

**SOCIAL ENTERPRISE PROFESSIONALS:
BACKGROUND, CAPACITY BUILDING AND CONCEPTS OF
ENTREPRENEURSHIP**

By

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ABSTRACT

Social enterprise has emerged in response to funding changes in the social services sector. The field represents an innovative approach to service delivery in Canada and internationally. The purpose of this research paper is to examine the capacity and management styles of people in leadership roles in employment-based social enterprises across Canada. Within the field of social enterprise, practitioners operate with both business and social skills, two skill sets that are rarely combined educationally and professionally. Through interviews, this research compares the background, skills and characteristics of social enterprise leaders with concepts of entrepreneurship drawn from the literature. The paper generates a greater understanding of the learning and culture shifts that occurred for individuals pursuing a career in social enterprise. Findings will be useful for informing educational and training programs for social enterprise development and for social enterprise professionals in determining and meeting their own learning needs.

Keywords

- Social enterprise
- Social purpose business
- Leadership
- Entrepreneurship
- Social economy

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1 LITERATURE REVIEW

1.1 Introduction

By adopting the term 'social economy', the Canadian government has recognized that there is more to business than simply business. In February of 2004, the Government of Canada introduced the term 'Social Economy' in the Speech from the Throne, referring to "an entrepreneurial, not-for-profit sector that seeks to enhance the social, economic and environmental conditions of communities... includes cooperatives, credit unions, foundations, not-for-profit organizations, the voluntary sector, charities, and social economy enterprises" (Western Economic Diversification, 2005). The Social Economy has been in practice for decades and constitutes a \$100 billion activity that has been all but unrecognized by senior levels of government.

In Canada, Quebec is best known for having an established social economy sector. Other provinces are just beginning to grasp its potential to address social and environmental issues. The Liberal Federal Government included \$132 million in the 2004 budget to support the development of Social Economy. Although a relatively small amount, its presence symbolized a formal recognition of the social economy.

In January/ February 2005, a consultation with social economy organizations took place to define and identify the needs of the sector as it currently stands. One recognized deficit is the lack of research. Evidence-based information is needed to better understand social economy needs and practice, and to make the case for long-term benefits and capacity to create meaningful change. However, the recently elected Conservative government cancelled all social economy funds aside from the \$25-30 million originally allocated for research.

Social Enterprises (SE) are social economy organizations that use income-generating activities to provide social benefit. Their motive is to generate revenues to meet social goals. They have a long history, beginning as cooperatives in the UK during the mid-1800s. Universities, hospitals and theatre groups represent common examples of earned income ventures within the not-for profit (NFP) sector. However, recently, the breadth of interest in social enterprise is expanding throughout the NFP sector. SE have become well-known entities throughout Western Europe and the United States, with Canada,

Australia and parts of the developing world exhibiting a growing interest. The use of SE to address economic and social issues is rapidly becoming an international phenomenon.

Even though SE have been operating for well over a century, it is only in the past 15-20 years that researchers have assembled a body of knowledge regarding its practice. The body of literature is growing and contains conflicting views on why social enterprises exist, how the sector is defined, and the potential impacts and outcomes that can be expected. Complicating our understanding of SE is the fact that there are various types of SE, including those that develop employment opportunities for marginalized populations and those that generate profit to support NFP programming. Most SE exist as adjuncts to NFP, however SE often operate under separate structures, with different human resource needs and organizational cultures.

The Oxford dictionary defines a sector as: a distinct part of an economy, society, or sphere or activity (Ask Oxford, 2006). In looking at the specific nature and needs of SE, a case can be made for it being an emerging sector. It is generally agreed that social enterprise has materialized in response to the hollowing out of the welfare state. A shift towards valuing market-driven mechanisms and business-based approaches to problems has forced NFP organizations to act creatively. Funding dollars are subject to political will and social 'trends', and have increasingly moved to short-term, project-based funding that places restrictions on expenditures.

In addition to filling the gap left by the welfare state, NFP are discovering that they have assets with marketplace value and are able to leverage them. By reducing the dependency relationship with government, NFP are gaining more freedom to explore independent solutions to the social problems they work to address. Social enterprise may provide an opportunity for NFP to move beyond funding cycles and engage in longer-term thinking.

NFP are addressing social problems with innovative approaches, however, conducting business is a large cultural shift for the NFP sector. The newness of the SE sector and its human resource needs requires the development of professionals with specific entrepreneurial skills, values and understanding of how social enterprise operates. Research on business entrepreneurs sheds light on characteristics inherent in

successful entrepreneurs. However the context and the motives are different. Even the way of operating in the marketplace is different from mainstream business as SE often target different customers, use different marketing angles and face other NFP/ SE competitors.

In addition to private sector research on entrepreneurs, there is an emerging body of literature on social entrepreneurship. The majority of the literature views social entrepreneurs as people who work towards large societal change over a long period of time, with little mention of the relationship between entrepreneurship and earned income.

One identified gap in the existing body of research concerns the role of social enterprise entrepreneurs: the people who start-up and operate social enterprises. It is commonly heard that 'it is easier to make a business person a social worker than to make a social worker a business person'. However, little research has been done to identify the origins of SE entrepreneurs, although initial studies indicate the NFP sector is the primary source. Understanding the nature of these entrepreneurs represents a critical piece towards developing the SE sector and building success in addressing social needs in today's changing political and economic environment.

1.1.1 Social Enterprise

Presently, there is considerable discussion regarding the definition of Social Enterprise. It is a debated term and can cover a variety of organizations: charities, foundations, cooperatives and mutual societies (Harding, 2004; Dart, 2004).

The UK is home to many of the current thought leaders on SE, and has created a base definition. The Department of Trade and Industry defines SE as "a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners". (Social Enterprise London, n.d.).

The Canadian Federal Government (2005) views social enterprises as "organizations that are run like businesses, producing goods and services, but which manage their operations on a not-for-profit basis. Instead, they direct any surplus to the pursuit of social and community goals" (37th Parliament, 3rd Session).

The Canadian Community Economic Development Network (CCED Net) is advocating for a broader definition, to include many different enterprises that exist on the NGO-public-private continuum and meet the following values within their practice:

- “Service to members of community rather than generating profits
- Autonomous management (not government or market controlled)
- Democratic decision-making
- Primacy of persons and work over capital
- Based on principles of participation and empowerment” (Downing & LePage, 2005, pg.4).

REDF, a San Francisco-based organization, defines SE as “...a revenue generating venture founded to create economic opportunities for very low income individuals, while simultaneously operating with reference to the financial bottom-line” (www.redf.org).

For the purposes of this paper, I will use a slight adjustment to REDF’s definition: *social enterprise organizations are those that generate business to provide employment to people with barriers to mainstream employment.* These social enterprises are specifically referred to as ‘employment-generating’.

There are several different terms that are being used to define the mix of social and business goals: corporate social responsibility, socially responsible business and SE. The full spectrum of organizational structures are outlined, from traditional non-profits and charities to non-profit with income generating activities, social enterprise, social responsible business, corporate social responsibility and traditional for profit (Alter, 2004, pg. 7). Social enterprise and socially responsible business are differentiated by mission motive vs. profit motive; stakeholder vs. shareholder accountability; and income reinvested in social or operational costs vs. profit redistributed to shareholders (ibid, 2004, pg. 7).

SE meet a variety of purposes through different structures and typology. Global Enterprise Monitor UK study (Harding, 2004, pg. 42) looked at 4 types of social enterprises and their source of revenues:

- All public funds and no sales (29.6%)
- No public funds and no sales (private foundation supported) (17.5%)
- Some public funds and some sales revenues (23.3%)
- All sales and no public funds (29.6%)

Typology can be further defined through the relation of business activities to social mission and type, organizational structure and model employed. Mission related-activity looks at how closely the activities of a SE follow the social mission of the NFP. Structure refers to the legal entity of the SE, whether it be a cooperative, wholly-owned subsidiary or separate NFP. Of particular interest are the various models that SE falls into. Alter's (2004) seminal work identifies 11 different models.

<u>Model</u>	<u>Description</u>	<u>Example</u>
Entrepreneur support	Provides services (often financial) and information to other organizations that are interested in developing business ventures.	Women's development organization that creates micro-finance opportunities.
Market intermediary	Helps its target population to access markets by providing retail opportunities	Craft marketing cooperative.
Employment	Generates employment and training opportunities for marginalized populations.	Janitorial business operated by people with mental illness.
Fee-for-service	Commercializes its social services and sells them to its target population or to a third party payer.	Charging for a sliding scale for counselling services.
Service subsidization	Produces products or services to an external market and uses the money to fund social programs.	Leasing the organizational van to other not-for-profits.
Market linkage	Connects clients to markets through information and support, but not by selling the products.	An agricultural organization that sells market information and updates to organic farmers.
Organizational support	Sells products and services to an external market, businesses or general public. Business activities are separate from social programs.	Women's organization that provides property management services
Complex model	Combines two or more operational models.	
Mixed	Multiple entities that exist under a similar mandate.	Museum may have a gift shop, research activities, an IMAX and core museum displays.

Franchise	Assists not-for-profits to enter the market with a tested business model and support.	Ben and Jerry's Partner Scoop Shop.
Private-non profit partnership	A mutually beneficial partnership between a not-for-profit and private business	An environmental organization partners with a travel company to provide "Eco-Enterprise Tours"

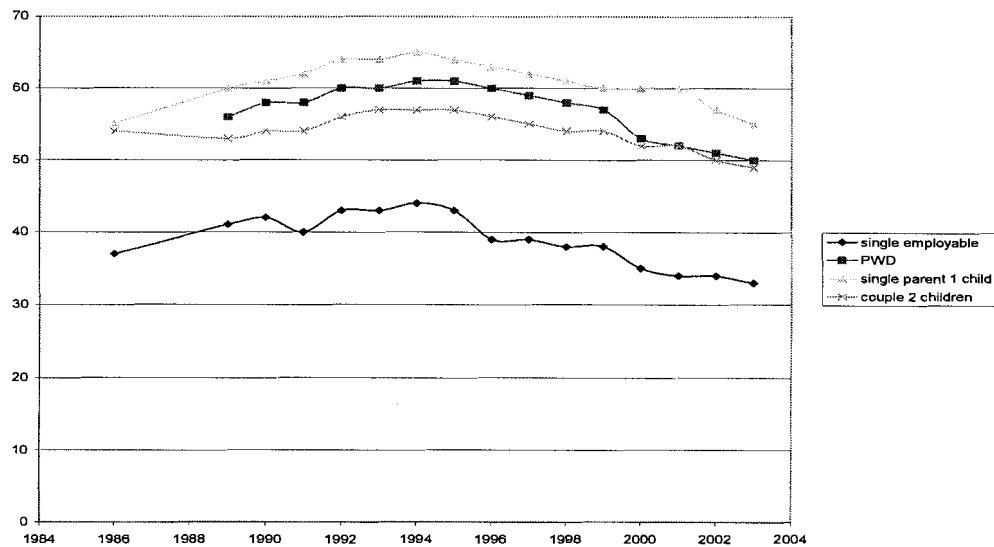
1.2 Societal Shifts Facilitating the Emergence of SE

The process of defining and developing typology indicates that SE is growing in size and impact. The sector is emerging in response to ideological, cultural and funding shifts.

1.2.1 Ideological Shift

One reason for the creation of SE is due to the challenge faced by the traditional welfare state which is associated with a societal shift towards valuing market-driven mechanisms and business-based approaches for addressing social problems (Dart, 2004). Many governments have re-positioned themselves as partners in the provision of community services rather than primary deliverers or funders of those services. The values and traditional redistributive practices of the welfare state are under increasing scrutiny and there has been corresponding pressure on an individual's right to income support. As a result, there have been dramatic shifts in the responsibilities of the voluntary sector. (Gray, et al, 2003).

Figure 1 indicates spending on welfare in BC on various populations as a percentage of income in relation to the poverty line¹. (Source: National Council of Welfare Reports, 2003)



At the root of these social and ideological changes is a call for NFP and government to be 'run like a business'. "The language of the marketplace has put management at the centre of our organizations, corporate business at the centre of society, and defined government and nonprofit organizations as non-productive and burdensome" (Zimmerman & Dart, as cited in Dart, 2004, pg 419). Social sector organizations gain greater legitimacy by operating within the currently valued corporate structures and adopting their language and goals. SE is also seen as providing an alternative power structure to corporations; its values reflect a belief in local initiatives and community participation "not only to enhance opportunities to promote social cohesion and collective action, but also in the belief that local participation is a foundation for positive social policy and social change" (Gray, et al, 2003, pg.148).

In summary, the SE sector is emerging for various reasons (Gray et al, pgs. 143-144):

- 1) The change in funding and retreat of the welfare state has required NFP to act creatively; SE are stepping in to provide welfare services. SE is gaining traction as an innovation that fits within this new model and thought.

¹ BC's poverty line (2003) was \$19,795 for single person, \$19,795 for person with a disability, \$24,745 for single parent with child, and \$37,253 for couple with 2 children (National Council of Welfare Reports, pg. 28).

- 2) Critique regarding the welfare structure inability or ineffectiveness to make a change in marginalized populations is coming from within social services.
- 3) The NFP sector needs a new tool to create sustainable social and economic development and a more participatory approach to change. Individuals and communities are increasingly active in creating change that directly impacts them.

1.2.2 NFP Cultural Shift

The NFP sector has recognized the potential of mainstream markets to provide financial and social solutions for a host of social problems. As recognized by Shore (2003, pg. 7), 'business enterprise by non-profit organizations is one of the least noticed, fastest growing areas of small business today'. The exact size of the SE sector is unknown. However, in looking at charitable organizations that engage in business activities, they accounted for almost \$4.25 billion in gross revenues or 2.9% of BC's GDP in 2002. To compare with other sectors, fisheries accounted for \$601 million (0.5% GDP), tourism brought in \$9.3 billion, and oil and gas generated \$4.5 billion (2.5% GDP) (Pearce, 2006, pg 16; Painter, 2006 pg. 32).

In addition to filling the gap left by the welfare state, NFP are developing marketplace awareness of their assets and how to leverage them. As Mike Burns of Pioneer Human Services explains:

"What we try to tell our clients is that they need to take responsibility for their own lives because, if they don't, nobody's going to take that responsibility for them. It's all about building self-sufficiency. And if we're going to get our clients to be self-sufficient, it's only going to happen if we, as an organization, are prepared to role-model that and take responsibility for being self-sufficient" (King, 2003, pg.22).

Boschee (2006) identifies the cultural shift within a NFP organization from charity to SE as being the biggest challenge to overall success; "traditional NFP distrust capital markets, prefer collaboration to competition, and underestimate the productive ability of their marginalized clients" (pg. 1). The cultural shift is also difficult due to the reliance on volunteer labour, low-paid overworked staff and criticism when public dollars are invested in building organizational capacity (Shore, 2003); there is a danger that some

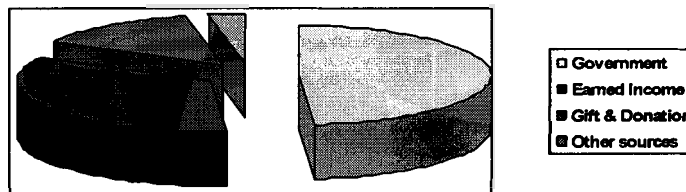
NFP providing a valuable service may not be able to build capacity quickly enough to adapt to the changing environment.

The new SE sector is not being served by existing management models and approaches used by the other three sectors (Borzaga & Solari, 2001): “public sector models rely too closely on bureaucracy and simplification; for-profit models do not account for social mission and values; and traditional non-profit models often fail to deal with the efficiency constraints imposed on SE, focusing on fundraising and social networking”. This highlights the need for SE to be recognized as a new model and sector, and to develop independent models.

1.2.3 Funding Shift

Internationally, SE creation is growing in developing economies. Due to the limited availability of, restrictions on, and limited duration of resources, non profit organizations are turning to the possibility of social enterprise to meet their social goals and resource needs (Etchart and Davis, 2003; Gannitsos, Pearce & Sawyer, 2005). In the developed world, social service organizations are trying to meet an increased demand for services on unstable funding dollars.

Figure 2: NFP Sector Revenue Sources (Statistics Canada, 2004)



As Figure 3 demonstrates, a major source (49%) of NFP revenues come from government grants. Earned income accounts for 35% and includes membership fees, sales of goods and services, investment income and charitable gaming. Gifts and donations account for 13% and additional 3% come from other, unidentified sources.

Other statistics indicate that social services budgets are comprised of 66% of government funding compared to the 82% of hospital revenues and 70% of health-

related organizations (Statistics Canada, March 2004). Most organizations stated that funding was an issue; with 20% stating that it was a 'serious problem'.

The nature of available funding has also changed. Whereas the social problems faced are often deep-rooted and require long term solutions, funding dollars are usually short-term and subject to political will and social 'trends' (Shore, 2003). The Canadian Council on Social Development (1999) looked extensively at the changing nature of funding in their national survey on the NFP sector. Through discussions with key informants, case studies and focus groups, there was a consensus that there is a 'new funding regime characterized by:

- Increased targeting of funds
- Shift from core funding to project-based funding
- Increased attention on funder accountability and reporting, results-based management and governance models
- Greater emphasis on partnerships in requests for proposals and in funding mechanisms
- The continued perception of NFP as largely voluntary organizations
- Greater emphasis on market models to encourage greater self-sufficiency and more efficient modes of operation". (Canadian Council for Social Development, pg. 35-36).

The available dollars are shrinking due to both an ideological change at the funder level and a growing sector; there are over 80,000 NFP in Canada alone (Canadian Centre for Social Entrepreneurship, 2001, pg. 4). In addition, competition between NFP and the for-profit sector is intensifying as private companies start to provide services traditionally in the domain of NFP: children's services, health, education and corrections (Canadian Centre for Social Entrepreneurship, 2001, Gannitsos, Pearce & Sawyer, 2005).

1.3 Benefits and Challenges of Social Enterprise

Among these shifts and resulting discussions, there is recognition of the benefits of SE. Community Wealth Ventures (2003) developed several insights, starting with 'earned income is not a fad'. NFP are using in-house assets and talents to earn income, however

the new job responsibilities are creating an influx of talent into the social realm. Knowledge of earned income ventures is becoming important for Executive Directors and Programme Managers; even when a business manager is hired to run the enterprise, Directors need to understand the workings of the business. As well, people traditionally employed in the private sector are being drawn into the field. Earned income is not for all NFP; organizations need to have an entrepreneurial culture, strong leadership, commitment to the concept, and assets to leverage. Community Wealth Ventures discusses the following keys to success:

- Business venture operates independently or as its own department
- Business venture has a champion
- Energy and support must come from the entire organization and board
- Venture is adequately capitalized
- Skilled staff are hired
- Venture's goals are clear (pgs. 16-17)

Etchart and Davis (2003) add to these insights by listing the following benefits of social enterprise: increased income; diversified funding base; greater flexibility in allocating income; improved organizational planning, management and efficiency; improved financial discipline and oversight; increased and improved benefits for stakeholders; improved relations with philanthropic donors; and increased self-confidence and greater value placed on work.

Most of the SE research has been focused on financial outcomes, success defined by the bottom line and NFP organizational efficiency. A danger in measuring only financial outcomes is that the focus is on organizational growth and diversified resources rather than improved economic and social status for people and communities (Gray et al, 2003). Earning income may not translate into being good at providing social services; there is the possibility that NFP doing excellent community-based work will lose in this new competitive environment to bigger organizations with assets and recognizable brands. Gray et. al (2003) argues that if the SE does not create social and economic benefit to clients, it does not meet the criteria of a social enterprise.

Making a profit, creating wealth, or serving the desires of customers may be included, but these are means to a social end, not the end in itself. Profit is not the only gauge of value creation, neither is customer satisfaction; social impact is *the* gauge. Markets work well for for-profit enterprises, and the value created in the marketplace is easily measured by how much people are willing to pay for a product (Dees, 1998). If the cost is too high or the product is of poor quality, the business fails and resources are reallocated into other business ventures. With social entrepreneurs, the market does not account for social improvements easily, and it is hard to determine if a SE is creating sufficient social value to justify the use of resources (Dees, 1998).

Due to the relative newness, the sector remains inadequately serviced by both NFP and private sector tools including taxes, organizational structure, educational institutions, management models, financing instruments and adequate measurements. Defining needs and creating the tools to measure SE is an important aspect in understanding and building the sector.

Dart (2004) challenges the idea that SE are an answer to funding shortages and alternatively suggests that they may be an innovation driven by funder agendas and therefore rewarded by funders. SE fits with funder desire to fund innovative projects on a short-term basis, as SE are thought to be able to become 'self-sufficient', and NFP "feel compelled to launch earned-income ventures, if only to appear more disciplined, innovative and businesslike to their stakeholders" (Foster & Bradach, 2005, pg.1). What is being missed in the optimism is the amount of failure that NFPs are experiencing in developing SE. A 2001 study of 41 SE determined that 71% of SE were unprofitable, 24% believed that they were profitable and 5% were breaking even (*ibid*, pg. 4).

Earning income may be difficult for NFP due to several factors (Foster & Bradach, 2005). The conflicting priorities may make it difficult to focus on both social and financial bottom line. By meeting social objectives through business, lower productivity and higher operating costs place them at a disadvantage against private business competitors. This may be acceptable if social objectives are the sole priority, but expectations must be re-aligned towards measuring social and financial objectives together. As well, a distinction between revenues and profits is important. \$100,000 in revenues may look impressive but may only yield a 10% profit. If the business goal is to contribute dollars to the parent NFP, it would be quicker and easier to generate those dollars through traditional

fundraising mechanisms. It quickly becomes clear that NFP doing business is a difficult method by which to raise income, and failure rates reflect this. SE is most effective when income-generating activities are tied tightly to organizational mission and aim to obtain social goals (Gannitsos, Pearce & Sawyer, 2005).

1.4 Developing Sector, Developing Professionals

As mentioned earlier, the emerging SE sector has been borrowing professionals primarily from the NFP sector. As a significant number of NFPs move from fundraising and reliance on donations to the delivery of goods and services, there is a shift from fundraising and advocacy to management of quality and customer satisfaction, and an increase in operational efficiency (Borzaga & Solari, 2001). SE need professional expertise and support to become viable, and can do this either by improving managerial capacity or bringing in outside expertise. Most NFP look inside their organization to staff their business ventures; only 44% hired someone externally (Borzaga & Solari, 2001) and perhaps due to the difficulty in building the skills sets required by the new venture, the majority of NFP SE experience a change in management since start-up (Shore, 2003).

Current literature from the NFP sector only touches on SE management issues. NFP focus on fundraising, volunteer management, and have a hierarchical structure of volunteer Board of Directors managed by an Executive Director. This management structure is difficult to adapt as NFP governance structures are not designed to respond to the marketplace. SE goals take into consideration business as well as social, staff roles and responsibilities are unique, and organizational models are different (Borzaga & Solari, 2001). SE gains legitimacy by creating common governance structures and working for shared definition of the distinctive make-up of the sector. SE managers must continue to provide innovative solutions to social problems for the public sector, but recognize that the public sector is no longer their primary stakeholder. Other stakeholders include employees, customers and communities; their needs must be incorporated into management goals in a balanced manner.

Likewise, the private sector has challenges in transferring innovative managers into the SE sector. SE values require a balance between business and social outcomes that results in managing people and business activities in a vastly different way. Firing

someone for poor work performance is difficult if the business is designed to create employment for people with barriers to work, even though the business may be impacted. It takes a certain skill set to empower people through employment.

It is difficult to find people that possess both business and social skill sets and managers often come with one set and need to build the other side.

This combined skill set is usually found in people who have either a combination of business and social service education or a lot of experience. If they are highly skilled, then they need to be well-compensated in order to retain them. There are issues of low-pay and often there are two pay scales: one for the professionals and management, and one for the employees (Borzaga & Solari, 2001). As the sector evolves, this will need to be addressed.

Managers walk a balancing act between the need to be participative and open to feedback, as well as able to make decisions quickly and move the organization forward. "The ideal manager is *probably* (my emphasis) a... manager, who has a positive attitude towards people, encourages participation and learning, is open to suggestions and criticism, and allows for experimentation from his/her employees" (Borzaga & Solari, 2001). The use of *probably* indicates a lack of concrete knowledge backing this statement and makes the case for the development of more definitive knowledge.

Presently, the terms 'manager' and 'entrepreneur' are used interchangeably to describe those that operate SE. Boschee & McClung (2003) differentiate between 'innovators', 'entrepreneurs' and 'professional managers'. Innovators are the dreamers that come up with ideas, but have little interest in the implementation or financial viability of the venture. Entrepreneurs take the ideas and make money from those ideas. Professional managers create the systems and infrastructure to secure the venture's viability into the future. Due to scarce resources, NFP will often place the most available person into a position without looking at their personal attributes and the potential problems that may arise from the wrong 'fit'.

In developing and building professionals for the SE sector, it is useful to look at the skills and characteristics of successful professionals in the private and NFP sectors. Due to the start-up and innovative nature of SE, literature on entrepreneurship may highlight

private sector strengths. Likewise, literature on social entrepreneurs will identify the NFP strengths.

1.4.1 Private Sector Entrepreneurs

Similar to SE, there is no single definition of entrepreneur. Dees, et al (1998, 2001) outlines a general history of entrepreneurship:

- In the 19th century, French economist Jean Baptiste Say used the word entrepreneur to describe “the venturesome individuals who stimulated economic progress by finding new and better ways of doing things; they shift economic resources out of an area of lower and into an area of higher productivity and yield’. Entrepreneurs make money.
- Early in the 20th century, Shumpeter added the concept of innovation to the increase in value.
- Peter Drucker does not require entrepreneurs to cause change, but sees them as exploiting the opportunities that change (in technology, consumer preferences, social norms, etc.) creates. He says, “this defines entrepreneur and entrepreneurship—the entrepreneur always searches for change, responds to it, and exploits it as an opportunity.”
- Howard Stevenson found that entrepreneurs not only see and pursue opportunities that elude administrative managers, and do not allow their own initial resource endowments to limit their options.

Dees et al (2001) concludes that ***‘entrepreneurs are innovative, opportunity-oriented, resourceful, value-creating change agents’***.

In 2000, Barron published results of a study that answered two questions: 1) Do entrepreneurs think differently than other persons?; and 2) Do successful entrepreneurs differ from less successful ones in such respects? The answer to both was ‘yes’.

Barron (2000) found that entrepreneurs demonstrate overconfidence in their own judgments and perceive greater potential for gain in uncertain situations. They are less likely to engage in counter-factual thinking, which encourages them to engage in higher-risk activities. This ability may be what distinguishes successful entrepreneurs from

unsuccessful. Another theoretical determinant of success is the ability to interact positively with others. Most enterprises are founded by two or more people which demonstrates the ability to get along with others. Entrepreneurs must interact with many people outside of their individual ventures including bankers, customers, suppliers, and therefore social skills are critical. Barron's theory was that higher social competence would translate into higher entrepreneurial success. In his research, he looked at:

- Social perception: accuracy in perceiving others
- Impression management: techniques for inducing positive reactions in others
- Persuasiveness: ability to influence other's behaviour
- Social adaptability: feel comfortable in a wide range of situations (pg. 17-18).

Barron (2000) found that social perception was a significant indicator for financial success as well as social adaptability, and concluded that social competence was an important factor in success determination. With this knowledge, tools can be developed to train potential entrepreneurs to gain these skills and increase their potential for success.

Allinson, Chell & Hayes (2000, pg. 31) found that entrepreneurs are: 1) more intuitive than general managers; 2) no different in cognitive style from senior management and executives and; 3) more intuitive than junior and middle managers. The distinguishing characteristic of entrepreneurs in high growth firms is the capacity to think and process vital information with a strong intuitive reflex. They made the case that entrepreneurs must have strong intuition since situations often call for making decisions in environments that are ambiguous, have incomplete information, are time pressured and with uncertain outcomes.

Chell (cited in Allinson et al, pg. 33) noted several indicators of successful entrepreneurial activity:

- "Motivation or intention to create wealth and accumulate capital;
- Ability to recognize opportunities for wealth creation;
- Judgement in knowing which opportunities to pursue;

- Able to see opportunities where others cannot;
- Intuition is used early on in enterprise development and growth”.

To expand on Dees’s definition: ***entrepreneurs are innovative, motivated, opportunity-oriented, resourceful, socially competent, intuitive, value-creating change agents.***

1.4.2 Social Entrepreneurs

‘Social entrepreneur’ is a fairly new term that recognizes the entrepreneurial nature within the NFP sector. Similar to defining social enterprise, ‘the exercise of measuring social entrepreneurship is fraught with difficulty; one person’s definition of a social entrepreneur is another person’s definition of volunteer or aid worker’ (Harding, 2004, pg.40).

Johnson (2000) identifies the commonality among all the definitions: “the ‘problem-solving nature’ of social entrepreneurship is prominent, and the corresponding emphasis on developing and implementing initiatives that produce measurable results in the form of changed social outcomes and/or impacts” (pg. 4). Social entrepreneurs take action to:

- Start and operate revenue generating activities within the NFP sector to support the mission of the parent company by adding additional revenue;
- Operate NFP in a more efficient, business-like manner, to either reduce costs or diversify income sources;
- Provide a creative and innovative approach to long-standing social issues, often through economic activities
- Innovate for social impact; and/or
- Catalyze social transformation (Fowler, 2000, as cited by Johnson, pg. 7 & Alvard, Brown & Lets, 2002, pg.4).

The literature states that individual social entrepreneurs combine a strong desire for social justice with business entrepreneurial attributes. The lack of initial resources is not a roadblock; there is an urge to experiment and a high tolerance for uncertainty. Social entrepreneurs have an unwavering focus on vision and mission, a strong desire to be in

control of their own environment and the ability to influence people (Johnson). In terms of leadership characteristics, social entrepreneurs demonstrate capacity to work across sectors, adaptive skills which enable them to innovate over the long-term, and a long-term commitment to their cause (Alvord, Brown & Letts, 2002).

To bring this all together, (Catford as cited by Johnson, pg. 10):

“Social entrepreneurs combine street pragmatism with professional skills, visionary insights with pragmatism, an ethical fibre with tactical thrust. They see opportunities where others only see empty buildings, unemployable people and unvalued resources....Radical thinking is what makes social entrepreneurs different from simply ‘good’ people. They make markets work for people, not the other way around, and gain strength from a wide network of alliances. They can ‘boundary-ride’ between the various political rhetorics and social paradigms to enthuse all sectors of society”.

Dees (1998) expands the definition of social entrepreneurs by focusing on their characteristics. He sees the profit motive versus the social motive as the primary difference between business and social entrepreneurs; social entrepreneurs view profit by which to achieve greater social gains. Social entrepreneurs are NFP change agents who:

- Adopt a mission to create and sustain social value (not just private value),
- Recognize and relentlessly pursue new opportunities to serve that mission,
- Engage in a process of continuous innovation, adaptation, and learning,
- Act boldly without being limited by resources currently in hand, and
- Exhibit a heightened sense of accountability to the constituencies served and for the outcomes created (Dees, 1998, pg. 4).

Boschee & McClung (2003) challenge Dees’s above listed qualities of social entrepreneurs by noting that earned income is omitted; ‘it lets nonprofits off the hook...and allows them to congratulate themselves for being entrepreneurial without ever seriously pursuing sustainability or self-sufficiency’ (pg. 2). They see social entrepreneurs as being any person in any sector that uses earned income to meet social

objectives. Earned income strategies must be tied directly to social outcomes and not utilized as philanthropic afterthought; a double bottom line of both social and financial outcomes must be used to measure success.

1.5 Summary

When placed within the context of SE, business and social entrepreneurship definitions shed light on the professional needs of the sector, yet leave room for more focused thought. Business entrepreneurship literature speaks to the nature and characteristics of business leaders, but it is unclear if the same motivations and skills can be applied to the SE sector. Likewise with social entrepreneurship literature, a large focus is on creating social change and not on earned income. An individual may be an excellent social entrepreneur as far as developing innovative solutions to address, for example child abuse, yet do not possess any business-related skills. SE is looking for the combination of business and social skills in its professionals.

Due to societal and NFP sector changes, SE has emerged to address current social needs. SE is struggling to create common definitions and understand the perimeters and realistic impacts of this sector. Presently, optimism is dominant in the literature and SE is in danger of being seen as an answer to funding issues. As pointed out by (Foster & Bradach, 2005), conducting business is difficult, with many failures, and expected profits are often lower than hoped for. While SE might not be the answer for funding shortfalls, it nevertheless has the potential to become a driving force in reducing the marginalization of certain populations.

As a growing sector, SE has the potential to make an important societal impact. It is here that professional skills are most difficult to obtain. In developing a SE sector that provides employment to people with barriers to employment, SE leaders are being asked to be both business people and social workers. If SE is here to stay and fills an existing gap, then it is essential that the people responsible for the innovation and operations of SE are recognized as professionals and equipped with the training and skills to build a successful sector.

Other gaps in information exist. There are few institutional mechanisms to support innovative and entrepreneurial work. More focus is needed for capacity building such as

developing business and leadership skills, creating conditions to harness entrepreneurial talent, developing models of good practice, educational and fellowship opportunities. A better understanding of implementation issues such as culture clash between NFP and for-profit sectors, lack of NFP investment in its own sector, lack of basic management tools, appropriate evaluation tools (qualitative and quantitative), lack of common discursive framework shared by all sectors needs to be developed. Johnson (2000) identified the following research gaps: social entrepreneurs and leadership, how to best build institutional capacity, absence of Canadian research, monitoring and evaluation of projects, models of good practice, guidelines for partnerships and collaborations, and tracking the movement from old models and thought related to social work to new models and thought.

There are also gaps in understanding the characteristics of SE leaders: where they come from, what skills and experience they bring to the sector, what challenges are faced, the values they hold, support needed at various points of enterprise development, the nature of leadership within SE organizations, and the cultural transformation at both an individual and organizational level. By understanding more about who the pioneers are, structures can be put in place to help develop education and training opportunities, support the development of new SE professionals, assist employers with the hiring and selection process, and to ultimately, help the sector in building social and economic inclusion for all.

This research paper will aim to contribute to the knowledge gaps identified above by:

- Understanding the capacity building needs of social enterprise leaders as they develop business and leadership skills;
- Developing a better understanding of implementation issues, such as culture clash between the NFP and for-profit sectors;
- Identifying some of the conditions needed to harness entrepreneurial talent;
- Defining and recognizing entrepreneurship as it pertains to employment-generating social enterprise;
- Discerning training and educational requirements of social enterprise professionals entering the field.

2 RESEARCH DESIGN

2.1 Introduction

The literature review has identified several gaps that a Canadian-based study can address. In order to move the social enterprise sector into maturity, professional expertise needs to be recognized and replicated. This research project will seek to answer the following question: ***What is the learning and capacity building experience of social enterprise professionals, taking into consideration their education, professional background, and current context?***

Due to the subjective nature of personal experience, a qualitative approach guided the research design and methods. I conducted semi-structured telephone interview with eleven social enterprise professionals (SEP) across Canada; people who are regarded as successful by other sector professionals and have been acting in a leadership position in an social purpose enterprise for at least 3 years. I collected interview information, coded and analyzed findings using grounded theory technique, and outlined practical thematic applications. A community advisory team of individuals familiar with the Social Enterprise (SE) sector read the findings for validity and reliability and provided feedback.

2.2 Research Design and Methods

2.2.1 Qualitative Research

Qualitative research is the 'unfolding of events according to the perspective of the individual (Bryman, 1989). Rossman and Rallis (1998, as cited by Creswell, 2003, pg. 181-182) have determined a number of characteristics that identify qualitative inquiry:

- Qualitative research takes place in a natural setting
- The methods are multiple and human-centred, and usually involve the active participation of the research subjects
- Research is emergent rather than tightly pre-configured; research questions, data collection and emerging theories can change as the research progresses

- Qualitative research is interpretive in nature and involves the personal perspective of the researcher in this interpretation
- Research is broadly focused rather than micro-analysis
- The role of the researcher requires ongoing reflection and self-awareness
- Complex reasoning is required
- There are a number of strategies that can guide the research process

Within the qualitative research field, there are five distinct strategies: ethnographies, case studies, narrative research, grounded theory, and phenomenological research. The latter two strategies may lend themselves to this research project.

Phenomenological research identifies core human experiences concerning a phenomenon. A small number of subjects will expose patterns and relationships of meaning, often through long exposed interactions with the researcher (Creswell, 2003). Grounded theory is where the researcher “attempts to derive a general, abstract theory of a process, action or interaction grounded in the views of the participants in a study” (Creswell, 2003, pg. 14). Two aspects of this strategy are evolving data comparison with emerging categories and the sampling of different groups to explore differences and similarities of information. This research study drew on grounded theory through the exploration of an abstract theory of process, action and capacity building through a single group of people sharing common characteristics.

One factor to consider in choosing a research strategy is the role of theory. This research project is not based upon an explicit theory, but rather an attempt to develop a theory based on findings. However, in this, I propose that *most social enterprise entrepreneurs are emerging from the non-profit sector than the business sector, yet their non-profit skills and experience provide a strong base from which to develop business acumen*. This research aims to reveal not only the skills and capacity built, but also acknowledge and define the skills and capacity that already existed.

Basic research is driven by theoretical concerns and applied research, which is concerned with solving problems (Bryman, 1989). Bryman makes the case that unless the research is specifically focused on solving a direct problem, all research could be “potential applied research” (pg. 245). Practical relevance can be determined by readers

or may become more relevant depending on unfolding circumstances. In doing eleven interviews, there may be merely eleven different experiences that bear no relation to each other, or to the social enterprise sector. However, it is assumed that there is a common experience that can inform social enterprise hiring, training, capacity building and educational programs. The research findings may be applied to the field of social enterprise, and be relevant to non profits looking to engage in business activity and vice versa.

Bryman (1989) identified 4 types of qualitative research studies: total participant, semi-participant, interview-based, and multi-site. This research project was conducted as an interview-based study and employed the use of semi-structured interviews and supporting documents as the sources of data.

2.2.2 Interviews

Interviewing is the primary method of inquiry to gather information. Bigham & Moore (as cited by Lindlof & Taylor, 2002, pg. 171) describe qualitative interviewing as “conversation with a purpose”. The key to interviewing effectively is to clearly identify the purpose, and develop conversation that is collaborative and where both parties see the value in the interview (pg. 172).

Interviews are most effective to “understand the social actor’s experience and perspective” (Lindlof & Taylor, 2002, pg. 173). Subjects are selected due to the centrality of their experience to addressing the problem at hand and because the knowledge they hold can only be shared by those who have had the experience. This is expressly the reason for choosing interviewing as my primary method. Due to the relatively new recognition of social enterprise as an emerging sector, the skills needed and capacity building experience has not been well documented and is specific to the experience in a leadership role in a social enterprise. This experiential knowledge is key and is usually uncovered through stories, accounts, and explanations (Lindlof & Taylor). Stories place human experience in “context, action and intentionality, accounts are excuses or justifications of social conduct, and explanations are behaviour, knowledge and interpretation-related” (*ibid*, pg. 173).

Another purpose of interviewing is to “gather information about things or processes that cannot be observed effectively by other means” (Lindlof & Taylor, 2002, pg. 174). Due to the individual change experience that I am interested in understanding, this is best understood by individuals sharing their experience. Observation would need to occur over a long period of time, and in a variety of settings in order to gather the information available in an interview (pg. 175). Interviewing in this situation is therefore more practical and appropriate.

Respondent interviews have five general goals (Lazarsfeld, as cite by Lindlof & Taylor, 2002, pg. 178), of which one must be met in order to be classified as a respondent interviewing method:

1. To clarify the meanings of common concepts and opinions
2. To distinguish the decisive elements of an expressed opinion
3. To determine what influenced a person to form an opinion or act in a certain way
4. To classify complex attitude patterns
5. To understand the interpretations that people attribute to their motivations to act

A respondent interview is commonly used as the primary research method in a study and is limited to one or two interviews (Lindlof & Taylor, 2002). Most respondent interviews follow an interview schedule in order to compare findings across interviews.

Important elements of a respondent interview is brief interview encounters, few and/or uniform questions, interviewee anonymity and a focus on subjective perceptions (Lindlof & Taylor, 2002). Research subjects were identified by the length of time they have acted as a social enterprise practitioner, the length of operation of the social enterprise, and the leadership role occupied. Appropriate experience is the key selection criteria when identifying interviewees. In terms of leadership, subjects must be or have been involved in the management of operations and provided a key leadership role in business development. Respondents are able to provide background on the social enterprise they have been involved with, as well as their own personal experience in providing entrepreneurial leadership to the organization.

The interviewees selected are all leaders within employment-generating social enterprises. Interviewing leaders from a common social enterprise model ensures a similar context. This allows for analysis to focus on the practitioners' experience rather than the differences between social enterprise models. As well, this employment-generating social enterprise requires a fusion of social and business skills that may not be present in other social enterprise models. Leaders need to both employ and manage people traditionally served by social service agencies, and operate an effective business. By focusing on employment-generating social enterprise, my interest in the process of combining business and social service skills and knowledge is met.

Once interview subjects are identified, interview design needs to ensure that the information collected is relevant. Interviews were semi-structured. Semi-structured interviewing uses an interviewing guide but allows for departures from the interview as themes arise. The interview was collected into themes to be addressed, with key questions asked. In addition, there are a series of sub-questions to act as a guide and allowance of departure from the schedule. The questions do not need to be asked in a specific order but are designed to respond to individual interview-flow. A combination of the following non-directive question types will guide the interview (Lindlof & Taylor, 2002, pg.195-202):

- *Grand tour* question gives an overview of the setting, in this case, the social enterprise history and interviewee professional background
- *Mini-tour* questions explore in more depth aspects of the individual and relation to the social enterprise
- *Memorable-tour* asks about a 'turning point' experience
- *Time line* questions provide context to the story/ experience
- *Example* questions connect theoretical statements to an experience
- *Posing the ideal* asks for future suppositions as well as an exploration of beliefs and values.
- *Experience* questions explore examples in greater depth and with greater personal reflection

Creswell (2003) recommends that the researcher ask one or two central questions followed by five to seven sub-questions. These questions should be related to the specific qualitative strategy that is being employed. It is important to ask questions that are clearly stated, use simple language, are to the point, and contain only one question at a time (Bryman, 1989). The use of open-ended questions (what or how) will encourage thoughtful, non-directed responses.

Due to the national nature of this research, interviews were conducted via telephone. They are cheaper than personal interviews, more quickly administered and the effects of personal and social characteristics of interviewers on respondents are less than in-person interviews (Bryman, 1989). On the negative side, development of rapport can be more challenging, and non-verbal cues are unavailable, requiring a complete reliance on the verbal discussion. (Monette, Sullivan & DeJong, 1994). As well, interviewees may not be as forthright with someone they have never met or do not know very well.

Interview style has an impact on the type and depth of information shared. Developing rapport and highlighting commonalities can move an interview out of a question/answer format into a process where interviewer and subject work towards a common goal (Lindlof & Taylor, 2002). The interviewer is responsible for developing rapport, first by stating the purpose of the research and outlining communication rules including encouragement to ask any questions regarding the study, a commitment to not interrupting, the freedom to use any words and terms to describe an experience (Lindlof & Taylor, 2002).

A major disadvantage to interviewing is interviewer bias; interviewers may “misinterpret or misrecord something because of their own personal feelings about the topic” (Monette, Sullivan & DeJong, 1994, pg. 178). As mentioned earlier, the respondent can be affected by the interviewer and vice versa. It is important to remain cognizant of personal biases and to maintain checks on data collection to ensure a fair collection and interpretation of the information.

2.2.3 Recording Data

Interviews were conducted and electronically recorded over the phone. Permission to record conversations was acquired through a prior email containing the consent form

and study information. The consent form was signed by participants and faxed or emailed back. The first step in the telephone interview was to inform participants that the interview was being recorded, and to answer any questions regarding the study, with full disclosure of what the information will be used for and guarantee of anonymity.

Individuals were interviewed to determine what influenced and supported them to become entrepreneurial leaders in their social enterprise organizations. The interview protocol used included a heading, opening comments and instructions to the interviewer, the key research questions, follow-up and probing sub-questions, space for recording the interviewee's comments, and space for researcher notes. A copy of the interview protocol is included in Appendix A. Even though the interviews were recorded, notes were an important back-up in case of technological malfunction and for referring to follow-up questions.

2.3 Challenges

There are a number of challenges in conducting research in regards to organizations (Bryman, 1989). The first is gaining access to interview subjects. One benefit of doing research in the field of social enterprise is that I am a colleague of many of my interview subjects and I am in contact with people who can recommend me as a credible researcher. Due to the small number of interview subjects, I did not anticipate a problem in finding interview subjects. One issue of being a colleague is that people may have been reluctant to share their vulnerabilities with someone who is in their professional field; this is where relationship-building skills are important.

The second challenge is that of interpretation. The information is being presented by interviewees and interpreted by the researcher. The first obstruction to interpretation is the delivery of information. Interviews provide 'indirect' information filtered through individual experience, which may or may not be accurate. As well, people are not equally articulate, perceptive, or able to process quickly in response to questioning (Creswell, 2003).

The other consideration is the perspective of the researcher. I came to this research project with a professional background in the subject, and my own theories and hypothesis regarding employment-based social enterprise, some I am aware of, some I

am not. This begs the question of: how do I know if I am interpreting the information accurately? It is important to have checks and balances to ensure that I am not seeing the information as a confirmation of my own thoughts and experiences. My community advisory committee is an important part in providing an external lens on this research, while knowing me well enough to hear my 'voice' within the writing.

The third challenge is that of data analysis. There is the possibility of being overwhelmed with data, or by use of semi-structured interviews, have data that does not relate directly to the research question, but is still deemed important. The potential overwhelming nature of this research was controlled by narrowing the interview field by number of interviews and type of social enterprise. The number of interviews was contained to a maximum of fifteen, 45 minute to 1-hour interviews with individuals in leadership and entrepreneurial positions in employment-based social enterprises. This contained the amount of data collected, and analysis and coding systems helped to filter the data. This will be discussed in more detail further on.

One issue with interview subjects is the likely gap between what they say and do, and what they remember and actually did (Bryman, 1989). Cognitive studies have indicated that interviewees recall long-term, stable patterns well but may miss the specifics (Lindlof & Taylor, 2002). Interviewees are individuals who have been in the social enterprise sector for a number of years. However, I am interested in their learning process of becoming entrepreneurs and the challenges they experienced in developing their leadership and entrepreneurial styles. I asked individuals to reflect on their past process, which was often several years in the past. Their memory offered a reflective story and may not be an objective or accurate portrayal of the learning process. The approach recommended to reduce this inaccuracy is to couple interviews with workplace observations, however due to the national and international nature of this research, and the short time-line of this research, this was impossible to achieve.

In semi-structured interviews, there was a danger that follow-up, unstructured questions will be asked based on the interviewer's interest and confirmation of beliefs and values, rather than following the path of the respondent. It is important to be mindful of this in the interview and follow the direction of the respondent. I electronically recorded the interview, conducted a key word transcription, and noted themes that I missed the first time.

2.4 Analysis

Due to the open-ended nature of the research question, and relatively small sample size, analysis was conducted through a grounded theory research lens. The analysis searched for patterns that may form a theory, flexible in light of new information and subject to ongoing change. The following steps guided the analysis process:

- ❑ Organized and prepared data for analysis by transcribing interviews and typing up interview notes
- ❑ Gained a general sense of the information by reading through everything, making reflective notes
- ❑ Began analysis by coding. Coding refers to “categorizing behaviours or elements into a limited number of categories” (Monette, Sullivan & DeJong, 1994, pg. 197). Each coded behaviour/element should only fall into one category. The categories were based on major themes, minor themes, and unique themes. Themes reflected skills, lessons learned, support given, shifts in thinking and decision-making, cultural/ world view shifts, pre-knowledge, new knowledge and concepts of entrepreneurship. These categories and codes changed depending on the information provided.
- ❑ Linked themes to context
- ❑ Began the process of explaining the information and analysis using narrative, quotes and discussion of similarities and differences related to themes
- ❑ Identified lessons learned from research, emerging theory and application to greater context (i.e. case study application or comparison to current education and training curriculum)

2.4.1 Reliability/ Validity

Reliability and validity is difficult to determine as I focused on individual personal experience and perception. This varied from individual to individual, yet has little bearing on the validity of their experience. However, in order to ensure that this study has validity to the social enterprise field as a whole, the selection of subjects was very important. People interviewed must be viewed as social enterprise professionals by their peers, and

have enough experience to be able to speak in an informed manner of the skills and learning needed to be a strong social enterprise professional. Criteria for being interviewed were at least three years in a leadership position in an employment-based social enterprise that has been in existence for at least three years. These criteria determined a certain level of success of the social enterprise (i.e. it survived the start-up phase) and indicates a leader's contribution to this success.

Ideally, findings were to be returned to study participants to solicit their feedback and further thoughts. This information would have been either integrated into the study or recorded separately in the conclusion. Unfortunately, time constraints did not permit this step to take place.

In addition to member checking, I asked four professionals highly regarded in the field to review the findings and give feedback. People who are the best informants have experience in the sector and are reliable sources of local memory and are "well-respected by their peers, superiors, and/or subordinates, and are plugged into one or more key social networks" (Lindlof & Taylor, 2002, pg. 177). This feedback was acknowledged and incorporated into the paper through the revision process.

2.4.2 Summary

In developing the research design and methodology, it was essential that the research questions and process remain grounded in practical application. For this reason, grounded theory provides an evolving framework from which to follow the process of analysis depending on research findings. The coding and analysis process segregated knowledge according to responses to interview questions and then further by identifying commonly used words, phrases and shared meaning.

Practical application was supported by inviting community members involved in the social enterprise sector to read and provide comments regarding the findings. This first stage of feedback is a gage by which to assess the applicability and interpretation of findings against greater sector knowledge. It is my hope that the findings and accompanying interpretation are of value and assist in deepening the understanding of social enterprise.

3 FINDINGS

3.1 Introduction

As outlined in the methods chapter, 45 minute to hour-long interviews were conducted with 11 participants. Participant criteria required that each interviewee was in a leadership position for a minimum of three years in an employment-based social enterprise that had been operating for at least three years. The criteria screened potential interviewees by ensuring that they had both commitment to and success within the social enterprise model. Participants were recruited from across Canada. Employment-based social enterprises exist to employ people with barriers to employment; this can include people living with intellectual disabilities, addictions, homelessness, poverty and mental illness. Please see Appendix B for an overview of the enterprises represented and their target employee population.

The interviews were structured into four themes: social enterprise context, professional background, lessons and learning, and concepts of entrepreneurship. This overview of results will reflect on the following: setting the context, the learning process, and discussions of entrepreneurship. Discussion of results will be concurrent to the presentation of results, followed by a more in-depth analysis of intersecting themes.

3.2 Discussion of Findings

3.2.1 Setting the Context: Social Enterprise

In order to understand social enterprise professionals (SEP), it is important to understand the context in which they are operating, and the challenges and successes encountered within this context. Seven of the represented social enterprises operate within larger non-profits, three social enterprises are stand-alone non-profit social enterprises, and one is a for-profit business. The for-profit social enterprise experienced a number of challenges specific to its model, and is included as its experience relates to the majority experience. Without doubt, one could research and analyze each social enterprise, organizational structure, method for employing target populations and various challenges faced and success achieved. Such an extensive examination of the success and challenges of social enterprise organizations would be valuable, however this paper

can only offer a brief discussion. Of all the challenges described, there were three prominent responses.

One challenge for the majority of SE are the **staffing issues** faced with management and support staff, and with marginalized populations employed by the social enterprise (target employees²). For example, one social enterprise had a turnover of three managers in four years; this was attributed to the difficulty in finding people who had both technical and business expertise, as well as requisite sensitivity to the target employees. In addition, social enterprises require significant staff contribution during start-up and growth phases. Staff are not commonly rewarded monetarily for extra work hours within the non-profit structure. Therefore, the operation is built on the good will and commitment of the staff team; interviewees shared their desire for a more balanced workplace for staff. It is a general conclusion that finding this balance was a struggle within the pressure of business activity.

Part of the balancing act includes finding an optimal ratio of management and support staff to target population employees. The majority of interviewees highlighted the vision of 75-100% target employees and the subsequent shift to a more even ratio of support staff to target employees. The challenges faced by target employees are profound and real, and require more support than can be provided solely by business managers. As a result, the majority of social enterprises have a dedicated social worker or support staff specifically for employees. Once employees have been trained and are considered reliable, social enterprises that operate under a training model report difficulties in finding “next step” mainstream employers that are *‘willing, knowledgeable and flexible enough to support our employees’*.

Management staffing issues can be indicative of the challenge of **organizational culture change**. As one interviewee described,

“It was challenging getting staff to understand what we were doing, that this is not a normal program, it is a business. We went through a difficult time when it started and almost imploded internally from culture shock. It didn’t come together the way they expected, they didn’t like the risk of business, didn’t like the focus on meeting daily deadlines and didn’t understand the potential of loss”.

² For the purpose of this discussion, *staff* will refer to NFP or social enterprise management and support staff, and *target employees* will reference target populations the social enterprise generates employment for.

Another SEP mentioned that the shift from program mode and services into business mode and products involved staff re-visioning the framework of the organizations' activities. Long held judgments regarding business as valuing profits before people or communities made it difficult for some staff to embrace a move towards social enterprise; organizational culture change was reflected in a change in staff.

The cultural shift not only involves reworking the philosophical approach and pace of organizational activities, but also results in a shift in relationships. Previous clients are now employees. For one social enterprise, the annual Christmas party brought this issue to the forefront; social service workers and support staff are often trained to develop strong personal boundaries that discourage socializing with clients. In contrast, within a social enterprise context, target employees are both clients and work peers.

A third common challenge faced by social enterprise is the various ***funding issues***. There is seldom core funding for social enterprise operations; many start-up and grow with project funding. Funding issues varied across Canada but the sentiment was common. Social enterprises can access project funding based on sustainability or self-sufficiency projections. This money is tied to capital or project activities, and does not support essential organizational infrastructure. Funding *may* be granted for 3-year start-up, with an expectation of sustainability at the 3-year mark, an estimate based on small business growth. However, in the case of social enterprise, the learning curve is dramatic; staff need to develop both industry and business skills, and employees with barriers present costs in both productivity and direct support costs. In general, social enterprises have higher costs, lower productivity and often operate businesses that have small margins (food, service, retail). It is estimated, by the interviewees, that it takes 6-10 years to reach break-even or profit.

Funder relationships are sometimes more of a hindrance than a help. Funders expect a high social return for their dollars, and future funding success is tied to the number of employment positions created. In the NFP world, proposal writers are accustomed to catering to funding requirements that emphasize results demonstrating impact. In starting a business, the pressure to hire a large number of employees before the business is sufficiently able to absorb them can destabilize the business (pressure to provide volume before systems are in place), the employees (employment may be fragmented or insecure) and the morale of the social enterprise team (not reaching

targets can create a sense of failure). Across the board, interviewees expressed a desire for funders to become aware of the reality of social enterprise, what it can deliver in terms of employment, the time it takes to be sustainable or self sufficient, and the true cost of employing people with significant barriers.

From the alternate perspective, SEP who approached financial institutions faced difficulty in obtaining financing. Banks often require a higher cash threshold for NFP than for-profit business, even if the NFP balance sheet is healthier. There is an impression that NFP are poor, when in actuality, many NFP are large, stable organizations with financial track records.

One SEP summarizes this dichotomy:

“If we were running just as a small business, we have one stream with the largest margin, anywhere between 10-12%. What that means is that \$850,000 with an average of 10% margin means we are producing \$85,000/ year to go towards programming. We have \$240,000 worth of (social) programming/ year.

The expectation is that we would be sustainable within 3-5 years. We did that, but at the cost of our staff (in terms of long hours worked). This was never understood. There was a big hoopla around us being a sustainable enterprise and people will not listen to us about what the costs and the reality is.

This hindered us in getting funding. Often we make the argument that the programs are the responsibility of the public- because we are making money, it doesn't mean these programs should become our sole responsibility. Then we have challenges around financing because we cannot produce a margin that looks sexy enough for our bankers to give financing. There are so many challenges”.

The reported successes reflect the challenges. Whereas the challenge might be staffing, the success is employment. The challenge of organizational culture change results in organizational change. The challenge of funding provokes a new dialogue with funders. Each will be described in more detail.

It is primarily stated that success is measured by the **creation of employment for people with barriers to mainstream employment**. Along with this comes housing, health, positive self-esteem, pride in their work, increased ability to contribute to their families, and extra spending money. One SEP talked about a recent employee satisfaction survey that was distributed to all, including people with intellectual disabilities employed in the social enterprise. The survey indicated that these employees had the

highest level of job satisfaction: *“I love my job, and sometimes they give me chocolate”*; *“I love having a place to go and I am proud of my work”*.

This creation of employment has led to positive impacts in local communities. Cited examples include increased involvement in inner-city development and changing attitudes regarding people with mental illness.

Another common success was the ***change in organizational culture***. With the introduction of a social enterprise, many interviewees commented on the shift to a more entrepreneurial and innovative approach to their work. They also cited long term organizational planning to move from project funding cycles. Board of Directors tend to change as an element of risk is introduced to be managed along with personal accountability. Even though the culture change is stressful and chaotic to start, it is viewed as a positive step forward.

A ***new relationship with funders*** can yield successful results. One organization was able to work with federal funders to shift their relationship towards business transaction; the funder became a customer who pays for the SE training services. Many other interviewed SEP shared their pride and success in ***developing a high quality business*** and a decreased reliance on grants. The customer base expanded beyond other NFP or government agencies to include the private sector. This evolution is a difficult process to achieve. In retrospect, a couple of interviewees articulated amazement that they survived the start-up phase. For others that have been in operation longer, interviewees expressed pride in the capacity to actually turn a profit while maintaining the original values that drove the development of the social enterprise.

3.2.2 The Practitioners

3.2.2.1 Professional and Educational Backgrounds

The practitioners interviewed were highly educated; seven have Masters or PhD degrees, with all others holding Bachelor degrees. Six hold the top position in their social enterprise and five are in Director or Management positions within a larger parent organization. Eight of the interviewees held positions in NFP organizations previous to obtaining a leadership position in SE, two professionals came from the business sector,

and one person worked in academia. It should be noted that several professionals had a diverse professional background ranging from artistic endeavours to business activity.

The inquiry started with exploring the motivation or impetus to engage in social enterprise: 'What led you to this work?' For most individuals, they were impacted by an issue facing their community, and dissatisfied with the current models being used to address it. The following statement is representative of many SEP experience:

"What I was taught to do wasn't going to work, and I needed to come up with a new way to help the people I was hired to help because the institutional ways weren't any use to me anymore. What I learned in school was lovely but not helpful in moving people into more inclusive lives".

Practitioners' previous skill set assisted in making the shift to social enterprise. When asked: 'what skills did you bring to this role from previous experience', eight SEP (70%) identified their 'people skills' as being an asset. People skills are described as the ability to understand and form relationships with people, from target populations to business people. One practitioner described himself as '*chameleon-like*' in his ability to connect to and interact with a wide variety of people. It is also the capability to work in groups, facilitate group processes and guide conversations.

Other previous traits are knowledge of government programs and services, attention to detail, organizational development, strategic planning, and budgeting.

Following this, the research questions focused on the learning curve associated with becoming a SEP: 'What do you do on a daily basis in your current job? What skills do you need to be good at what you do? How did you learn these skills?'

3.2.2.2 Current Job Duties

This list of common current duties is non-comprehensive, yet reflects the 60-100 hours/week that the majority of SEP dedicate to their enterprise:

- Budgeting and financial management
- Networking
- Marketing and communications

- Staff support to both management and target employees
- Strategic and business planning
- Fundraising
- Partnership development
- Operations including working in the business, IT, customer management, hiring and training staff, and general troubleshooting.

"I can do anything in a day, from taking an order to delivering it to prepping food to presenting at workshops/ conferences, plus regular activities like funding and general operations and HR and budgets, etc. My job description is related to a regular ED job- it says nothing about delivering or serving, which has been a critical role. We couldn't have survived with hiring staff for everything, We made it work with what we had".

3.2.2.3 Identification of Skills and Characteristics

The above overview of job duties demonstrates the breadth of tasks and functions that SEPs are covering in their current positions. Practitioners have multiple roles, particularly in the start-up phase of social enterprise. However, this list of duties may not identify the *specific* skills and characteristics required for the launching and maintenance of a social enterprise. The subsequent two questions attempted to focus on the skills necessary in this field: 'What skills are necessary to be good at what you do?'; and, 'if you were to hire someone to replace you, what would you look for?' The skills that were described reflect the job duties listed above, however the primary focus was on personal traits and aptitude.

The most common traits cited were ***drive, passion and commitment***. In discussing their work, interviewees used descriptors such as "*exceptional*", "*being dogmatic*", and "*determination*". The interview question was skill-based but the most emphatic responses were related to characteristics. Most interviewees believed that skills could be learned, but commitment and drive were essential to the success of the social enterprise. The overriding sentiment is that the combination of passion with a willingness and ability to learn quickly are the greatest precursors to success.

"I don't think 'skill' is the biggest thing- it is drive, passion. For me, if this was going to fail, I was motivated that it didn't fail under me. It drove me".

“There must be passion for what we do here and committed to the kind of work we do, providing employment and assistance to people. A commitment to the benefit of the community, and not simply for individuals or the benefit of shareholders. Passion for what we do is the biggest thing- passion and commitment. Someone can learn the skills, the financial, personnel and management skills. You can't learn commitment and passion”.

“I didn't draw a salary for a year because I realized that our growth is not even going to come close to meeting our conservative targets and the banks won't give anymore and I have to pay my staff. So what do I do? Do you shut up shop or try and push the line of credit as far as you can...”

Connected closely to passion for the work is **vision and leadership**. Vision imagines the destination and leadership skills draw the roadmap. Leadership skills were described as *“having the ability to not just manage but go beyond, articulate a vision, take chances, make mistakes, attract people to something not conventional and be prepared to stick with it”*. In addition, several interviewees referred to the benefits of collaborative leadership and the role of advisory groups, board of directors, consultants and senior staff in building a strong vision and leadership team.

“You have to be able to engage people where you can. It is not a democracy but they have to feel that the direction you are taking it is one they can grab onto as well. Everyone needs to feel like they are along for the ride because that ride means something to them”.

Other characteristics mentioned were **creativity** and the ability to ‘think outside the box’, **compassion** for the target population of employees, and their life scenario, and the **willingness to take risks** as a business. Risks included going into debt, testing new products and/or services, making decisions without full information and taking staff and organizations into a direction with few Canadian examples to follow.

In addition to personality characteristics, interviewees identified a number of skills that are important in leading a social enterprise. Strong **communication skills** and **networking** were highlighted, particularly the ability to communicate and network outside of traditional NFP networks and within business and political circles. Networking is not only essential to generating business, but is also important in broadening the understanding, role and potential of social enterprise and nurturing supportive allies. Through networking, SEP build advisory groups, obtain advice, learn the business ‘mindset’ and sell their vision. One SEP talked about the key ability to interact with a

wide variety of stakeholders, from bankers to politicians to employees to community groups.

Business skills were deemed important, however apart from financial and staff management skills, they tended to be focused on the specific industries of each social enterprise: food service, collating, couriers, furniture, construction, packaging and assembly, and so on.

“(To replace me)I would look for operations experience in an environment where staff are not very skilled, where there could be issues with drugs... high turnover industries, like McDonalds. If you can keep your staff happy and productive there, this is a good starting point”.

Finally, the **belief** in the target employees' population's ability to do the work and be productive, while neither a skill nor a characteristic, is an essential element to the practitioner's attitude and approach.

3.2.3 Developing Capacity

Once an inventory of the skills, characteristics and beliefs was gathered, the next step was to examine the learning needs and process of SE practitioners. The learning process can be divided into three categories: general business skills, social service skills and skills specific to associated industries.

Skills & Knowledge Learned as an SE Professional

General Business Skills	Social Service Skills	Industry-Specific Skills
<ul style="list-style-type: none"> • cost estimates • balance sheet • profit/loss • financial forecasting • sales • communications • business writing • financing • negotiating contracts • risk management 	<ul style="list-style-type: none"> • maintain social values • communicate values effectively • proposal writing and fundraising • research and writing • build rapport with clients and employees • understand the role of government 	<ul style="list-style-type: none"> • industry lingo • systems for invoices • logistics and flow of materials • warehouse management • deliveries • task analysis, • proper job descriptions • time trials • employable standard • time motion studies

<ul style="list-style-type: none"> • insurance practice • business planning • tracking time efficiencies • business accounting • networking • market research • employment standards • data and record keeping • quality control 		<ul style="list-style-type: none"> • bidding jobs • tracking times on jobs product • sales database • computerized inventory system • organizing production processes
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In addition to this list, interviewees shared a frustration with the inadequacy of either social service or business skills to independently meet the needs of social enterprise. From this emerged a list of skills, knowledge and adapted tools that are specific to social enterprise.

- Developing a **mission statement** that contains both social and business goals can be challenging. A solid social mission may not lend itself to meeting business and profit-generating outcomes; both need to be present to guide the social enterprise.
- Various **definitions and models of social enterprise** can be difficult to deconstruct, but are seen as essential to access the support and information required to work effectively. There is a whole world of social enterprise literature and knowledge that needs to be accessed and understood.
- Social enterprise can ‘fit’ into cooperative, not-for-profit or for-profit **organizational structures**. Each structure has its benefits and drawbacks, and finding the best fit is specific to individual social enterprises.
- **Initial sales projections and feasibility studies** were often made based on optimism and by polling future customers. Unfortunately, while potential customers might agree with the concept and social purpose of social enterprise, this may not influence purchasing decisions. Social service workers often have a higher tolerance and advocacy approach in regards to their target employees. However, this optimism may not lend itself to realistic planning, and several interviewees shared the shift to a realistic assessment of their target employees strengths and

abilities, a customer-centred approach, and planning based on pessimistic projections.

- **Financial planning** needs to take into consideration the full costs of both pure business activities as well as social support to employees, work pace and potential reduced productivity. Standard industry guidelines may need adjustment to predict correct cash flows and financial investment requirements.
- **Retail pricing** needs to be based on the full cost of the social enterprise, including supports given in-kind. There may be a discrepancy between SE and market pricing, and prices must remain competitive. However, understanding the true cost of goods and services is important for preparing for true sustainability in the case of loss of supports.
- Pricing needs to be in **competition against other market-based businesses**, not against other NFP. NFP can offer services below market value because of funding, however this is not a luxury afforded to social enterprise, nor is it a model for sustainability.
- There is a different **relationship with investors** for social enterprises existing within a NFP structure. Tax receipts are not given for donating time or resources to social enterprises if operating as a for-profit enterprise, and those seeking private investors as NFP are not able to realize a financial return on investment. There was an expressed desire for tax credits for supporting social enterprise to encourage a wider community and private investor engagement.
- **Financial accounting** must record both business and social costs, and well as financial revenues and social impacts. This type of accounting is essential in building and maintaining a relationship with funders, as well as maintaining the integrity of NFP status.
- Funding is often granted related to **projected outcomes**. Social enterprise can aim for outcomes, such as number of people employed, however competing in the market offers an uncontrollable and unpredictable element. Outcome measures that are developed need to combine NFP-based quality of life outcomes with business quantity outcomes.
- **Learning to lead** an entrepreneurial enterprise requires a shift in thinking and decision-making processes. There is often a need to make independent, quick decisions with inadequate information. This can be in contradiction to the NFP

structure which moves at a slower, democratic pace, requiring consultation and more information before making decisions.

- Developing a **skills blend and balance** will be discussed in greater detail below.

3.2.4 Culture of Social Enterprise

As noted previously, organizational culture change was both a challenge and a success. The theme of culture change was evident throughout the interview process, it became apparent that the culture being developed had aspects of business or NFP culture, but is emerging as unique to social enterprise. I would argue that the following lessons and tendencies apply across the field of social enterprise.

3.2.4.1 Maintaining a balance

There was ample discussion regarding the balance between social and NFP skills, and business skills. The underlying question was “which skill set carries more importance in developing or sourcing social enterprise professionals”? The following statements outline the opposing views.

“I don’t think anyone coming from social services should be running a social enterprise- it’s the wrong mix. You need someone with business skills who have compassion, and some social sensitivities but someone with a social work background cannot run a market-driven business. There are exceptions but as a general rule, the two don’t mix”.

“I thought it would be helpful if I had an MBA, but I can learn those skills and when we have worked with MBA students, they can’t wrap their heads around our workers”.

The analysis reveals that the majority of interviewees placed equal importance on both business and NFP values and approaches, and spoke to the overall need to balance between the two strategies:

- Balance between business and social skills;
 - *“I needed to learn to blend the skills. Social enterprise unto itself requires a blending that then becomes something different”.*
 - *“Our decision-making process is more complex than in the past. We need to consider every aspect of the business before making a*

decision... we consider the impact on whole organization, the specific business, the manager and financial situation: 1 Do we meet the mission of (the social enterprise)? 2. What is our marketing effort- in local chambers of commerce, business fairs, marketing strategies, sponsored initiative in terms of community give-back, 3. financial aspect. 4. relations- professional relations, dealing with social workers, how to we collaborate in supporting employees?"

- Balance between social and business values;
 - *"When there was culture shock in the organization, we did an exercise. List your values in the social world and what are the values of the business world. We saw a whole lot in common and that developed trust. Both angles were after the same thing but are going about it differently".*
 - *"I enjoy people in the business community, and not identifying in one sector but finding our commonalities. NFP are good at going after them for the charity case but we don't like to sell our business case. It's the history- we beg for money. But this is different. Building partnerships and I like that role- it can be win-win".*
- Balance between financing and grants, and how to determine *when* to use *which* pool of money for *what*;
 - *"Financing for business is different than program funding, negotiating is different, capital assets vs. employee requirements all need to be weighed".*
 - *"We made a shift away from funding and will never again look for funding unless it is a perfect match for what we want to do".*
- Balance between social and financial outcomes;
 - *"You don't learn that in business school, because in business school all the manager has to do is manage the financial bottom line, pay some lip service to environment as long as it doesn't conflict too much with profits. Whereas a social enterprise is all about sustaining yourself financially while at the same time fulfilling your social goals".*
 - *"Going between worlds of business and NFP- both have an all or nothing mentality. Business's bottom line is money and NFP bottom line is social. The challenge in finding the balance is where the success is, getting those two to mesh. It is a constant juggling act, making decisions: choices in staffing, how to support a worker, etc. Balance is 'in your face' all the time".*
- Balance between marketing from business or social angle;
 - *"Our PR message is business first and then we have an interesting mission second, as opposed to what I thought which was 'hey, we've got an interesting concept here, and even more interesting, we are a business'. I found I had to reverse it. The two are close and I had to learn which was more pre-eminent".*

- *“We cannot market as a mental health organization. People want a better deal and are more willing to exploit our clients that if we marketed it with no attachment to mental health. Sometimes it has helped us get the job if there were two bids. It is knowing when to use it and when not to; when to pull out the social responsibility card”.*
- Balance all staff needs;
 - *“How we hire people is a shift. We are not looking for people who have it all together. Sometimes we can take someone and grow people. We look for character- trust, competency in skills, the drive to learn the skills, and they shift with the environment? Can they deal with ambiguity and have tolerance for ambiguity? We look for chemistry”.*
 - *“It is remembering to treat our clients as employees. We have a long history of care giving- we are programmed to say, oh you are sick and cannot come in, but if one of my managers didn't come in and didn't call, I would be mad at them. So treating them like staff is the ultimate level of respect. That included the first time we had to fire somebody- that was weird but if that is what you are going to be, you have to be willing to do those things”.*
- Balance between risk-adverse NFP structures and risk-taking needed for business;
 - *“The board agreed to go into debt to buy a business. How do you do that with a NFP Board with liabilities? It was a huge risk and it is paying off because people are finding work”.*
 - *“We realized quickly that we couldn't afford to make too many faux pas – although we also adopted mentality that there were no mistakes, only learning opportunities – but everything that happened became a chance to dissect it and learn how to do it better”.*
- Balance between internal capacity building and external assistance;
 - *“A major shift is around my own inability to sustain this myself. It is good to bring in new people and new energy, try to bring them in and involve young people so they can do the work”.*

Social enterprise has a culture and skill set of its own, which has evolved from learning and operating with both NFP and business skill sets. Due to the newness of social enterprise as a potential sector, the culture and related values and skills are still being defined. However, the practitioners interviewed identified skills unique to social enterprise, including financial planning and monitoring, business planning, human resources management, organizational culture, marketing, support services to employees and beliefs around ability and potential for people to contribute.

3.2.4.2 Skills, Values, Beliefs and Characteristics Acquisition

When asked how they learned the skills, characteristics and beliefs in becoming a social enterprise professional, almost all interviewees laughed and replied: *"I winged it!"* Interviewees spoke of the process of trial and error and being self-taught from experience. In addition to learning-by-doing, SEP gained insight by networking, connecting with mentors and advisors, engaging in community-based training and employing consultants.

Networking with business and politics is perceived as key to developing a new way of thinking:

"In the past, I networked with social services, government or in relationship to the public sector. Lately, all the growth has been in the private sector. We have made a shift to become business people and spend more time with these folks. I understand the social services world. I need to understand the business world better, just as well as the social services world".

Many SEP joined formal groups in local Chambers of Commerce, industry and community leadership groups, and attended networking events. Another way to building community connections and support is by sitting on other Board of Directors and establishing relationships with other Board members. For several SEP, networking was an uncomfortable skill to learn, especially when encountering individuals with business or political clout. A couple of interviewees expressed a desire to learn to network at a higher level in order to advocate for the changes necessary to further the social enterprise model.

"I need to find my way into those circles. I don't know how to do that. I often sit around the table with other middle management folks and I need to get higher to actually have an impact on government decisions. I will probably end up just knocking on the Minister's door one day".

The development of advisory boards and mentors play a key support role for SEPs. Practitioners either re-constituted their Board of Directors into a business board, or developed an advisory group separate from the formal BOD. It is vital to create a right mix of skills in these groups; *"we replaced our NFP board with a business board... successful people who have gotten businesses going, in particular. Or as one SEP stated, I surround myself with people who are smarter than I am".*

In addition to formal networking opportunities, practitioners found the advice and support of social enterprise colleagues to be invaluable. SEP accessed this support and connections through the CED and Social Enterprise Conferences, and informally through community networking groups.

When a gap in specific skills or information is identified, there is an increased willingness to hire consultants to assist

- *"I am not trying to learn it all anymore. I call in the people who know what they are talking about... don't learn it all yourself, get experts".*
- *"When you start out, you don't have money to hire people and don't have consultants to do all these things, so just wing it, but now we are at a place where we will be less effective if we don't hire those people. Sometimes you need to spend money to make money- that was huge for me. I was used to doing things on a shoestring, but as the business gets more involved and complex, you can't do it all".*

The decision and the ability to hire outside contract expertise reflects the maturity of the social enterprises represented, insofar as said SE have the financial stability to pay for expertise. However, financial assistance to pay for high-level technical consultants might be helpful for social enterprises in all stages of development³.

Community-based training was useful in learning industry-related skills. One SEP attended any free training put on by the local Board of Trade, went to trade shows and listened to speakers on a large variety of business-related topics.

It is not surprising that early practitioners in a new sector learn by trial and error. However, this indicates a weakness in the sector- there is a lack of social enterprise-generated specific knowledge, support, and training. For each person that 'winged it', gathered the right people around them and succeeded, it poses the question as to how many others winged it, weren't able to build adequate networks and fell hard. As the sector matures, a foundational step will be to develop a stronger roadmap and understanding of the unique aspects of social enterprise in order to pave the way for SE entrants: skill-specific training programs, formal support structures, professional

³ Although funding sources were not a focus of this paper, it is important to note the funding programs available to hire consultants to support social enterprise development, primarily the enterprising non profits program and Community Economic Development Technical Assistance program (CEDTAP).

associations, identified mentor models, and a growing body of knowledge to inform the SE sector.

The SEPs interviewed were often pioneers in their communities for using a social enterprise model to create employment. The common experience of 11 social enterprise professionals across the country is remarkable given that many founded and launched operations in isolation of a greater social enterprise community, and without formal training in social enterprise management. This commonality indicates that social enterprise is unique and consistent in its challenges, and therefore can be responded to as a sector in the development of government policies, financing and funding mechanisms, professional training, organizational structures, accounting and marketing tools.

People on the forefront of sector development tend to be innovative and entrepreneurial. However, innovation and entrepreneurship may not be a requirement for future professionals as social enterprise organizations move beyond start-up, a stronger support structure is established and sector-specific skills development and training is provided.

3.2.5 Concepts of Entrepreneurship

"I am hooked on social enterprise. I realize I am a natural entrepreneur. I love the 'thrill of the kill', as long as nobody gets caught in the process or harmed".

As social enterprise grows as a sector, the question of entrepreneurship as a key tenet of the sector and a requirement of professionals was one of interest. Business is an enterprising sector, yet not all professionals within the sector are entrepreneurial. The same can be said of the non-profit sector. It has been traditionally viewed as non-entrepreneurial in nature, but there has been increasing acknowledgement of social innovation and social entrepreneurship. The literature review touched on definitions of business entrepreneurship, and the broad reach of social entrepreneurship. Boschee & McClung (2003) challenged the broad definitions of social entrepreneurship by maintaining that generating market revenue is a requirement of entrepreneurship. The final section of the interview asked the leaders of revenue-generating enterprises their understanding of entrepreneurship, how their organizations were entrepreneurial or not, and how they are supported to be entrepreneurial.

3.2.5.1 Definitions of Entrepreneurship

Individual definitions of entrepreneurship varied from person to person, as well as their relationship to entrepreneurial activity. It is worth noting each definition in order to determine if a common definition emerged that is representative of social enterprise entrepreneurship.

“A business person who thinks of a new idea, and incorporates a new entity. Wants to create something new group up from scratch to create a successful business venture”.

“A person willing to dream, to take chances, well-reasoned chances, willing to try new things, capable linking vision with nuts and bolts, passion, pushing into uncharted waters”.

“People willing to take an idea and make it work- particularly a business idea”.

“Someone who is creative and committed and hard working and not necessarily a good manager, but gets things started and see ideas come to fruition”.

“Someone willing to take calculated risks. Who has a lot of energy and excited about what they are doing. They are willing to keep trying, not going to give up.

Put in a lot of hours but still excited about the idea. Willing to learn all the time”.

“Someone who would take risk and willing to fail and willing to try again, invest some of their own money, time and resources”.

“Someone who has their own assets tied up in earnings, assets closely entwined with business”.

“Somebody that continually sees and seeks opportunities to continually further their goals”.

“Someone who can make money when they need it and make it work. Be creative in finding revenue without jeopardizing programming. Use the knowledge around to get everyone on the same page”.

“The ambition to make a living for yourself or someone else out of a business-relationship between a consumer and a producer, a way of thinking- you are one or are not. I would be surprised if you can become one. It is something within you- mission or vision, able to take good risks and has to make it happen”.

SEP interviewed readily defined entrepreneurship, but had more difficulty in determining if their role and organization was actually entrepreneurial. One SEP was adamant that his organization and role was not entrepreneurial due to the fact that nobody involved

had a personal financial stake in the enterprise. Another SEP described his organization as 100% entrepreneurial in that he had self-financed the start-up and had not received any grants to date. Both of these understandings are connected to personal financial risk and reward.

The remainder of interviewees had a broader definition and identified both entrepreneurial and non-entrepreneurial aspects in their roles and organizations. One respondent described the following entrepreneurial elements of the social enterprise organization in a way that summarized a common sentiment:

1. *“we started a business in a fundamentally new sector being integrated into a social services agency*
2. *we are exploring a path of financial sustainability in a chronically under-resourced sector (NFP sector)*
3. *We are establishing relationships that are new and including a whole new group of people in social change work”.*

A couple of SEP questioned the entrepreneurship of their organizations insofar as their jobs did not depend on the success or failure of the enterprise; that is, they were paid the same whether they did a good job or not. Others comments questioning the entrepreneurial nature of their organizations were working in a NFP culture that is resistant to change, the difficulty in setting prices in a societal culture that expects NFP to provide services for cheap or free and slow organizational decision-making processes.

3.2.5.2 Support for Entrepreneurship

The majority of SEP interviewed felt supported by their organizations to become more entrepreneurial. The role of, relationship to and support of the Executive Director/BOD is evidently crucial in the success of SE operating within a larger NFP organization.

Directors supported these social enterprise professionals by:

- allowing the freedom to explore opportunities and make decisions
- recognizing the role of employment generation rather than revenue generation for the parent organization
- channelling fundraising dollars towards core SE costs
- providing free accounting, payroll, rent and/or utilities

- encouraging learning by supplying information and supporting professional development opportunities
- promoting the social enterprise in their networks and came to networking events on behalf of SE
- engaging in conversation time and providing personal support
- engaging in long-term planning around the social enterprise
- taking on tasks when the work became overwhelming.

When asked what further support was required, the requests focused around more staffing, financial, and relationship resources.

“Board members could be using their networks better- they do for charitable purposes but lots of board members are business people and could tap into their business networks. Provide an option: donation or contract...”

“Free me up to do social enterprise more or hire someone to do this as a full-time job. When you get to a certain capacity, you need to have someone dedicated to it. It takes a lot away from my other duties”.

“Sometimes my Board assumes that NFP don’t run on business principles. This assumption can get them into trouble and puts a strain on the relationship between them and me”.

“They could pay me better. I am not at market wages and I could use the help”.

In addition to organizational support, SEP identified funding, training and government policy changes required to meet the needs of the social enterprise sector. *“It would help if the government would get on board and recognize the benefit of having more viable NFP organizations”.* One specific suggestion was the development of government procurement policies that would favour social enterprises, all else being equal.

“I am surprised that there isn’t more of a kick from cities and governments to send us more work, that public organizations don’t have an obligation to meet procurement needs through social enterprise. Just give us some work and let us grow and do our work. It’s not fair to order where organizations order from but I am surprised that there isn’t more opportunity for them to get involved, like the Ministry of Children and Youth. We are dealing with the same community and we are not looking at building a motorway and spending a few million dollars, but rather spending \$2000- \$5000 on the services that we provide”.

3.3 Summary

Within the research design, four areas of study were identified. However, in the analysis process, the findings naturally fell within three thematic categories: context of social enterprise and practitioners, capacity building and learning, and concepts of entrepreneurship. Each section contains findings that could be further researched, and the findings conveyed indicate avenues of further inquiry.

It must be acknowledged that the findings presented above are based on the personal experiences of a small sample size. Within these constraints, it is interesting to note the strong commonalities that exist between professionals operating across the country.

Many interviewees experienced similar learning and understanding in regards to the uniqueness of social enterprise. There was some difference depending on the organizational structure (dependant SE within a larger NFP, independent NFP or private business) in terms of personal risk and concepts of entrepreneurship. However, the passion and commitment expressed by practitioners was an overwhelming commonality. In addition, similarities existed regarding human resources, financial management, organizational planning, marketing strategies, and culture shift.

There was less of an agreement regarding concepts of entrepreneurship. Some practitioners felt strongly that the work they do is entrepreneurial while others felt just as strongly that it was not. Few of the definitions matched the definitions identified in the literature review. However, SEP were clear on how their organization supports or does not support them to be entrepreneurial, and had ideas for promoting a culture of innovation and risk.

4 CONCLUSION AND RECOMMENDATIONS

4.1 Introduction

To review, several gaps in the literature were identified:

- Understanding the capacity building needs of social enterprise leaders as they develop business and leadership skills
- Developing a better understanding of implementation issues such as culture class between NFP and for-profit sectors
- Becoming conscious of the conditions needed to harness entrepreneurial talent
- Defining and recognizing entrepreneurship as it pertains to employment-generating social enterprise
- Discerning training and educational requirements of social enterprise professionals entering the field.

There are many recognized gaps in regards to social enterprise and the findings address *some* of the reviewed gaps through concrete contributions to the social enterprise field. The interview tool was designed to gain a better understanding of these gaps and the questions often elicited a more varying response than was anticipated. For example, when asked what skills were needed, the majority of interviewees answered the question with characteristics and personality traits. This tendency revealed a richer body of knowledge, experience and opinion than expected.

The findings of the previous chapter illustrate that:

- passion, commitment and an openness to learning are essential in entering the field of social enterprise;
- both social service and business skills are important, and the learning focus will depend on the educational or professional background of individuals;
- no matter from which sector professionals come, there is a culture and learning shift to adopt business or social service skills;

- there is a culture and skill set specific to social enterprise that must also be learned;
- knowledgeable people in supportive roles are key to the success of professionals and social enterprises themselves.

The following review and discussion of the gaps will be followed by recommendations to various stakeholders.

4.2 Review and Discussion of Gaps

4.2.1 Understanding the capacity building needs of social enterprise leaders as they develop business and leadership skills

As mentioned by the interviewees, capacity building was an intuitive, immediate and often stressful process; SEP learned as the needs and issues arose. This type of learning process can work for certain personality types but is not a sustainable learning process in terms of stress management or staff retention. The findings identify the need for a more systematic approach to capacity building by providing adequate organizational and interpersonal support and recognizing the specific skills, knowledge and character required to lead a social enterprise.

It is difficult to build capacity without adequate organizational support. This includes the support of administration staff, good accounting procedures and stable infrastructure. For organizations operating within a larger parent organization, contributions of accounting, payroll, rent and utilities made a difference to the bottom line of the social enterprise and increased its chances of success. For stand-alone social enterprises, there was increased pressure to perform and meet business targets on a quick timeline while juggling a variety of stakeholder interests.

Interpersonal support means having skilled leaders and industry experts to support social enterprise leaders. These advisors assisted with developing networks, fundraising, finding investors, acting as a sounding board for new ideas and problem-solving, and even stepping in to assist when things became overwhelming.

Finally, interviewees indicated that rewards for their passion and commitment would be appreciated, whether that reward is monetary, non-monetary (i.e. extra vacation time), provision of extra resources, or personal recognition for the time and energy put in to launch and sustain a social enterprise.

4.2.2 Discerning training and educational requirements of social enterprise professionals entering the field

Education and professional development is an essential part of mastering the learning curve. SEP interviewed attended business or NFP training opportunities and adapted the knowledge and tools to the social enterprise context. As the sector grows, training could be focused on social enterprise skill development, such as financial planning and accounting, feasibility studies, business plan development, marketing methods, human resource practices and social enterprise culture. In a brief look at current social enterprise training, it seems to provide primarily an overview of social enterprise and lacks specific skill development.

Several training programs are emerging in the US and in the UK. As Bob Doherty from Liverpool John Moores University (LJMU) states, “the sector needs to invest in its managers if they are to become the business leaders of the future. It’s not enough to add social enterprise modules on to existing management degrees. The sector needs training that is specifically tailored to meet their needs and delivered at a time that suits them and their employees” (LJMU, 2006).

Training and education come in the form of conferences, community and post-secondary courses, and opportunities to network. Adequate professional development requires a financial investment in staff as well as time away from duties to engage in learning. It may be difficult for cash-strapped organizations to find the time and money to invest in staff, however the benefit is in acquired leadership capabilities, lower staff turnover and increased capacity of staff to work effectively.

4.2.3 Developing a better understanding of implementation issues such as culture class between NFP and for-profit sectors

A common stated point was regarding the change to organizational culture. As NFP move towards enterprise development and operations, the organization is required to

think and act in a different manner in order to compete in the market: decisions need to be made quickly; operations run with efficiency considerations; financial objectives need to be identified; and financial gains obtained through providing a product/service, marketing/ advertising and competitive pricing. The culture shift that occurs may not fit current staff values and adoption of a social enterprise mentality is usually accompanied by high staff turnover in start-up social enterprise and parent NFP.

Social enterprise has the potential to isolate those within the NFP who do not think profit-making is an appropriate combination with marginalized populations (Gray, Healy & Crofts, 2003). For those who see the commercial world as being a part of the problem, concepts of 'entrepreneurship' and 'business' may act as roadblocks. Business language is more aligned with neo-liberal politics and may be difficult to relate to participatory social justice movements and social change on both an individual and systemic basis (Gray et al, 2003).

Shore (2003) hypothesized that high staff turnovers may be due to the difficulty in building skill sets required by the new venture; it would be difficult to determine this without talking to people who left their positions. However this research indicates that although developing a new skill set has challenges, the shift in organizational culture is the primary determinant of high staff turnovers. Existing staff may feel that a business mentality is contrary to the interests of their target population, or that the amount of financial and human resources necessary is accompanied by a shift away from core social values and service provision.

SE leaders need to prepare for a change process and assist staff to make a shift. One leader met with every single staff person on her team for 2-3 hours to discuss their individual concerns. During this meeting, she shared with each staff person the objectives of the business, the need to make money as part of the mission, and provided an opportunity to give input to business operations. Another person wished she had let staff go earlier who were unable or unwilling to make the shift. Another approach was to change the Board of Directors from a 'program and teachers board' to a 'business and leaders' board.

Key to a successful transformation is the explicit link between business and profit generation, and social change objectives. If existing NFP staff can see the benefit of the

social enterprise on target populations, they became more likely to philosophically agree to the direction and resources being spent on social enterprise. If the business was viewed as self-serving, staff are less likely to be supportive. A strong and often stated connection to vision and mission is imperative to a successful culture transformation.

4.2.4 Becoming conscious of the conditions needed to harness entrepreneurial talent

There are two ways to harness entrepreneurial talent. The first is to hire someone with an entrepreneurial track record; the second is to identify entrepreneurial personalities in existing staff and support the development of those staff. Within the interview group there was a range of entry points into leadership positions. No matter the entry point, most interviewees spoke of a steep learning curve in developing the skills and capacity to be a successful leader, manager and, some would say, entrepreneur. Key facets in developing business and leadership skills involved: 1) support from Executive Directors, Board members and other supportive roles and 2) the freedom to try new things and make mistakes in the process. Support is most tangible when it combines organizational, educational and interpersonal features, as discussed above.

4.2.5 Defining and recognizing entrepreneurship as it pertains to employment-generating social enterprise

Prior to conducting interviews, it was anticipated that a new definition of entrepreneurship specific to social enterprise would emerge. Instead, the finding was that there is a lack of common understanding of entrepreneurship in the field. This could indicate that the understanding of entrepreneurship is flexible and accommodates a variety of scenarios, or alternatively, that entrepreneurship is not a focus of SEP and does not warrant much attention.

Social enterprise is at an *innovative* and *early adopters* stage, where professionals are required to do and be everything. In reflecting on Boschee & McClung's discussion of innovators, entrepreneurs and professional managers, many of the interviewees are required to play all roles. Innovators are the dreamers that come up with ideas, but have little interest in the implementation or financial viability of the venture. Entrepreneurs take the ideas and make money from those ideas. Professional managers create the systems

and infrastructure to secure the venture's viability into the future. Of the people interviewed, most were founders of the social enterprise, and all are responsible for multiple aspects of the SE. As social enterprise matures, both as a sector and organizationally, it is likely that roles will segment.

In the literature review, several indicators of successful entrepreneurial activity were noted. Of the five indicators identified by Chell, two were confirmed by the interviews: 1) able to see opportunities where others cannot and 2) intuition is used early on in enterprise development and growth. The other three (motivation or intention to create wealth and accumulate capital, ability to recognize opportunities for wealth creation, and judgement in knowing which opportunities to pursue) were not discussed in any detail. SEP talked about talking ideas and creating action, and being compelled to generate innovative solutions to community issues. The response of 'I winged it' in response to learning process questions indicates a universal intuitive approach.

The motivation to engage in social enterprise is not related to wealth creation and capital accumulation, but to influence social change. It is unknown if SEP have the ability to recognize opportunities for wealth creation or have good judgement regarding which opportunities to pursue. In many cases, the social enterprises surveyed are just reaching a break-even point after years of struggle. This may be because of the model, the costs in employing people or, alternatively, the choice to start-up small margin businesses. As the sector matures, the ability and confidence to recognize and pursue a wide variety of business opportunities may become more prolific.

Business is seen as entrepreneurial, however there are many people working in the private sector who are not. It will be interesting to see how the question of entrepreneurship settles as the sector builds a stronger foundation. It may always remain on the edges of innovation and creation, and require professionals who can operate in many roles, or may move into a designated profession with leaders, managers, supporting professionals and various other staff roles.

This research paper found a stronger correlation with factors of social entrepreneurship than business entrepreneurship. The literature states that individual social entrepreneurs combine a strong desire for social justice with business entrepreneurial attributes. The following was confirmed: the lack of initial resources is not a roadblock; there is an urge

to experiment and a high tolerance for uncertainty; there is an unwavering focus on vision and mission; a strong desire to be in control of their own environment; and the ability to influence people. Most of the social entrepreneurs demonstrated a capacity to work across sectors, but more specifically developed the capacity to engage in a new sector. There is a stated discomfort by several interviewees to engage in relationships with 'powerful' people, both business and political. All interviewees discussed the need for quick learning ability and adaptive skills and a commitment to the social enterprise.

A divergence from the literature occurs in the finding that interviewees were passionate and committed to the social enterprise, but may not view it as a lifelong mission. Most expressed a desire to stabilize the enterprise and then explore other ways of making social impact; their passion is not necessarily to social enterprise onto itself, but rather broader community development objectives.

Recommendations

The following recommendations indicate specific steps required to support social enterprise professionals, and the overall growth and success of social enterprise. They are organized according to relevant stakeholders: social enterprise professionals, social enterprise and supporting organizations, and, funders and policy makers.

Social Enterprise Professionals

- Social enterprise leaders must strongly link social enterprise activities to social mission and goals
- Social enterprise leaders need to assist current staff to shift organizational culture by making the case for social enterprise, and openly addressing concerns or fears
- Social enterprise professionals will benefit from collaborative leadership and the role of advisory groups, board of directors, consultants and senior staff in building a strong vision and leadership team; it is recommended to spend time putting these resources in place
- Social enterprise practitioners will build personal, enterprise and community capacity from networking in business and political arenas

Social Enterprise & Parent Organizations

- Social enterprise initiatives need a dedicated staff person
- Leadership staff should be hired for characteristics of commitment, passion and the ability to learn quickly, rather than for specific skill sets
- Social enterprise organizations need to provide a professional development budget to support staff learning
- Link SE staff performance to social enterprise performance, and reward staff both monetarily (when possible) and non-monetarily
- Social enterprises and NFP engaging in social enterprise must be prepared for a staff turnover
- Leadership (Executive Directors and Board of Directors) needs to promote a culture of learning by providing opportunities for learning as well as an evaluation method for processing and learning from experiences
- Social enterprises and sponsoring NFP need to create a system of risk management assessment that includes accumulation of debt, assessment of new business activity and financial controls
- Organizations should include a framework for decision-making into policies and procedures outlining perimeters and quick-response processes
- Recruit board members with a 'can-do' and asset-based approach to supporting social enterprise
- Board of Directors should broaden their role from fundraising and governance functions to include networking and business connections
- Board of Directors, and other supportive people, can assist SEP to build networks and relationships to business and government
- Board of Directors and ED could advocate with funders and policy makers to further the social enterprise field

Funders and Policy Makers

- Understand the reality of social enterprise: what it can deliver in terms of employment, the time it takes to be sustainable or self sufficient, and the true cost of employing people with significant barriers
- Employment-generating social enterprises may require an ongoing financial investment to offset social costs
- Provide funding for industry consultants and management professionals to assist social enterprises grow and become more competent
- Education and training should promote skills acquisition specific to social enterprise, including financial planning and management, marketing, human resources management and leadership
- Support the development of formal support structures, professional associations, mentor models, and research to inform and strengthen the SE sector
- Develop a clear roadmap and understanding of the unique aspects of social enterprise in order to pave the way for SE entrants
- Government, foundation and NFP procurement policies should favour social enterprise that provide high quality and competitive products and services; social impact can be created through purchasing policies

Summary

Social economy and social enterprise are terms that describe a growing segment of economic activity that is intrinsically linked to a social mission. There is increasing attention on the potential depth and breadth of the social economy and social enterprise. There are differing definitions of social enterprise; the definition utilized in this research paper is, *those organizations that generate business to provide employment to people with barriers to mainstream employment.*

Community Wealth Ventures (2003) recognizes several keys to success in social enterprise, including the independence of business ventures from parent NFP, the

contribution of a champion, the support of the entire board and parent organization, the availability of adequate capital and clearly defined social goals. The research above supported all of these key aspects for success, but aimed to understand in greater detail an additional key factor: “skilled staff are hired”.

It is easy to state the importance of skilled staff, however considerations such as: “hired from where?” and “what skills are important to look for?” remained unanswered. Social enterprise is unique in that it is a model that requires both the NFP and business skills and knowledge. Professionals working in SE operate a business where the primary gauge of success is social impact. This mix of skills and values is most evident within employment-generating social enterprises or social purpose enterprises.

Using a qualitative research method, 11 social enterprise professionals in a position of leadership were asked: *What is the learning and capacity building experience of social enterprise professionals, taking into consideration their education and professional background, and current context?* Questions focused on context, professional and educational background, learning process and skills acquisition, and concepts of and support for entrepreneurship. The interviews were transcribed and analyzed according to a grounded theory approach. Information was coded, sorted by question response, and then cross-referenced for common themes.

Much of the findings have been discussed already. There are a few additional points of interest.

One reason social enterprise has gained in popularity is due to public sector funding cuts and a shift towards short-term, project funding. For NFP facing funding shortfalls and uncertain futures, SE is one possibility for long term planning. Despite this objective or context, findings show that funding remains an ongoing issue faced by social enterprises. Similar issues facing the NFP sector face SE, often with an increased time pressure to become self sufficient. One challenge facing employment-generating social enterprise is that the significant cost of employing people with barriers to employment is not easily borne by business revenues alone.

It is essential that social enterprise be recognized for the diversity of models encompassed, and that some models may require grants to meet their social impact

goals. Employment-generating social enterprise should not be viewed as an answer to funding shortfalls, or a method by which the market can address social issues. It is *another* tool by which marginalization, poverty and unemployment can be combated. Over time, employment-generating social enterprises may require lesser funds than traditional NFP, but it is important that social costs are accounted for and supported by communities and society.

Keys to successful SE must be understood and strengthened. This research paper took the stance that success for social enterprise is dependent on strong and capable leaders, and that the sector needs to invest in the development of such professionals. Most interviewees believe that business and social service skills could be learned, but commitment and drive were essential. ***The overriding sentiment is that the combination of passion with a willingness and ability to learn quickly are the greatest precursors to success.***

That said there is still a requirement to learn the skills necessary to lead. Professionals can be supported by the availability of relevant and specific education and training, professional development budgets, organizational support, and a network of knowledgeable champions. In addition, the freedom and support to risk and make mistakes is deemed vital.

The impact of social enterprise reaches beyond individual NFP organizations to communities both locally and internationally. The identified knowledge gaps are relevant to Canadian context as well as the international stage. Strong social enterprise professionals that are able to work effectively to create, maintain and support employment for people with barriers are providing a service for wider society. Support of this sector and its professionals increases the potential impact on pervasive issues such as poverty, marginalization and the promotion of healthy communities.

APPENDIX A

Interview Protocol

Opening Comments:

- Introduction of myself, background and Masters program
- Review the purpose of the study and use of findings
- Discuss confidentiality, recording and obtain consent for the interview to take place
- Outline the perimeters of the interview: 45 minutes in length, ask questions and response, follow themes, guide through a series of questions, non-interruption agreement, time checks
- May follow-up at an additional time if some information is unclear or I need to expand. Ask if this is ok.
- Commence interview

Question	Notes	Comments
Tell me about your social enterprise (<i>Grand tour</i>) (<i>Mini tour</i>) What is its purpose? How long has it been in operation? How many people does it employ? What stage is it in? (growth, maintenance, start-up, etc) What is the vision for this enterprise? Discuss 2 challenges Discuss 2 successes		
Describe to me your career path to becoming a SE practitioner (<i>Grand tour</i>) (<i>Mini tour</i>)		

<p>What is your education? What job did you do prior to this position? What is your position title and duties now? What led you into this role? What are your future career goals?</p>		
<p>What learning did you undertake in order to become competent in this position? (<i>Grand tour</i>)</p>		
<p>(<i>Mini tour</i>) What skills are necessary in order to be skilled in your position? What skills did you bring to this role from previous experience? What did you need to learn? How did you learn this skill? What shifts did you need to make in your thinking or decision-making? What do you still need to learn? If you left, what skills would you look for to replace you?</p>		
<p>What is your understanding of your role as an entrepreneur? (<i>Grand tour</i>)</p>		
<p>(<i>Mini tour</i>) How is your position entrepreneurial or not entrepreneurial? How is your organization entrepreneurial or not entrepreneurial? How does your organization support you to be entrepreneurial? How could your organization support you better?</p>		

APPENDIX B

Name	Purpose	Length in Operation	Number of employees	Business Stage
<p>Affirmative Industries, independent NFP in Dartmouth, Nova Scotia</p>	<p>To pay people with mental illness and brain-related disorders a competitive wage inside a business to show that they could work.</p>	<p>15 years</p>	<ul style="list-style-type: none"> • 40-50 people in one year • 5-10 people graduate into competitive employment 	<p>N/A- training business</p>
<p>Eva's Phoenix Print Shop- training business within NFP in Toronto, Ontario</p>	<p>To offer homeless and at risk youth the opportunity to eventually become productive, self sufficient and lead a healthy life.</p> <p>To develop skills in graphics and communication training in a NFP commercial print shop.</p> <p>To build resiliency, skills, knowledge, confidence, self-esteem and contacts.</p>	<p>5 years</p>	<ul style="list-style-type: none"> • Up to 8 youth in Foundations of Print • 1 employee • 1 full-time career connection coordinator • 1 graphics instructor • 1 part-time follow-up support worker • 1 business manager who runs the shop • 1 press operator • 1 senior trainee (youth) 	<p>N/A- training business</p>
<p>Groupe Convex – independent NFP in Hawkesbury, Ontario</p>	<p>To develop a network of 9 different enterprises that employ mentally handicapped people in a mix with non-handicapped people.</p>	<p>5 years in development, 2 years incorporated</p>	<ul style="list-style-type: none"> • 150 people employed 	<p>Start-up</p>
<p>InnerCity Development Inc.- Inner City Renovation Inc., Janitorial and Property Management- independent NFP in</p>	<p>To create quality jobs for low-income people in inner city of Winnipeg</p>	<p>4.5 years</p>	<ul style="list-style-type: none"> • 30, all full-time 	<p>Mature stage</p>

Winnipeg, Manitoba		18 years					
Pathways Skills Development and Placement Centre- independent NFP in London, Ontario	To assist individuals to overcome barriers to employment through employment counselling and skills development programs.	18 years	<ul style="list-style-type: none"> • 3000 clients/year 				N/A- training business
Potluck Café Society independent NFP in Vancouver, BC	To develop a community economic development project in Vancouver's Downtown Eastside that would be a positive business in the neighbourhood to hire residents of the neighbourhood.	5.5 years	<ul style="list-style-type: none"> • 25 people in total • 11 people employed with multiple barriers 				Not far from start-up, growth
You Made It, Resuse It Recycling, Market Quality Preserves' - SE within NFP in London, Ontario	To help young people understand the labour market more clearly by working in actual business with real deadlines, real customer issues, networking, teamwork deadlines, profitability, and efficiency.	1.5 to 10 years depending on social enterprise	<ul style="list-style-type: none"> • 25 young people employed • 100 through each year • larger NFP, Youth Opportunities Unlimited, serves 3,000 clients/year 				Growth
The Right Stuff- SE within NFP in Trail, BC	To provide collating services and support marginalized workers.	4 years	<ul style="list-style-type: none"> • 6-7 youth • frontline supervisor • job coach • 3 drivers 				maintenance- growth will be challenging, need to find another newspaper to grow,
Sewing with Heart and Landscaping with Heart- SE within NFP in Vancouver, BC	To make money and provide employment for people with mental illness To be sustainable, self-sustaining and profitable	Landscaping with Heart: 11 years as program, 5 years as a business Sewing with Heart: 2 years	<ul style="list-style-type: none"> • 60 people in 4 years • 6 crew • lead hand • Business manager contractor Sewing with Heart: <ul style="list-style-type: none"> • 8/9 members 				Growth, but not sustainable yet Sewing- start-up Landscapes- past start-up, consolidating and getting ready to expand
Starworks Packaging and Assembly- SE within NFP in	To be a sustainable business to employ adults with mental disabilities	6 years	<ul style="list-style-type: none"> • 39 people part-time 				

Vancouver, BC					
Turnaround Couriers- independent, for profit in Toronto, Ontario	To make money and help youth at risk at same time.	4 years	<ul style="list-style-type: none"> • 7 couriers • 1 office manager • 1 dispatcher 	Beyond start-up and into growth	

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