

# **The Social Impact of Social Enterprises: An Exploratory Meta-Analytic Study**

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## **Abstract**

The last decade has witnessed a perceived rapid rise and an increased focus and media attention on Social Enterprises (Austin et. al., 2006). Although there are various definitions for Social Enterprises, whether in profit or non-profit forms, the common characteristic is that they explicitly state full or partial social objectives supported by profit generating activities. In parallel to that, and as a result of increased competition (Millar and Hall, 2012) and demand for improved social accountability (Kaplan, 2001; Smith, 2013), there has been an increasing need to assess and report on social impact for both Social Enterprises and businesses more generally.

The concept of Social Impact Assessments (SIA) can be traced back to the 1970s when people became concerned about the human impact on the environment as a result of large-scale energy and infrastructure projects (Pollnac et. al, 2006). Originally used to assess individual property rights and impact prediction and compensation, Social Impact Assessments (SIA) did not generally focus on the improvement of wellbeing and sustainability of communities (Vanclay, 2005).

Research in Social Enterprises and Entrepreneurship is emerging tracing the earliest articles back to the 1990s (Short et al., 2009). Short of a clear paradigm, the majority of research carried out is conceptual falling under Entrepreneurship, Nonprofit, Public Sector and Management studies lacking clear theoretical underpinnings focused on either supporting or confronting the legitimacy and positioning of Social Enterprises (Lehner and Kansikas, 2011; Ruebottom, 2013) as an effective solution to pressing social problems (Dees, 2012; Acs, 2013).

To support the advancement of research in the field, there is a need to understand where research stands and what needs to be done to move beyond the fight for legitimacy. As a result, this study draws on Hossler and Scalese-Love's grounded meta-analytic approach (Hossler and Scalese-Love, 1989) to carry out a meta-analysis of empirical studies carried out in the Social Enterprise and Entrepreneurship field since 2009. The aim is to infer substantive findings and develop an in-depth understanding of the field to inform future research focused on the Social Impact of Social Enterprises. Four major themes concerning the Social Impact of Social Enterprises and Entrepreneurship emerged from 20 empirical studies published since 2009 and supported by 8 semi-structured, in-depth interviews with Social Enterprise and Entrepreneurship stakeholders.

In summary, the four themes identified in the study call for an advancement in the field through future empirical studies that move beyond single case studies testing and expanding established theories in Entrepreneurship and Non-profit fields, social impact models that pay attention to the negative intentional and unintentional harm of approaches to social problem solving and studying collaborative as opposed to confrontational models of Social Enterprises and Civil Society.

## **Keywords**

Social Enterprise; Social Entrepreneurship; Social Impact; Non-profits; Grounded Theory Meta-Analysis

## **Introduction**

Research in Social Enterprises and Entrepreneurship is at an early stage of growth in that it predominantly lacks clear conceptualization and theoretical underpinnings (Lehner and Kansikas, 2011). As a result, to move the field forward, there is both a call for and a need to provide a clear conceptualization of the field on the basis of an appropriate and relevant theory (Short et. al, 2009). As an exploratory study, this study draws on Hossler and Scalese-Love's grounded meta-analytic approach to carry out a meta-analysis and thematic analysis to review and synthesize the findings of both qualitative and quantitative empirical inquiries on Social Enterprises and Entrepreneurship. With a focus on the Social Impact of Social Enterprises, this study is supported by in-depth interviews with key stakeholders.

## **Definitions**

- (1) To deal with the lack of a consistent definition of Social Enterprises (Dart, 2004; Mair and Marti, 2006; Santos, 2012), unclear boundaries when compared to commercial and/or nonprofit counterparts (Helm and Andersson, 2010; Santos, 2012), and various organisational models they operate in (Acs, 2013), this study uses a definition for **Social Enterprises** that covers small businesses, in profit or non-profit forms, that have explicitly stated full or partial social objectives supported by profit generating activities.
- (2) Using the various definitions for Social Impact including the one used by the International Association of Impact Assessors (IAIA), the nature of social impact as a multi-dimensional construct (Law et al., 1998) and a normative view of business and society (Buchholz, 1997), *social impact* is a multi-dimensional construct covering the intentional and unintentional results and consequences of planned strategies and changes on individuals, groups, within local and global communities.
- (3) The concept of Social Impact Assessment (SIA) can be traced back to the 1970s when people became concerned about the human impact on the environment as a result of large-scale energy and infrastructure projects (Pollnac et. al, 2006). The original use for an assessment was for individual property rights, impact prediction and compensation, and was not focused

on improvement of wellbeing and sustainability of communities (Vanclay, 2005). For this study, *Social Impact Assessment* is the analysis of social impact as a multi-dimensional construct.

## **Literature Review**

Social Enterprises have unclear boundaries when compared to commercial and/or nonprofit counterparts (Helm and Andersson, 2010; Santos, 2012). Setup in various organizational models, social issues dealt with by Social Enterprises vary in terms of geographical reach, i.e. local, national or global, and breadth of social issue, i.e. broad or specific (Hulgard, 2010) dealing with various issues from addiction at a local level to education at a global level.

The growth in Social Enterprises is commonly attributed to fiscal pressures faced by many governments globally who are moving away from welfare services and public provision of services towards more privatization (Mort et al, 2002; Hulgard, 2010) and other forms of public sector innovation (Zahra et al, 2008; Hulgard, 2010; Jiao, 2011). In addition, the growth has been attributed to increasing social movements rejecting the traditional ways of doing business (Hulgard, p. 9, 2010), increasing global wealth disparity and community needs (Mort et al, 2002; Zahra et al, 2008; Jiao, 2011), and operational challenges faced in the non-profit sector including a growing competition for donors and grants (Mort et al, 2002).

When it comes to solving social issues, there is usually a tension between strategically approaching them through charity, commonly seen as a selfless act where income is redistributed to those who are needy regardless of circumstances (Dees, 2012; Acs, 2013) or strategically approaching them through problem solving (Dees, 2012; Acs, 2013). Where supporters of social enterprises and entrepreneurship make a case against charity perceiving it in doing more harm than good (Dees, 2012), opponents of it highlight a contradiction. This contradiction is seen in the mixing the rationality of problem solving with the irrationality of charity, where funds spent on activities of research, development and marketing to make problem solving of social issues feasible and sustainable through organisations is a waste of much needed funds for those in need (Dees, 2012) and leading to only a delay in dealing with critical social issues (Cook et al., 2003).

Similar to businesses, academic institutions, non-profits, and Governments, are changing and responding to social movements and issues through cooperation and collaboration (Baliga, 2013) and public sector support of the growth of Social Enterprises and Entrepreneurship (Warhurst, 2005). As a result, there has been an increasing need to assess social impact (Millar and Hall, 2012) with a focus on Social Enterprises, to have more formal standards and measurements of performance in place to assess the outcomes of activities to demonstrate social, economic and environmental value (Millar and Hall, 2012) beyond simplistic social accounting (McLoughlin, Kaminski and Sodagar, 2009).

The assessment and/or measurement of social impact of social enterprises is challenging for researchers given the broad range and focus of Social Enterprises. IN parallel, this difficulty also arises because of the lack of clarity in how measures would be used and when social impact would be measured knowing that Social Enterprises often fail before their 5<sup>th</sup> year (Harley, 2002; Mari and Marti, 2006). From a methods perspective, Social Impact Assessment and measurement has been approached from qualitative (case studies), quantitative (Social Return on Impact (SROI) and Social Accounting) and mixed methods (traditional approaches to Social Impact Assessment through control and change groups) perspectives (Finsterbusch, 1985; Becker, 2001; Rowan, 2009) however, none of them are perceived to give researchers and practitioners alike confidence that those are appropriate or effective means of social impact assessment, comparison and more importantly, in establishing legitimacy.

## **Summary**

Social enterprises that are focused on problem solving social issues with a vision to eliminate the need for charity are growing, yet research in Social Enterprises and Entrepreneurship continues to lack clear conceptualization and theoretical underpinning. To move the field forward, a clear conceptualization on the basis of an appropriate and relevant theory is needed.

Governments, businesses, academic institutions and non-profits have all exhibited an increased interest in supporting Social Enterprises and Entrepreneurship growth. Nevertheless, there is also

growing literature that presents both arguments and empirical results depicting their ineffectiveness in solving social issues and instead, argue for support for charity and government leadership for resolving the most pressing social issues. As a result, there has been an increasing need to assess social impact especially for Social Enterprises to demonstrate social, economic and environmental value.

Based on these findings, this study aims to integrate findings from empirical studies carried out in the field since 2009 to infer substantive findings concerning the Social Impact of Social Enterprises and to make recommendation on the advancement of research and impact in this field.

## **Methodology**

### **Philosophical Underpinning**

The choice of methodology and methods is influenced by a researcher's own ontological and epistemological assumptions as well as the phenomena under study (Creswell, 2003). While retaining a positivist stance, believing in an objective reality where generalisations could be made on the basis of discovery and data, this is not the case when it comes to studying social phenomena such as the social impact of social enterprises which is subjective.

Combining the positivism and interpretivism into a pragmatist stance and exploratory aim, this study draws on Hossler and Scalese-Love's grounded meta-analytic approach (Hossler and Scalese-Love, 1989) to carry out a meta-analysis of empirical studies carried out in the field since 2009, supported by semi-structured interviews to aid explanation and in-depth understanding of the Social Impact of Social Enterprises.

### **Grounded Theory**

A Grounded Theory approach was chosen as a method for analysis and discovery in order to reduce researcher and collective unconscious bias related to the field of Social Enterprises and Entrepreneurship which can be exceptionally protagonist or antagonist (Ruebottom, 2013). This approach aims to discover concepts relevant to this area of research without forcing previous theoretical frameworks onto analysis providing a rich description of the Social Impact of Social

Enterprises phenomena through constant comparison of open-codes developed, reviewed and further categorised with properties and dimensions (Lansisalmi, Peiro, and Kivimaki, 2004).

### **Meta-Analysis**

A meta-analytic approach was chosen because it provides a quick and comprehensive review to evaluate findings in a rising and significant number of studies in this field. This approach focused on the integration of findings as opposed to a mere summary of literature on the topic of Social Enterprises and Entrepreneurship, which continues to be disjointed, primarily conceptual, and fights for legitimacy.

Although there are several approaches to meta-analysis, this study employs the Hossler-Scalese (1989) approach because it was developed after an evaluation of existing meta-analytic techniques and represented a new approach that would help deal with some methodological concerns pertinent in this study (Hossler-Scalese, 1989). This approach was appropriate as the number of empirical studies in this field is small to begin with and including both quantitative and qualitative research would expand and enrich findings given the nascent level of research in the field. In addition, this approach also captured both convergent and divergent findings that exposed “emerging patterns and relationships” (Hossler and Scalese-Love, p. 8, 1989) and also how context and research bias influenced results.

### **Evaluation of Research**

The initial review of literature was done in a systematic way covering empirical studies published through journal articles, working and conference papers applying keywords of social entrepreneurship, social enterprises, social business, social impact and investing, with publication in 2009 and beyond<sup>1</sup>, in the English language, dealing with broad or specific, local or global, social issues.

After having identified published studies on Social Enterprises and Entrepreneurship, another review was done to filter through articles to identify quality approved empirical studies that would be included in the meta-analysis. A specific set of quality of research requirements for

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<sup>1</sup> Up to and including December 2013

both qualitative and quantitative studies was designed and all studies were reviewed against them (Coughlan, Cronin & Ryan, 2007; Ryan, Coughlan, & Cronin, 2007), which included:

- Is the purpose clear?
- Does the literature review give a clear and critical analysis of relevant literature?
- Has a conceptual or theoretical framework been identified and rooted in established theory or literature? (not in the case of induction)
- Is the target population clear? Was the sampling strategy appropriate and is it made transparent of how they were identified?
- Is the research design and approach clear?
- Was data collection and analysis made clear and appropriate for the research purpose?
- Were the strengths and limitations made clear and are recommendations for future research made?

A total of 59 published studies were located in the search from 2009 until 2013 out of which a total of 20 empirical studies met the research quality criteria (Coughlan, Cronin and Ryan, 2007; Ryan, Coughlan, and Cronin, 2007).

### **The Instrument and Coding**

To ensure that all necessary information was collected for data analysis, an instrument was designed based on the aim of the study and used for the collection of information from studies which was altered as necessary as constant comparison was applied to research included in the meta-analysis. Categories included basic information about the purpose and focus of the study, methodology, methods, theoretical frameworks used (if any), sample size, population, stakeholder groups, geographies covered, major findings, and researcher bias.

Subsequently, thematic analysis with open coding (Lansisalmi, Peiro and Kivimaki, 2004) was used to analyze findings of each of the quality approved studies using constant-comparison both within and in-between codes and categories. HyperResearch software was used to carry out the open coding followed by manual categorisation and thematisation.



## Interviews

Although the main focus of the study is the grounded meta-analysis, this study uses purposive and then snowball sampling to capture some views of key stakeholders with semi-structured interviews adding to the rich description provided by the grounded meta-analysis capturing the subjective and “on the ground” reality (King, 2004). A total of 8 interviews were carried out where 3 interviewees were selected through purposive sampling who in turn recommended the other 5 interviewees. Two of the interviewees were beneficiaries of Social Entrepreneurship activities sponsored by a co-operative, whose founder and leader was also interviewed. In addition, a leader of an NGO who has transitioned into a model that includes a social enterprise was interviewed along with three Directors of social enterprises and a high net worth social investor.

With an objective to complement findings in the meta-analysis, the semi-structured interviews took place over the telephone, video and in-person to accommodate for logistical challenges given the various global locations of interviewees. The average interview was 48 minutes long and the shortest were on average 10 minutes long with the beneficiaries. Semi-structured interviews were chosen as the purpose of the interviews was discovery and exploration of a sensitive, potentially complex and poorly understood issue (Healey, 1993; Morris, 2009). As a result, the interview template (Table 1) started out with a broad number of themes and areas rather than formal questions focusing on building a chronological story as opposed to disjointed questions and themes (Richards, 1996). The interview template was subsequently tailored to each interview as long as similar themes were covered. Recordings were not always possible and all interviewees chose to remain anonymous.

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**Table 1. Interview Template**

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Theme A. Tell me about your Organisation / you, it’s origins and main activities

Probe ... What were the challenges?

Theme B. Where are you today and what are your key aims?

Theme C. Who are your beneficiaries?

Probe ... Why focus on them?

Theme D. What are your future plans?

Probe ... Why did you choose these projects?

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**Table 1. Interview Template**

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Theme E. What does Social Impact mean to your beneficiaries and/or what does Social Impact mean to you?

Probe ... sounds very positive but has there been any situations where this is not the case?

Probe ... When and how do you decide you have achieved social impact at an individual and collective basis?

Theme F. Any final thoughts?

Probe ... Again, any risks to these plans?

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## Findings

A total of 59 published studies were located in the search from 2009 until 2013 where a total of 26 empirical articles were identified and 20 met the study's research quality criteria (Coughlan, Cronin and Ryan, 2007; Ryan, Coughlan, and Cronin, 2007):

- The research included can be classified into 5 research purposes': 1) Investigating Social Enterprise Strategy, processes and performance (14 out of 20); 2) Exploring Business Models and Setup of Social Enterprises (3 out of 20); 3) Evaluating Entrepreneur Leadership on social value and organizational performance (2 out of 20); and 4) Studying the criteria used for Social Impact Investments (1 out of 20).
- 10 studies were from the Entrepreneurship research domain followed by 4 from the study of non-profits with the remaining 6 from public sector, business venturing and other non-business domains.
- 5 of the studies were focused on UK and Europe based data followed by 4 in each of the geographical regions of North America and Asia respectively, 3 were collaborative between Asia and the UK/Europe and 4 were global.
- 9 studies were Case studies and 8 were mixed methods, only 1 was purely qualitative and another 1 purely quantitative.
- 9 of the studies covered social enterprises, 5 covered the Entrepreneurs, 2 the beneficiaries and 2 non-profit social organisations

Summary information of the 20 empirical studies included in the meta-analysis are presented in Table 2.

**Table 2. Summary of Research included in the Meta-Analysis**

<b>Study</b>	<b>Purpose</b>	<b>Theory</b>	<b>Stakeholders</b>	<b>Geography</b>
<b>Ho &amp; Chan (2010)</b>	Explore the personal gains and social impact of Social Enterprises for work integration in Hong Kong	Literature	Social Enterprises run by NGOs	Hong Kong
<b>Ghalib (2010)</b>	Critically assess how Micro-Finance Institutions (MFIs) have been able to reach and impact across the rural landscape in Pakistan	Literature	Beneficiaries	Pakistan - rural
<b>Bridgstock, Lettice, Ozbilgin &amp; Tatli (2010)</b>	Examine the linkage between diversity management (DM), innovation and high performance in Social Enterprises	Diversity Management (DM)	Social Enterprise	UK
<b>Miller &amp; Wesley (2010)</b>	Examine how the dual identity of Social Ventures grounded within social and entrepreneurship sectors prompts social venture capitalists to value the resources and goals of both sectors	Organisational Identity Theory	Social Venture Capitalists	UK
<b>Meyskens, Robb-Post, Stamp, Carsrud &amp; Reynolds (2010)</b>	Use Resource Based View (RBV) to empirically assess, discover and compare social value creation characteristics of social entrepreneurs and commercial entrepreneurs	Resource based view (RBV) of entrepreneurship processes	Ashoka "Successful" Social Entrepreneurs	Global
<b>Di Domenico, Haugh &amp; Tracey (2010)</b>	Apply bricolage concept to social entrepreneurial action and propose an extended theoretical framework of social bricolage	Bricolage	Social Enterprise	UK
<b>Moss, Short, Payne &amp; Lumpkin (2011)</b>	Exploratory study to examine the dual identity of award winning social ventures as declared by Skoll Foundation and FastCompany	Albert & Whetten Organisational Identity Theory + theories to assess language of mission statements	Social Ventures	Global

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<b>Study</b>	<b>Purpose</b>	<b>Theory</b>	<b>Stakeholders</b>	<b>Geography</b>
<b>Parenson (2011)</b>	To determine the criteria for a solid impact evaluation in Social entrepreneurship to build the bridge between two discourses of Social Entrepreneurship; protectionists and opponents of Social entrepreneurship	Literature	Researchers	Various
<b>Luke and Chu (2012)</b>	Critically consider the distinction between Social enterprise and Social entrepreneurship	Literature	NGOs	Vietnam - Rural
<b>Millar &amp; Hall (2012)</b>	Analyse the use of Social Return on Investment (SROI) in health and social care services and understand how measurement tools are utilised and understood by organisations and those who fund Social Enterprises	Literature	Applicants to SEIF	UK
<b>Liu, Takeda &amp; Ko (2012)</b>	Explore the positive effects of a Social Enterprise's pursuit of strategic orientation (SO) on performance to further understand the strategic management practice of social enterprises looking specifically at market orientation and entrepreneurial orientation, the two most widely discussed SO behaviors that lead to improved performance.	SO Behavior and Performance	Social Enterprise	UK and Japan
<b>Datta &amp; Gailey (2012)</b>	Broaden existing understanding of women entrepreneurs by focusing on social entrepreneurship ventures in India and assess elements of empowerment embedded in the business model and individual perceptions of empowerment	Literature	Beneficiaries	India
<b>Renko (2012)</b>	Explores how nascent entrepreneurship pro-social motivation affects the progress in building a new SE venture	Literature	entrepreneurs	US

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<b>Study</b>	<b>Purpose</b>	<b>Theory</b>	<b>Stakeholders</b>	<b>Geography</b>
<b>Lepoutre, Just, Terjesen and Bosma (2013)</b>	Develop a methodology to measure population based Social Entrepreneurial Activity (SEA) prevalence rates and test it in 49 countries	Literature	GEM-Entrepreneurs	Global
<b>Zhang &amp; Swanson (2013)</b>	Enhance the understanding of management of Non-Profit organisations by investigating the way they balance business and social objectives	Literature	Senior Managers or owners of Non-Profit Organisations	Western Canadian Province
<b>Felicio, Goncalves &amp; Goncalves (2013)</b>	Analyse the role of Social Entrepreneurial and Transformational Leadership in non-profit social organisations in explaining social value and organisational performance with socio-economic context as a moderating variable	Literature	NPSOs	Portugal
<b>Estrin, Mick &amp; Stephan (2013)</b>	Model and test the relationship between social and commercial entrepreneurship based on social capital theory	Social Capital Theory	GEM-Entrepreneurs	Global
<b>Tracy &amp; Lyons (2013)</b>	Study service systems within the context of social purpose organisations (SPOs)	Lyons and Tracy service systems framework and interview guide (2012)	Social Enterprise	Canada
<b>Kerlin (2013)</b>	Construct a conceptual framework that informs models of Social Enterprises found internationally	Historical institutionalism + Salamon and Sokolworski's Models of Civil Society Sector Structure	GEM-Entrepreneurs	Global
<b>Ruebottom (2013)</b>	Explore how Social Enterprises build legitimacy for social change looking at underlying rhetorical strategy and microstructures	Rhetorical Strategy for Institutional Legitimacy	Social Enterprise	Toronto, Canada

## **Themes**

Four major themes related to Social Enterprises, Entrepreneurship and Social Impact emerged from the meta-analysis and are discussed here with the support of the interviews conducted.

### **Theme A. Community is the core of Social Enterprises, Social Entrepreneurship and Social Impact**

The community is viewed as the primary stakeholder of Social Enterprises which not only defines the social and environmental issues the Social Enterprises aim to solve but also dictates the operational, social and communications strategy needed. The community is not limited to the beneficiaries but includes other individuals and entities who together impact or are impacted by, participate, support or oppose, the respective Social Enterprise where shared values, principles and beliefs play a role. The community's role, as a result, also influences the social impact of Social Enterprises.

In interviews, partnering with others in the community was also seen as critical to the achievement of a Social Enterprise's social mission and social impact. Academic institutions and incubators for example, were seen as part of that community supporting Social Entrepreneurship even though improvement in terms of long-term support to Social Enterprises beyond lectures, networking and incubation period, was seen as needed.

### **Theme B. Social Impact is driven by elements in the internal and external environment**

From an external environment perspective, the more advanced the stage of economic development is, the higher the rates of commercial entrepreneurship and the higher the rates of Social Entrepreneurship, resulting in higher cumulative social impact. Elements including the stability of the socio-economic context, supportive role of government, supportive role of civil society and a strong rule of law in a clear policy and legal environment, support the effectiveness of social Enterprises and hence, greater social impact.

From an internal environment perspective, both Social Entrepreneurial and Transformational leadership influences Social Enterprise performance however, it is specifically Social Entrepreneurialism that influences social impact but only in favorable and stable socio-economic

contexts. From a strategy perspective, there is a significant and positive relationship of the Social Enterprise's market and entrepreneurial orientation on social impact.

Similarly, the interviews confirmed that Social Enterprises may or might not operate from their target beneficiaries' environment and instead operate from their own local environment which had all the external environment supportive elements needed to setup and grow the Social Enterprise. These experiences were reiterated in that Social Enterprises must take into account the contextual environment including the socio-economic context which highly impacts the role and possibility of involvement of a Social Enterprise and its respective model since extreme cases of poverty for example in an area of conflict or crises would be better deal with by NGOs or Governments.

### **Theme C. Social Entrepreneurship is a new concept waiting to be positioned**

Despite their perceived growth, Social Enterprises continue to be rare and uncommon with various definitional issues and lack of common understanding of what 'social' is as it changes depending on whom, how and when it is discussed. Continuously being shaped by many who offer differing views on the concept, the language used by Social Entrepreneurs and those supporting or opposing social entrepreneurship has heightened the positive or negative image of Social entrepreneurship masking the true state in practice.

Opportunities for Social Entrepreneurship are abundant as there are always issues to deal with. From volunteering by business professionals who seek other ways to spend their time for the benefit of the community, those who cannot find employment and to investors who seek to diversify their income through giving back to the community, it was evident in interviews that the positivity surrounding Social Enterprises in the media and public forums surpasses the reality. Social Enterprises are seldom financially sustainable and although the direction is positive and the language used to talk about Social Enterprises is positive with more of them seeking various forms of recognition, it is not reflective of the true challenges faced in the field. Some operational standards for Social Enterprises for example may be known to Entrepreneurs however, there are others that are not known and if known, difficult to implement in practice.

Even marks and certifications are challenging to seek given the various assessment requirements and standards associated with the various awards and certifications.

#### **Theme D. Social impact is multi-dimensional, complex and its need, subjective**

Social impact is important but complex and can be interpreted differently depending on how and when it is being assessed. With community as the primary stakeholder, social impact is sometimes about social recognition, social responsibility and/or social contribution communicated through socially accepted cultural narratives and language that heighten the positives. In other cases, social impact is a multi-dimensional construct that reflects economic, emotional and social benefits and impacts or the necessary goods and services provided by social organisations. In its simplest forms, social impact is about delivering on promises without a drift in social mission due to the dual commercial and social nature of social Enterprises.

The complexity arises not only in the multi-dimensional nature of Social Impact but it is also the driver behind why the measurement of Social Impact is important and the existing tools that are time consuming and complex. It is interesting to note that the measurement and assessment of social impact did not come across as a priority and in some cases, measurement results in minimal benefits other than the achievement of an award or recognition or for funding purposes.

In interviews, survival of a social enterprise is illustrative of social impact irrespective of any other performance criteria and the need to formally assess social impact comes from the need to demonstrate the direct responsibility of a specific Social Enterprise for a positive change and similarly, to demonstrate and make a case for Social Enterprises as a better choice than Non-Governmental Organisations (NGO).

More interestingly, interviews with all interviewees depicted that the question of positive social impact is not a concern as there is always a benefit as any and all help to communities is positive given the state that some of the disadvantaged, marginalised or problematic areas are in. On the contrary, it is the negative impact which is a natural result of any strategic action, that needs to be assessed and minimised especially when Social Enterprises face financial pressures which



causes them to focus more on marketing and implementing their own agenda irrespective of what beneficiaries want.

## **Reflections**

### **Grounded Meta-Analysis**

Although the standards of rigor for Grounded theory by Glaser, Strauss and Corbin accept data as “reproductions of reality” (Hall and Callery, p. 258, 2001), this study acknowledges that findings in a grounded meta-analysis are constructed and are impacted by research quality and researcher bias.

Assessing the quality of research in preparation for the meta-analysis was a challenge because in most cases, research in Social Enterprises and Entrepreneurship was exploratory and lacking a clear philosophical framework or theory with limited information on the research approach, data analysis and collection procedure. In addition, researcher bias in 16 of the articles could be seen as significant which would influence the findings of this study and would, as a result, benefit from expanding the study to cover research done since the early 2000s and including a team of peer reviewers and coders.

### **Interviews**

Overall, the themes identified in the meta-analysis were supported by information collected in the interviews albeit interviewees’ exposing deeper issues that were not expected and provided, in practice, a more clear view of the phenomena under study.

Although direct, individual interviewing of beneficiaries was done in this study, dealing with the poor and needy uncovers ethical concerns that should be evaluated against the benefits for all future studies in this field and interviewing them should be avoided or done through Government, an NGO or other social organisations to minimise ethical concerns and enhance validity or responses.

## **Implications on Future Research**

### **The need for Empirical Studies beyond Case Studies**

The field of Social Enterprise research is comparatively small but growing. However, this study depicted that the field is not new from the perspective that businesses serve a social mission; the only difference is that they now serve an explicitly stated social mission. Their similarity to entrepreneurial organisations and non-profit organisations respectively is clear and depicting them as a new field, which is perceived to be a good step forward for legitimacy of the field, is actually hurting its progression and keeping it in “a questionable state of legitimacy and academic merit” (Short et al, 2009).

As a result, this study confirmed that future research must be underpinned by well-established theories (Dacin et al, 2010) by positioning Social Enterprises as an organisational form of innovation which aims to deal with the financial challenges faced by Non-Governmental Organisations (NGO) and a change in generational motivations to ‘do good’ and see businesses ‘do good’. Social Enterprises are a vehicle for further efficiencies in Government and NGOs as they do not replace government responsibilities to public services and similarly, do not replace NGOs especially those who deal with humanitarian emergencies and when the socio-economic context of target communities is unfavorable.

In addition, although the literature on Social Enterprises and Entrepreneurship has grown, it is predominantly biased and as illustrated in the interviews, the practical reality may be different. More single case studies are good but are not advancing the field as no matter how good the article is written, it will never represent what is actually on the ground given the limited space involved and lack of detail. As a result, and in addition to moving the field forward by underpinning future research in established theories with an aim to test and expand theory, Case Study research should be utilised to frame a problem or verify a problem or a solution and instead look at utilising mixed methods to capture the practice in the field and diversify data sources beyond famous and popular cases such as Grameen Foundation / Bank.

### **The Need for Social Impact Models**

This study illustrated that Social Enterprises are generally good as they bring positive social change to beneficiaries who are at the bottom of the pyramid when it comes to social issues ranging from poverty to health and education. Existing social impact measurement and assessment tools are time consuming but are beneficial in that they set the ground for comparison when competing for funds, grants and recognition. From a research perspective, what would serve society is dealing with Social Impact in the same manner dealt with by Social Impact Assessments (SIA) in the 1970s when people became concerned about the human impact on the environment as a result of large-scale energy and infrastructure projects (Pollnac et. al, 2006).

As a result, the key is to support and enable positive change and innovative solutions to social issues albeit done in parallel to a social impact model that deals with the identification and reduction of the negative direct, indirect and spill over effects and impacts on individuals, entities and/or communities resulting from Social Enterprises and their drivers, manifestation and enablers of embedded processes, strategies of social innovation, non-profits and businesses more generally.

### **Social Enterprises and Collaboration**

It was clear from the meta-analytic findings and interviews, as opposed to the literature, that Social Enterprises do not and would not replace governments and/or Non-governmental organisations (NGOs); Social Enterprises are one of several cost-effective means to provide specific services on behalf of the government (Baliga, 2013) and are one of several means to profit generation or business models that diversifies the income of NGOs helping them rely less on donors and grants (Mort et al, 2002) respectively. The findings have also shown that collaborative strategies positively influence the social impact of social enterprises leading them to success, survival and/or failure especially with civil society, i.e. Government and NGOs.

As a result, when looking at the Social Impact of Social Enterprises and irrespective of the theory chosen to underpin the relationship between Government, business and society, research should aim to study collaborative, as opposed to confrontational, models between social enterprises and Civil Society such as ones studied by Austin (2000) for Businesses and Civil Society (Austin, 2000).

## **Conclusion**

Using grounded meta-analysis for this study has proved valuable in that it allowed the integration of both qualitative and quantitative studies in an already small pool of empirical research in the field allowing for a more detailed discovery and understanding of Social Enterprises and Entrepreneurship more generally and Social Impact of Social Enterprises more specifically.

The themes identified in the meta-analysis were validated by interview data albeit exposing deeper issues that further elaborated on the meta-analytic findings demonstrating the need for more empirical studies, mixing methods beyond small, single case studies. The themes also illustrated that for research in Social Enterprises to be practical, significant and academically sound, studies should draw on similarities in established Entrepreneurship and non-profit fields working on testing and extending existing theory. What the findings also provide is an appreciation and new official view of what Social Enterprises are and the collaborative role that they can play with Civil Society, which is contrary to the literature and common view that Social Enterprises are confrontational as opposed to collaborative entities and setups.

Specifically on social impact, the view that any change or help is positive in the disadvantaged and marginalised areas and in the biggest social issues illustrates that the key is not to measure how positively impactful Social Enterprises are but instead, how well do they and any other organisation or strategy, minimise the negative impact of such processes or changes reminding us of Social Impact Assessments (SIA) in the 1970s which were related to infrastructure and environmental projects and physical harm on people.

Finally, it is recommended that this study be repeated with more studies going as far back as the 2000s along with a peer group of reviewers and coders.

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## Key Terms

- **Social Enterprises:** Small and medium businesses that are standalone or within profit and non-profit organisations, in profit or non-profit forms, that have explicitly stated full or partial social objectives alongside profit generating aims and activities.
- **Social Impact:** multi-dimensional construct covering the intentional and unintentional consequences of planned strategies and changes on individuals, groups, within local and global communities.
- **Social Return on Investment (SROI):** Is social impact measured as a function of estimated social value creation over capital investment, purely quantitative based on accounting practice of return on investment calculations (Gibbon and Dey, 2011)
- **Beneficiaries:** Individuals or groups of individuals who benefit from Social Enterprise or NGO activities either in involvement or as consumers of Social Enterprise products and services.
- **Civil Society:** Terminology that represents both Government and Non-Government Organisations (NGOs)
- **Non-Government Organisations (NGOs):** Larger organisations that have stated social objectives that may or may not be partisan.
- **Non-profit Social Organisations (NPSOs):** Small and medium businesses or co-operatives that reinvest all profits back into the business or social cause and not on paying out shareholders.
- **Social Enterprises:** Small and medium businesses that are standalone or within profit and non-profit organisations, in profit or non-profit forms, that have explicitly stated full or partial social objectives alongside profit generating aims and activities.
- **Social Venture Investors:** Institutional or high net worth individuals who invest for a limited time period funds into Social Enterprises for future returns