrepreneurship per se, rather than just business development support, help with and a community of practice around collaboration within and out with the social enterprise network, networking opportunities and training, and support and training for the boards of social enterprises.

The study can be considered a base line consideration of entrepreneurship within the social enterprise sector, with a small number of organisations studied within each category, but the breadth of approach to the sample has provided recommendations which would enable the entrepreneurial potential of the social enterprises in Scotland to be developed. These are recommendations for practice for each of the overall aims of the study, and then how these can best be developed and implemented is discussed via the final aim of what key factors have enabled entrepreneurship so far, and can be further developed to enable the entrepreneurial potential of the social enterprise sector in Scotland.

6.2 Contribution to knowledge and practice

The study has provided a qualitative study of the EO of social enterprises in Scotland. It has enhanced understanding of what EO means in the context of social enterprises, within this specific geographic location. By producing qualitative results, the study has developed an EO framework to show the entrepreneurship within the social enterprise sector, in terms of understanding, attitudes, approaches and activities. Each of these dimensions have provided insights and a deeper understanding of how the sector views, approaches and implements entrepreneurship.

The contribution to practice focusses on a Sustainability Framework, mapping the type of social enterprises studied, with their pathway to sustainability and the entrepreneurial actions they took to achieve the different levels of sustainability. This is provided in Table 9.

This framework enables the social enterprises to develop their practices, learn from others and help see how they could progress along the sustainability pathway. It offers a spectrum, linking the type of organisations and the types of activities that have enabled organisations to be more sustainable, from the study. It maps the type of social enterprise, their stage along the sustainability path, and what entrepreneurial actions they undertook at different stages.

Table 9 :Sustainability Framework

	Grant Based	Grant / Revenue Mix	Sustainable Business Model
Type of Social Enterprise	Co-operatives	Development Trusts CICs Social Firms	Credit Unions Housing Associations
Entrepreneurial Action and Activities	<ul style="list-style-type: none"> • Entrepreneurial actions limited to founder / manager • Limited, some commercial selling and contracts • Training on how to develop opportunities • Building a Network 	<ul style="list-style-type: none"> • Entrepreneurial Actions undertaken by owner / managers and attempt to embed across the organisation • Opportunity Spotting embedded or active across the staff in the organisation • New initiatives explored • Collaborative working with other SEs in place, pursued • Networks well established locally and within SE division 	<ul style="list-style-type: none"> • Entrepreneurial Actions understood by all staff • Business Development staff appointed • Supportive Board • Cross sector collaborations • Wide, established networks across business community and SE community • First movers in the sector for new initiatives – approaches others with ideas • Scans environment actively for opportunities • Takes calculated risks to explore options

The recommendations emerge from the findings of the study and are intended to concentrate on how to encourage the entrepreneurial potential of the social enterprise sector in Scotland. Each recommendation has implications for different stakeholders in the sector and these will also be outlined.

Overall, it is recommended that a national effort to support the entrepreneurship and raise the profile of the enterprise element of social enterprises be undertaken. Current studies of the social enterprise sector e.g. the Social Enterprise Census (Coburn, 2019) document the facts and figures of the sector, core data, this could add to this, providing the living and breathing entrepreneurial approaches and activities and the support needed to enhance the entrepreneurial potential in the social enterprise sector. These recommendations are needed to join up the entrepreneurship efforts of the social enterprise sector in a coherent manner, to harness what is currently occurring and enhance that existing entrepreneurial potential. What is needed overall is targeted support, engagement by the leaders of the social enterprises and acknowledgement of their place in the entrepreneurship ecosystem of Scotland, not just on its periphery, hidden under a social cause. Entrepreneurship enhances the social impacts of the social enterprises, and that surely is a good thing to be encouraged via implementing these recommendations

6.3 Recommendation 1

A key recommendation from the understanding and attitude objective is to provide help to enable social enterprises to understand and explore what entrepreneurship means to them and what their attitudes are towards it. This is a key recommendation because of the confusion around what exactly entrepreneurship is in relation to the social enterprise sector, and how it applies to the particular type of social enterprises represented. There is comfort and clarity with social aims, and how they are worked out and enabled, but the complete lack of meaningful discussion and understanding of the place entrepreneurship has in the social enterprise.

Providing some clarity on what entrepreneurship means for each type of social enterprise would be helpful in developing a more coherent understanding of entrepreneurship in the sector. This would enhance the overall entrepreneurial understanding which was found to be disjointed and not discussed, and which the organisations found hard to articulate and embrace. This development of understanding could be a springboard to help social enterprises think about what it means for them, and examine their attitudes to it as an organisation. It may also help them be more at ease being called a social enterprise in the first instance. Not one size fits all, and, as previously discussed, referring to social enterprises as one homogenous group negates the individual terms of engagement with entrepreneurship. Often those in the study talked about having been given permission to explore being entrepreneurial, and not be worried that it somehow conflicted with the social aims of the organisation. The idea that it is ok to be entrepreneurial is often a reassurance to those who lead social enterprises, and who may come to the sector from the traditional business sector.

This recommendation to provide an opportunity – training and development specifically on the topic of entrepreneurship and how it applies to the social enterprise sector is one for support agencies such as Scottish Enterprise, Just for Enterprise and Social Enterprise Scotland.

It is also a recommendation for those who lead and manage social enterprises to undertake some training and development in entrepreneurship as a subject area, to develop an entrepreneurial skillset and entrepreneurial attitude to their roles.

This recommendation could be achieved via social enterprise sector specific training and development of a clearer understanding of what entrepreneurship means, leading to development programmes for entrepreneurial skills and behaviours for managers, staff and boards of social enterprises.

A tailored approach by an organisation such as the School for Social Entrepreneurs, building on their action learning sets piloted in their Trade Up programmes for social entrepreneurs could mean that each social enterprise sector or organisation in Scotland is asked to consider how entrepreneurial their organisation or sector is, and

then work towards enhancing that via training and mentoring programmes to enhance their understanding and also their application of entrepreneurship to their particular organisation, using the role models of those already engaging, and via the Knowledge Exchange. It is important to allow all social enterprises across Scotland to have access to such understanding and embracing of entrepreneurship, not just those in the Central Belt – this is readily achievable via virtual means.

6.4 Recommendation 2

For the support agencies of the social enterprise sector, a recommendation would be to rationalise and combine efforts. Each type of social enterprise was found to have its own parent organisation – The Development Trust Association, Social Firms Scotland, Co-operative Development Scotland etc. and there is little or no collaboration, except via the overall social enterprise umbrella, Social Enterprise Scotland. A step towards this is already in the pipeline, with the proposed uniting of Social Firms Scotland and Social Enterprise Scotland. A rationalisation of these groupings and their roles is long overdue, to help more co-operation and collaboration across the sector.

A clear finding of this study was the wide range of successful entrepreneurial approaches and activities taking place within the sector, but all independent of each other, only visible and operational in their particular type of organisation. There is much to learn from each other about entrepreneurial approaches, particularly with the clearly identified link to sustainability. The importance of how entrepreneurial approaches have been a pathway to sustainability and greater economic viability should be the focus of this combining, and also the innovation demonstrated within these approaches.

A specific recommendation is for the umbrella organisation SES to use this study as starting point and mechanism by which entrepreneurial approaches are mapped and documented within the social enterprise sector of Scotland. It is important to be comprehensive in approaching this and include all 6 types of social enterprise, as

considered in this study within the social enterprise sector. Often each organisation type has its own entrepreneurial approach, and, to date, these have not been mapped or shared. The sense of isolation from some of the smaller social enterprises was very evident, an observation agreed by the social enterprise practitioner when discussing this recommendation.

Alongside training and development, as outlined in the first recommendation, it is important to enable those in the sector to learn from those who have embraced being entrepreneurial in their approaches and activities. This would only be possible with increased awareness of what those are, and who undertakes them. A starting point would be to document the entrepreneurial approaches and activities, to create a Knowledge Exchange. This would document all of the entrepreneurial approaches and activities in the sector, across all type of organisation, and list the key people involved, enabling those new to the sector, or who want to develop their entrepreneurship to have a point of reference, a community to learn from, and contacts to connect with.

Identification of successful approaches about economic sustainability and innovation within the social enterprise sector, including a number of case studies from social enterprises who have successfully used entrepreneurship in this manner could be collated and published as case studies as part of the Knowledge Exchange, but continually added to and updated, perhaps as alongside or as an extended part of the existing social enterprise census, which is produced bi-annually.

6.5 Recommendation 3

A third recommendation is to offer mentoring specifically in entrepreneurship for those leading the social enterprises. This would be invaluable to help them explore it at whatever stage they are at - starting to think about entrepreneurship, growing in confidence in their own entrepreneurial approaches or working towards embedding it in their organisation to a greater extent. Current entrepreneurship mentoring by

Scottish Enterprise or by Entrepreneurial Scotland focused entirely on the private sector, and often has specific criteria before leaders of businesses can join e.g. a £100K turnover or clear growth potential. In order to enhance and growth the entrepreneurship of the social enterprise sector, the leaders of it need to be somehow profiled and encouraged to be entrepreneurial by those who are experienced. This mentoring could extend to entrepreneurs not in the social enterprise sector, simply by adding a stream whereby those in the sector could engage, and not be excluded by the strict criteria, or a separate stream for social entrepreneurs could be offered.

This would also enable the wide range of entrepreneurial activities observed in this study to be given a higher profile, to be celebrated and discussed in the sector, not hidden as they sometimes appeared to be in this study. There are a lot of activities and entrepreneurial leaders that the sector can replicate, and learn from.

This study observed that in general, the social enterprises tended to work in their own enterprise vacuum, hence there is an opportunity to widen their perspective and enable them to engage with other social enterprises and tap into other entrepreneurial networks and businesses. A social enterprise expert indicated that The School for Social Entrepreneurs has started this type of work, creating action learning sets and a fellows programme, to enable mentoring relationships to be established. They acknowledged the lack of mentoring opportunities available to those in the sector, with its unique premise. However, many of those in this study have been in the social enterprise sector for many years, and indicated they would welcome the opportunity to be mentors for those joining the sector.

Entrepreneurial approaches and activities are not the sole preserve of the private sector, and that message could be stronger

6.6 Recommendation 4

The recommendation on support covers three specific factors that the study found to be critical in terms of supporting entrepreneurship - collaboration, effective

networks and board training and development in entrepreneurship. Each has specific suggested action points:

6.6.1 Explore Opportunities to Collaborate

Provide forums and facilitate the exploration of what collaboration can offer the sector – economies of scale, enhance revenue generation opportunities, co-operation on suppliers and clients, and highlight the key success factors by profiling social enterprises who have successfully collaborated to demonstrate it. Facilitate more integration of the different types of organisation within the social enterprise sector via collaboration and encourage social enterprises to leave their own “type” by having wider networks and stronger links with the wider business and entrepreneurial arenas. In order to facilitate increasing collaboration in the social enterprise sector, much more transparency is needed around work practices and also the joining up of organisations from different parts of the sector, not just their own silo e.g. development trusts working outside of their own network, finding out about how housing associations and CICs undertake entrepreneurial activities. There are also collaborative opportunities geographically with organisations beyond the social enterprise network, these could be explored by the social enterprises with some guidance from local authority economic agencies e.g. for joint procurement opportunities. A simple step to enable this would be the setting up of a collaboration forum online where social enterprises could post requests or suggestions or offers, and they would then be visible to the sector, who could then engage if appropriate for their organisation, offering greater visibility and a proactive approach. The question is who will take that initiative?

This type of activity has already started to be offered in Scotland to the social enterprise sector by organisations such as Pilotlight and Social Shifters. They focus on encouraging digital collaboration and setting up virtual communities for the social enterprise sector, but have some limitations on type of organisation they work with. It could be that they will gradually meet this

need, and harness that potential. It is encouraging to see support outside of the public sector taking on the development, and hopefully the social enterprises will engage with these initiatives.

6.6.2 Establish Effective Networks

Provide training and guidance to social enterprise leaders on how to establish effective networks and network to a greater and wider degree. Effective networking offers the leaders of the social enterprises the opportunity to meet a wide variety of people who can help them further their entrepreneurial activities – in the wider business community and set up others which more closely integrate with the private and public sector networks. Entrepreneurship spans all sectors, and therefore it is appropriate to integrate into sectors that can provide entrepreneurial opportunities for the social enterprise. With the Scottish government wanting to widen the procurement process to include more social enterprises, this widening of networks could enable that.

It would appear that those in social enterprises know that networking is important, but very few spent much time or effort doing it or cultivating an effective network for the organisation to draw on and benefit from. The few who did often had a very limited geographic network, often only including those organisations in their type of social enterprise – for example, the Development Trusts attended events organised by their parent organisation. That is not to say that benefits and opportunities don't arise from these networks, but there is no sense of cross organisation networks, or even wider geographic ones to meet other social enterprises and network with.

It is also suggested that the networks accessed could be those beyond the social enterprise sector entirely – the potential to integrate more fully with the private and public sectors is an opportunity to work alongside entrepreneurs and perhaps widen their scope for business.

A few of the organisations mentioned the umbrella support agency, Social Enterprise Scotland but found it hard to attend their networking events, as often these were held in Edinburgh and required a travel and time commitment they sometimes didn't have. For this reason, it is recommended that alternative approaches be employed to enable networking opportunities beyond the central belt of Scotland, perhaps embracing virtual means to make them more accessible and better attended, and widen their remit to be beyond the social side of the business.

6.6.3 Social Enterprise Board Support and Development

Train and develop social enterprise boards on what it means to be entrepreneurial. The desire for a board that supported and understood entrepreneurship, and in particular manage risk was clear in the study. Some organisations found their board didn't grasp this and held them back, others had boards that pushed them and supported their ideas. Those who had the support were often grateful to have board members who understood what being entrepreneurial meant, and wanted the organisation to develop and grow.

This echoes what Michael H. Morris et al. (2011) observed, that the role of the non-profit board has largely been ignored by researchers. They suggested a well-trained and balanced board can be the catalyst for linking entrepreneurship to organisation performance, if they have the commercial background, and they can also help legitimize and support innovation and change, furthering the entrepreneurial potential of the organisation. The board can also help manage any resistance by internal and external stakeholders to new opportunities or directions, all valuable activities if they are trained and developed. Often the critical factor in how entrepreneurial the organisation approach can be lies with the board appointed to run the social enterprise— its makeup, support and attitude were critical and should be given attention

The proposal was to present and take feedback on the contribution to practice with those involved in the study, however, COVID restrictions didn't enable this to take place. However, there was an opportunity to discuss the recommendations in depth with a social enterprise practitioner, who concurred with the key findings and agreed with proposed ideas for practice.

6.7 Recommendations for Future Research

The recommendations for future research primarily focus on widening the potential for increased qualitative approaches to EO and the wider consideration of it across the social enterprise sector, using the EO framework. This study is a development of the work by (Michael H. Morris et al., 2011) in exploring the entrepreneurship within the social enterprise sector. The emergent framework widens the dimensions of the EO model to consider their application to understanding, attitudes, approaches and activities of the entrepreneurship in the organisation, not just the measurement of the scale of it. This enables there to be a better appreciation of the lived experience of entrepreneurship in the social enterprise sector in Scotland. A simple further development could be widening the geographic reach of the study, to cover the whole of Scotland and link into the bi-annual Social Enterprise Census. This would enable the census to provide more qualitative content to inspire and demonstrate the entrepreneurship in the sector, not just the facts and figures.

A further research development could be to undertake a longitudinal study of the entrepreneurship in the social enterprise sector, mapping the dimensions studied here, but over a number of years to provide greater understanding and a wealth of data to strengthen the position of entrepreneurship within the sector.

Any implementation of the recommendations could form part of a research study to consider the impacts and implications of working to enhance the entrepreneurial potential of the sector via training and development, mentoring and mapping. The

support measures also recommended could be tracked and evaluated for their success and development.

6.8 Limitations of the study

One limitation of this particular study is the size of the sample considered. A key aspect of the study was to make the sample representative of each of the six types of social enterprise, and clearly a larger sample of this would provide a wider and deeper data set for consideration. The interviewing was carried out primarily face-to-face which did enable a more personal and intimate approach, and also enabled the luxury of time to explore the subject area and not be rushed to generate more responses.

A further limitation is the singular method used to gather the data. The pilot study was carried out using a case study approach, but the use of semi-structured interviews in the final enabled a wider view of the subject and felt more comprehensive. However, a further development of the method could have also included the interviewing of the support agencies for social enterprises to take account of their perspectives and map their activities. Some efforts were made to test the recommendations with some people within the social enterprise sector, but a more explicit inclusion would perhaps have added to the findings. Ideally a gathering of those included in the study to discuss the findings as a group would have been ideal, but current COVID 19 social distancing circumstances have not enabled this to be organised. It is anticipated that the recommendations and findings will be shared with those who took part and the social enterprise support agencies referred to in the recommendations.

The methodology adopted for this study was described in Chapter 3 and the use of an interpretivist approach was chosen in order to seek the rich and deep understanding of entrepreneurship within the social enterprise sector in Scotland, the lived experience by those in the sector. As part of the researcher's development through the DBA and now reflected upon, the chosen methodology and the earlier stated philosophical stance informed the data collection and the analysis that would be undertaken.

An interpretivist approach has been criticized for lacking in rigour compared with quantitative methods. The hope is that the experiences and views of those who took part in the study have been accurately represented. The richness of the data set confirmed the approach as valid, and has enabled a qualitative approach to be presented as an alternative to the historical quantitative approaches in previous studies of EO.

6.9 Conclusion

The study has contributed a revised EO framework, specifically for the social enterprise sector, which, along with the Sustainability Framework developed will encourage and support those in the sector, resulting Scottish social enterprises that are entrepreneurial and sustainable.

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Appendix 1

Final Interview Questions – linked to the EO criteria

<p>General introduction / Entrepreneurship</p>	<ul style="list-style-type: none"> • Tell me something about this organisation and why you chose to work here • What is your view of the term entrepreneur / entrepreneurial? • What do you think entrepreneurial behaviours are? Any examples? • Would you consider this organisation as a whole to be an entrepreneurial in the work you do? Can you give some examples of some initiatives or projects demonstrating this?
<p>Innovativeness</p>	<ul style="list-style-type: none"> • How does the organisation as a whole go about finding opportunities to develop and meet its goals? Any examples of how an opportunity developed into a project? • Within your own role, and in general, to what degree are you able to generate and progress ideas and opportunities? Is this something you encourage in the organisations – any examples of ideas coming to fruition from staff? • Can you give an example of things that you feel might hinder the organisation developing to its full potential? From inside or outside the organisation? • How do you keep up to date with the environment SEs face? • Thinking about new ways of doing things in the SE sector - what is the most innovative activity / approach / product / service your organisation has done in the last few years– can you give some examples? Who do you look up to? • How likely is your organisation to take the initiative in given situations? Do competitors respond to you or vice versa, in general?
<p>Proactiveness</p>	<ul style="list-style-type: none"> • Thinking back over the development of the organisation, can you think of anything you have done first in the sector, maybe in an emerging market or untapped area? Or provided a service no one else in your sector does? • An example of partnerships you have formed for funding or opportunities? Any that were unusual for your sector? • Overall, would you consider you and your organisation to be forward-looking in perspective? How does this exhibit itself in the day-to-day work you do? • Can you think of any examples of activities undertaken by the organisation that led to a change in the environment / sector you are in? • How do your stakeholders react to new projects / initiatives? Have you ever brought in changes that perhaps are difficult for your stakeholders to accept?
<p>Risk Taking</p>	<ul style="list-style-type: none"> • What actions / activities do you see as being risky for a SE to undertake? Can you think of some activities you would consider risk taking that this organisation has gone with? • What would you say is your approach to risk taking activities? Does this align with how the organisation views it? • How is risk taking viewed by your board / stakeholders / service users with regard to preserving the social impact? E.g. charging more for a service, precluding some users? • What has been your approach to growing and developing the business? Is this difficult within the SE constraints, and the lesser ability to take financial risk? • Have you ever undertaken a risk and jeopardised your funding streams – in order to develop the business?

Appendix 2: Pilot Study Interview Questions

- 1 Tell me how the organisation got started – by whom / why and when
- 2 This study is looking at the whole aspect of entrepreneurship in social enterprises – how would you define or describe an entrepreneur?
- 3 Would you consider yourself or anyone in the organisation to be an entrepreneur?
- 4 If we widen that to consider some of the behaviours that are entrepreneurial – what sort of behaviours would they be in your opinion?
- 5 Some of the behaviours are classified as self-determination, risk taking, being innovative and proactiveness, so the next set of questions will look at each of these in turn:

Innovativeness

- 6 Overall would you say your organisation is innovative in its approach? This can be in a wide variety of aspects – product / service innovation or process etc. Within the SE sector this can be better efficiencies / serving more individuals or just enhancing what your currently do
- 7 Is innovation a core aspect of the overall mission of the organisation?
- 8 What is the most innovative activity / approach / product / service your organisation has done in the last few years – can you give examples? This might be in terms of both revenue generation and / or achieving your social mission
- 9 Would you undertake any environmental scanning as part of your work?
- 10 How does the organisation find opportunities to develop e.g. generating new sources of revenue? Do you have any supplementary ventures to help with income that are independent of the core mission?
- 11 Who is responsible for looking for new opportunities for the organisation? How is that organised? Ad hoc? Targets? A plan?

Proactiveness – acting in anticipation of future problems, needs or changes

- 12 How likely is your organisation to take the initiative in given situations? Do competitors respond to you or visa versa, in general?
- 13 Have you ever taken the first move in an opportunity? Maybe in an emerging market or untapped area? Or provided a service no one else in your sector does?
- 14 Have you ever formed partnerships for funding or opportunities, that were unusual for your sector?
- 15 Would you consider you and your organisation to be forward -looking in perspective? Can you give an example of this?
- 16 Has any of your previous or current activities led to a change in the environment / sector you are in?
- 17 With regard to your overall social aims, have you ever brought in changes to be better than other similar organisations?
- 18 Have you ever brought in changes that perhaps are difficult for your stakeholders to accept? Any examples?

Risk Taking – venturing into the unknown / committing a relatively large portion of assets / borrowing heavily – to take advantage of opportunities. Difficult in a social enterprise to provide social benefits as broadly as possible without undermining the organisation's financial viability

- 19 How would you define taking a risk within the context of running a social enterprise – can you give any examples of some you or your organisation have taken?
- 20 What is your stakeholder approach to any risks you have suggested /taken?
- 21 Have you taken any risks that have led to loss of social impact? E.g. charging more for a service, precluding some users?
- 22 What has been your approach to growing and developing the business? Is this difficult within the SE constraints, and the lesser ability to take financial risk?
- 23 Have you ever undertaken a risk and jeopardised your funding streams – in order to develop the business?



Appendix 3

Interview Request

An interview to investigate what entrepreneurial behaviours exist in a social enterprise.

You are invited to take part in a research study within a DBA to consider the entrepreneurial behaviours that exist within social enterprises in Scotland. This is an opportunity to share your own organizational experiences and discuss the types of entrepreneurial behaviour your organisation undertakes. Your contribution is invaluable as one of the social enterprises in Scotland.

Taking part in this pilot study will involve a face-to-face interview, with a number of questions around your organisation's entrepreneurial behaviours. It should take approximately 1 hour. You will get the opportunity to discuss your experiences and share insights into your organization. The interview will take place at a venue of your choice – to be agreed by both parties.

I would appreciate if you would consider participating in this critique of entrepreneurial behaviours. However, before you decide to take part it is important that you understand what the study is about and what you will be asked to do. Please read the **Participant Information Sheet** (enclosed). Feel free to contact me if anything is unclear or you want further information. My contact details are below.

Your participation would be gratefully appreciated.

Thanks in anticipation,

Maggie Anderson

Edinburgh Napier University

Craiglockhart Campus

Edinburgh EH14 1DJ

0131 455 4349

Or ma.anderson@napier.ac.uk

Appendix 4

Participant information sheet

A study of the entrepreneurial behaviours in social enterprises

You are invited to take part in a study considering entrepreneurial behaviours in social enterprises in Scotland. This will be an opportunity to share your experience of leading and working in this sector. I am interested in your views and experiences of entrepreneurship and its associated behaviours within your organization, both currently, and historically.

Taking part in this study will involve participating in a semi-structured where you will have an opportunity to discuss your experiences, and it will last no more than 1 hour. The interviews can take place in your organisation's premises, or a at Edinburgh Napier University campus if preferred.

The interview will be recorded.

Thanks in anticipation,

Maggie Anderson

Edinburgh Napier University

Craiglockhart Campus

Edinburgh EH14 1DJ

0131 455 4349

Or ma.anderson@napier.ac.uk

Participant Consent Form

A study of the entrepreneurial behaviours in social enterprises

I have read and understood the participant information sheet and this consent form.

I have had an opportunity to ask questions about my participation.

I understand that I am under no obligation to take part in this study.

I understand that I have the right to withdraw from this study at any stage without giving any reason.

I agree to participate in this study.

Name of participant: _____

Signature of participant: _____

Signature of researcher: _____

Date: _____

Contact details of the researcher

Name of researcher: Maggie Anderson
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