

## CHAPTER 6

### CONCLUSIONS AND RECOMMENDATIONS

#### 6.1 Summary

This study tries to identify the critical problems and strategies for success of SEship, in order to contribute to the formulation of more effective initiatives in the future. For addressing the strategies for success of SEship, the study utilizes the method of CIT using mainly a self-report survey. Conclusions were derived from the response of 24 SEship considered successful in their own area of impact; and the analysis of secondary data from 333 sources; which were analyzed using Nvivo. Findings are presented in the light of the research questions.

##### 6.1.1 Research question 1: What are the critical problems of social entrepreneurship?

There are two types of problems faced by SEship. First, there are internal problems which consist of i) financial structure, ii) employees' competencies, iii) supply chain management; and, iv) growth management. Secondly, there are external problems, mainly rooted in i) the negative predisposition from the community of impact, ii) unfavorable legislation and relationship with governmental institutions; and finally iii) to find the appropriate partner.

During the exercise of literature review, supply chain management was not found in the discussion of SESHip.

#### 6.1.2 Research question 2: What are the main tactics for solving the critical problems of social entrepreneurship?

The main tactics for solving the critical problems of SESHip are: i) to develop networks, ii) to build branding and credibility, iii) to find new ways of funding for the short and long-term, iv) to develop the 'people' dimension by having strategic hiring, training and career development; and v) to approach the correct constituencies in order to face a challenging market. Other relevant tactics are to education the market, to change of the financial model, and to develop a clear business plan.

During the exercise of literature review, branding and credibility was not found in the discussion of SESHips.

#### 6.1.3 Research question 3: What are the strategies for success in social entrepreneurship?

Success factors of SESHip are represented in Figure V.3, and are: i) the main tactics presented in research question 2; and, ii) the use of the following strategies:

- Building local capacity, for the sustainability of the intervention;
- The display of proactiveness and performance measurement for the sustainability of the organization;

- Networking, in order to leverage the innovation; and
- The process of continuous learning, as essential element for feedback and improvement.

## 6.2 Recommendations

### 6.2.1 Managerial implications

Based on the discussion and conclusions that have been drawn, it can be proposed to social entrepreneurs (SEs) to use the summary of findings presented in Figure V.3 as a guide for the anticipated identification and solution of critical problems of SEship, for their success; mainly it is highlighted that:

1. Findings allow SEs to focus on few problems and success factors, from those already mentioned by scholars;
2. Supply chain management should be recognized as a critical problem for SEship, as for any other enterprise in today's competitive environment; capabilities in this business aspect could be drawn from the commercial sector;
3. Development of branding and credibility is an important strategy for facing main problems of SEship; this is a new dimension of 'capabilities in business ways' that SEship could develop for leveraging its activities;
4. Building local capacity leads to higher sustainability of the intervention; innovation should be built minding this dimension;
5. As previously presented by scholars, strategically leverage their impact (enhancing it or scaling it) by the use of networks, the display of proactiveness

and performance measurement for the long-term sustainability of the organization, and the use of continuous learning for feedback and improvement.

### 6.2.2 Academic implications

This research makes the contributions presented in the below.

1. Branding and building of credibility appear as unexplored success factors of SEship; which goes further from the recommended “enterprise’s theory of change” (Austin et al., 2006) for the mobilization of resources. Supply Chain Management is other success factor of SEship which was not discussed previously in literature review.
2. In this study, building of local capacity is recognized as the most common type of innovation in successful SEship, regardless the arena of transformation. This contributes to the study of Alvord, et al. (2004), in which it is identified that type of innovation is related with the arena of transformation (as presented in 2.1.6.7, p. 47).
3. Austin et al. (2006) and Dees (1998) considered people/workforce as a limited resource of SEship mainly because of limited financial resources (as presented in section 2.1.3.1, p. 25); this research contributes by showing that a most commonly critical problem is the limitation in peoples’ capabilities rather than the financing of talent;
4. In the work of Weerawardena and Mort (2006), proactiveness is recognized as an important aspect for the success of non-for-profit-SEship while networks is not

included (as presented in section 2.1.2.2, p. 18); this research contributes to their study by finding networks as a success factor for SEship regardless of the commercial focus of the organization; even more commonly reported than proactiveness.

### 6.2.3 Suggestions for further research

Suggestions for further research will be presented after discussing the limitations and underexplored areas of the research.

First, regarding the tradeoff between internal validity and generalizability, this research is leveraged upon greater generalizability; thereafter, it was preferable a heterogeneous sample and broad focus in order to achieve general recommendations for SEship; nevertheless it might have come with loss in important conclusions that come along with higher level of emphasis and the consideration of organization's context. A different approach could have aimed for higher internal validity, for which a more homogenous sample could have been preferable; however, it would have reduced the generalizability of the research (which again, was preferred given the research purpose and questions).

Secondly, there is the poor reveal of respondents associated with the CIT (Douglas et al., 2009) which happens because; i) respondents might not be accustomed to provide the required detailed explanation and the administrator is a stranger; and also ii) CIT relies in the memory of the respondent, which could lead to bias (Gremler, 2004).

A third limitation refers to the low response rate related with CIT. In CIT response rate is usually around 10% (Gremler, 2004), reason why the study is done in small samples sizes, which leads to lack of generalizability (Giroux, 2009). Nevertheless, in this regard Cell (as cited by Giroux, 2009) explains qualitative researchers believe small samples are valuable given those allow to gain “more in-depth understanding of the working of various business organizations” (p. 174).

A fourth limitation that affects the validity and reliability of the research comes from the possible misclassification of CIs (Gremler, 2004); for which CIT is strengthened with the use of judges who provide parallel classifications of the CIs; nevertheless, in this research it were not used judges for revising the classification of the research.

A final fifth limitation in this research refers to the definition of the population. For the analysis of the strategies of success and main problems in SEship, given the reasons previously discussed, the population was limited to successful organizations. This means organizations that failed in their social endeavors are not mind, which might lead to biased results.

Furthermore, this research could have been explored further, by identifying patterns by making use of the categorization done of the organizations participants. Other areas of further exploration refer to the critical problem of supply chain management and the use of branding and credibility for the success of SEship.

Based on the limitations and further areas of exploration presented in the above, suggestions for researchers in social entrepreneurship, in similar fields who want to continue and deepen research in the areas of factors of success, come as follow:

1. Further research might approach the issue from a perspective with higher internal validity. This could be done by having a more homogenous sample by type of innovation, arena of transformation or geographical area of impact; by doing so, there could be more specific recommendations to SE for particular contexts;
2. For addressing the poor reveal of respondents associated with CIT, further research could leverage the data collection largely in unstructured interviews with CEO and other leaders of the organizations; in this way further insight and detail information can be gained.
3. Further research could as well deal with the low response rate of CIT by attempting to enlarge the sample with further data bases or by having a longer period of data collection.
4. Further research could enhance the validity and reliability of the research by use of one or two judges for the classification of Cis.
5. Finally, further research might also mind the study of failed cases of SEship, in order to have a more comprehensive perspective.
6. Given the categorization already done for the organizations, it could be interesting to: i) explore if there are differences in the main problems and factors

of success depending in the type of innovation, the financial vessel or the area of transformation;

7. Given branding and credibility appears as a new tactic for SEship, and Supply Chain Management is presented as an critical problem of SEship, it open the door for an interesting areas of research, in order to explore how this branding is developed and the further impact of this success factor and how SEship deploys its supply chain.

