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# Social enterprise networks:

The everyday unfolding of social enterprise by interpreting & drawing different views

Pam Seanor

A thesis submitted to the University of Huddersfield  
in partial fulfilment of the requirements  
for the degree of Doctor of Philosophy

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# Abstract

This thesis examines how social enterprise is constructed in theory and practice. A critical approach is taken to questioning assumptions about complex issues especially the dynamics of networks and those facing uncertain and ambiguous situations.

Due to limited empirical evidence, a qualitative approach is adopted to explore how network interactions influence identity, meaning and actions. The research from a 16-month case study was undertaken to understand how social enterprise is made sense of by those in 37 existing social organisations, intermediate support and commissioning agencies in West Yorkshire. An analysis of data collected from in-depth interviews, together with participant observation of network events is used to theorise that issues of identity and interactions between network contacts. It attempts to make explicit some of the identity construction and maintenance processes which take place in local networks.

The thesis contributes to knowledge in that it offers a 'little' narrative of social enterprise network interactions in context, presents an unfolding model for framing network processes and uses creative narrative approaches of stories, metaphors and visual methods, not well utilised in the field but borrowing from other fields. The value of these three contributions helps to develop an enhanced understanding of social processes involved in social enterprise actions. Because of its ethnographic and phenomenological approach, it adds to the theoretical narrative and offers rich insights into contemporary network practices. The originality of the study is an unfolding approach and an alternative research perspective with which to better understand the complexity of this diverse field of study. It uses participant drawings, metaphors and paradox to examine how practitioners viewed trust (and distrust), continuity (and discontinuity), success (and lessons learnt from failure). The unfolding nature of the study enables practitioners (and researchers) the ability to structure thinking but allows for flexibility in considering the influences of local context. By focussing upon a local context it contributes grounded data to support discourse in the social context of contemporary practice. It has attempted to foster discussion of social enterprise as a socially constructed phenomenon. This empirical work considers how everyday contemporary practices correspond to (or contrast) theories and models. It offers a pluralistic view and shifts the focus from a unitary perspective of individuals and individual organisations to enable academics, policy makers and organisational participants to consider and interpret different views of changes.

Key words:

social enterprise, networks, sensemaking, narrative, visual methods and paradox

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## Introduction

### RATIONALE FOR RESEARCHING SOCIAL ENTERPRISE NETWORKS

*[Voluntary organisations are] adrift on a turbulent sea  
and at the mercy of powerful environmental pressure*

Billis (1991)

Twenty years ago, Billis voiced the above descriptive observation of turbulent environmental forces at work upon the voluntary sector. Social enterprise is one such force (NCVO, 2008) and Schofield (2005) argues social enterprise is a pressure that will damage the sector. In contrast, Hardy (2004, p.39) reflects the positive discourse of social enterprise and social entrepreneurship as lauded for 'its effective delivery of public services and for making not-for-profit organisations more financially self-reliant'. Dart (2004, p. 413) described social enterprise and social entrepreneurship as an 'encompassing set of strategic responses to many of the varieties of environmental turbulence and situational challenges that nonprofit organizations face today'. These discrepant views indicate the tensions in the literatures and highlight the need to look at influences outside the boundaries of the organisations. Moreover, these accounts imply the movement of powerful forces rather than something being constructed.

This thesis aims to develop further understanding of contemporary practice with regards to those from the voluntary and public sectors engaging in social enterprise. It analyses and attempts to make sense of the network relationships and the dynamics of organisations and intermediate support agencies that are in a state of transition. It does so by concentrating upon the 'everydayness' of social enterprise by people in local networks to communicate and interpret information and respond to uncertainty and ambiguity. Steyaert and Landstrom (2001, p.19) say the 'everydayness of entrepreneurship' is a social process 'enacted through daily activity and interaction'. It is timely, as it occurs as Government is promoting social enterprise, and the understanding of the concept is being called into question by critical commentators (Bull, 2006; Curtis, 2006; Ridley-Duff, 2008). This introductory chapter describes the rationale of the investigation, the aims and objectives, which underlie the thesis, and the purpose and the approach taken in

addressing these issues. Finally, the chapter presents the structure the thesis adopts.

## 1.1 Rationale: making sense of contemporary practice

There is a lacuna in the literature regarding contemporary practice (Pharoah, 2007; Westall & Chalkley, 2007; Dey & Steyaert, 2010). Social enterprise is a relatively new phenomenon (Austin, et al., 2006; Dees & Anderson, 2006; Light, 2006). Russell and Scott (2007, p.51) state:

*social enterprise development in the voluntary and community sectors is in its infancy; there are few firm, agreed definitions, much enthusiasm, numerous positive anecdotes, and insufficient critical stories. We are still practising and far from perfect.*

As Russell and Scott highlight social enterprise has its associated confusions and misunderstandings. There is none-the-less an expectation, as seen in government policy and academic discourse, that social enterprise will succeed as a solution to many of society's problems, including economic regeneration, community cohesion and local neighbourhood renewal.

### 1.1.1 Social enterprise development is not clearly understood

The social enterprise sector is seen as a diverse field of organisations (Pharoah et al., 2004). Two recent reports to Government on social enterprise policy (Pharoah, 2007; Westall & Chalkley, 2007) highlight the need to encourage a wider understanding of the differing forms of social enterprise in order to better inform policy so it fits the needs of people. One concern is of the sustainability of smaller organisations comprising the sector. Growth and change have placed new demands on these organisations and the support infrastructure agencies (Scott et al., 2000; Home Office, 2004). With the emphasis upon growth, little research or policy discerns it from scale and disseminating ideas and collaborative working. For instance, where policy identifies individual organisations working together as a way to 'grow the sector and build capacity' (OTS, 2007), information about local networks of social enterprises is described as 'patchy' and as 'difficult to access' (OTS, 2008a).

Social enterprise is distinguished from mainstream, as well as voluntary community



and third sector activities, as it is described as ‘trading with a social purpose’ (DTI, 2005). A key theme in the social entrepreneurship literature has been to focus upon definitions (Nicholls, 2006a; Perrini, 2006). However, it is acknowledged that the concepts of social enterprise and social entrepreneurship are evolving (Dees & Anderson, 2006; Light, 2006), and there is no single, agreed set of words that clearly defines social enterprise and social entrepreneurship. Some perceive the lack of a single definition as problematic for the development of the sector (Borzaga & Solari, 2001; Pearce, 2003). Others believe the ‘blurred’ attempts at definition better reflect the nature of the sector (Pharoah et al., 2004; Light, 2006). Russell and Scott (2007, p.51) summarise current debate stating:

*there is no one definition of social enterprise that can benefit developmental work. Stating that ‘trading for a social purpose’ is at the core of our concerns is only helpful to the extent that it prepares the way for a variety of examples.*

This comment links to the lack of empirical evidence and the need to take a critical stance in exploring social enterprise development, which will be addressed.

### 1.1.2 The need to take a more critical stance

The discourse of social entrepreneurship and social enterprise has been described as ‘unbalanced’ and ‘aspirational’ and as having ‘insufficient critical stories’ (ARNOVA, 2006; Russell & Scott, 2007). Much of the social entrepreneurship literature is premised on the assumption that social enterprises are newly formed organisations (Light, 2006). The thesis seeks to understand developmental issues for existing organisations experiencing change. Additionally, there is a divergence between rhetoric promoting the concept of social enterprise, and the levels of social enterprise activity:

*Despite a genuine recognition of their strong record in delivering services, the take-up of the social enterprise model across local and national government is patchy and fails to reflect the enthusiasm with which it is discussed.*

Stevenson as cited in Westall & Chalkley, 2007, p.3

Those promoting the sector highlight the attributes of individuals, success of new organisations, the growth in numbers of the sector and the scale of projects (SEC,

2007). The dominant themes in the discourse are the stories of successful organisations being driven by individual social entrepreneurs.

Some writers stress the need to encourage a wider understanding of the differing forms of social enterprise in order to better inform policy to fit with the needs of people in these organisations and make a social impact (Leadbeater, 2007a; Pharoah, 2007; Westall & Chalkley, 2007). These issues suggest the need to bring a critical understanding to the discourse and underlies the concerns of this thesis that appropriate support programmes may only be implemented by better understanding how the concept is developing on the ground.

### 1.1.3 The need to consider context, uncertainties and ambiguities

Russell and Scott (2007, p.28) found that experiences of social enterprise was of ‘continuous change and unpredictability’ arising from numerous interactions with public sector and government and highlight:

*In addition government enthusiasms for social enterprise are recent, and still subject to changing priorities.*

Local context is considered an important element in social enterprise development and network dynamics. One of the few studies to look at context in the field of social enterprise development found that the stories of successful social enterprises were ‘the exceptions in a sector marked by high failure rates’ (Amin et al., 2002, p.116). They stated that ‘talk of commercial and business potential seems somewhat wishful and potentially a distraction from the main purpose of social enterprises’, and argued that the high rates of failure are a ‘consequence of being forced to become commercial businesses in ways which compromise their original social objectives.’ (Amin et al., 2002, p. 124).

Russell and Scott (2007) highlight that social entrepreneurial learning would profit by questioning assumptions and considering uncertain and ambiguous contexts:

*In adding ambiguity and uncertainty to an educational process, one replicates the circumstances in which an ‘entrepreneur’ founds a business’.*

Pittaway as cited in Russell & Scott, 2007, p. 3

This comment returns to the point that the business of many third sector organisations may be in delivering services, not to the private sector, but to statutory authorities and agencies.

#### 1.1.4 The need to explore the dynamics of network relationships

Much of the discourse of social enterprise is focused upon the ‘business’ element of social enterprise (Arthur et al., 2006). This is one approach to understanding social enterprise and the thesis acknowledges the importance of this element within the literature, however. It also addresses the need to look beyond and examine social aspects and how social change is understood and practiced (Steyaert & Hjorth, 2006). It is the link with Government policy and the ‘enthusiasm’ with which the concept is promoted that is seen to be of particular relevance to the debate of social enterprise development. Government policies reflect the pattern of success and growth highlighted in the academic discourse; many have ‘success’ in the title (DTI, 2002; CLG, 2006) underlining the importance of the success of social enterprise in delivering the Government’s social objectives. This is especially of importance to third sector organisations developing as social enterprises within the United Kingdom as they are influenced, if not driven, by Government policy. This research incorporates the assumption that government rhetoric is interpreted differently at local levels. Exploring local network dynamics is thus crucial in understanding contemporary practice.

#### 1.1.5 The need to consider inter-organisational processes

The models discussed in the social entrepreneurship literature primarily concern individual attributes, ideal organisational characteristics and business rationale. There is a knowledge gap as the discourse and empirical research does not focus much upon the processes of inter-organisational development or look at relationships in network dynamics. The thesis considers theoretical underpinnings and concepts from various fields, including organisational development and social movement theory, currently excluded from the dominant discourse in the social enterprise literature.

This thesis shifts the focus and puts forward an alternative view of social enterprise and investigates the concept from a different vantage point. It presents different perspectives and brings the processes of social change into view by

framing interactions and influences in social enterprise networks. Thus it aims to make a clearer distinction between processes in social enterprise networks, as opposed to focussing upon the traits of individuals and the growth of organisations. Through exploring these issues and developing a framework for analysis, the thesis will hopefully contribute to this theoretical discourse and enhance the understanding of social enterprise, both for academics and practitioners in order that socially enterprising and sustainable solutions may be developed to meet the complex problems being faced by society.

## 1.2 Aims, objectives and research questions

### 1.2.4 Aims

The main aim is to enhance understanding of social enterprise and refocus attention on the narrative of those in existing voluntary sector organisations/social enterprises and intermediate support and commissioning agencies. The research was undertaken to understand how practitioners make sense of social enterprise identity and actions in order to gain insights from participants representing these groups and to enrich understanding during a period of change. It seeks to make explicit some of the identity construction and maintenance processes, which take place in local networks. In doing so it has attempted to foster discussion of nuanced ways of thinking about social enterprise as a socially constructed phenomenon. This empirical work will be used to consider how contemporary practices correspond to (or contrast) theories and theoretical models in order to contribute to the academic discourse as a means for exploring and interpreting network processes and relationships.

A further aim is to be of practical value to enhance understanding of how those in local networks make sense of social enterprise and the key network influences upon contemporary practice, which have implications for support and policy.

### 1.2.2 Objectives

The thesis has three main objectives:

- 1) *Make sense of how participants co-construct social enterprise:* Explore the concept of social enterprise as a social construct that emerges through

interactions, and if, and how, participants co-construct a single common identity and use a shared language in order to take action;

2) *Focus on network dynamics*: Identify concerns and expectations underlying network interactions. Analysis of these insights will aid in a richer understanding of how participants are influencing social enterprise in a local context. These will help to understand whether or not context, especially network interactions, plays a role in how participants conceptualise social enterprise; and

3) *Construct an interpretation framework*: This objective is related to the others with the aim of theory generation and processual understanding. It facilitates a view of the influences upon which social enterprise practices are adopted, and which practices are being maintained, and which are being abandoned from which to generate theory grounded in practice.

### 1.2.3 Research questions

The study seeks to engage in three interrelated research questions:

RQ1. What are the shared meanings and sense of shared identity, if any, which participants use to make sense of social enterprise?

RQ2. How are these [shared meaning and identity] related to actions?

RQ3. What role does context play in network members either adopting social enterprise, or retaining previous practices, in order to survive as organisations and create social impact?

### 1.3 Purpose and scope

The rationale for undertaking this thesis is based upon the need to better understand the influences on social enterprise development. Social enterprise is diverse and has different origins and operates in and between the public, private and voluntary sectors (Pharoah et al, 2004; Spear et al., 2007; Westall, 2007). To limit the scope of the thesis, this research seeks to understand how members of these types of organisations and intermediate support agencies respond to this agenda and interact in local networks. As Alcock and Scott (2007) argue the overlaps between the voluntary and community and public sectors are the most

challenging. The organisations investigated in the case study are similar to those Westall (2007), Mook et al. (2007) and Ridley -Duff (2008) classified as ‘type A’ social enterprises and non-profits that interact between the public and voluntary sectors. In the United Kingdom, voluntary organisations that trade and earn income are thought to comprise the largest part of the social enterprise sector (SBS, 2005). As nonprofits integrate social enterprise practices and diversify income they are described as ‘reinterpreted’ (Fowler cited by Perrini, 2006, p. 30).

Having narrowed the research to examine one ‘route’ (Spear et al., 2007), the scope is still considerable. Defourny (2001) who describes a process where a ‘spirit’ influences change in older initiatives and a ‘reshaping’ and ‘transforming’ of existing organisations. Nyssens (2006b, p.9) suggested social enterprise is not a ‘conceptual break’ within the third sector but ‘a new dynamic’ and might be understood in two ways:

*encompassing both newly created organizations and older ones that have undergone an evolution.*

She described the latter as ‘evolved’ organisations implying organisations have undergone change. Dey and Steyaert (2010) say that despite their differences academics are united by a ‘utopian rhetoric’ of social enterprise and social entrepreneurship with an ‘emphasis on newness’. The thesis responds to this and focuses upon existing organisations in the midst of change and examines both new and retained practices.

Paton (2003) recognised that much of the narrative is as if this way of acting has been accepted and a social enterprise environment exists, however. Westall and Chalkley (2007, p.3 citing Stevenson) find that the ‘take-up of the social enterprise model across local and national government is patchy and fails to reflect the enthusiasm with which it is discussed’. Paxton and Pearce (2005) observed, even those who are enthusiastic of social enterprise argue that the environment restricts involvement. As Alcock and Scott (2007) note some third sector organisations ‘embrace’ the new model and seek to transform into a new social enterprise identity, whilst others are ‘cautious’ of this approach. Experiences, beliefs and ways of working may be reflected in being defensive and resistant to change. Additionally, those within statutory agencies are also in a state of uncertainty and transition and affected by their environment.

In this research, participants from two local authority development areas in West Yorkshire were selected. The emphasis is upon the reflections of participants' experiences in existing social organisations and support agencies with particular regard to how they make sense of the changes they are experiencing. These participants were chosen as they have experience of delivering projects, or of offering organisational support to social enterprise. Each has experienced changes in their wider organisational environments and has needed to make sense of these changes in order to continue to operate. The approach taken aims to complement the existing research upon which the fields of social enterprise and entrepreneurship has been built. It does however offer a contrasting view that critically questions some of the assumptions in these literatures.

#### 1.4 Summary, approach and structure of thesis

The thesis adopts a qualitative approach and questions the assumption that a unitary perspective, seen in the individual entrepreneurial basis upon which much of the social enterprise model is founded, is the most appropriate with which to develop all organisations and offers a pluralistic view (Darwin et al., 2002).

The approach is founded upon Weick's theory of sensemaking (1979, 2001) where participants seek clarity from situations arising from uncertainty and ambiguity. Weick (1995) questions whether or not strategy for organisational development is attending to the wrong things. A theme within the study is looking at stories of success as well as failure and what actors have learnt from their experiences when things go wrong. Attention is given to the sense of organisational identity, success and failure utilising the stories and shared language of representatives of social organisations and intermediate agencies, as well as the models and diagrams that are used to conceptualise and analyse social enterprise.

Following this introductory chapter, chapters two, three and four are reviews of the literatures upon which the theoretical arguments and discussions are grounded. Chapter five presents the research strategy and precedes chapter six which outlines the conceptual model utilised to frame the research findings. The thesis has three empirical chapters [chapters 7, 8,9]; these are discussed in relation to the grand narratives presented in the literature in chapter ten. It concludes with chapter eleven. To outline the structure:

Chapter two: 'Contextualizing social enterprise' provides an overview of the influencing factors and 'drivers for change' in social enterprise. These factors build upon the tensions and problems highlighted in this introduction.

Chapter three: 'Theoretical concepts of identity' critically examines identity and the foundations upon which the concepts of social enterprise and social entrepreneurship are discussed. These narratives are often discussed in isolation of one another and by presenting both it examines different aspects of identity by considering how different goals and leadership are conceived in these literatures.

Chapter four: 'Theorizing social enterprise networks' focuses upon social aspects and aims to provide an understanding of process-oriented models. It considers the narrative of networks and also draws upon the fields of organisational development and social movements. As such it attempts to offer an interdisciplinary grounding to the thesis.

Chapter five: 'Research strategy' explains why the qualitative approach was felt to be the most appropriate. The choices of methods (e.g. semi-structured interviews, internal documents, published reports, visual data and social enterprise network events) used for generating data are discussed.

Chapter six: 'Conceptual framework & theoretical orientations' provides a lens for considering issues from different perspectives and the development of the framework is discussed. It is integral to the study as it is used to analyse and interpret the data. It then turns to discuss the epistemological and ontological reasoning underpinning the decisions taken.

Chapter seven: 'Making sense of identity, shared language and actions' presents empirical data and addresses the first research question and examined identity and shared language. Research indicated that there were different meanings and no single common identity - both in contrast to assumptions of sensemaking (Weick, 1995, 2001). What emerged better reflects Brown et al. (2008) that people act from 'shared and discrepant sensemaking'. Thus, this thesis sought not just commonalities but also contradictions and nuances of meaning.

Chapter eight: 'Insightful reflections on network dynamics' addresses the second research question and uses visual data, generated by participant's drawings and



stories to illustrate how actions were framed by different agendas and the problematic nature of fragmentation used to describe network interactions. Negotiations were not being directly addressed by social clauses as suggested by Nicholls (2006a) but instead were dependent upon the 'quality of the relations' between social organisations and statutory agencies and/or in social organisations 'bending the rules'.

Chapter nine: 'How organisations refashion experiences' is the final findings chapter and addresses the third research question. The concern was of retained identity and practices and participants described the need to be 'entrepreneurial' and discussed their understandings of success and failure, trust and distrust in network interactions. Related to this narrative was that whilst support workers promoted the notion of social enterprise by specifically encouraging certain practices and withdrawing the support for others, many in the networks resisted such moves.

Chapter ten: 'Theory and practice' is a discussion of the data in relation to the literature. The key issues and findings of participants in local networks presented in the main body of the thesis are brought together in this chapter. There appeared strong links between how participants reflected upon the different processes presented in the three empirical chapters which created a coherent whole of network processes in part reflected in the conceptual model.

Chapter eleven: 'Concluding interpretation and point of view' reflects upon the comment framed in the first sentence of this thesis, that the voluntary sector is 'adrift on a turbulent sea and at the mercy of powerful environmental pressure'. This was a local study and the limitations are considered. From these, the contribution to knowledge and the implications for policy and practice as well as areas of future research are presented.

This chapter has set the scene for the rest of the thesis and offered a brief overview of the purpose, the boundaries around the research area and the structure for the chapters. It has highlighted the need to focus upon the influences of networks upon social enterprise identity and actions. The next chapter presents an overview of the context of social enterprise development.

## Contextualizing social enterprise MAKING SENSE OF INFLUENCING FACTORS

In order to make sense of how social enterprise is understood, a discussion of context is necessary. Attention has been drawn to the need to explore and understand the contexts in which social enterprises operate (Pharoah et al. 2004; Nicholls 2006a; Steyaert & Hjorth, 2006). Context is considered as vital in considering the effects of relationships; yet, many mean different things when using the term (Amin et al., 2002; Widen-Wulff & Ginman, 2004; Bowey & Easton, 2007). Steyaert and Hjorth (2006, p.11) highlight differences in considering 'change as a form of development 'from within' in contrast to change as adaptations 'from the outside'. Context can offer an enabling environment but equally, context might limit choices; for instance there may be a 'lack of choice' or the 'exit strategies' devised by the local authority are not in accord with the expectations of those in social enterprise (Gilchrist, 2006). Amin et al. (2002) found local context had a significant influence upon the development of social enterprises and different contexts produced different solutions. The context of relations between social organisations, support workers and commissioners proved vital. For the purpose of this thesis context is conceived:

*Not just as a stimulus environment, but also as a nested arrangement of structures and processes in which the subjective interpretations of actors' perceiving, learning, and remembering help shape process*

Pettigrew et al. as cited by Seitanidi, 2008, p.3

This chapter presents the context of the study and reviews key literature relating to influencing factors and drivers of change. It begins by examining problem-setting and problem-solving.

### 2.1 Problem-setting and problem-solving

The thesis is grounded in the notion that the development of theory starts first with the problem being considered (Billis, 1993; Weick, 1995; Crotty, 1998; Law, 2004; Latour, 2005). The way in which a problem is conceived is a 'critical' skill for social enterprises as this process affects the way solutions are developed (Curtis,

2010). Leadbeater argued social entrepreneurs differ from others in finding new solutions to solve problems. Others see social enterprise in the United Kingdom as filling identified gaps in statutory services and meeting the needs of disadvantaged communities (Pearce, 2003; Thompson et al., 2000). Thus, problem solving is a key locus of both social enterprise and social entrepreneurship (Leadbeater, 1997; Dart, 2004; Austin et al., 2006). This perspective is seen in the following definitions:

*An effort by an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern-breaking ideas in what governments, nonprofits, and businesses do to address significant social problems.*

Light, 2008, p.12

*A social entrepreneur takes notice of a social problem or need, decides to passionately pursue it, creatively innovate new solutions and entrepreneurially address the issue through an organised business plan approach*

GHK, 2005, p. 86

The two perceive different approaches to ‘who’ solves the problems and ‘how’ they do so, perhaps reflecting the differences between scholars theorising social enterprise and social entrepreneurship that will be discussed in chapter three. Over time some key theorists change their stance, as seen by Light shortening his definition of social entrepreneurship to ‘efforts to solve intractable social problems through pattern-breaking change’ (Light, 2008). Specifically, scholars identify the starting point for problem-solving and problem-setting differs predominantly between the role of the individual or that of processes. It has been noted that the different approaches are of themselves problematic. Notably, IEED (2004, p.38) conclude an empirical study of social enterprises in West Cumbria stating it is ‘ironic that some of the proponents of social entrepreneurship ... are still perceived to be central to the construction of the problem’. The thesis draws upon the notion that entrepreneurs often work jointly to solve problems (Bowey & Easton, 2007). They found that contexts differed but the opportunities offered were learning about social assets (motivations and capabilities of others in the network, adjusting expectations, co-operation and sense of fairness).

Wider problems are framed for the field as Alcock and Scott (2007) argue problems incurred from lack of recognising diversity can not be underestimated, and it is one

of the key problems - particularly as government does not acknowledge this characteristic. Pharoah et al. (2004) observe that not only policy makers but also advisors and trainers do not often acknowledge the diversity of the third sector. Thus, different approaches to problem-setting and problem-solving proved central concerns. This thesis suggests a different articulation of social enterprise processes within the context of local networks of smaller scale change, non-heroic, yet entrepreneurial identities and actions not based upon business plans.

## 2.2 Different drivers of change

Various factors driving third sector organisations, social enterprise and social entrepreneurship have been identified. Borzaga and Defourny (2001), Kerlin (2006a) and Nyssens (2006) emphasise government policy and programmes as drivers for strategic development. In contrast, the idea of the individual as the 'catalyst of change' is given credibility by others (Dees, 1998; Bornstein, 2004; Emerson & Bonini, 2004). They argue that a 'new breed' of social activist is reconfiguring solutions to community problems and delivering sustainable new social value.

Of note, though the notion of drivers of change is well addressed, the opposing force, as resistance to change, is less so. Billis (1993, p. 2) warned that 'stumbling into change is the main hazard facing the voluntary sector'. They may have been 'stumbling into change', but what, if any, actions have they taken to correct or right their balance? The social entrepreneurship literature does not use the analogy of 'stumbling into change' but instead refers to 'drivers' of change (Nicholls, 2006a) or a 'tide' of social entrepreneurs changing the nature of the voluntary sector (Boschee, 2006). There are various tensions that those in social enterprise networks that have evolved from the voluntary sector will need to make sense of and negotiate. Before moving on, it is acknowledged that the terminology 'drivers for change' is itself a means of framing issues using market based tools (Deakin, 2001) and highlights the nature of conceiving social aspects of social enterprise within the language of business.

Schwabenland (2006) poses that who or what is perceived to be a driver of change depends upon how the situation is interpreted. She argues that those considering the social world as 'socially constructed' are more likely to see individuals and groups as driving change where those who perceive reality to be 'objective' are

more likely to view institutions and the structures of state and market as drivers of change. This distinction between socially constructed and objective realities is beyond the remit of this thesis, but it is important to note that frameworks for understanding meanings matter.

### 2.2.1 Individuals and/or networks as drivers of change

Among those who see the social enterprise as being driven by key individuals, Dees et al. (2001) and Hardy (2004) both identify the social entrepreneur as the 'forceful engine' driving social enterprise. Nicholls (2006a) views the driver of change to be the social entrepreneur and their networks, whilst, Martin and Osberg (2007, p.33.) argue the need to 'differentiate entrepreneur's engagement in direct action from other indirect and supportive actions'.

Various documents highlight the benefits of social enterprise networking (OTS, 2008a) and they have been identified as one means to build capacity and to grow the sector (DTI, 2005). There is however little academic or government literature regarding contemporary practice. Indeed the recent *State of Social Enterprise Survey* (SEC, 2009) omits talk of networking. A recent report indicated lowered numbers of collaborative working within the sector (43% working collaboratively to deliver public service contracts - down 21% from previous year), with greater emphasis (77% of respondents) on planning to work with local infrastructure bodies (Third Sector, 2009c). A central theme of the thesis is to examine why this might be occurring in local networks.

### 2.2.2 Wider contextual influences as drivers

Perrini (2006, p.3) states wider factors have compelled non-profit organisations 'to reinvent themselves and their traditional *modus vivendi*'. He identified two drivers of change affecting the non-profit sector:

- 1 the crisis in traditional welfare state services; and
- 2 the increased competition within the sector.

He argues the 'demand' for social enterprise arises from the 'disequilibria' of these drivers and 'more generally, a concern for the seemingly unsustainable disequilibrium in the distribution of wealth and well-being across the planet'.

Schwabenland (2006) describes this perspective of social enterprise as a 'corrective' to the market. What Perrini refers to as the 'crisis' in traditional public services has been exacerbated by the slowdown of global economic markets and rising levels in unemployment, which has affected changes in how governments deliver public services (Borzaga & Defourny, 2001). With the current economic crisis this situation looks very likely to continue.

Over the past decade, the level of government policy and intervention affecting the third sector has increased (Alcock, 2008). Three key policies are identified (GHK, 2005; SEnU, 2007) as drivers by government in the UK: economic competitiveness, social cohesion and public service delivery.

Economic competitiveness is seen in increasing numbers of social enterprises into business such as the Local Enterprise Growth Initiative (LEGI). Social cohesion is linked to social enterprise being a mechanism in the New Deal for Communities and Neighbourhood Renewal Fund programmes. Public or local service delivery is in local authorities and Health. Emerging from the global economic crisis, the following are identified as strong drivers of government interest (OTS, 2009) in social enterprise:

- Changed economic climate;
- Increased challenge of sustainability;
- Pace of public sector reform; and
- New thinking on future shape of UK economy.

From the vantage point of the third sector, NCVO (2008) frame the situation differently and list social enterprise as being one of over a hundred 'drivers' that might influence the UK voluntary sector. They classify social enterprise as an economic factor linked to the further polarisation of the voluntary and community sector (VCS). These issues will be examined in the thesis from the perspective of contemporary practice.

In Britain it is estimated that private and voluntary sector bodies will deliver approximately 18% of social welfare services (Drakeford, 2007). Drakeford (2007) comments 'this is more than simply moving the furniture around the drawing room'

as this affects who provides services, funding and regulation. Government policies and programmes are encouraging voluntary organisations to transform into social enterprise and to ‘professionalise’ activities. Theories of new public management are driving traditionally non-market-oriented organizations to become competitive, ‘client based’ and ‘output-focused’ (Dart, 2004; Drakeford, 2007; Alcock & Scott, 2007), and the ‘contract culture’ and provision of public services dominates much of the discourse in the voluntary sector literature (Taylor, 1996; Deakin, 2001; Alcock & Scott, 2007). In this agenda strategy is primarily conceived as improving performance (Paton, 2003; Alcock, 2008).

Kerlin (2006b) says that social enterprise in the UK has grown from changes and challenges to grant funding combined with the third sector being encouraged to deliver statutory service provision. This view of social enterprise is reflected in Perrini (2006, p.60):

*as a way to make nonprofits more market-driven, client driven, and self-sufficient - in other words, as commercialized nonprofits.*

By using the terms ‘as a way to make’ this comment suggests that social enterprises evolving from ‘not-for-profit’ origins are being forced (rather than choosing) this course. There is debate as to whether or not organisations are being forced to change or are making informed, free decisions. One government document (Home Office, 2008) notes the sector is not ‘forced to take contracts’ and places responsibility upon organisations to understand the relationships and implications of entering into contractual agreements with statutory providers.

A related point is that Kerlin (2006b), and Hardy (2004), conflate the development of the social enterprise sector to the changes in grant funding, together with the development of effective service provision by the third sector. These are not one and the same, and this response to a funding crisis is happening at the same time as the drive by some actors for modernisation and improved efficiency of the third sector. Further, Hardy and Kerlin omit social cohesion - which will be returned to later in the discussion.

Primary interventions

Grant funding, contracts and service level agreements with local authorities and other statutory service providers have been referred to as ‘primary interventions’,

changes to which will directly influence how organisations operate (Billis, 1993). This has had a considerable impact upon the development of the third sector (Alcock & Scott, 2007). The different tiers of government support are illustrated in the following recent figures of 7% funding to the voluntary sector from European and national policy and programmes (ONS, 2010). As European structural funding is redirected to more disadvantaged states entering the European Union, less will be channelled to the UK. Local and Central governments provide 52% [£6.6 billion] and 41% [£5.3 billion] respectively to the voluntary sector including social enterprise (ONS, 2010).

Changes from voluntary income (grants) to earned income (contracts), have been the greatest. In 2007/2008, total income for the voluntary sector in grants was £3.7 billion and contracts £9.1 billion (ONS, 2010). This demonstrates the shift to contractual agreement as contract income increased from £5.1 billion in seven years since 2000/01 (ONS, 2010).

Though the sector appears 'healthy', the majority of third sector organisations are faced by challenges (Third Sector, 2008a):

*Beneath this headline figure [of contractual growth] emerges a picture of a struggle for survival by many charities. Three out of five of the smallest charities, and nearly one in five of the largest, cut their expenditure between 2004/05 and 2005/06, suggesting sharp falls in the amount of money available.*

These changes have been associated with tensions between customers, funding clients and the management of internal strategic decisions (Aiken & Spear, 2006). This has a knock-on effect where members of voluntary organisations view the future as 'increasingly uncertain and complex' as Clark (2007, p.10) says:

*the increasing expectations on VS organisations to function as high performing private businesses, combined with changing working practices and high turnover rates, makes it increasingly difficult to recruit, retain and train a fully skilled workforce.*

NCVO attributed the change in resource bases to charities becoming more entrepreneurial and to 'the shift to contract-based funding increasing at pace' (Third Sector, 2008a). Notably, the pace of changes in earned income has 'quickened' since 2004/05, and during the same period grant income has declined (ONS, 2010). Pearce (2003) stated that unrelenting changes and growth in the



sector have been seen over the past 20 years. However, some see an accelerated pace of change in social enterprise as influenced by central Government (Aiken, 2006; Defourny & Nyssens, 2006b). Alcock (2010) notes the 'rapid policy change' linked to third sector and the influence of New Labour policies and programmes. Aiken (2007) particularly notes that government policy over the past five years has favoured the development of social enterprise and focussed upon contracting services. There are contrasting views in this debate. Oliver Reichardt, research manager at the NCVO, commented that the 'volatility' of funding has become a major problem for the third sector (Third Sector, 2008e). He asserts that this is more of a problem than the changes from grants to contracts.

There are different stances with regard to strategies of earned income; organisations may pursue self-sufficiency or a mix of grant funding and earned revenue (Bode et al., 2006; Hulgard & Spear, 2006; CLG, 2007; OTS, 2007; Home Office, 2008). Borzaga and Defourny (2001) recommended that Governments continue to have a responsibility in providing grant support to voluntary organisations, so they do not need to make an abrupt sea-change to earning income through procuring for services. Government documents like *Strong and Prosperous Communities* and *Third Sector Strategy Discussion Document*, (CLG, 2006 and 2007 respectively) have acknowledged that grant funding should be continued in the sector (where found appropriate). It recognizes the need for small grants for those organisations in a state of transition within the third sector or where contracting to deliver social services, such as when acting as advocates for the voluntary community sector, may not be appropriate (e.g. Third Sector Review). In contrast, Boschee (2006) perceives 'smart' actors in voluntary organisations as recognising the need to move away from the 'dependency' model of grants. This rational economic perspective overlooks the social aspects and fails to acknowledge the sector's culture of offering, and receiving, peer support with others in their local networks or the way in which the sector interacts with public service providers offering insights into the design of statutory services.

#### Secondary interventions

Nyssens (2006b) considers whether social enterprises will simply become contracted to deliver an arms length social service from the government. She believes this will depend greatly upon the Government's response to regulation and that if 'quasi-market' policies are developed the innovative role of social

enterprise might be adversely affected (Nyssens, 2006b, p.328). Thus, she discerns between the positive and negative impacts that government contracting holds for social enterprise development. In the UK, government policies and programmes are reported to have ‘helped to create the conditions for the sector to increase its involvement in public service provision’ (Third Sector, 2008e). Billis (1993) referred to these types of influences as 'secondary interventions'. These influences have not only helped to create the conditions to involve the sector in service provision, they have greatly influenced the strategic development of organisations, including those from the voluntary and community sector. Accompanying this interest in social enterprise as a tool for delivering government policy and programmes is the creation of areas ‘for increased state regulation’ (Alcock & Scott, 2007, p.91). They list:

- The stress from government upon ‘best value’ of service delivery;
- Increased measurement and reporting of input and outputs;
- The extension of charitable status to include new forms of activity; and
- Expansions of the National Audit Office monitoring voluntary and public sector interactions.

Organisations are affected by the policies and the practises of intermediary support agencies set by Government (Woolcock, 1998; Gilchrist, 2004). This is a debated area that Deakin (2001, p.140) argues voluntary organisation need to address 'not as an option but a necessity'. To consider secondary interventions, Billis (1993) warned it is not business-type interactions *per se*, but rather how this type of involvement could result in 'industrialism'. Billis (1993, p.210) described this:

*as the continuous exhortation by government (and acceptance by the sector) to adopt models of behaviour and organisation today based particularly on the business bureaucracy with its anonymous market and profit-driven imperative.*

Table 2.1 draws upon Billis’ framework and lists some key secondary interventions impacting social enterprise.

Table 2.1: Secondary interventions influencing social enterprise development

Secondary intervention	Examples
Changes in attitudes and approaches	New Labour's 'third way' OTS critical think pieces
Changes in policy and legislation	<p>Strategy for Neighbourhood Renewal (Social Exclusion Unit 2000)</p> <p>Social Enterprise - A Strategy for Success (DTI 2002)</p> <p>The role of the voluntary and community sector in service delivery: a cross cutting review (HM Treasury 2002)</p> <p>Building Civil Renewal (Home Office 2003)</p> <p>Gershon Review (HM Treasury 2004)</p> <p>Think smart...think voluntary sector, good practice guidance on procurement of services from the voluntary and community sector (Active Communities 2004)</p> <p>Firm Foundations, the Government's framework for community capacity building (Civil Renewal Unit 2004)</p> <p>Strong &amp; Prosperous Communities (CLG 2006)</p> <p>Social Enterprise Action Plan (OTS 2006)</p> <p>The future role of the third sector in social &amp; economic regeneration: final report (HM Treasury 2007)</p> <p>Third sector strategy for Communities &amp; Local Government Discussion paper (CLG 2007)</p>
New departments & programmes	<p>Social Enterprise Unit (SenU)</p> <p>Civil Renewal Unit</p> <p>Office of the Third Sector Social Enterprise</p> <p>SE Unit in Health followed by a SE Unit in CLG</p> <p>Office for Civil Society</p> <p>Futurebuilders Fund</p> <p>Change-up (HomeOffice 2004)</p> <p>Capacity Builders</p> <p>Home Office HUB programmes</p>
Publicising & awarding social enterprise	<p>Launch of SEC (2002)</p> <p>Social enterprise ambassadors</p> <p>SEC Health Care forum/NHS Social Enterprise Network</p>

### 2.2.2.1 Changes in attitudes and approaches to service delivery

Social enterprise is championed by the main political parties, as evidenced by the Labour Party's 2005 general election manifesto, which contained commitments to grow and support the sector; and the Conservative Party's 'Built to Last' manifesto, which identified social enterprise as a means of improving social justice and providing health and social care (SEC, 2006).

The modernisation of the public services under the post 1997 New Labour Governments have espoused social enterprise as a component part of the 'third way'. Social enterprise was part of that government's agenda for change to address disadvantage, social exclusion and service provision. In large part, the 'third way' approach was seen to arise from the privatisation of services experienced under the Thatcher government and the move towards involving the third sector in delivering welfare services (Amin et al., 2002; Alcock & Scott, 2007; Clark, 2007; Somers, 2007). This trend looks likely to continue as the new coalition Government stated their intent of allowing providers from other sectors to offer more service provision in the areas of education, justice and health (HM Government, 2010). This is linked to the 'contracting culture' and the factors driving this economic approach appear to be based upon the notion that welfare services can be marketed and sold to customers (Dart, 2004; Alcock & Scott, 2007).

Social Enterprise conferences (e.g. Voice, 2006, 2007) firmly place procurement and commissioning to deliver statutory services as a critical issue for the sector. Figures from a recent UK study link the growth in number of employees in the voluntary sector (an increase of 15% since 2000) to the provision of public service delivery (Clark, 2007). The delivery of public services is a foci of the Third Sector Research Centre (Third Sector, July 2008). How public services are commissioned by statutory agencies will have a considerable impact upon voluntary sector and social enterprise development. This change can be seen in a Third Sector (2008a) editorial:

*Few people will be surprised to discover that grant income was flat or that, for the first time, earned income accounted for more than half of the sector's income. Goods and services, membership fees and contracts were the main sources of earned income.*

This emphasis upon social enterprise as part of the ‘third way’ looks likely to continue, as the then Chancellor Gordon Brown viewed social enterprise as ‘the new British business success story, forging a new frontier of enterprise’ (cited in Westall and Chalkley, 2007, p. 6). Notably, the Office of the Third Sector encouraged critical ‘Think pieces’ to present issues such as social value (Nicholls, 2007), innovation (Westall, 2007), social inclusion (Leadbeater, 2007) and employment for disadvantaged communities (Aiken, 2007). In doing so, it calls upon the critical thinking of scholars to inform development.

#### 2.2.2.2 Changes in policy and legislation

Government discourse appears to influence the development of the third sector through changes in policy and legislation as exemplified by the raft of policies listed above (Table 2.1). Each affects organisations in the third sector seeking to deliver welfare services. The agendas however are at times conflicting; for instance, while the Gershon Review recommended improved relations within the voluntary and community sector as a whole, some argue that interpretation of the review has adversely affected the sector, particularly the efficiency agenda which linked taking advantage of economies of scale and using larger contractors (The Big Life Group, 2007; Murdock, 2007).

Public service policy has seen a step change with the ‘Duty to involve’ (Local Government & Public Involvement in Health Bill (CLG, 2009 - formerly *Strong & Prosperous Communities* White Paper). Every Child Matters also placed a duty upon Local authorities to involve the third sector by consulting, informing and involving. In addition, changes in social policy and the move from awarding grants to the use of contracts as a basis for designing and delivering public services have led to shifts in the nature of relationships between government and voluntary sector organisations (Alcock & Scott, 2007). These relations were found of critical importance especially in the delivery of public services (Deakin Commission, 1996). Alcock and Scott (2007, p.91) emphasis that the nature of these relations shifted:

*at the beginning of the new century [and] have massively increased by the scale and the profile of the sector within political and policy planning.*

Policy documents (e.g. OTS, 2007) highlight that successful social enterprises can play an important role in helping deliver many of government's key policy objectives by:

- helping to drive up productivity and competitiveness;
- contributing to socially inclusive wealth creation;
- enabling individuals and communities to work towards regenerating their local neighbourhoods;
- showing new ways to deliver public services; and
- helping to develop an inclusive society and active citizenship.

The Social Enterprise Action Plan has some significant changes from previous Government policy, for instance HM Treasury (2002, p. 23) where social enterprise was to:

- demonstrate entrepreneurial leadership;
- act as intermediate organisations delivering a wide range of services under contract;
- create training and employment opportunities, especially excluded groups;
- build social capital; and
- lever in additional finance.

The Action Plan clearly links the business element of social enterprise with 'regenerating local neighbourhoods' and 'developing an inclusive society'. Stating that social enterprise is associated with 'showing new ways to deliver public services', it, however, falls short of recognising the potential for social enterprises to be engaged in developing new services with public sector partners. As the title suggests, *Scaling New Heights* is the plan to take social enterprise to the next level of growth, aiming to encourage the sector's growth in four ways:

1. confirm value and credibility of social enterprise
2. embed social enterprise as a recognized business model
3. help to open markets
4. encourage new entrants

Whilst, UK Government interest in social enterprise has focussed upon economic competitiveness (Bridge et al., 2009), changes in policy and programmes might signal a change in emphasis.

### 2.2.2.3 New departments and programmes

Government has restructured departments in a new agenda of support for the third sector and social enterprise (Alcock, 2010). To chart key developments, the Active Communities Unit was created in 1999 to support the third sector. Attempts to co-ordinate the development of social enterprise can be seen through social enterprise development initially being located within the Small Business Services of the Department of Trade and Industry in 2001 (Purser, 2009). The Civil Renewal Unit (CRU) created in 2003 was subsequently transferred to Communities and Local Government (CLG) in 2006. Creating new departments potentially shifts the focus of social enterprise from business to the wider third sector. In 2006, responsibility for the development of the third sector in England and Wales was moved to the Office of the Third Sector (OTS) within the Cabinet office. The implication being a dedicated minister influences co-ordination across departments (Purser, 2009).

The Australian Institute for SME research (AISME, 2007) suggested that a 'complete infrastructure' had been built for social enterprise within the UK. However, approaches appear to differ across government departments with some appearing to engage more than others as evidenced by departments being created that were directly linked to social enterprise development. For example, a Social Enterprise Unit (within the Department of Health) was associated with a new emphasis in the field with funding and the 'Duty to Involve' (CLG, 2008) and the 'Right to Request' (Darzi, 2008) and Communities and Local Government created its own social enterprise department. With the change from the New Labour government, the coalition government changed departments again and in May 2010 created the Office for Civil Society to underpin the notion of 'The Big Society'. Somers argued (2007, p.11):

*Whilst New Labour might want to create a vibrant civil society for civil society's sake, this motive comes off as aspirational and grand in vision, it doesn't bear up in reality.*

Alcock and Scott (2007) support this view claiming civil renewal has not received the profile or levels of government investment seen in service delivery programmes.

In targeting members of the third sector as delivery partners, various programmes (e.g. Local Strategic Partnerships, Compacts and Neighbourhood Renewal) were initiated to develop the third sector and more specifically this new entity of social enterprise. Programmes stemming from these changes include mainstream business support through Business Link agencies, and the 'builders' programmes (Alcock (2010) including Future Builders and capacity building through voluntary sector infrastructure support (ChangeUp and CapacityBuilders investment programmes) followed by the 'hubs' of expertise. Whilst these capacity building programmes were seen to emphasise a shift from vertical structures of support delivered by national agencies to horizontal dimensions (Alcock, 2010), approaches to delivering the policies, the focus of support (e.g. social entrepreneur or wider team/ sector) and the perceptions of these support measures differ (Lyon & Ramsden, 2005).

#### 2.2.2.4 Publicising social enterprise

Social Enterprise Coalition (SEC) is the umbrella agency representing the social enterprise sector at the national level and the aim is to publicise and promote social enterprise. For example, the Social Enterprise Coalition's *Social Enterprise Ambassadors Programme*, under which '30 passionate social enterprise leaders' with the title of social enterprise ambassador, is a 'key campaign' funded by the Office for the Third Sector. Jonathan Bland (at the time SEC Chief Executive) advocates:

*currently just one in four people know what social enterprise is, but this list of extremely successful and inspiring people will change that. Soon everyone will recognize that social enterprise is the business model for the 21<sup>st</sup> century.*

Social Enterprise Ambassadors, 2007

That 'extremely successful and inspiring people' in social enterprise are role models may leave many questioning if they might be part of social enterprises, and it may leave others outside of the sector unaware of who these people are. The aim for everyone to recognise social enterprise as 'the business model for the 21st century' appears an extremely ambitious goal. That a quarter of the population knows and



understands the concept seems questionable when Pharoah and Westall highlight the diverse nature of organisations and stress the importance of the need to understand social enterprise. A recent government document suggests other strategies are needed as social enterprise is not well known or understood by those who are potential positive influences (OTS, 2008b).

One aim is to promote social enterprise best practice through networks though this work is not as well publicised as the Ambassadors programme. Examples are in the area of health: the NHS network formed in 2007 was the first national social enterprise network (OTS, 2008a). However, direct transferability is questionable. Amin et al. (2002) found 'best practice' unreplicable, as there are different solutions for different contexts. The findings from their comparative study re-emphasised that situations in which social enterprise actors engage are likely to be unclear, organisational goals may be contradictory, success measures may not be clearly identified and values systems may clash. People in these networks must make sense of how best to transform their organisations to deliver their social aims.

### 2.3 Summarizing the context for studying social enterprise

The chapter has presented the focus upon existing third sector organisations and government interactions and highlighted that there is a need for considering the wider context as influencing social enterprise development. Context needs to be considered as 'in differing has varying potentials and reflects different organising principles' (Steyaert & Landstrom, 2011) and the study seeks to offer an empirically grounding to the concept of social enterprise by exploring the process of networks. The thesis contributes to the narrative as few empirical studies explore the context in which the field is developing (Austin et al., 2006; Dees & Anderson, 2006; Nicholls, 2006a). It has offered a view of the different drivers of change and specifically the influences of government policy documents and programmes in the UK and the examined primary and secondary interventions (Billis, 1993). Table 2.2 summarises the main concepts reviewed in the discussion:

Table 2.2: Summary of main concepts

Theme	Summary	Questions raised
Problem-setting & problem solving	<p>SE as a 'state of mind' or wider contextual influences</p> <p>Emphasis of theories of public management upon 'competition' &amp; 'output-focussed'</p> <p>National reports of reduced collaborative working practices</p>	<p>How much do networks influence local development?</p> <p>Is theory accepted in practice?</p> <p>Is there lessened collaborative working?</p>
Drivers of change	<p>Individuals &amp; networks or wider contextual influences of institutions</p> <p>Policies &amp; programmes: Primary &amp; secondary interventions</p> <p>Economic competitiveness, social cohesion &amp; public service delivery</p>	<p>What do people see as the key drivers for change? Are these accepted or resisted?</p> <p>Which interventions do practitioners recognize as influencing social enterprise?</p> <p>Are these different agendas seen to overlap or conflict?</p>

Social enterprise is being influenced by different agendas and can be perceived as part of a cycle of regeneration policies and programmes affecting voluntary community and public sector relations (Dey & Steyaert, 2010). Social enterprise evolved from different influences, which arise from different areas (GHK, 2005; SEnU, 2007). These partly overlap but also contradict one another, and many organisations are affected by more than one agenda. There are key questions raised from the main points in this review, but an overriding concern is whether or not an environment to support social enterprise exists or is it assumed to exist. Lyon et al. (2010, unpaginated) comment:

*Despite a decade of government investment into social enterprise infrastructure and research, there is still no clear understanding as to what social enterprise is or does, and how many there are in the UK.*

Chapter five outlines the research strategy utilised to explore the issues and questions highlighted in Table 2.2. Before that discussion, the theoretical perspectives underpinning the thesis are examined in chapter three and focus upon social enterprise and entrepreneurship identity followed by a discussion of networks in chapter four.

## Theoretical concepts of identity

### UNDERSTANDING SOCIAL ENTERPRISE: DIFFERING AND CONTESTED VIEWS

This review allows for an understanding of the complexity of social enterprise identity. Understanding the nature of identity is a fundamental step for a better understanding of social enterprise and for clearer debates of the issue. In reviewing the literatures of social enterprise, social entrepreneurship and third sector it examines concepts including approaches, definitions and models of social enterprise identity. The contribution is of critically reviewing in order to clarify differing approaches to theorising by examining the ‘social and narrative processes of identity construction’ (Down, 2006) and activity. Nicholls (2006a) notes that much of the social entrepreneurship literature considered identity, and the discussion presented examines the differing and contested views of social enterprise identity. This chapter considers identity and self-identity are not fixed but a process continually being interpreted (Berglund, 2006; Dey, 2006; Down, 2006). Specifically, it seeks to make explicit some of the identity construction and maintenance processes and actions, which take place in local networks.

The literatures provide a diverse body of theory on the topic and this thesis immediately confronts how different definitions and meanings are developed and drawn upon. A number of key writers appear repeatedly in these theoretical debates, for instance, Dees, Light, and Perrini, in the social entrepreneurship literatures, and Defourny, Nyssens and Spear in social enterprise. An important distinction is in how these theorists define the field, and their thinking and assumptions underpin narratives of how social enterprise and social entrepreneurship should develop. As discussed in chapter two, the context and traditions of social enterprise differ. As such care needs to be taken in adopting particular approaches and best practices (Defourny & Nyssens, 2006; Peattie & Morley, 2008). For example, the geography of social enterprise has resulted in different contexts and traditions, with the pattern of social entrepreneurship in Europe, based upon a social economy, differing from that of non-profits found in the United States (Kerlin, 2006a; Nyssens, 2006a). Largely based upon the crisis in the welfare systems, Defourny (2006) finds a ‘new entrepreneurship’ is more prevalent in Europe than the US and is most ‘striking’ in the UK due to changes in public

sector services. Bridge et al. (2009, p.79) argue social enterprise can be categorised as:

- 1 an economic/ entrepreneurial approach - seen by the US/UK approach to social enterprise as businesses;
- 2 a socio-economic policy approach - 'patching up' welfare services by becoming a 'low cost provider' also leading to social enterprise; and
- 3 a political/ideological approach - seen in the European approach, which focuses upon the social economy rather than social enterprise, promoting more democratic structures and citizen participation in decision-making.

The stark contrasts between these approaches dominate the literature and have underlying implications for social enterprise development.

Notably, the narratives are found as 'fragmented' fields of study (Light, 2006) and as found in reviewing the literatures, the two schools infrequently cross-reference one another. As the thesis focuses upon the context of social enterprise development in the UK, these different views are discussed here in an attempt to consider the myriad of ways of theorising about the concept of identity and the different assumptions within the two fields. This chapter presents these different perspectives within three themes:

3.1. Different perceptions and adopted and imposed identities and how these compare to definitions and the social enterprise and social entrepreneurship narratives;

3.2. Identity as the types of aims and activities social enterprises pursue (e.g. economic versus social) and how this converges and/or diverges with those of other sectors; and

3.3. Identity as implied by leadership, specifically, what type(s) of leadership are most appropriate for considering network dynamics in light of point '1' (e.g. US/European model; collectivist/individualist).

Understanding social enterprise is complex (SEC, 2008). Much of the discourse assumes that heroic, innovative and risk-taking individuals drive successful social enterprises. This chapter considers the narratives and critically questions this assumption (Light, 2006; Goldstein et al., 2008; Robinson et al., 2009). It then examines ambiguity and paradox (Section 3.4) which acts as a pivotal point between

this review of the literature and the following review of networks (Chapter 4). The chapter offers a means for considering hidden assumptions in the literature with regards to network dynamics and processes, which specifically influence how academics and practitioners approach social interactions.

### 3.1 Different perceptions of identity

Defourny (2001) argues that the term, social enterprise, is used only by those 'initiated' in the field. Paton (2003, p. 157) takes a more critical stance suggesting that there are 'occasional and doubting attendees at the church rather than true believers'. The question arises 'Is this changing?' as a 2008 survey found almost half of the third sector identified as a social enterprise, although only 5% were officially classed as such (Lyon, et al., 2010), which calls attention to changes in perceived and classified identity. Identity is linked to social interactions and there are two different but important aspects of identity to consider in considering network interactions. One aspect is the individual's conception of themselves and 'how people locate themselves within a particular discourse during interaction', and the other relates to others' conceptions and is depend upon 'social relations' (Berglund, 2006, p. 237).

There are different and conflicting views of identities presented in the literatures. Some scholars focus upon organisational identities (Grimes, 2010) while others link entrepreneurship with identity (Berglund, 2006). Jones et al. (2008, p.332) ask 'what difference makes a difference' in understanding social enterprise and entrepreneurship identity. In discussing social enterprise and entrepreneurship Steyaert and Hjorth (2006, p.1) seek to change understandings of entrepreneurship and question 'How does the social make social entrepreneurship different from entrepreneurship, if at all?'. A pattern commonly identified as discerning social enterprises from other types of entrepreneurial activity is founded upon economic, social or ethical values (Defourny, 2001; Pearce, 2003; SEC, 2007; SEL 2007). Others say these are not the sole preserves of social enterprise and argue social enterprises are fundamentally similar to their commercial counterparts (Cools & Vermeulen, 2008; Steinerowski et al., 2008; Kreuger et al., 2009). However, They note key distinctions as social enterprises are more adverse to risk-taking (Cools & Vermeulen, 2008) and opportunity is perceived differently (Kreuger et al., 2009). The *State of Social Enterprise Survey* (SEC, 2009) found social enterprises to differ from the voluntary sector and seen as more like small medium enterprises [SMEs].

To support this finding they focus upon the move from grants to contractual agreements with the public sector and compare these to earned income. Practitioners themselves disagree as to whether social enterprise is a distinct form, or is used to describe all voluntary and community organisations (Third Sector, 2007). Schofield (2005) cautions that issues such as ethos and cultural identities of co-operatives and non-profits may not be heard in the 'band-wagoning' for social enterprise to become efficient service providers.

Grimes (2010), like many scholars, found identity is important and says:

*in times of economic and social change, multiple and conflicting interpretations of identities are frequent.*

Grimes 2010, p.764 citing Gioia et al., 2000

He (ibid, p.764) argues identity is linked to social mission but 'uncertainty within the context of funding relationships prompts conflicts over organizational identity' and argues:

*Performance measures serve as a key mechanism of the sensemaking process within funding relationships, reducing multiple interpretations of organizational identity.*

In contrast, Teasdale (2009, p.13) found 'social enterprises are able to utilise their multi-faceted nature to present different aspects to different stakeholders in order to access resources'. He argues that this is not to conform but is a calculated strategy. His study was with a new social enterprise and he suggests established organisations might not adopt this strategy. Martin and Thompson (2010, p.18) argue 'Regardless of how social enterprises see themselves, government and policy makers see a different picture'. Moreover, Hines (2005) and Grenier (2006) found how organisations were identified by support agencies affected their access to resources as well as the 'boundaries' and 'priorities' for the field.

Light (2006) suggests a lack of self-identification reflects the 'infancy' of the concept, however this dismisses different understandings and acceptance and or resistance to. These issues also matter as Downing (2005) expresses that over time identities become viewed as 'crystalline' and enable some types of actions but constrain others. However, as Berglund (2006) suggests from a 'Foucaultian view' people can resist the dominant discourses of identity. This issue of power will be

further explored in chapter four. The above discussion illustrates views of scholars associated with both social enterprise and social entrepreneurship in relation to the influence of funders and policy makers upon social enterprise identity.

In considering being entrepreneurial and having an entrepreneurial identity, entrepreneurs are depicted as ‘agents of change’ in market economies and to speak of being entrepreneurial is generally within a business context meaning to start a new enterprise and focus upon growth (Berglund, 2006). In the UK, nearly 1.3 million people (3.4% of the population) are ‘engaged in some form of entrepreneurship for social or community purposes’ (Delta, 2008). This information was interpreted in another report as these people ‘think of themselves as social entrepreneurs’ (Business Link Yorkshire, undated, p.14). However, as scholars in both literatures note, these are not equivalent statements and those perceived to be social entrepreneurs might not describe themselves as such (Thompson, 2002; Grenier, 2006). Krueger et al. (2009) says those who do not identify as social entrepreneurs are less likely to have ‘strong social entrepreneurial beliefs and intentions’. However, as Berglund (2006, p.240) finds the taken for granted assumptions within this discourse do not ‘capture the newly begun regional conversations of what entrepreneurship could, and should, mean’. She finds the meaning of being an entrepreneur is at the ‘cross-roads’ of different narratives [e.g. economic and equality] and there is a need to ‘pay attention to identity work’ in order to conceive entrepreneurship in ‘unconventional ways’ (Berglund, 2006, p.249).

Underlying all of these comments is the notion that the creation and acceptance of identity is a process. In order to better scrutinise these concepts, the foundations upon which different notions of identity are built are now considered.

### 3.1.1 Views of identity expressed in definitions and characteristics

Nicholls (2006a) finds the terms ‘social entrepreneurship’, ‘social enterprise’ and ‘social entrepreneur’ are used interchangeably. It has been argued that this is due to the speed at which the role of social enterprise is changing (Martin & Thompson, 2010). Defourny and Nyssens (2006) and Light (2006) suggested the fields of social enterprise and social entrepreneurship are ‘fragmented’ and reflect significantly different approaches from the theorising of scholars in the EU and USA. The

resulting two separate discourses appear not to acknowledge each other. This is not to suggest that all those from the US agree a common definition and all those from the European approach agree another. Instead, there is a cacophony of voices conceptualising social enterprise and social entrepreneurship, and there has been much attention to definitions in attempting to clarify what the terms mean and classify what is and is not a social enterprise (Alter, 2004; Mair & Marti, 2004; Nicholls, 2006a). These debates are evolving and theorists are defining and re-defining conceptualisations of the field as illustrated by Leadbeater (2007). The intention of this section is not to explore the history of social enterprise versus social entrepreneurship *per se*, but to consider the socially constructed nature of the terms and how certain ideas have come to be taken for granted.

Three key definitions are presented to show the different perspectives of how social enterprise is understood (for a wider discussion of definitions refer to Peattie and Morley, 2008). The definition most often associated with social enterprise within the United Kingdom originates from the Department of Trade and Industry (DTI, 2002). Developed in discussion with the sector, it emphasises ‘business solutions for public good’ with social enterprise perceived as a tool for delivering key government policy objectives (OTS, 2007). Some theorists and practitioners argue the definition clarified the concept and provided a platform for social enterprise to be mapped, discussed and acted upon at a national level within the United Kingdom. Social Enterprise Coalition (SEC) refers to social enterprise as ‘the business model for the 21<sup>st</sup> century’ but shifts the discussion toward societal values of shared power and social and environmental justice. This aspect is also found in the third definition (EMES, undated):

*Organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. They place a high value on their independence and on economic risk-taking related to on-going socio-economic activity.*

The EMES emphasis is of community efforts of ‘citizens’, thus changing the narrative of social enterprise from being driven by a society of ‘consumers’. The approach seeks to address decision-making in society rather than expressing decisions as based purely within market terms and frames social enterprise as a vehicle for creating a better, equitable and just society. Attempts to realise this society are perceived as founded in collective thoughts, words and actions.



The variety of meanings has theorists and practitioners divided and some argue the lack of a single definition is problematic for the development of the sector (Borzaga & Solari, 2001; Pearce, 2003; Hines, 2005; Bode et al., 2006), whilst others seek to broaden the definitions and discuss unquestioned assumptions (Light, 2006; Reid & Griffith, 2006). At the field level, a call was given to narrow the definition in order to stop the sector being 'contaminated by imitators' (Third Sector, 2008). Others challenge:

*There is no one definition of social enterprise that can benefit developmental work. Stating that 'trading for a social purpose' is at the core of our concerns is only helpful to the extent that it prepares the way for a variety of examples.*

Russell and Light, 2007, p.51

Teasdale (2010) concurs, finding little consensus beyond the agreed trading for a social purpose:

*Social enterprise means different things to different people across different contexts at different points in time.*

Others believe the 'blurred' nature better reflects the sector (Paton, 2003; Pharoah et al., 2004; Light, 2006). These theorists consider social enterprise as a 'generic' term (Paton, 2003) or as an 'umbrella' (Westall, 2001) which shelters:

*A range of different organisational types that vary in activities, size, legal structure, geographic scope, funding motivations, degree of profit orientation, relationship with communities, ownership and culture.*

Peattie and Morley, 2008, p.7

Light (2008) identifies the definitions as 'inclusive' and 'exclusive', with theorists describing the former seeking to keep the field open and the latter seeking to limit it. These positions are not represented as two coherent 'us' and 'them' groups as theorists taking these stances have not agreed a set of words that captures the essence of social enterprise but instead offer partial views with theorists having multiple and contradictory definitions. Perrini (2006) offers an approach between these two stances arguing that the field of practice needs to develop flexibly but that academically the boundaries need redefining. Other theorists believe there is no further need for considering a definition:

*The view often expressed by many social economy practitioners is that trying to define a social enterprise can be like trying to define an elephant - very difficult and not much point, because you know one when you see one.*

Jones and Keogh, 2006, p.15

Goldstein et al. (2008) however differ and find that the analogy to elephants does not offer much information except suggesting that others are 'non-pachyderms'! In order to make sense of social phenomena more accurate definitions do not necessarily lead to better actions (Weick, 1995).

Defourny (2001, p. 16) described the EMES research network that identified an 'ideal type' of social enterprise. It is posed that EMES theorists reflect Weber's 'ideal types' as actions and values typifying diverse organisations and are not presented as representing one ideal type of 'real' organisation. In contrast, Business Link offers mainstream support to the sector and identify 'eligibility criteria' as necessary for organisations to access support. As such they provide an important example of how the use the criteria, similar to that of a 'tick box' approach, as described by Hosking and Morley (1991), where criteria are seen either as existing, or not. The Business Link approach also relates back to Grenier's point (2006) that criterion used by support agencies influences social enterprise development, which implies that how the sector is conceptualised influences where and how resources are targeted.

### 3.1.2 Narratives of social enterprise & social entrepreneurship

Theorists express different views regarding discourse and narrative in social enterprise. Teasdale (2010) argues it is not the social enterprise organisational form that is 'new' but the language. He charts this change of language and the use of the term social enterprise to the 1990s in both the US and mainland Europe and finds that from 1997 - 2010 in the UK 'competitive discourses' have shaped the social enterprise construct. Dey and Steyaert (2010) pose the social enterprise narrative can be categorised as: the grand narrative, the counter narrative and little narratives. The grand being the dominant and 'monological' narrative that emphasises the individual, economic solutions rational accounts using business language; the counter narrative poses opposition to the focus upon both the 'heroic' individual and the economic but perhaps does not 'confront the (over) optimistic

script'. The little narratives offer alternative interpretations to consider the social aspects and 'to think what is currently unthinkable inside of or in the centre of the grand narrative' (Dey & Steyaert, 2010, p.87). As such they discern narratives and discourse; Berglund (2006, p.236) says 'Discourse refers to sets of meanings, metaphors, representations, images, stories and statements which together produce a particular version of the world'. For the purpose of this discussion, the terms discourse and narrative will be used interchangeably. The thesis argues the transformation process presented in the dominant narrative of the literature is in practice not clear-cut for all organisations and aims to make visible other narratives from which other choices are made in contemporary practice.

One widely held view is that how people construct identity and actions is key to understanding social enterprise (Borch et al., 2007; Steinerowski et al., 2008; Schawbenland, 2010). It is seen in both social enterprise and social entrepreneurship narratives with the way of talking perceived as influential in ways of interacting. Moreover, this narrative offers a view of what is given legitimacy. Dart (2004) expresses the entrepreneurial approach to social enterprise as being 'legitimized' in order to sell social enterprise to government and statutory providers. This usage of the term 'legitimacy' conceives social enterprise as 'experts' in the field and influencing institutional changes and as such social enterprise has a reputation as a viable option that is recognised and adopted by the private and public sectors. Steyaert and Hjorth (2006, p.7) however find the current literature 'has neglected any discussion of enterprising discourse and instead proposed social entrepreneurship as an all-encompassing solution at a moment where faith in the more traditional models of non-profit, governmental and voluntary solution is waning'.

The not-for-profit nature and identity of social enterprise features strongly in the social entrepreneurship discourse (Austin et al., 2006) and Spear (2008, p.35) recognizes that although the fields of social enterprise and the voluntary and community sectors are not in accord, 'most theoretical themes in the social enterprise discourse show no difference from those in the non-profit and co-operative literature'. In relation to the focus of this thesis, he highlighted the following themes: 're-badging' and 'mapping' the sector and 'critiques of rhetoric' as significant to researchers.

Other writers express concern that social enterprise is increasingly ‘entrepreneurial’ based, reflected in the adoption of business sector thinking, values and language (Grenier, 2002; Arthur et al., 2006). Parkinson and Howorth (2008) highlight that it was not until the late 1990’s that the narrative of social enterprise as a business emerged. Tracey et al. (2005, p.335) finds those in social enterprises are:

*encouraged to think and act like businesses ... for example, [using] the language of markets and customers, and a focus on accountability and performance measures*

Support agencies and practitioners are promoting business models, tools and approaches using a ‘business’ language construct (Grenier, 2006; Massarsky, 2006; Nicholls, 2006b). Some refer to it as a type of ‘business model’, for example social enterprise is referred to as ‘first and foremost a business model’ (SEnU, 2007). Social enterprises are viewed as separate from others in the social economy because they utilise business-like skills and generate profits in order to deliver their social aims. This links to a point Anheier (2000) presented that, as non-profit management is still ‘new’ and ‘ill understood’, many organisations look to ‘copy-cat’ successful models. From longitudinal studies, Oakes et al. (1998) and Townley, et al. (2003) found that small firms often do not use business plans at the day-to-day operation level. Social enterprises, unlike their small firm counterparts, are assumed to have business plans, as these are needed in contracting or commissioning with public service providers (Conway, 2008). However, the findings of Oakes and Townley might prove relevant in that these plans are not ‘dog-eared’ (Dees, et al., 2001) or used in practice.

Where the business approach to social enterprise development emphasises the entrepreneurial component of social enterprise, Austin et al. (2006) comment that more than this is required as there is an underlying complexity in delivering social value. Numerous writers highlight that social enterprise is stimulated more by socio-economic, political and cultural influences than by economic influences (Dart, 2004; Nicholson & Anderson, 2005). However, Grenier (2002) finds the discourse ‘down plays’ political processes. Dart (2004) further cautioned that the ‘social’ was being pushed aside in the development of social enterprise. He (p.412) forecast:

*Social enterprise is likely to continue its evolution away from forms that focus on broad frame-breaking and innovation to an operational definition more narrowly focused on market-based solution and*

*businesslike models because of the broader validity of pro-market ideological notions in the wider social environment.*

Similarities are found between social enterprise and social entrepreneurship regard the stories they tell; Westall and Chalkley (2007) liken social enterprise to a 'new business story'. Jones et al. (2008) discuss how social entrepreneurial identity is established by the stories of how people see themselves as similar to and different from others or how the individual draws boundaries and separates the 'me' from the 'not me'. Froggett and Chamberlayne (2004, p.71) reflect this view but underline a wider context of a political culture that values an 'entrepreneurial action story' and find the discourse 'emphasises individualism, consumerism, social enterprise and knowledge-based modernization in defining processes of personal and community change'. Grenier (2002) also noticed metaphorical understandings, as entrepreneurs having 'a flair' as opposed to literal interpretations of 'making a profit'. The stories organisations tell and the metaphors they use in social exchanges are a means of explaining their values, ethos and provide an insight into organisational culture (Weick, 1979; Morgan, 1986; Cohen & Prusak, 2001). Nicholson and Anderson (2005, p.166) propose that an enterprise culture has the characteristics of a belief system, which includes the jargon (in the case of social enterprise use of business language), heroes, techniques to be followed (business plans, marketing plans and more recently social auditing and accounting), storytelling and the past experience and future hopes. They conclude that an emphasis solely upon heroic traits and heroic stories may limit access to the belief system.

Schwabenland (2006) and Leadbeater (1997) commented that those in social enterprise tell 'compelling stories' and Leadbeater (p.55) highlighted they do not speak in relation to profits but instead tell stories 'about how a person transformed their outlook by being involved with the project'. However, the discourse voices a shift in relationships with stakeholder from fulfilling the needs of 'beneficiaries' to describing interactions where 'customers' buy the services they want. Dees (1998) exemplified this by changing his terminology from describing service users as 'beneficiaries' to 'targeted customers' (Dees & Anderson, 2006). This shift in terms to portraying users as customers is noted by Dunford and Jones (2000) and is linked to the language of efficient service provision which they find is seemingly in contrast to public services to met the needs of society. This lexicon differs from the EMES use of citizens thus signalling a different emphasis upon how stakeholders are perceived and valued.

Nicholson and Anderson (2005, p.154) link the 'metaphorical nature' of how entrepreneurs consider their situations to how problems are solved, decisions are made and resources allocated:

*of all the entrepreneurial discourse, metaphor is the most vivid. In explaining one thing in terms of another, attributes are produced and expectations raised.*

Their findings suggest that the metaphors in entrepreneurial literature are 'action-oriented'. This is reflected in the social enterprise narrative of seeing results and getting things done. Foster and Bradach (2005) sound a note of discord from the 'can-do' literature of social enterprise. Their findings conclude that earned-income ventures do not entirely contribute to project costs and that pursuing this financial aim may hamper the organisation's pursuit of their social mission. They urge non-profits to begin each project by critically questioning the mission contribution prior to assessing the financial potential. Stories and metaphors have long been held to capture characteristics especially in 'inventing richer ways to understand and conduct business', but as Weick (1979, p. 51) commented overuse of a metaphor may lead to overlooking new opportunities and novel solutions to problems. By speaking within a business language the sector could inadvertently overlook novel solutions. Moreover, Lyon and Ramsden (2005, p.8) report:

*for some voluntary and community sector organisations, the language of enterprise and entrepreneurship is disliked and may be perceived to contradict their social aims and objectives.*

These comments highlight that practices are not firmly grounded in social enterprise rhetoric and indicates a reluctance of many practitioners to accept the constructs, including the language, images and label of social enterprise. Howorth and Parkinson (2008) identified a 'tension between meta-rhetoric and micro-discourses' and report participants emphatically claiming not to represent 'proper' social enterprises. Paton (2003) warns, the meaning of terms will be different in the two sectors and, like Foster and Bradach (2005), the language and ideas from the business world could undermine the strengths of the social sector.

Billis (1993, p.85) noted the importance of language changes 'in response to changed objectives and the ease with which problems become buried and obscured by the new language'. These differences are perceived in the social enterprise narrative. Notably, there are significant differences in how writers discuss social

enterprise, which will have implications for how goals and motivations and expectations are communicated with others. Nicholls (2007) proposes that how social enterprise communicates social and environmental values is vital in the search for sustainable solutions to social problems. It is acknowledged that understandings of what is being discussed can be unclear or ambiguous and attention is called to equivocality (Weick, 1995), specifically that many of these terms appear conflated in the social enterprise when they could mean more than one thing [this issue will be further discussed in section 4.2]. Thus, language is of crucial importance in enrolling others in collaborative actions. As the meaning of social enterprise appears to evolve and Teasdale (2010) finds a ‘fluid’ and ‘contested’ concept constructed by different actors promoting different discourses, the discussion turns to examine the models used to articulate social enterprise.

### 3.2 Normative views of social enterprise and social entrepreneurship

Identity can be ascribed to the types of aims and activities social enterprises pursue and how this converges and/or diverges with those of other sectors. Section 3.2 considers three different types of normative models in the literature: linear models, life-cycle and cross-sectoral.

#### 3.2.1 Linear models

Linear social enterprise models offer a tool for exploring issues of identity by framing ‘social’ and ‘enterprise’ goals (Nyssens 2006; Nicholls 2006a). As such the spectrum exemplifies the pursuit of the double bottom line (Dees, 1998; Dees & Anderson, 2006). The framework is advocated as showing the integrated approach of social enterprises and the ideal of balancing social and economic goals is a theme that has been widely perpetuated in the literature (Leadbeater, 1997; Emerson & Bonini, 2004; Perrini, 2006). The hybrid spectrum is reported to have influenced the ‘entire research agenda’ (Peattie & Morley, 2008, p.54). Hence, attention is focused upon this model and variations of it. Figure 3.1 presents the spectrum, which Dees (1998, p.60) portrayed as a continuum of options and opportunities that members of social enterprises face. At one end of the spectrum are ‘purely philanthropic’ goals opposed to those that are ‘purely commercial’. Social enterprise is located in the middle column as ‘hybrids’.





generating activities and social enterprises are situated on the side of social sustainability. Alter makes a conceptual distinction between these two. However, Spear (2008) considers voluntary organisations and charities that are becoming more enterprising [e.g. with separate trading arms] can be conceived as social enterprises.

Alter (2004) and Dees and Anderson (2006) use the analogy of 'equilibrium' and 'balance' where the components of economic and social values are perceived as stable. Notably it is other systems, which many scholars portray as out of balance (Perrini, 2006), rather than social enterprise. Numerous theorists argue there are tensions and that by underpinning social enterprise theory and practice with financial models, social missions might 'drift' (Anheier, 2000; Evers, 2001; Mendel, 2003; Foster & Bradach, 2005; Arthur et al., 2006; Curtis, 2006; Light, 2006). Amin (2009) however highlights that interactions are perceived as 'tensions' rather than 'as a reason to abandon original goals'. Hudson (2009) says that social enterprises with clear social aims are less likely to fail. Berglund (2006, p.245) however found the goals of those studied 'stood out as being full of contradictions'. Furthermore, Russell and Scott (2007, p. 1) argue that not expressing tensions is 'ultimately self-delusory and unhelpful'. Evers (2001, p.302) identifies tensions not between meeting economic and social goals, or the 'double bottom line' but rather in the commitment to multiple goals:

*The opportunities and difficulties encountered by organisations with a social purpose are based on the fact that there are many potential sub-purposes and that there is no simple criterion for arranging them in a hierarchal order.*

This points to a limitation of equilibrium between social and economic. Further, Goldstein et al. (2008) question the very nature of what is meant by equilibrium in a social system and argue it potentially limits framing change as serving those not served by existing systems or in considering unlikely and brand new patterns. As they argue, instability can bring deep-rooted change. This idea is returned to later in the chapter. The linear construct also serves to frame two opposing views and understandings in the discourse (Amin et al., 2002; Arthur et al., 2006). One approach emphasises the financial end of the spectrum and attempts to address an economic agenda. The other approach emphasizes the social component and those seeking new patterns for social change (Bornstein, 2004; Emerson & Bonini, 2004; Drayton, 2005).

Figure 3.1 omits public sector influences, an important aspect, as health and social care represent the largest proportion of earned income for third sector organisations (33% of respondents to SEC survey) in the UK (DTI, 2005 & SEC, 2009).

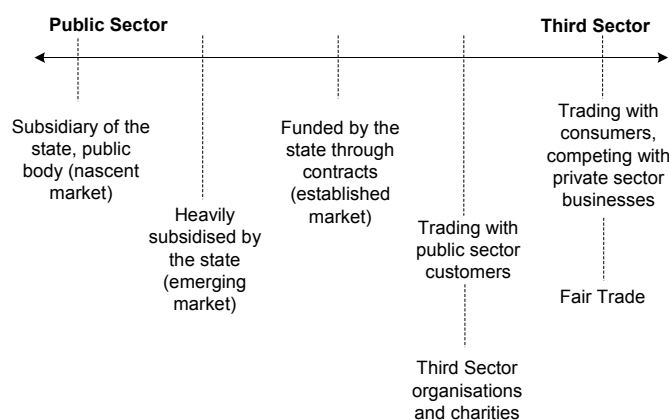


Figure 3.3: Spectrum showing public and third sectors

Somers (2007) attends to this in her spectrum (Figure 3.3) and locates organisations between the third and public sectors. The State, described as a ‘modernising agent’, is seen as normative and she discusses various state influences upon social enterprises engaged in delivering health and social services. Others voice caution and argue the relationship with the State constrains the essential process of ‘breaking’ the frame (Martin & Osberg, 2007). In the UK, many argue social enterprise does not break the history of state and voluntary sector interactions reflected in the mixed welfare economy (Deakin, 2001; Alcock & Scott, 2007). Schwabenland (2006, p. 106) questions whether social enterprise ‘represents a significantly new form of organisation or a repackaging of the same sorts of activities that voluntary organisations have always done’. In contrast, Defourny (2001) draws on Schumpeter’s five ways in which entrepreneurs create new combinations to show networks of partners involved in delivering the same project and lists several examples of how organisations respond to external factors (e.g. competitive situations, higher levels of economic risk associated with contracts, internal management culture needed like commercial sector) and how these influences transform the way ventures are organised.

A dominant theme is a process of positive organisational and societal ‘transformation’ (Defourny, 2001; Massarsky, 2006). In the UK, ‘a lot of faith’ is placed in social enterprises delivering public services to hard to reach groups (Birch & Whittam, 2004), while the global economic crisis has highlighted the need to

transform traditional state and market systems to reflect principles and practices of the social economy (Amin, 2009). The above models frame the concept of social enterprise and primarily depict a 'transition', 'balance' and 'equilibrium' (Alter, 2004; Dees, 1998; Dees & Anderson, 2006). There is an implied normative narrative in the linear models, which offer a picture of rational decisions and a smooth move from one state such as voluntary community organisations to the state of more efficient social enterprises. As Perrini states (2006, p.60) the economic 'end of the spectrum emphasizes entrepreneurship as a way to make nonprofits more market-driven, client driven, and self-sufficient - in other words, as commercialized nonprofits'. One portrayal is of organisations being moved in a 'McDonaldization' production-like process towards the economic end of the spectrum (Dees et al., 2001; Hardy, 2004; Perrini, 2006). Dart (2004, p. 414) cautioned:

*In the social enterprise movement, and particularly those who self-identify as social entrepreneurs, commonly focus on a more narrow operational definition of social enterprise that is framed more specifically in business and revenue generation terms.*

Alter (2004, p.7) however asserts the purpose of non-profits and social enterprises are their social missions and 'for this reason organizations rarely evolve or transform in type along the full spectrum'. Crutchfield and Grant (2008) highlight the 'myths' of social enterprise development and find that in creating social impact, 'successful' non-profits do not borrow models and approaches directly from the private sector. They highlight 'six practises' that are all counter-intuitive to the thought processes of those seeking to develop social enterprise based upon traditional business models.

### 3.2.2 A life-cycle model

A different view is depicted by Leadbeater (1997) of the 'life-cycle' of change within a new social enterprise (Figure 3.4). He identifies stages linked to goals mission and activities.

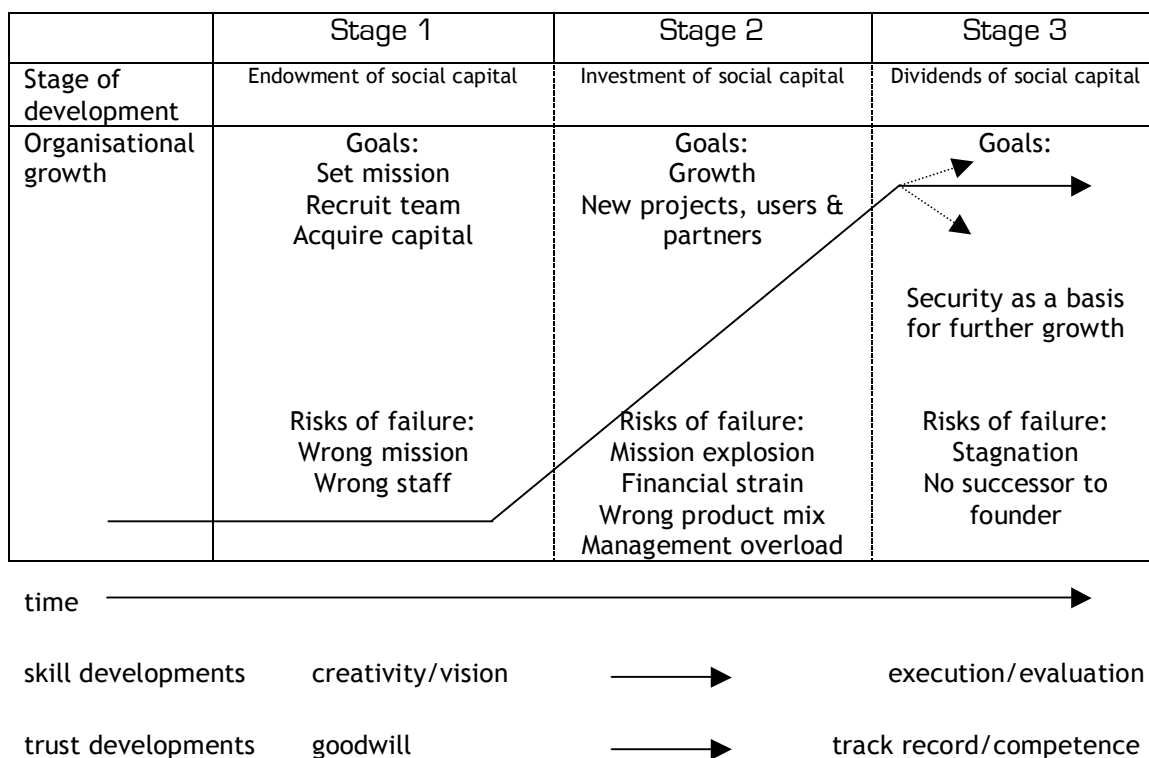


Figure 3.4: Leadbeater's lifecycle of social enterprise

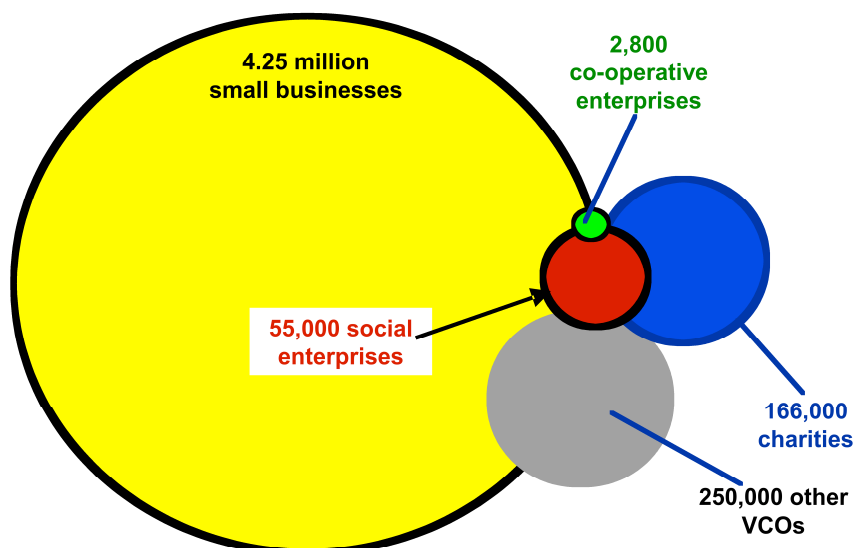
The focus is within the organisation and the model does not consider how existing organisations interact within existing and new network relations. Intriguingly, this pattern is also identified in models depicting organisational change in the voluntary sector (Coule, 2008). Thus, the discussion turns to sectoral views of social enterprise to examine the nature of social enterprise actions.

### 3.2.3 Cross-sectoral models

Theorists have constructed various models locating social enterprise activity within a sector enabling consideration of exogenous factors (Alcock, 2008), and discuss it in relation to the public, private and non-profit sectors (Westall, 2001; Perrini, 2006; Peattie & Morley, 2008). Many commentators use the construct of a sectoral model to explore contemporary practice and to provide an understanding not only of the areas of trading activity but also to indicate the origins, ethos and potential characteristics of evolving organisations (Pharoah et al., 2004; Curtis, 2006; Shaw & Carter, 2007; Spear et al., 2007). However, the field is described as having an 'incomplete map' lacking knowledge of 'significant' areas (Russell & Scott, 2007).

Social enterprise discourse has focussed upon its transition into mainstream sectors, as reflected by UK government policy highlighting the success of social enterprise (Arthur et al., 2006). While these policies emphasise the expectations and assumptions of the role of the state and market (Amin, 2009), debates about relations with the public sector have been ‘energetic and vehement’ (Baines et al., 2008). For example, some argue that the growth of the social enterprise sector has a negative impact upon the voluntary and community sector (Schofield, 2005) and voice concerns of the voluntary and public sectors becoming more alike and mainstream (Amin et al., 2002; ESRC, 2009). Others argue that the mainstreaming of social enterprise has the potential to positively affect the other sectors (Leadbeater, 2007a, 2007b; Robb as cited in Spear et al., 2007). In contrast, Paton (2003) finds that there is not much difference to be found between organisations when focussing at the sectoral level and argues it is the degree of ‘institutionalism’ that proves important.

Mapping the social enterprise sector was one of the earliest projects of the Government’s Social Enterprise Unit. Somers (2007, p.7) notes that in doing so social enterprise was ‘established ... and formalised from a grass roots movement to a sector of the UK economy’. Figure 3.5 depicts what was the Department of Trade and Industry’s (DTI) view of social enterprises and other third sector organisations.

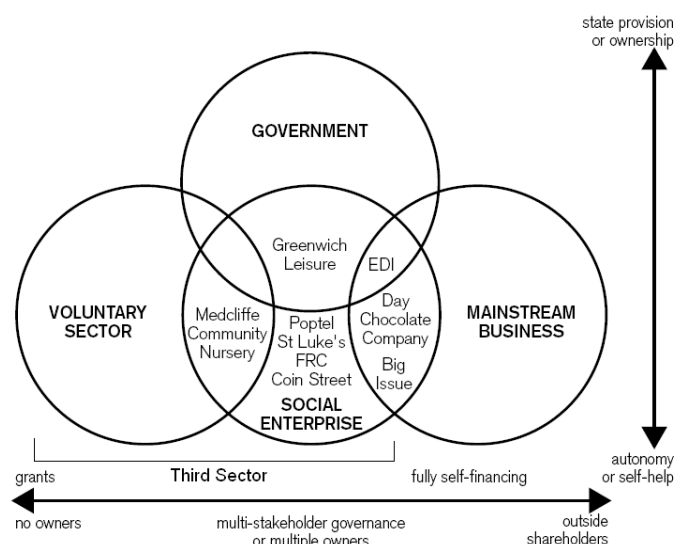


Source: Lincoln, 2006

Figure 3.5: Government’s view of social enterprise in the UK

Social enterprise is presented as a distinct area, highlighted in a red circle, in relation to small businesses and other distinct organisational types (OTS, 2007). The DTI (2006) proposed that working in business and voluntary community environments is an important characteristic of a ‘successful’ social enterprise. The majority of third sector organisations are drawn as separate from social enterprise with the sector boundary overlapping charities, voluntary and community organisations (VCOs) and co-operatives. The sector is labelled as comprising of 55,000 organisations (SBS, 2005) or 62,000 (SEC, 2009). Although it is recognized this picture does not accurately reflect the numbers on the ground (Lincoln, 2006), the figure is often quoted as fact in other sources. Recent data indicates a wide discrepancy from earlier reports and finds the numbers might be inflated with a more conservative figure of 16,000 (TSRC, 2010). This difference in classification was associated with different definition. It suggests much has been made of equating scale with the growth in numbers rather than different meanings and/or ways of networking and collaborating.

Westall (2001) and Westall and Chalkley (2007) present another construct utilised to locate ‘spaces’ of different social enterprise activity (Figure 3.6). The Venn diagram, representing different sectors, is framed by two axis showing different levels of state involvement and social ownership and a distinction between grants and fully self-financing.



Source: Westall, 2001, p. 5

Figure 3.6: A separate social enterprise sector

The depiction is of well-known social enterprises in relation to four sectors: the

social enterprise, voluntary sector, mainstream business and government sectors. Though finding the voluntary and social enterprise sectors difficult to discern, she illustrates the two separately but within a wider third sector. Others find the third sector overlaps ‘almost entirely’ with social enterprise (Spear, 2008). Westall (2001, p.24) recognises two main strands of social enterprise, non-profits/charities or co-operatives, and argues the need to ‘break free from the historical baggage’. There are ‘tensions’ which have divided co-operatives and associations (Defourny & Pestoff, 2008), but Nyssens (2006b) instead describes the need to enhance the perception of the third sector discovering these as ‘two major reference points’ and social enterprise being best described as a mix of co-operatives and non-profit organisations (Figure 3.7).

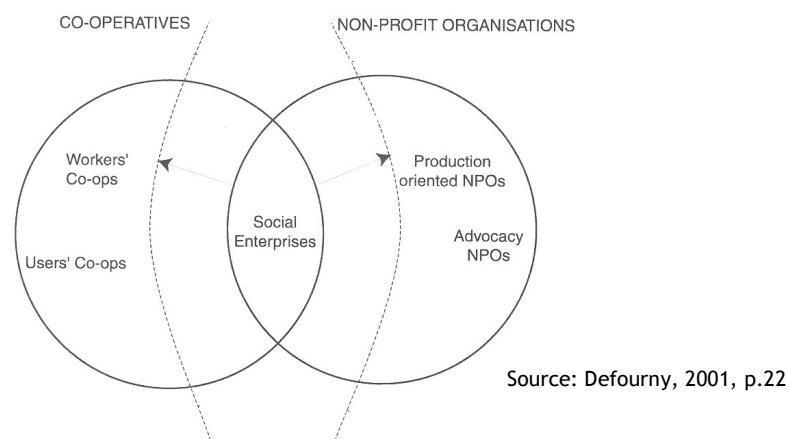


Figure 3.7: Social enterprise at the crossroads of two sectors

Westall and Chalkley (2007) argue government has not discerned between social enterprise and the voluntary sector but has set policies equally relevant to both. Birch and Whittam (2007) suggest that social enterprise has been more important than wider third sector issues in government policy over the past decade. As depicted in Figure 3.5, government initially located social enterprise within a business model with the DTI deemed responsible for development.

Defourny and Pestoff (2008) suggest that VCOs ‘reacted negatively’ in opposition to the strong promotion of social enterprise by the Blair government, which probably led to the move to the Office of the Third Sector (OTS). Hence, moves from social enterprise as part of business sector under the DTI to moves to the OTS illustrate a change in identity [see sub-section 2.4.1 & 2.4.2]. Additional to the emphasis upon increases in levels of enterprise, government promotes social enterprise as tackling social and environmental challenges, ethical markets and public service reform (Purser, 2009). Bridge et al. (2009, p.225) note the change in language in

government policy from 'social enterprise', as used in the 2006 Action plan promoted under the DTI, to the term 'third sector' being adopted in the 2007 final report. This raises the question as to whether or not narratives are shifting from social enterprise to promoting the third sector.

Figure 3.8 depicts social enterprise activity overlapping the three sectors (Leadbeater, 1997; Pharoah et al., 2004). Unlike Figure 3.5, this model does not illustrate a separate social enterprise sector.

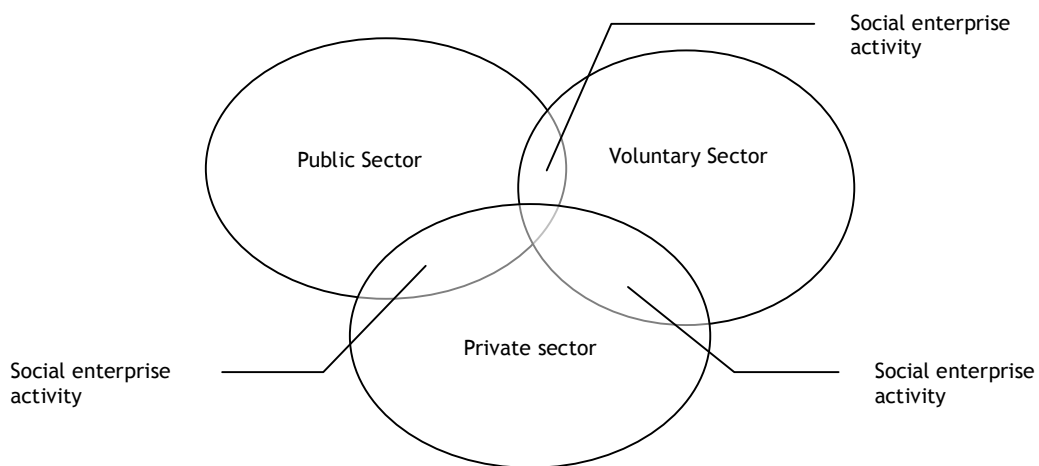
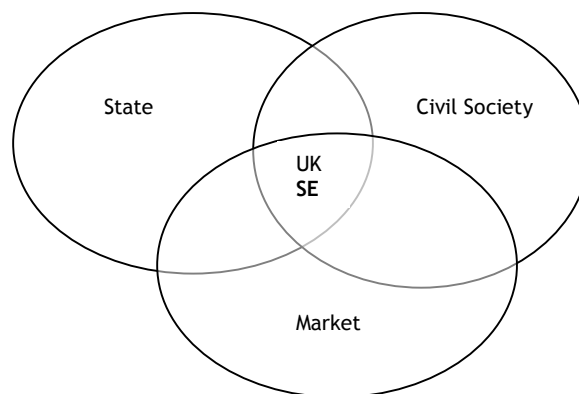


Figure 3.8: A view of social enterprise & entrepreneurship

Though using the same construct (Figure 3.8), Pharoah et al. (2004) identify the overlapping areas as the sectoral location of social enterprise hybrids. Leadbeater (1997) views these areas as the 'conjunction of three forces' from the blurring between the sectors as from the actions of individual social entrepreneurs. Figure 3.9 is another depiction of UK activity by Nicholls (2006a).



Source: Nicholls, 2006a, p.5

Figure 3.9: UK positioning of social entrepreneurship



Figure 3.9 differs from Figure 3.8 in that Nicholls is locating social entrepreneurship rather than social enterprise but also in that by specifically highlighting the centre overlap, he implies that all three characteristics of state, civil society and market must exist in order to locate the phenomena. He also introduces a different terminology and labels one sector as civil society. Importantly, Nicholls considers advocacy in his discussion of social entrepreneurship. Some identify goals as social-economic and socio-political and include advocacy (Defourny & Nyssens, 2006; Westall & Chalkley, 2007). Others, like Martin and Osberg (2007), argue this type of activity is not within the remit of social enterprise.

The introduction of the notion of civil society potentially broadens the discussion surrounding the understanding and dynamics of social enterprise. For example, Schwabenland (2006) discusses how civil society emphasises the political boundary between the voluntary and community sector (in which she includes social enterprise) and the modernity agenda with the state. However, she poses that the needs of disadvantaged people are either not acknowledged and abandoned by the state, or offered welfare services from social enterprises that 'fill the gap'. She also notes that from this perspective social enterprises that challenge the state are not perceived as contributing to the civil society. Others find in relations with public agencies there is an expectation that organisations will behave more 'business-like'; those not doing so or perceived as promoting advocacy are seen as 'troublesome' (ESRC, 2009). Thus, there is a difference of opinion regarding who and what types of action are included or excluded. Edwards (2004) addresses this point and poses that civil society is not confined or synonymous with the third sector and that other sectors have a part to play in creating positive change. Edwards discusses three schools of thought: that it in part represents 'associational life' similar to those depicting a voluntary sector boundary, this school of thought is linked by many proponents to 'a good society', the second school. Crucially, the third he offers is of civil society and the imagery of a 'public sphere' and a place for debate.

The third sector appears to have been 're-branded' a civil society (KITE, 2010). The narrative of civil society in relation to social enterprise is of note as the coalition government have created a new department, The Office for Civil Society [chapter 2]. In May 2010 it announced plans for the 'Big Society' in which social enterprises and other third sector organisations should have more involvement in public services. This however comes at a time of spending cuts and reduced public

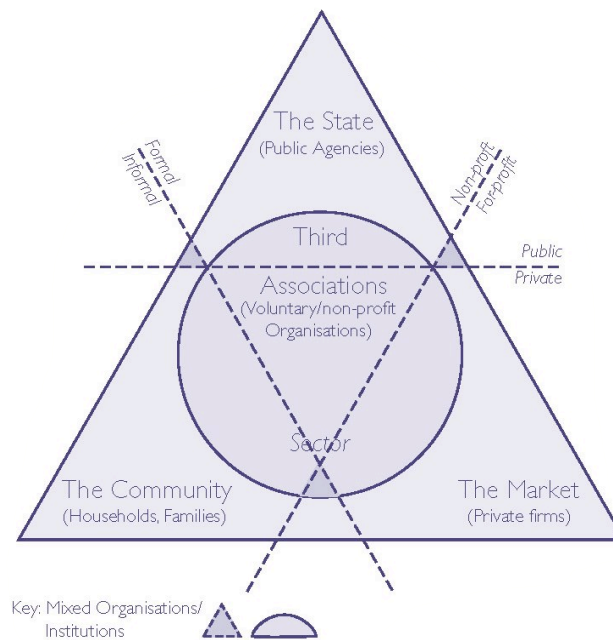
services. NCVO also adopted the term arguing that the concerns of civil society are central to the missions of many VCOS. However, some say this focus might be 'displaced' in the current emphasis on public service delivery (Stone & Cutcher-Gershenfeld, 2002; Jochum et al., 2005). Schwabenland (2006, p.10) observes much of the literature locates the voluntary sector as 'within the narrative of civil society'. In reviewing the term civil society, Deakin (2001) found it underpinned by 'social action' and civil renewal influenced by a communitarian approach (Etzioni, 1995). Alcock (2008) argued this notion is relevant in providing a foundation upon which voluntary action could be theoretically developed. In the preface to an NCVO document, Etherington acknowledged the 'challenges, contradictions and opportunities' of civil society presented to organisations are linked to Government policy of civil renewal and active citizenship. NCVO reported members of VCOs have different understandings than government, yet these are sometimes overlooked in the day-to-day running of organisations. They note the need to offer advocacy programmes (Jochum et al., 2005).

Others also take this broader view of civil society noting the term is used to encompass a space 'somewhere between, and separate from, the market and the state' (Alcock & Scott, 2007, p.84). They include the VCS in the boundaries of these interactions. Some find civil society as comprised of charities, social enterprises, co-operatives as well as universities, trade unions and housing associations (SEC, 2008). This is more than a shift in vocabulary. Murdock (2007) considers that 'civil society' does not describe formally acknowledged organisations with legal entities, constitutions or rules but rather the informal interactions between families, friends and citizens. Paton (2003) argues the term civil society includes informal and self-help groups as well as leisure networks. He does not classify these non-constituted groups as social enterprises.

Numerous theorists refer to the 'very dynamic' nature of the third sector (Jochum et al., 2005; Alcock & Scott, 2007). Though suggesting some 'blurred' aspects, the above models do not present this aspect, or the nature of relationships in collaborating or competing for contracts to deliver welfare services. Empirical evidence suggests that larger organisations are better placed to secure procurement contracts (Aiken & Slater, 2007). Concerns of larger organisations taking a greater share of the sector's income are commonly reported, especially that medium-sized organisations might lack the capacity to adapt quickly in order to cope with

increased financial or service provision pressures associated with current economic crises (NCVO, 2009). However, these concerns are contested by research from the Third Sector Research Centre suggesting the 'Tescoisation' of the sector is a myth (Backus & Clifford, 2010). This aspect of size is a key factor as nearly 50% of all social enterprises are small organisations with fewer than ten people (DTI, 2005). This finding is coherent with Government (CLG, 2006, 2007) figures that indicated nearly 90% of the third sector is comprised of small and medium-sized organisations. NCVO (2007) critically reviewed these documents as presenting the sector as 'homogenous' and not discerning between the diverse groups that comprise the third sector, as well as for making the assumption that smaller organisations, which they note were classified as having a turnover of less than £100,000 per annum, are local and thus more responsive to their communities than larger organisations. Social enterprise turnovers vary and 17% of respondents to SEC (2009) reported in excess of £1 million, however the majority operate with a median turnover of £175,000. This is seen in contrast with the profile of the voluntary sector where nearly 60% have a turnover of less than £50,000 (SEC, 2009, p.10-11). These aspects are noted as they have implications for network relations.

Importantly, there is a debate in the literary discourse between those that suggest the perfect 'peaches and cream' mix of social and economic aims, to those that suggest tensions exist (Pharoah et al., 2004). Peattie (2007) noted underlying tensions within the sector, between the sector and government and between the voluntary and social enterprise sectors. Amin (2009) highlights that interactions are perceived as 'challenges' and 'tensions' rather than 'as a reason to abandon original goals'. A focus of some of the academic narrative and research is the process of organisational aspects of the VCS and social enterprise in shaping actions and structuring relations with the other sectors (Billis & Harris, 1996; Paton, 2003). Nicholls (2006, p.116) specifically argues social enterprise networks experience 'tensions' and 'disruptive patterns' in relations with the public sector, and in doing so 'offer complex and sometimes confrontational solutions to social problems'. Tensions can result from moving and operating between the sectors, which may result in opportunities and problems leading to different solutions. This is a crucial consideration in devising models to illustrate network interactions. One tool for conceptualising the nature of interactions, rather than static locations, is the inter-sectoral landscape is Figure 3.10.



source: Pestoff 1998 & 2005

Figure 3.10: Inter-sectoral landscape showing tensions

Defourny and Pestoff (2008) highlight the ‘behaviour tensions’ arising from the multiple influences between providing welfare services, advocacy and social networks provide a socio-political perspective. They (ibid, p.7) outline four factors associated with these tensions as illustrative of the ‘intermediate’ state of the third sector as having:

- 1 more than an economic role but act as an alternative service provider;
- 2 an intermediating between state, markets and community;
- 3 a mixture of resources and rationales rather than a substitution between clear-cut sectors; and
- 4 recognising variety of ways organisations act and underlines the limits of attempts to map third sector precisely and to assess accurate numbers.

They say figure 3.10 illustrates the ‘growing complexity of the changing role ‘ of the third sector, including social enterprises in attempts ‘allowing a more dynamic and variegated picture of change and growth’ (Defourny & Pestoff, 2008, p.9). Alcock and Scott (2007, p. 86) draw upon Figure 3.10 to emphasise the third sector as diverse with some organisations located in different areas, and importantly, some operating near the boundaries. Those operating nearer the boundaries of the public

sector will be more affected by public policy and statutory control, whilst those nearer the boundary with the private sector will operate more in relation to commercial criteria. Alcock (2008, p.153) sees the relationships between the sectors as critical in understanding the distinctive features of voluntary action. Thus, in this view social enterprise can be considered as the changing relations and interactions with the state and the voluntary sector. As organisations change so will the sectoral boundaries. Pertinent to this discussion, Alcock and Scott (2007, p.85) state that voluntary organisations are not 'static':

*nor will they necessarily be so homogenous in values and structure as to be permanently moored in one location.*

They draw upon the work of Evers and Laville (2004) discussing 'tension fields' and state the model illustrates that 'tensions between definition and operation may well be of political and practical, as well as theoretical significance - in particular for those working within them or seeking to access services they provide' (Alcock & Scott, 2007, p.85). They find (p.100) working at the inter-sectoral boundaries raises challenges and while the need for VCS to 'adapt to a changing social, political and economic climate' is not novel there is some unease in the sector with the possible challenges posed by the push for 'increased public service delivery within a more fragmented and demanding consumer market'.

In summarising this section, it is argued that the identity of social enterprise is affected by where organisational boundaries are drawn. The approach taken to conceiving social enterprise appears to be based upon the researcher's and government beliefs and how they frame the concept (Schwabensland, 2006). The cross-sectoral model offers an opportunity for considering more complexity than the linear spectrum. However, many theorists in social enterprise and entrepreneurship present a static location for social enterprise and neglect tensions and movement. This raises questions about the models used to understand contemporary practice.

### 3.3 Identity and different views of leadership

The approach to leadership, and/or the leader, is not unrelated to identity, and theorising from social enterprise and social entrepreneurship is examined to better understand the implications in practice. The UK is situated geographically and culturally between the United States and mainland Europe. Figure 3.11 highlights aspects of the two different approaches of the US and EU traditions impacting social

enterprise practices and policies in the United Kingdom (Nyssens, 2006a; Westall & Chalkley, 2007; Peattie & Morley, 2008).

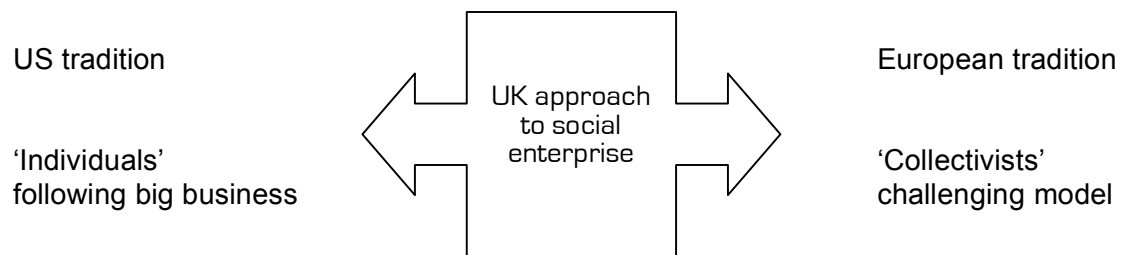


Figure 3.11: UK social enterprise influenced by US & Europe

The US approach is constructed upon the role of ‘individual’ accepting big business solutions versus the ‘collectivist’ approach from Europe challenging the established business community (Peattie & Morley, 2008). Those theorists promoting the individual stress the existence of common characteristics among social entrepreneurs (Dees et al., 2001; Thompson, 2002; Austin et al., 2006; Dees & Anderson, 2006) using words such as heroic, innovative, bold, dynamic, flexible, effective and passionate. Although social enterprise has been framed as hybrid in nature, many writers promote a particular aspect, which is often framed as being at polar ends of the US-European continuum.

Some authors describe social enterprise as the ‘vehicle’ for delivering a social entrepreneur’s goals (Dees & Anderson, 2006; Peattie & Morley, 2008). The construct of the social entrepreneur as leading the organisation is made by national organisations in the United Kingdom (e.g. Social Enterprise Coalition (SEC), Community Action Network (CAN) and UnLTD). This vision of the heroic social entrepreneur is held by Jeff Skoll, founder of the Skoll Centre for social entrepreneurship at Oxford University, who advocates that the challenges society faces (including serious environmental, economic and social degradation) lie in the hands of these individuals. Others observe that instead of one person being the catalyst of change, social entrepreneurs often come in pairs (Martin & Osberg, 2007; Crutchfield & Grant, 2008). This view however continues to focus upon exceptional individuals.

Others argue the approach in the UK is overly shaped by that in the US and wish to broaden the scope to include an emphasis upon ‘group activity’ as seen in Europe (Westall, 2007). As UK society is diverse and the sector is largely comprised of

smaller, existing organisations, it appears that strict adherence to the US model may be at the expense of developing networks of smaller organisations. However, it is also recognized that much of the literature has been from an Anglo-European perspective and these ideas do not reflect other cultures. Hence, something beyond either the EU or US approach might be needed in understanding social dynamics.

These different approaches are enacted in access to support. Grenier (2006, p.133) notes, the intention of those supporting development:

*seems to be to define a certain type of civil society leader and certain forms of innovative social change as social entrepreneurship, requiring a specific mix of funding and support which is not readily available to them within the mainstream.*

She proposes that where and how support is directed needs to be addressed so that the nature of the 'phenomenon is better understood and achieves broader recognition'. Hubbard (2005) notes that in the past few years the literature discerns between developing leaders and leadership, but finds the basic assumptions determine where support is aimed (either the social entrepreneur or the collective group). She differentiates the development of the individual from 'capacity building'. Empirical studies suggest the need to work with groups, not just individuals (RISE, 2005). Bridge et al. (2009) similarly emphasise that rather than focussing upon the individual the key is building teams.

Some commentators argue that the process of change can present challenges to organisational identity and culture and therefore requires 'unfolding conversations' and 'collective processes and actions' about how change is managed (Doherty, et al. 2009). Evers (2001) recommended that there is a need to be 'sensitive' to the conditions needed to preserve and facilitate the process of organisational change as well as helping groups to understand the part they have to play in how decisions are made in social enterprise networks. Such assertions imply that effective change processes require democratic governance relations at work, yet rationalist recipes for and managerialist 'top-down' approaches to change continue to dominate (Gann, 1996; Jackson & Donovan, 1999; Hudson, 2003). In contrast, Alcock (2008) considers that services can be perceived as being dominated by the concerns of a few key dominate individuals and their personal interests. The theoretical 'paradox' between social enterprise and social entrepreneurship as either collective or driven by the individual influences how the change process is enacted. This holds powerful

implications for the nature of change and how actors experience it. Johnson (2000) highlights the need not to be 'simply entrepreneurial' but also collaborative as it 'builds bridges' by bringing diverse parties to the table to identify common ground and take joint action. The 'heroic leader' portrayed in the social entrepreneurship discourse (Leadbeater, 1997; Dees et al., 2001; Bornstein, 2004; Austin et al., 2006) is likely to encourage an individualistic, exclusive approach rather than a collaborative, inclusive one. The heroic leader model was popular in the 1980s (Hubbard, 2005; Stacey, 2008) with Thorpe et al. (2008, p.9) arguing that underlying this popular imagery was an assumption that one person was in control and that the environment was stable and certain. This 'heroic' myth is being questioned with some theorists describing a 'post-heroic' or 'non-heroic' (Hubbard, 2005) and 'participative' entrepreneurs (Crutchfield & Grant, 2008; Schwabenland, 2006; Shaw & Carter, 2007). Nevertheless, Perrini (2006) finds the dominant narrative continues to focus upon individual characteristics rather than social orientation. Martin and Osberg (2007), for example, see social enterprise as a process following in the tradition of Schumpeter's influential text of 'creative destruction', however their interpretation differs from Defourny as they focus upon the 'heroic' individual 'agent of change' who deconstructs 'unsatisfactory' situations, identifies an opportunity and creates something of social value. In contrast, Light (2008) argues that searching for core characteristics of social entrepreneurs perpetuates 'visionary leadership' thinking. Goldstein et al. (2008) argue that this stands in the way of theoretical progress suggesting that there is a need to move beyond hero/heroine mythology as this narrative neglects the other diverse elements or dynamics responsible for what is taking place. Indeed, Leadbeater (2007a) notes that though he was an early proponent linking business success to the potential of the 'heroic' US social entrepreneurial model of growth, his view changed as the field became 'increasingly complex' and 'well populated':

*The focus needs to shift to what social enterprises can achieve, together and with other players, measuring their impact more accurately.*

Leadbeater, 2007a, p.7

Hosking and Morley (1991, p.100) further caution that theories emphasising the individual 'distract' from the nature of collective actions, wider social context and that they lack socio-historical perspective. Increasingly, recent social enterprise theorists emphasise the need to move away from being 'firmly individualist' towards studying processes in the hope to offer insights into 'what works' (Cope et al., 2007;



Mair & Marti, 2004; Dym & Hutson, 2005). As Cope et al. (2007) state the move is towards recognizing the importance of social networks.

In summary, there are varied perspectives on the nature of social enterprise and entrepreneurship that draw upon different theories of behaviour, enterprise and change. This matters as different theorising underpins different frameworks for understanding actions. Moreover, as suggested above the diversity of approaches discussed hold implications for the extent to which collaboration and social networks are prioritised.

### 3.4 Ambiguity, uncertainty and paradox in relation to social enterprise

Weick (1995) listed the characteristics associated with ambiguous situations as conflicting information, clashing values, unclear roles, questions of how to measure success and the use of metaphors as a lack of clear definitions. All are applicable in considering the phenomena. Billis (1991, 1993) described ambiguity as the state in which many ‘non-profit’ organisations manouevre with the private and public sectors. He found the flexibility of moving between sectors to be key to success. Figure 3.12 illustrates Billis’ (1993) model of ambiguity.

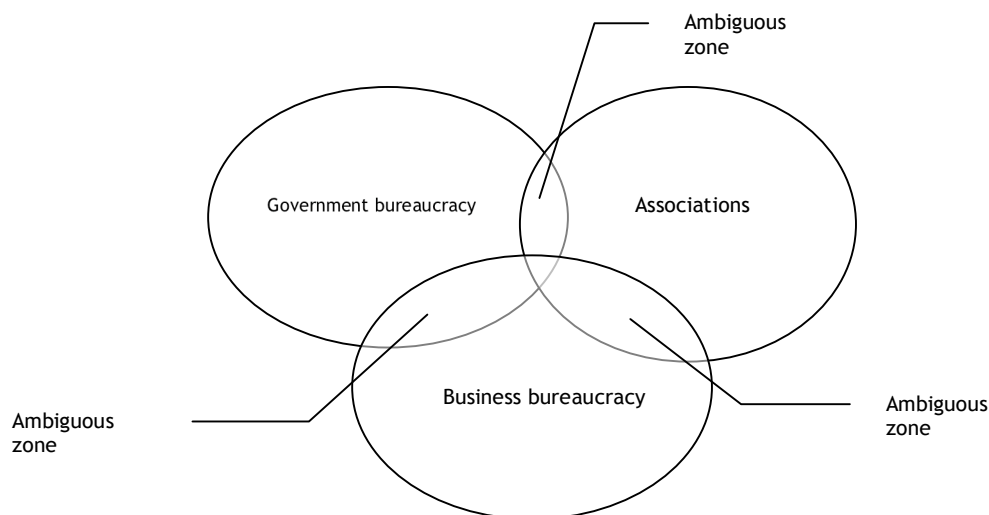


Figure 3.12: Zones of ambiguity between worlds

He recognised that each sector has its own game rules, roots and ethos. The ‘ambiguous zones’ are located in the same overlapping areas as social enterprise activity (Figure 3.8). Anheier (2000) however disputes the usefulness of ambiguity or what he refers to as a ‘chameleon-like’ aspect. He states ‘larger non-profit

organisations are not essentially ambiguous in nature, as Billis suggests' (Anheier, 2000, p.2). In contrast, Spear (2008) said larger social organisations are playing a 'complex game of identity and resources' implying ambiguity is at play. As Anheier specified larger organisations, the plethora of smaller organisations comprising the sector might face different challenges.

Some advocate ideas of paradox, metaphor and dialogue from complexity theory as frameworks for change (Darwin et al., 2002). Anheier associates ambiguity with being 'chameleon-like' but instead of ambiguity Anheier argues organisations face uncertainty. Weick (1995, p.91) discerns ambiguity as different from uncertainty and states that 'ambiguity refers to an ongoing stream that supports several interpretations at the same time'. Whereas uncertainty is not knowing or having enough information to make an informed decision, ambiguity is founded upon a lack of a clear message to act or chose not to act upon. He identifies uncertainty as not knowing what to do (or not do) and finds that uncertainty underlies an organisation's decisions to make changes. However, Anheier does not extend his argument to consider how tensions, uncertainty and doubt within networks might be voiced as resistance to the transformational processes. Billis (1993, p.183) argued there was a need for organisations to consider:

*the consequences of decisions which can be taken blindly in response to internal and external forces. Voluntary organisations can choose whether they wish to enter the alternative bureaucratic zones.*

Those in organisations may choose to adopt the business approach of the private sector, systems of government, or decide neither. At the very least those in social enterprises need an understanding of the ground rules of the other sectors they seek to work within whilst adhering to their social ethos. He argues it is by acknowledging the 'management of ambiguity' that the subjects of identity, beliefs and values can be addressed to bring about significant changes. Jones and Keogh (2006, p.15) comment:

*Imprecision and ambiguity is not seen as problematic by those with high tolerance for ambiguity. Indeed, it seems to strengthen the notion that precision and clarity are unnecessary.*

This however seems to miss the point; it does not follow that for people with a tolerance for ambiguity that precision and clarity are not also needed. There are

good cases for clarity: reporting financial budgets, mutual understandings before signing legal contracts, work involving technical skills.

The nature of ambiguity becomes positive when considering network interactions and writers argue networks are presented as forms of organisation for coping with uncertainty and ambiguity (Gilchrist, 2000; Anderson & Jack, 2002). As Gilchrist (2000) describes 'networking is skilled and strategic' involving a 'chameleon-like ability to adopt a range of different guises'. Although she also uses the analogy of the chameleon, her comments highlight that ambiguity can be a positive expression. Bowey and Easton (2007, p.279) similarly describe the value of 'productive ambiguity' in networks arguing entrepreneurs 'harness' ambiguity and thrive by negotiating 'unsettled, turbulent conditions' which they describe as a state of 'ambiguity'. They found entrepreneurs 'need an organizing context that allows for proactive and reactive behaviour. Networks rife with social capital provide such a context'. Thus they discern that it is not simply the network itself but the quality of social capital that is important. Where they argue their findings offer more 'robust' evidence of social capital than previous research, they none-the-less are discussing dimensions of social capital (e.g. credibility, reciprocity, reputation, goodwill). Some authors query why these concepts are not discussed in their own right as using the umbrella term social capital might lead to misunderstanding of what is being discussed (Law & Mooney, 2006). Additionally, Law and Mooney (2006, p.127) say that social capital is an elusive term that accepts the term social 'so long as it is accompanied by an orthodox emphasis on capital'. Schafft and Brown (2003) also critically question the assumptions made in the use of the term social capital and highlight that the use of the term perpetuates meanings and understandings about society.

Rodgers (2007) challenges the idea of focussing upon rational decision-making processes and says there is value to be found in embracing paradox and questioning unspoken assumptions. This notion can be extended to consider social enterprise and instead of seeing ambiguity as something that needs managing in order to create more stable conditions, which is reflected in encouraging organisations to move 'from' one state [e.g. VCOs] 'to' another better state [e.g. social enterprises]. The very nature of social enterprise might be conceived as paradoxical. Birch and Whittam (2004) suggested that in seeking to solve problems the sector is looking at a system to solve problems drawing upon a way of thinking

and acting that has generated them. As Birch and Whittam (2004, p.11) argue social enterprise could be conceived as breaking down network relations, overly emphasising size and creating opportunities for some but severely limiting those of others, narrowing views to focus upon financial survival rather than wider issues of sustainability. Grenier (2002) found tensions and contradictions in the discourse and highlighted the emphasis upon finding solutions to problems rather than understanding processes. Some argue the need to 'prise open contradictions' and to:

*stimulate a powerful critique of the neo-liberal and rational choice thinking which penetrates so deeply into British administration and policy, and is rapidly encroaching on Europe.*

Froggett and Chamberlayne, 2004, p.62

Goldstein et al. (2008) argue that social enterprise situations are complex and unpredictable. As they state one issue is information, the 'difference that makes a difference', especially as there are differences in perspectives and interpretations of social enterprise. The value of paradox is 'its value in stimulating people to think outside conventional frames and thereby induce change' (Darwin et al., 2002, p.197). For the purpose of this thesis, tensions, ambiguity and paradox are perceived as pressing concerns to social enterprise theory and practice.

### 3.5 Summary

The chapter has presented the themes of identity and the above discussion illustrates influences from both US and European traditions as influencing the understanding of social enterprise in the UK. However, some of the constructs of social enterprise may instead express how Government seeks to develop and deliver services rather than how local government agencies, or the organisations themselves, see best fit to develop. Key definitions remain under construction and these have not been so much based upon objective considerations, hence interpretations and the expectations of what social enterprise might achieve are key to understand and have an impact upon social enterprise networks. The different conceptions of social enterprise have implications for the approaches to definitions and meanings, the theories framing different approaches might lead to different practices in organisations as well as approaches to support and development. This leads to questions revealing potential tensions between academic ideas,

government policy, intermediate support and practice. Table 3.1 summarises the main concepts reviewed in the discussion:

Table 3.1: Summary of main concepts		
Theme	Summary	Questions raised
Identity: Different & contested views	Different definitions & 'fluid' and 'contested nature of concept'. Though offering different approaches, social enterprise & social entrepreneurship used interchangeably.  SE involves both self-identity and being labelled as such	How are support agencies and organisational actors managing identity?
Social & economic goals Divergence from other sectors	Different views are held as to balance of organisational goals or tensions in SE. The focus upon balance, equilibrium and static boundaries reflects thinking of scholars.  Different models exist emphasising life-cycle or location in relation to other sectors	Might tensions, ambiguity and paradox be positive aspects of SE and crucial to the study?  How do practitioners construct social enterprise in local networks?
Identity: Leadership US/EU models Individual/collectivist	Emphasis upon traits & expectations has focussed upon individuals and led to network activity being almost hidden from view and analysis	Do people identify as 'heroic' social entrepreneurs, as members of 'collectivist' organisations, or as something else?

This thesis is that identity is an important factor in considering network influences in social enterprise. Understanding how meaning changes enhances understanding of how social enterprise is constructed. In defining social enterprise and devising conceptual models, academics are constructing and identifying the boundaries that affect where they will direct their attentions. Whereas Billis (1993), like many others, perceives a need to resolve the problems and tensions, Rodgers (2007) poses that tensions and ambiguity are fundamental to organisations. These considerations appear fundamental to how social enterprises work with others develops as a field of study. Chapter five outlines the research strategy utilised to explore the questions highlighted in Table 3.1. Before that discussion, chapter four reviews some of the core debates concerning processes and networks.

## Theorizing social enterprise networks

INVESTGATING THE SOCIAL: NARRATIVE & PROCESSUAL UNDERSTANDINGS

This chapter examines the theory of how networking is perceived with particular reference to the social aspect within social enterprise. Jack et al. (2008, p.125) say 'Networks provide an excellent fora to investigate the 'social' in entrepreneurship.' It critically examines the narrative and 'processual' understandings (Jack et al., 2008; Steyaert, 2007) of networking. Viewing social enterprise as a network-based phenomenon refocuses attention from the 'heroic' individual or organisation towards the processes and relational dynamics.

The previous chapter reviewed the different and contested views of social enterprise identity. This chapter shifts attention from the emphasis of social enterprise as a noun, either a person and/or an organisation, and considers the processes of social enterprise. This extends Weick's (1979) argument of the need to move from emphasising enterprise as a noun to a verb. It reviews process models of 'entrepreneuring' (Steyaert, 2007) and investigates why networking, though acknowledged as a 'critical skill' (Prabhu, 1999; Austin et al., 2006) and an important influence upon social enterprise development, is often 'overlooked' resulting in little or no empirical research conducted in developing models to understand network dynamics (Murdock, 2005; Hulgard & Spear, 2006). This is reflected in the critique of the literatures, where models emphasised linear transition (Dees, 1998; Dees & Anderson, 2006), equilibrium (Alter, 2004, 2006) or balance (Bull, 2006) between social and economic objectives and sequential lifecycle (Leadbeater, 1997) [See chapter 2 for discussion]. This reflects Steyaert's (2007, p.453) review of entrepreneurial literatures where he highlights early attempts of process models were of equilibrium and life-cycles which relied upon linear-normative assumptions and says 'entrepreneuring has never achieved a break through as a key concept that could elucidate the inherently process-oriented character of entrepreneurship'. Nicholls (2010) suggests the narrative of networks is not as powerful as the dominant voice of the heroic social entrepreneur. Additionally, few researchers have explored contemporary practice of social enterprise (Shaw & Carter, 2007) suggesting that further empirical evidence is needed to understand the social aspect of the phenomenon.

The review discusses the narrative regarding social enterprise networks and although this narrative suggest that social enterprise networking is based upon shared values (Murdock, 2005) and examines new relations, rarely does it examine existing relations which may or may not share values. In order to do so, it examines process models and draws upon network theory, sensemaking (Weick, 1995, 2001), Actor-Network-Theory (Law, 1999; Latour, 2004) and social movements (Crossley, 2002; Della Porta & Diani, 2006). These are often complex relationships concerning individuals, organisations and networks (Hosking & Morley, 1991) and refocus social enterprise networking from a sensemaking, Actor-Network-Theory or social movement process models which allows us to look from different perspectives at wider processes that might influence actions. The common theme underpinning the approach to networking from these various perspectives is the focus upon dynamics and social processes. The review is divided into four sections:

4.1 The first section outlines existing approaches to networking in social enterprise and the perceived benefits of networking. Since various stakeholders are involved in social enterprise networks this section focuses upon organisational relations with government;

4.2 The second section links social enterprise networking to sensemaking theory;

4.3 Actor-Network-Theory is explored in the third section and looks at how negotiation is discussed, including issues of trust, mistrust and power;

4.4 Finally, Social movement theory is used to critique the narrative of social enterprise as a social movement.

The chapter concludes (section 4.5) with a critique of current issues together with theory from organisational studies, entrepreneurial and social networks with a summary of key themes and questions arising.

#### 4.1 Different approaches to networking in social enterprises

The literature notes the importance of network connections and relationships (Mair & Marti, 2004; Murdock, 2005; Hulgard & Spear, 2006). Most authors emphasise the positive side of networking (Austin et al., 2006) almost to the exclusion of disincentives of networking. Doherty et al. (2009, p.157) is one of the few to do so and with some scepticism offer:

*It could be argued that elements of networking are important for SEs because of the opportunities they offer as an output from the many hours they often invest in networking.*

Extant research, whilst promising insights into social aspects of networking are primarily based upon traditional resource mobilization. An example is Massetti's (2008) 'tipping point framework' conceiving social enterprise as a 'radical' change to economic systems, but based upon accessing resources. DiDomenico et al. (2010) also offer inductive social enterprise theory building based upon accessing resources. Murdock (2005) however argues that there is an expectation that motivations are based upon more than the utilitarian purposes (e.g. mobilisation of resources) associated with networking. Like other writers (Pearce, 2003; Pharoah, 2007), he perceives social enterprise networks as held together by common values and influenced by peer pressure. However, when considering the diverse goals and approaches, and potential differences in perceived power, the issue of whose views are expressed in network relationships becomes of interest. The funder, rather than the perspectives of other stakeholder might overly influence organisations (Coule, 2008). There is conflicting empirical evidence that the funder might or might not influence identity (see chapter 2 for discussion). Another option is that organisations might 'quietly manoeuvre' within the funders' remit (Stone & Cutcher-Gershenfeld, 2002). This suggests that network processes and relationships need to be better understood.

#### 4.1.1 Network processes and relationships

Nicholls (2010) lists three key network organisations: Social Entrepreneurship Association (SEA), Community Action Network (CAN) and Social Enterprise Coalition (SEC) as highly influential in the narrative. However, he notes that these network agencies are less powerful than other influences as they have 'more limited capital, do little grant making and lack the dissemination reach of government or marketing power of foundations' (Nicholls, 2010, p. 624).

Social enterprise networks are conceived in numerous ways and comprise customers, potential customers and competitors at local, sub-regional, regional and national levels (Doherty et al., 2009). Bloom and Dees (2008) consider networks as: resources providers, competitors, complementary providers/allies, beneficiaries/customers, opponents/problem-makers and influential bystanders. A more narrow view is of a social enterprise network comprised of 'social enterprises and support agencies



working to increase the productivity and performance of the sector’ (OTS, 2008a, p.15). Figure 4.1 depicts a support network, depicted as ‘typical’ for VCS organisations within the UK seeking to become social enterprises (DTI, 2006).

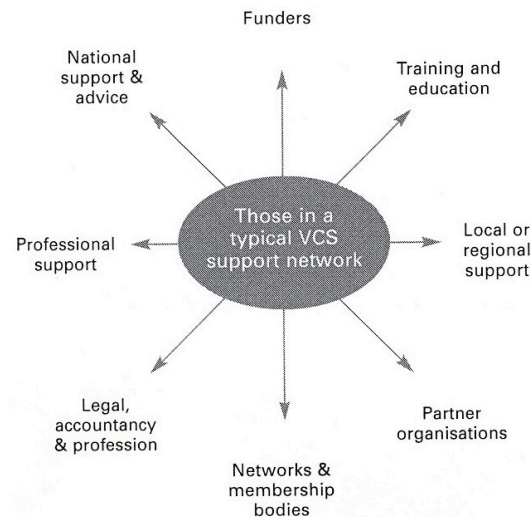


Figure 4.1: Typical VCS support network

As illustrated in figure 4.1, Government policy recommends that support is co-ordinated and a ‘gateway’ system operates and no matter where a social enterprise enters the infrastructure system they are directed to appropriate support. Instead of the hub and spoke pattern illustrated, a ‘complicated web of support’ (Lyon & Ramsden, 2006) with agencies competing and support duplicated or gaps occurring leading to fragmented infrastructure appears to have emerged (SEnU, 2007). With over 256 umbrella bodies offering support in the UK (Third Sector, 2005), there is concern of a cacophony of advice and some describe the sectors’ ‘babble of tongues’ and suggest there are too many voices and confused messages (Third Sector, 2005).

Lyon and Ramsden (2005) outline the following types of support available to social enterprises across the UK:

- specialist support agencies (CVS, CDAs, Rural Community Councils and School for Social Entrepreneurs);
- mainstream business support (DTI funded through Business Link);
- public sector organisations (RDAs, local authorities, parish and town councils);
- private sector (e.g. solicitors, consultants and accountants being the most common);

- banks and financial institutes; and
- sector representative organisations.

They report that while a third of all social enterprises had received support, the majority preferred specialist types of agencies to other forms of support. Also organisations perceived three types of support as important: counselling, specific advice (e.g. setting up new legal forms) and sector specific advice (Lyon & Ramsden, 2005, 2006).

Griffiths (DTI, 2004) commented there was a 'lack of will' to support social enterprise and observed the following contextual issues:

- inconsistency in the way RDAs allocate resources to social enterprise;
- erosion of overall local authority support for social enterprise; and
- an inconsistent approach by Business Links to social enterprise development.

Thus, various factors influence social enterprises, some more critical than others. National policy and programmes are critical factors upon social enterprise development as they influence relations between the public and third sector (Paxton and Pearce, 2005; Leadbeater, 2007b; Martin & Thompson, 2010) [See chapter 2 for further discussion]. With social enterprise recognized as a key factor in implementing government strategies, one consequence has been the expansion of 'a wide range of different support approaches' available to organisations (Lyon & Ramsden, 2005). One perception is that the range available reflects the diversity of the sector (SEnU, 2007) implying support is targeted to meet different types of organisations.

The *Review of Social Enterprise Networks* (OTS, 2008a, p.3) promotes networking using a shell-shaped model (Figure 4.2) to depict the process.

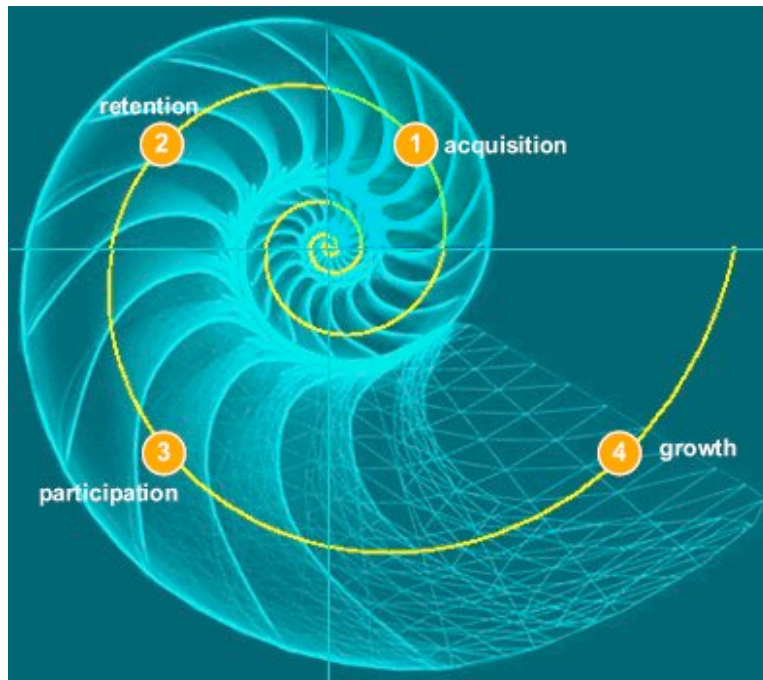


Figure 4.2: Network Life Cycle

Four stages are described within this lifecycle as necessary to ‘determine the nature of social enterprise networks in England’:

- 1) acquisition - getting social enterprises to be involved (by offering potential social enterprise network members services they can not obtain elsewhere);
- 2) retention - keeping the social enterprise members active (developing loyalty and engaging users in the network);
- 3) participation - involving social enterprises; and
- 4) growth - adapting to the needs of social enterprises.

Government policy has long identified the need to support networking and structures for social enterprise (DTI, 2002). Table 4.1 outlines two corresponding views offered by government documents of networking as pertinent to social enterprise.

**Table 4.1: Government views of benefits of social enterprise networking**

View	Benefits
OTS 2008a	<ul style="list-style-type: none"> <li>• opportunities to share knowledge &amp; experience</li> <li>• shared approach to accessing external funding</li> <li>• mutual support &amp; encouragement</li> <li>• opportunities to share good practice</li> <li>• easier access to structured support</li> <li>• reduction in costs allows general networking</li> </ul>
DTI 2006	<ul style="list-style-type: none"> <li>• useful in building contacts</li> <li>• widening access to support</li> <li>• building broader understanding &amp; knowledge</li> </ul>

The OTS and DTI used in Table 4.1 documents emphasise support and understanding so that organisations understand business, commissioning and procurement. The OTS review (2008a), which depicts networking as a organic process (Figure 4.2), is none-the-less prescriptive in promoting a ‘good network’ identified by the following signals of success:

- track record - demonstrate appropriate level of development for maturity of network;
- membership - a proportion of eligible groups are members;
- activity - services are well used to create momentum;
- connections - communication occurs between members and does not rely upon central co-ordinator;
- direction - the network has a steering group to provide co-ordination;
- objectives - published objectives are worked towards; and
- resources - the network has resources appropriate to deliver the services expected by members.

The above benefits perceived by social enterprises networking reflect many of those in network theory and social capital including ‘strategic alliances’ to access diverse ideas and information (Podolny & Page, 1998; Cope et al., 2007). Portes (1998, p.6) identified a consensus of the benefits of social networks but found the approaches ‘vary greatly’. He underlined the need to have an ‘open-mind’ in considering

different ideas, different points of view and what constitutes an opportunity or a threat. In addition, rather than considering opportunity, as something the maverick social entrepreneur sees that others do not, considering opportunity as ‘co-produced’ (Steyaert, 2007) offers a different perspective which is pertinent to the study of networks.

Most theory appears to assume networking is important at the beginning rather than as an ongoing process. Light (2008) highlights networking is framed in relation to the start-up phase of the social enterprise as opposed to maintaining relations in established networks. Whilst DiDomenico et al. (2010, p.684) in discussing social enterprise highlight the extensive body of work on entrepreneurial networks and their fundamental role in sharing knowledge, information and resources, they find theory limited to the explanation of ‘the challenges associated with the creation of a social venture’. Existing relations and wider socio-political thinking are not covered. This aspect of networking offers opportunities for mutual learning, creating excellent reputations and learning about the trustworthiness of others to develop partnerships (Lane, 1998; Bowey & Easton, 2007; Cope et al., 2007).

A key theme of network theory places importance upon reducing uncertainty by increasing the flow of information and identifying opportunities (Granovetter, 1985; Burt, 1997). Hence, information is seen as conveyed in a structural arrangement of networks. In their critique of the network literature, Hoang and Antoncic (2003) highlight structural connections and characteristics of size and density are emphasised rather than relational processes.

Milbourne (2010) highlights the common discourse of networking relations between third and public sectors acknowledges interactions are not static but find there is a ‘ambiguity of purposes’. The following show these ambiguities:

- statutory agencies were seen to benefit most by ‘ticking a box’ to show they worked collaboratively to access funding;
- many third sector organisations wanted to stay small rather than grow;
- increased time implications of networking;

- networking focussed upon formal structural arrangements rather than differences in relations and thus lacked ‘relational space’;
- learning from others implies change but some expressed resistant to change for a variety of reasons including implications of more work and lack of time or resources as well as seeking wider change; and
- different goals, vested interests and ways of doing things, different identities and values all need to be managed.

Thus, Milbourne clearly outlines the negative aspects of relations between the public and third sectors.

Furthermore, as policy is filtered through the hierarchy of government channels, messages become less clear as policy is implemented at local level (Murdock, 2007). One instance is between national policy and local interpretation by commissioners (Baines et al., 2008). Amin et al. (2002) draw attention to the lack of empirical evidence to suggest that government policy and strategy is beneficially influencing local social enterprise development. Instead they suggest it may be misdirected and not meeting the social needs of local communities. Parkinson and Howorth (2008) argue that without an understanding of the motivations and meaning for those enacting contemporary practice, policies, and by extension programmes, could be ‘flawed’. Hence, the benefits promoted earlier in this section outlined in government documents underplay the social nature of how networking occurs in contemporary practice.

#### 4.1.2 Social enterprise networking as a means or an end

In the literature, it is clear that social enterprise networking is viewed either as a ‘means’ or an ‘end’ in itself. The OTS (2008a) review recommended that social enterprise networks must function with a purpose and the approach repeated emphatically throughout the document is that social enterprise networks ‘should be a means to an end and not an end in themselves’, the end being to successfully access resources and support ‘rational choice’. Rational choice is underpinned by the belief that network interactions are primarily in the interests of the organisation (Coleman, 1988). This is a functional aspect of networking as the potential to access wider resources from contact with networks outside the organisation. This approach

is seen in various government policies and programmes (e.g. SRB, Sure Start and Health Action Zones) attempting to affect social change whilst embracing the 'free market' (White, 2002). Deakin (2001, p.145) said by utilising rational choice theory, non-profits delivering welfare services are:

*the outcome of the demands of individuals seeking solutions to their problems in a market economy and searching out information on how best to do so.*

This thesis seeks alternative views of processes in social enterprise networks. An alternative perspective to rational choice, referred to as a 'critical position' (White, 2002), is focussed upon relationships arising from Bourdieu's theoretical work and is incompatible with 'Third Way' policy as it challenges the status quo. Rather than relationships based upon 'free market' mechanisms of control and legal contractual arrangements, the emphasis is upon 'social obligations' and the importance of norms of reciprocity to promote co-operation, especially during uncertain times (Woolcock, 1998; Fukuyama, 2001; Anderson & Jack, 2002). There is concern that as the state withdraws from the provision of welfare services, the promotion of social enterprise could be a cheaper way to deliver services using volunteer labour; thus, social enterprise is a means to save money. Anderson and Jack (2002) note this approach implies 'exploiting others' as a means to an end, unlike the alternative notion of 'embeddedness', which they suggest implies reciprocity or mutuality. Thus implying they consider embedded relations as only positive experiences rather than relations that have negative implications.

Accessing resources is underpinned by a rationalist approach and is but one means of networking. From her study of entrepreneurs, Hite (2003, 2005) found embeddedness was not simply an 'on/off' effect but contacts had differing degrees of influence on how new entrepreneurs make businesses decisions. This would appear applicable to wider network interactions that change over time and depend upon experiences and expectations. Podolny (2005) opposed this approach and found that people know when they are being used as a means to another's end. He proposed instead that some social enterprises pursue radical social change similar to those involved in the American Freedom Summer movement where individuals were found to intrinsically value their networks. He argued that seeing a network, as an end in itself, was an essential part of the commitment for those in seeking to advance social freedom.

Lyon and Ramsden (2005) reported that networking events were perceived as 'beneficial' and as offering 'informal linkages' to the social enterprises taking part in their study. However they limit their description to one case study of the 'serendipitous' nature of a networking experience and link this directly to the 'huge expansion' of the organisation involved. This interpretation of networking - which leans on the rationalist approach - is countered by that of Anderson and Jack (2002), who found that entrepreneurial networks had an unspoken 'etiquette' underpinned by an importance of the process of developing contacts and that actors attempting to use others to achieve outcomes were shunned.

There is an assumption voiced in the literatures that networks, network formation and network activities are 'inextricably linked' to working to a common aim (Burt, 1997; Field, 2003; Bowey & Easton, 2007), and network participants must know what common values and interest they (and others within the network) are promoting and protecting (Hosking & Morley, 1991). These assumptions of common aims and values are questioned in this thesis. This view draws upon Hosking and Morley's conclusions (1991, p.253):

*networking makes it possible for participants to understand different points of view, to negotiate descriptions, to find ways to respect differences, and to enable others.*

Neither the alternative, nor rational choice approach addresses the unclear notion of 'means and ends'. There are simply different perspectives regarding the desired ends. As social enterprise and VCOs delivering public services operate in an institutional environment, the value of outcomes and outputs are found to differ between funders, delivery organisations and service users. Different approaches will be taken to receiving and gathering information. Organisations also benefit from networking by accessing support, finance and expertise, lowering transaction costs and gaining the benefits of economy of scale by working together to deliver contracts (Podolny & Page, 1998). Additional advantages include technology transfer and the improved ability to access and compete in markets (BarNir & Smith, 2002). Hence, government policy of social enterprise support appears to reflect the above benefits. Drawing from Hosking and Morley (1991), missing from the government policy to support networking is that those in networks need to:

- make sense of the changes they are encountering in their environment; and
- undertake strategic decisions of how to go forward and take action.



Thus, perceived benefits are primarily information and gaining financial advantage as opposed to sensemaking.

## 4.2 Social enterprise networking linked to sensemaking theory

Some social enterprise authors discuss organisational sensemaking (Paton, 2003; Ridley-Duff, 2008; DiDomenico et al., 2010), though they have not focussed upon network interactions. This section offers theoretical foundations uncovered by reviewing some principles from sensemaking theory. Weick (1979, 1995, 2001) argues sensemaking is 'social' and in order to make sense of things people in organisations and networks have conversations, read communications from others and generally exchange ideas. Hence, one aspect of sensemaking in social enterprise networks is to consider if the design and practice encourages conversation. In doing so, it is essential to consider what he refers to as 'equivocality' or the existence of multiple interpretations, which is pertinent to influencing other organisations. As Grimes (2010) proposes this aspect of social enterprise is not exclusively focussed within the boundaries of the organisation but has wider implications, particularly the influences of funders [see sub-section 3.1.2 for further discussion].

Weick (2001 [1979]) finds organisations continually evolve as people constantly interact. Hence, the verb 'organizing', rather than the noun organisation, dominates his narrative. This contrasts with the dominant narrative of social enterprise that focuses upon organisations [Teasdale (2010) see sub-section 3.1]. Peattie and Morley (2008) find practitioners are more likely to emphasise social enterprise as a verb than academics. The 'little narrative' of contemporary practice (Dey & Steyaert, 2010) notes 'the ways of working' (Amin et al., 2002; Leslie, 2002) are problematic to many organisations. For many in contemporary practice, social enterprise is a part of many organisational activities that are funded in various ways [see Morgan, 2008 for fuller debate]. Shaw and Carter (2007, p.421) described a key characteristic of social enterprise as 'multi-agency working' which underlies the different stakeholders involved in social enterprise and the potentially complex network relationships. Grenier (2002, p.4) argued, the term social enterprise is not just about organisations but 'issues around which organisations, policies, research and other activities develop'. Crutchfield and Grant (2008) argue the importance of 'decentralised' network structures in social enterprise as achieving wider social impact rather than solely serving the purpose of meeting organisational goals. This

view is reflected by others suggesting social enterprise is an *activity* of third sector organisations (Birch & Whittam, 2007). Borch et al. (2007, p.5) concur and found:

*actions may be more influenced by the social structures and networks with the community compared to an autonomous entrepreneur creating their own business.*

Weick (1995) conceived structure as moments framed for reflecting upon interactions. He associated organisational change to evolutionary processes and borrowed from an evolutionary model of natural selection to construct organisational interaction within the environment as an iterative process. Thus, his model is seen as breaking from more linear or rational views of management theory (Nijhof & Jeurissen, 2006). Weick depicts this process by drawing feedback loops between retention, selection and enactment. He poses that these three ‘emphases’ offer a ‘grammar’ for organising, and making sense of, processes associated with organisational behaviour. Weick (1995, p.30) described enactment as ‘people often produce part of the environment they face ... they take undefined space, time and action and draw lines, establish categories, and coin labels that create new features of the environment that did not exist before’. A key point he raised is that in doing so, they also constrain their actions. Lant (2005, p.351) noted that Weick departed from the view presented in the field of organisational development where the manager was the person driving organisational action and instead considered how other actors, both within the organisation, as well as across a wider network, affect what is known as the ‘standard operating procedure’.

Weick (1995) cited a study by Porac et al. (1989) as exemplifying sensemaking in networks. Their research explored how the mental models of members of a Scottish knitwear community informed their business strategies (Porac et al., 1989). Figure 4.3 portrays the ‘enactment cycle’ whereby the term ‘classic’ provided the key in understanding what was commonly believed throughout each link of the chain.

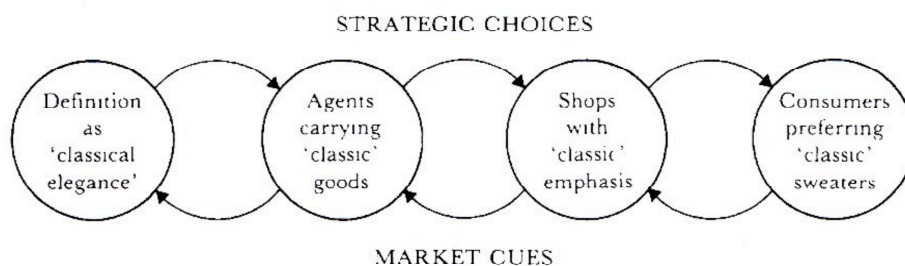


Figure 4.3: Processes in a Scottish knitwear network

Porac et al. (1989) showed how this framework explains the complex and interrelated factors that make this small and localised industry viable. The idea of 'classic' knitwear reinforced the identity of businesses and affected the strategic choices and market cues of a Scottish knitwear network, and the producers, suppliers and customers all had common understandings and expectations of the product. However, as Porac and colleagues qualified, different members of the network will develop different solutions to different problems they face. Two key findings by Porac are noteworthy in relation to this investigation of social enterprise development in local networks:

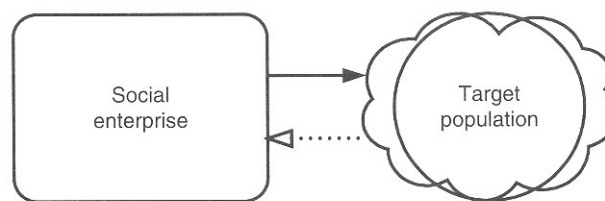
- 1) the importance of interactive roles; and
- 2) how networking strategy is linked to identity and shared understanding what makes them and their products/or services distinct.

#### 4.2.1 Interactive roles

Weick (1995, p.77) commented that the Scottish knitwear networks sense of identity, as a remote community manufacturing specialist knitwear, informed their core beliefs and acted as 'anchors that enable members to define the competitive space and their place in it'. Weick highlighted competitive space rather than collaboration. Borch et al. (2007) emphasised the roles played in social enterprise networks were critical factors in understanding local contemporary practice. Whereas competition is emphasised within much of the discourse, Borch and colleagues proposed that social entrepreneurs heavily rely upon networks to create situations for co-operative actions. Goldstein et al. (2008) also emphasise how patterns of 'connectivity' affect cooperation and information sharing amongst social enterprises. Furthermore, they found networks are used to influence opportunities and actions and that this is a 'reciprocal process' where actors gain an understanding of complex situations by sharing ideas of what is important and what to do. However, this is not to suggest equal influences, as individuals vary in degree to which they play an active role influencing others (Grimes, 2010). Yet, Maase and Dorst (2006) note that questions of how to work collaboratively remain unanswered in the literature.

In extending figure 4.3 to consider the potential enactment cycles in social enterprise networks, Porac et al.'s model offers a more traditional view of networks

from a private sector perspective framing interactions between customers, competitors and suppliers. Social enterprise relationships are more nuanced, as the paying customer is often the statutory sector service provider rather than the direct user. By omitting interactions with other organisations, agencies, collaborators or competitors, existing models fail to offer a means of framing the network dynamics of this environment. For example, Alter (2004, 2006) undertook a ‘practice-to-theory approach’ in South America and identified seven operational social enterprise models, one of which is depicted in Figure 4.4, the ‘fee-for-service’.



Source: Alter, 2006, p.219

Figure 4.4: Fee-for-service model of social enterprise

Social enterprise is symbolised in the rectangular structure and provides services to a target population, symbolised by the solid arrow. She acknowledges that the target population, illustrated in the cloud symbol, is generally conceived as members from a disadvantaged community lacking the money to pay for the services directly. She draws the return arrow as dotted to show there is no direct financial link. Alter’s model depicts the buyer of services, the circular symbol, as a third party agent. Although Alter (2006) discusses financial opportunity not meshing with social need, she depicts the target population, or the user’s needs, as directly corresponding and overlapping, with what the service provider seeks to purchase.

Social enterprises in the UK are being encouraged to engage in procurement relations with National Health Service providers and/or local authorities. Alcock (2008, p.162) emphasised how the role of public service agencies has changed from providers of services to the ‘purchasers, or enablers’ of packages of support:

*As enablers, therefore, local authorities and other agencies were expected to work in partnership with providers ... in practice this was expressed through the establishment of legally binding contracts to deliver agreed packages of care.*

One view of Government's considerable financial investment is in developing the skills needed to deliver public service contracts. This potentially neglects the more complex aspects of these relations.

Thompson and Doherty (2006, p.362) find there are no 'true paying customers' and the contracts mimic grants making this a 'tricky one to categorize'. Lyon and Ramsden (2005, p.10) reported confusion in this type of model in balancing objectives of the needs of the user of services, whom they refer to as 'the downstream customer', against satisfying the funder (the upstream customer) and found that 'some social enterprises find the demands of these different stakeholders contradictory'. Somers (2007) found these types of social enterprise are different from other forms in that there is not clear 'buyer-seller' mode. Nor does it depict a partnership model based upon equality. Paxton et al. (2005) note that these interactions are affected by attitudes of different people including those purchasing services, the commissioners, those using services and the sellers - CEOs and board members but also staff and volunteers. Research indicates a gap between national policy and local interpretation with regards to outcomes, especially regarding the need to change systems and innovate (Baines et al., 2008). Instead they found commissioners 'buy what they want and won't or can't risk new and untried models' (p.4).

The social enterprise narrative outlines the process of change begins either by recognising an opportunity or in response to a failure of government or market (Robinson et al., 2009). Thompson (2002, p.413) reflects this stating 'opportunity is at the heart of activities'. Martin and Osberg (2007) argue that opportunity is important but believe the need to both 'recognize' and 'exploit' opportunities is linked to the act of 'affecting change'. They also believe social enterprise activity must be 'pattern breaking'. This differs from Doherty et al. (2009) who describe change as a spectrum of options ranging from incremental to transformational. Grenier (2002) notes that opportunity is presented in the discourse as 'facts' the social enterprise needs to recognize in order to take action, while Maase and Dorst (2006) found that the process does not begin by identifying opportunity but instead is a 'fuzzy' or 'trial by error-like' process based upon the desire to change something for the better. Another aspect related to recognition and pursuit of opportunity is that it is predominately conceived of by the individual or within the organisation. This is reflected in extant research, for example Parkinson and

Howorth (2008) reported those in organisations do not frame activity as opportunities but as needs. Goldstein et al. (2008) focus on how social enterprise discourse places emphasis upon meeting intended or desired social missions or delivering welfare service targets/outcomes, rather than on the network dynamics (how structures and relations change) and emergent, or unexpected outcomes. Network theorists Hoang and Antoncic (2002, p.175) believe that the 'extent to which contacts play a role in shaping the very nature of the opportunity that is being pursued' is often missing in discussions of networks.

Somer (2007) found local economic development officers and support workers (labelled as 'social intrapreneurs' by SEnU, 2007) tasked with creating social enterprises, act as 'internal champions' within public services, grasping the notion of and promoting new ways of working. The language used though discerns organisational boundaries rather than wider networks. Gilchrist (2000, p.271) said:

*an important feature of the community worker's input is being overlooked - namely the manner in which networks are extended and strengthened so that they are able to provide mutual support, as well as influencing external decision-making bodies.*

She found networking to be crucial but not listed in community workers' job descriptions and concluded that it was a 'hidden' part of their work. The roles undertaken included being 'interpreters, especially at times of misunderstanding or conflict' and she found support workers were important nodes in networks enabling others to communicate effectively and work together (Gilchrist, 2000, p.271). A report of social enterprise advisors (RISE, 2005) similarly found networking skills crucial to their work with clients and other support agencies in order to share skills knowledge and practice.

Interactive roles have been identified in social enterprise networks (Murdock, 2005), including 'animators', 'tone setters' and 'enforcers', while 'boundary spanners' are social enterprise actors who make contacts both within and outside of their organisations. These can be compared to the three sets of 'change agents' identified in state-driven regeneration programmes (Strang & Sine, 2002): professionals (delivering government policy), creative innovators (who provide challenge) and grass-roots (who 'push' institutions to reflect their concerns). When these three roles are not in balance in a network, the ability of the sector to change and develop is impaired: government and professional bodies lack the creative

qualities of the others, while grass-roots groups seek to advocate for and enable others rather than address their own interests. Various writers note a diversity of roles is needed, particularly when a network does not have established procedures, while the interactive nature of these roles and the availability of organisational resources are critical to networks' success (Woolcock, 1998; Pretty & Ward, 2001; Rydin & Holman, 2004). However, though not discussed in social enterprise narrative, representatives of these groups might equally act as 'gatekeepers' with the influence to open or close the gate and hold positions of power. As Pearce (2009) warns, UK and Scotland governments are expressing a 'worrying trend towards control' rather than acting as enablers.

#### 4.2.2 Acceptance or resistance to the mainstream

As discussed above, the networking strategy for the Scottish knitwear networks was considering the classic goods they produced which made them and their product distinctive. In providing support some recommend that a 'powerful strategy' of networking across organisational boundaries to 'create social value' be adopted, one that does not require that value be captured within organisational boundaries (Austin et al., 2006; Crutchfield & Grant, 2008). Unlike the above example, in which Porac's knitwear networks had a shared understanding of classical goods, social enterprise networking strategies are different and conflicting. One aspect of these different understandings can be perceived in the acceptance or resistance of becoming mainstream. The implication being different approaches underpin support measures.

There is an argument of the need for social enterprise to move from the margins to the mainstream of the economy (SEnU, 2007). During his term of power, Prime Minister Tony Blair (2006) was ambitious for the growth of the social enterprise sector and subsequently for social enterprise to become 'a mainstream choice for anyone setting up in business'. This is reflected in social enterprise support emphasising business solutions (Hines, 2005; Russell & Scott, 2007) and Grenier (2006, p.137-8) said learning and legitimacy is sought in connections with the 'business world' and:

*some care therefore needs to be taken as to what extent social entrepreneurship offers an alternative to existing forms of social change, or to what extent it is simply the extension and intrusion of 'business' into the 'social' and political arenas.*

Mainstream support is premised on the belief that social enterprises shared significant (80-90%) support needs with SMEs (SEnU, 2007). Lyon and Ramsden (2005) outline 'mainstream' support for start-up organisations (within first three years) was channelled through Regional Development Agencies (RDAs) to the 45 Business Link operators (BLOs) in England. Business Link offer standardised mainstream support to organisations, including social enterprises, using a three-phase Information, Diagnostic, Brokerage (IDB) model. In phase one advisors offer information to organisations about becoming a social enterprise. Phase two is a diagnosis of their business problems and they may be offered in-house 'expert' support. Where in-house expertise does not exist, phase three offers the brokerage of services between clients and other specialist support agencies.

Business Link services were criticised for are not offering 'accessible or appropriate' support and that there is a 'need to change attitudes and approaches in the long term' (DTI, 2002). Notably, differences are perceived to arise in the start-up phase but as social enterprises mature the support needs are perceived to be similar to mainstream businesses (Lyon & Ramsden, 2005); however, the researchers do not discuss how support is adapted to meet these different needs. There is a wider question arising from the above assumption that is not addressed. Extant research found social organisations in the States in receipt of initial start-up support were less likely to achieve long-term sustainability (Minkoff, 2001). This study revealed that higher initial funding equated to higher failure rates. Also more was not better; higher numbers of organisations lead to increased competition. Although competition is promoted as a positive factor in social enterprise development in the UK discourse, it was not identified as conducive to a unified social movement in contemporary practice in the US.

A recent UK Government report (SEnU, 2007) identified social enterprise support as primarily focussed upon the role of support for organisations to deliver public services and is interpreted by RDAs as within the remit of 'enterprise' and of attending to regional economic problems (jobs created, new businesses, turn-over) rather than the 'social inclusion' agenda. However, two studies indicate that the capacity building skills needed are not solely financial skills but those for delivering social good (Lyon & Ramsden, 2005; Bull & Crompton, 2006).



There is an argument that the ‘mainstream approach’ of social enterprise support does not address concerns of those seeking alternative solutions, which confront traditional market forces and globalisation (Evers, 2001; Westall, 2001). Bridge et al. (2009, p.217) advocates social enterprise for:

*its potential to provide a counter to the supposed power and influence of either the private or the public sectors.*

Amin et al. (2002, p.125) make this very point:

*The key move is to de-localise discourses around the social economy and to challenge the dominant conception of the mainstream, rather than to cast the social economy in the image of the mainstream and in the interstices that the mainstream has abandoned.*

Unsurprisingly, support encouraging a critical stance against the mainstream is not resourced through the mainstream providers. However, it is not necessarily provided through alternative channels of support. For instance, an alternative to mainstream business support is delivered through infrastructure networks, such as Voluntary Actions and Councils for Voluntary Services, with programmes aimed towards improving the capacity of the voluntary and community sector. These programmes arose to assist organisations to meet the demands of the contracting culture (Billis, 2003) and offer support for existing organisations, especially infrastructure support agencies, to assist in improving the quality of services to the community user. It is perceived that these organisations are well positioned to work in partnership to promote and encourage social enterprise. Pharoah (2007, p.14) agrees saying social enterprises have an important role as ‘advocates of client need’, however. She supports the need for a broader discussion of social enterprise building capacity as greater than responding to and procuring contracts from statutory agencies. This point relates to a long-standing conflict in roles, described by Paxton and Pearce (2005) as the ‘service/ advocacy dilemma’ [see sub-section 3.2.3 for further discussion of civil society], with approaches needed that enable commitment to building community capacity and nurturing social networks beyond the contracted outputs (Westall, 2001). With government being a crucial provider of resources, policy and programmes and as such a key influencer of social enterprise support, it must be queried if issues of resistance to mainstream will be addressed. As argued elsewhere, there are concerns that outside agencies hold great influence, with Edelman et al. (2004) cautioning that not all influences are for the best and that there are negative as well as positive influences attributed to organisations in

contact with agencies offering support. As the resources are channelled through infrastructure agencies, the emphasis has potentially shifted from the focus upon the social enterprise towards a preference to government programmes.

Weick (1979, 1995) highlighted the need to acknowledge the normative dimension matters. By acknowledging the normative dimension rather than economic aspects, the approach can address a point made by Anheier (2000, p.8) stating the normative 'includes not only economic aspects, but also the importance of values and the impacts of politics'. If those in organisations choose not to accept the business approach of social enterprise, as promoted by Government and advisors, and they do not self-identify as social entrepreneurs or social enterprises in response to changes in order to take a grass roots approach, this may not simply be a problem of 'patchy uptake' as noted in Westall and Chalkley (2006).

Westall (2001) referred to a shortage of people with both entrepreneurial skills and a commitment to social change, a resistance by some and a lack of analysis in the sector as to what is working. Many acknowledge that business and financial plans alone cannot solve complex problems and other forms of support may be needed that attend to context, values, experiences and relationships (Anheier, 2000; Amin et al., 2002). However, resistance might arise for a variety of reasons: it might be to business solutions and language as discussed previously, or applied to those not wanting to change or from a lack of resources or time; another possibility is resistance might be to mainstream ideas. These issues lead to the next section and the discussion of negotiation and power.

#### 4.3 Actor- Network-Theory to explore negotiation, power & trust

Actor-Network-Theory was chosen to examine aspects of negotiation and power as well as to address the structural emphasis in critiques of networks (Fine, 2001; Hoang & Antoncic, 2003). Latour (2005, p.1), one of the writers associated with developing Actor-Network-Theory, says:

*when social scientists add the adjective 'social' to some phenomenon, they designate a stabilized state of affairs, a bundle of ties that, may be mobilized to account for some other phenomenon.*

However he finds a problem occurs in structural analysis and relating to one group or another is instead an 'on-going process' which he says is 'made up of uncertain,

fragile, controversial and ever-shifting ties’ (Latour, 2005, p.28). Thus, he observes that it is not the ties or capabilities of the individual but the process of movement from changes in one older association with a newer one that can be observed. His comments seem applicable when considering the social in social enterprises, particularly what prompts actors into collaborative action. As the key authors developing this theory claim, good and innovative ideas are not necessarily accepted by society. Proponents of ANT argue that the model is useful for understanding the complexities of relationships by offering a perspective for viewing how organisations overcome resistance (Law, 1992, 1999; Latour, 2005):

*The core of the actor-network approach [is] a concern of how actors and organisations mobilise, juxtapose and hold together the bits and pieces out of which they are composed.*

Law, 1992, p.5

To discern transformations in the process of change, the term ‘translation’ is utilised to show relations that influence actions. Such translations are seen by interactions termed as ‘traceable associations’ between actors; these may be how participants within the network identify representatives amongst themselves and how they influence one another to pursue common goals (Law, 1992, 1999; Latour, 2005). Latour (2005, p.108) dismisses the notion of ‘social ties’ and states instead that translation is not a structural cause-and-effect relationship but rather ‘a relation that ... induces two mediators into coexisting’. The ANT process (Law, 1999) includes organisational arrangements, power relationships and flows of communication including how actors in a network as outlined in Table 4.2:

Table 4.2: Integrating ANT characteristics & phases	
ANT descriptive characteristics (Law 1999)	ANT phases
1 Construct a common meaning	Enrolment
2 View their interactions with others that they wish to enrol in projects	
3 Show how their ideas are accepted or challenged	Passage point
4 Identify the critical passage points where they begin to work together	
5 Resolve disputes with one another	
6 Uncover the process of how things get done	Retention

Steyaert (2007) argues the benefit of the ANT model for new perspectives in 'entrepreneurship' as it considers complexity and looks at actions. Nicholls (2005) uses the ANT construct in social enterprise to conceptualise not only the connections between supply chains of fairly traded goods but also the wider impacts of customers understanding the value of ethically produced goods. For the purpose of this thesis, ANT will be used together with ideas from other disciplines to examine how negotiation, power and trust are discussed in the narratives.

#### 4.3.1 Negotiation & power

Negotiation is associated with power in how network actors negotiate and align their social aims with their resources and actions. Participants must work within existing rules (and resources) and the purpose of negotiating is to change the rules in order for everyone to commit to working on agreed projects. One definition of power is 'the ability to affect organisational actions and outcomes despite resistance' (Ocasio, 2002, p.363). Darwin et al. (2002, p.97) highlight different conceptualisations to power:

*From the vantage point of a pluralist perspective organisations, and society in general, are perceived as being constituted by diverse socio-economic groups whose pursuit of disparate sectional interests inevitably produces manifestations of conflict.*

They argue this stance differs from a 'unitary perspective' in that various stakeholders' needs are addressed. Mizuchi and Yoo (2002) critiqued the organisational development literature regarding power and argue that most definitions are based upon one actor having a relationship of power over another actor or organisation based upon an acknowledgment of a resource dependency. Rather than considering power as dominating or persuading, they, like Hosking and Morley (1991), consider that how actors influence and skilfully negotiate includes the process of discussing differences and agreeing joint actions.

Hosking and Morley (1991, p.241) describe how a 'traditional' organisational strategy relies upon the manager, or stakeholders, using sanctions (e.g. threatening to withdraw support, the use of strict monitoring and project deadlines). Rather than adopting a strategy based upon using coercive 'push' power, they find skilful organising encompasses 'pull strategies' which use rewards to influence others. They find that this influence is a skill of building relationships and negotiating

within networks and is essential to sustain a culture where network members are committed to common actions. Gilchrist (2000, p.270) said 'just not anything will be possible' in networking as there will be a history of what has gone before and the level of commitment by those in the network will affect how they negotiate change.

Parkinson (2005) frames the notion of power as deriving from two different schools; those researchers influenced by Foucault, when understanding power is in language, or those influenced by Fairclough who consider power is influenced by context and is reflective of social situations. Given the nature of power and negotiation people have different degrees of influence to either facilitate, or hinder, collective action. Networks as such hold 'political' qualities and offer a means of operating which challenge old positions of power. It is argued that not all people are equal in the 'web of power relations' (Darwin et al., 2002). They debate whether or not power is held by certain individuals and institutions, or is instead held in the ability to draw upon the knowledge and legitimacy of discourses in terms of identity, making sense of situations and exercising influence over others so that they act differently. Hosking and Morley (1991) similarly argue that power is neither assumed as symmetrical or as a fixed attribute held by individuals or organisations but is a characteristic of relationships. They offer an exception in that not all actors negotiate but instead act in ways to ensure issues 'never get tabled' or open to discussion. However they do not assume that organisational participants are victims within these relations as posed by Foucault. Instead individuals are perceived as able to discriminate between discourses and make sense of different meanings. Darwin et al. (2002, p.168) stress 'the point being, there are always multiple discourses at play' and argue the importance of considering changes in narratives, such as who is adopting the 'control narrative'. These multiple discourses are found in social enterprise and entrepreneurship narratives as various agendas frame the themes discussed (Parkinson, 2005; Nicholls, 2010; Teasdale, 2010).

Different issues are addressed in narratives of power. Borzaga and Solari (2001) propose that social enterprise needs to increase its 'power' and 'legitimacy' and consider power as 'status' in the wider sector. Nicholls (2006b) discerns that power and control in social enterprise, unlike commercial ventures, is not situated in sole ownership. Power and legitimacy, in this context, are linked to accountability and governance and have wider implications as networks are associated with democratic

governance. Osberg, speaking at Skoll 2008, voiced a shift in the understanding of power:

*More and more social entrepreneurship is not only about the power of the brilliant individual, increasingly it's about the power of partnerships, the coalitions that take the solutions you envision and bring the impact of those solutions to scale. This is the direction we are headed, toward a dynamic open-sourced model of social change.*

cited in Light, 2008, p.75

Jochum et al. (2005) argue the connections organisations have with wider agencies are important as they relate to power and decision-making processes. Bode et al. (2006) note the concerns in the literature from 'inter-sectoral' influences but found no evidence to suggest that social enterprises, though being of a 'precarious nature', are being overtly shaped by public (or private sector) influences. However, Stone and Cutcher-Gershenfeld (2002) found the use of performance targets by statutory agencies has changed the nature of relationships with the third sector, and argue that more needs to be done examining negotiation in these systems at the design stage. Reid and Griffith (2006, p.7) state the role of the service deliverer places 'social enterprise squarely in alliance with a dominant institute' of the public sector. Government holds considerable power in relations as it can award grants and contracts in addition to legislating change (Murdock, 2007; Somers, 2007). Murdock (2007, p.4) notes that government policy may cite social enterprise as:

*a full partner and not subservient in the relationship ... The fine words set out on paper do not always translate themselves to practice on the ground.*

Shifting views of power continue to be seen in government policy. For example, in the title of the *Empowerment White Paper* (CLG, 2008), *Communities in Control, Real People Real Power*, and *Duty to Involve* (CLG, 2009) with local authorities expected to engage with the third sector to 'embed a culture of engagement and empowerment'. Gilchrist (2006) finds a discrepancy between government rhetoric and reality with tensions experienced between 'institutional power and community empowerment'. Schwabenland (2006, p.73) says:

*Although policy makers and funders do talk a great deal about empowerment, the emphasis they place on measurable outcomes tends to draw attention away from examining the quality of the relationships that are being made and the values on which they are based.*

It is also acknowledged that in practice there are incidents of social enterprises responding to delivering short-term outputs rather than longer-term social outcomes and of being in situations where there are differences between their principles and practices (Rhode, 2008). Dart (2005) found that in order to become more efficient, the health service organisation studied narrowed its client base to concentrate upon the short-term, fixable problems, which enabled staff to have more manageable caseloads. Various writers promote this approach by which organisations in the voluntary and community sector can gain financial and managerial skills to provide services more 'efficiently' (Hardy, 2004). Others argue that emphasis in government policies is instead upon creating a 'market of producers' rather than building 'relational assets' relating to governance and collaboration (Amin, 2009). Paxton et al. (2005, p.34) argued that a crucial aspect in developing appropriate services is an understanding that 'of necessity, it is a dynamic debate in which terms change as the different participants develop their thinking and interactions'. Understanding is a contentious issue; Grenier (2002, p.21) claimed social enterprise is understood within political and economic frameworks rather than challenging them and argues the need to conceive processes rather than emphasis 'effectiveness'. Notably she (ibid) says:

*It could also be in danger of adopting ideas from the business world, just as the most progressive parts of the business world are fundamentally questioning some of their own practices and values.*

Perrini (2006, p.30) describes how meeting social and economic outputs, as well as outcomes, is one aspect of the process for achieving societal well-being. He however perceives this process as different from 'wide innovation dissemination', which he outlines as the other crucial aspect for meeting needs. Harris, as cited in Baines et al. (2008), frames innovative outcomes as:

- Service delivery (meeting identified and accepted needs);
- Expanding frontiers (moving into new areas of need);
- Changing systems (developing ideas for advocating new needs); and
- Communitarian (addressing needs through communal activity - volunteering).

Thus, how policies are interpreted and implemented will affect social enterprises.

### 4.3.2 Trust

The relationships within networks will influence how easily new ideas and innovations are shared with others. Inter-organisational trust is found in network relations, which are a process 'fraught with risk' for members (Castaldo, 2003). Trust is 'multi-dimensional' and discerned as: calculative, value based and/or collective (Lane, 1998). Calculative is based upon perceived benefit being greater than acting alone; value is based on shared norms; collective are based upon the common cognitive views from experience - these might be trusting others abilities to deliver what they say they will or as a mutual understanding of the situation. Trust has been found (Coleman, 1990; Lane, 1998; Putnam, 2001) to be a constitutive property of networks and is necessary for organisations to enjoy the benefits for network interactions listed earlier [sub-section 4.1.1]. Where there is a 'radius of trust', ideas are seen to pass more easily than those networks with little or no trust (Fukuyama, 2001). Sako (1992) found trust improves business relations and in trusting relations and identified trust as either:

- competency (experience demonstrating trustworthiness to behave as expected);
- contractual (delivers written and oral agreements); and
- good-will (do more than expected such as over-perform on a contract).

In trusting relations, entrepreneurs 'bounce their ideas' off others (West III, 2006). However, network members can also chose to withhold information. As Sydow (1998) notes virtuous or vicious circles can develop. Where there is a lack of trust there are more procedures and bureaucratic burdens to compensate (Sako, 1992).

Podolny and Page (1998) found that networks with no formal hierarchy rely heavily upon high levels of trust in resolving problems. Trust is emphasised as crucial for network dynamics and the frequency and openness of inter-organisational communication increases the possibility of trust (Sydow, 1998, p.46):

*For building up trustful relationships among organisations boundary spanners have to do a lot of face work with those persons at the blurred boundaries of the networked organisations.*



Lane (1998, p.6) identified uncertainty about whether or not acting together will be of mutual benefit and found 'trust bridges information uncertainty', but where trust does not exist a 'leap of faith' was required. Cope et al. (2007, p.215) found:

*Access to social networks is based upon mutual trust and shared understanding, which means that many are exclusive rather than inclusive.*

Hence, networking does not necessarily enhance inclusivity. Also, Sydow (1998) noted that actors might perceive competition as a threat to their organisation. He commented that smaller organisations might feel too vulnerable to trust others outside their immediate organisations. Therefore, size might be an important factor related to trust and dynamics in social enterprise networks.

Spear and Johnson (GHK, 2005, p.6) argue that third sector organisations - including social enterprises - enhance trust relations and civic engagement. Murdock (2005) suggests that trust could be a key area of difference between the social enterprise relationships and those within for-profit organisations. He (p.3) finds the narrative of social enterprise literature is of relationships built upon trust often derived from 'a shared set of values of beliefs':

*So far the literature offers some evidence that trust is founded in values and beliefs and it is important because it facilitates collaboration, but trust depends on reciprocity and engagement.*

Hulgard and Spear (2006) note voluntary organisations are cautious to remain separate from the private and public sectors. Fenton et al. (1999) similarly warn that damage to trust and confidence stems from changes in an altruistic culture in the voluntary sector to one which is business-like. Rather than promoting cross-sectoral working they provide a stark counterpoint in advocating the need:

*to develop and help protect ... a distinctive space that is becoming less clear with the blurring between sectors, as more charities operate within the contract culture and appropriate the techniques of business in an increasingly competitive environment.*

Fenton et al., 1999, p.27

The tenet of their research is that customers prefer to support charities because they do not generate profits and perceive them as being trust-worthier than for-profit businesses. With the variety of stakeholders involved in social enterprises, Paton (2003) urged that they should not ignore the signs of trust eroding. Putnam

(2001) and Fukuyama (1995) maintain that an erosion of trust has occurred between value-based organisations and their user groups. Hall (1999) however disputes that the erosion of trust, as reported by theorists in the USA, is mirrored in the UK. She notes that one explanation for a continuing resilience of relations is that government has a history of encouraging the voluntary and community sector to deliver social services. However, Pestoff and Brandsen (2009) say the changing nature of relationships is based upon long-term relations based upon trust [and grant-giving] replaced by short-term contract-based relations. Additionally, with recent events in government and the private sector (MPs' expenses and undisclosed loans to the banking sector), this relationship is worth reconsidering.

Another important aspect to network relationships is interactions with intermediate agencies. Cohen and Prusak (2001) stressed the need for organisations to place trust in support agencies as trust is needed to follow what others perceive as the best way forward. Yet, the environment of third sector organisations and intermediate support agencies is dominated by competing to secure resources in order to survive and there is an 'intensity of mistrust' (Third Sector, 2005).

Cope et al. (2007, p.215) find extant research has an 'almost evangelical faith in the gains from social interaction'; however, they comment 'collaborators may cheat or free-ride on goodwill leading to a breach of trust and a breakdown in relations'. Portes (1998, p.15) notes that negative affects have been obscured from the literature. This situation is also seen in the social enterprise narrative. Like Portes, various writers have offered critical comments of the negative, or 'dark', aspect of trust including becoming overly reliant on others and an over-embeddedness associated with constrained actions and missed opportunities and a lack of innovation (Law & Mooney, 2006; Bowey & Easton, 2007; Cope et al., 2007). Portes (1998) found discriminatory norms can obstruct social change and outlined four negative affects of social interactions: exclusions of outsiders [as reflected by Cope et al., 2007], restrictions on individual freedoms, claims on members of groups and influences creating downward spiral of norms. He examines this latter aspect with success stories that can undermine group cohesion and 'keep others in place'. Such stories are prevalent in the social enterprise discourse and there is a need to find strategies to 'empower the many' rather than to focus upon exceptional individuals (Pearce, 2003; Parkinson & Howorth, 2008).

With these different and conflicting approaches it would seem the recommendation of Evers (2001) of the need to be 'sensitive' to the conditions needed to preserve and facilitate changes and to enable groups to understand the part they have to play in how decisions are made in social enterprise networks is of note and ANT and other disciplines offer such a theoretical lens to consider issues such as resistance, power, negotiation, trust and distrust. This thesis is that trust and distrust can co-exist and are based upon different elements of relations (Castaldo, 2003); trust is not necessarily better nor is distrust a negative aspect. Distrust is also a means for making decision in uncertain situations (Sydow, 1998).

#### 4.4 Social enterprise networks and social movement theory

Social movement theory is used here to critique the narrative of social enterprise as a social movement. As Nicholls (2010) highlights the narrative advocating networks emphasise social justice and communitarianism, and there are potential links between conceiving social enterprise as a social movement and the role of social enterprise in civil society [see chapter 3]. This draws upon Foweraker (1995) who specifically linked social movements to civil society. Thus, new ways of thinking and acting collectively are implied by the use of the conceptual devise of movement. Crutchfield and Grant (2008, p.125) argue:

*Though there is a link between social networks and social movements, generally the important role that networks play in achieving social change is not understood in the non-profit sector.*

The question can be posed how do networks turn into movements and change cultures and practices. In relation to review of networks, networks are perceived to 'pre-exist' social movements (Crossley, 2002). Some theorists, like Amin (2009, p.19), acknowledge the importance of social movements but do not yet acknowledge the process has occurred:

*A social movement has to grow around social enterprises, acting on their behalf, commanding attention, facilitating contact between them, and providing varied channels of support.*

Social movement theory is perceived as offering insights to assist the field of social enterprise to 'understand and explain why and how social change is possible' (Mair & Marti, 2004, p.12). Borzaga and Solari (2001, p. 340) found that across Europe 'from a social movement, social enterprises have grown into (even in the opinion of

most policy-makers) a socio-economic reality'. Others suggest the sector is comprised of diverse organisations within a wider social movement. Social movement organisations (SMOs), like social enterprises, are perceived as diverse. This diversity is said by some to imply inclusiveness in the social enterprise movement and numerous authors portray a wider social movement (Arthur et al., 2006; Massarsky, 2006). However, this metaphor emphasises a shelter for autonomous organisations rather than the processes and dynamics between them. Instead of a single movement, some find the social enterprise movement is fragmented (Teasdale, 2010). Some theorists, like Amin et al. (2002), argue for change that is outside of the 'mainstream' and suggest that fragmentation and disruption are part of a cycle of change. In contrast, Bloom and Dees (2008) equate fragmentation with inefficiency and as such should be avoided. Carter et al. (1984, p. 46) contribute a keen observation relating to processes of change:

*The process of a situation often includes those aspects that promote change and growth (the changing pressures, the emotional charges, the energy and motivation) but also aspects that promote fragmentation and defensiveness (the conflicts, the explosions, the collapses).*

Across Europe, Defourny and Pestoff (2008) note the divergent evolutions of social enterprise and draw attention to the historical divergence between co-operatives and associations. This is also found in the UK as on one hand Parkinson (2005) outlines the development of social enterprise as founded in the narrative of social movements and cites Wallace, as one of the first to link social enterprise to a social movement in 1999; Pearce suggests the movement arose in the UK in the 1970s under the Job Creation Programme and Haughton, in 1998, associates it as part of the sustainable regeneration agenda. On the other hand, Ridley-Duff (2008) argues the development of social enterprise in the UK is linked with the co-operatives movement. These two views suggest tensions between who and what is seen as the 'true' route of the social enterprise movement in the UK, either a co-operative social movement origin or one from associations linked to regeneration. Teasdale (2010) voiced a different perspective and outlines different factions at different phases in the development of the UK social enterprise movement narrative. Thus rather than focussing upon the historical evolution of the UK social enterprise movement as either from the co-operative or associational movements, it might serve to consider another view of how social movements are perceived in relations with others in networks:

*Coherent social movements might be a term applied by governments, but seen from the bottom-up, they are usually much more fragmented and heterogeneous: shifting factions, temporary alliances, diverse interests, a continuous flux of members and hangers on.*

Crossley (2002, p. 310) citing Tilly, 1984

Instead of a characteristic of social movements to challenge mainstream authority and power, Teasdale (2010) suggests that those in social enterprise factions ‘competing for policy attention have pushed their own purposes’. Government refers to the need for social enterprise to become a ‘commercial movement’ (OTS, 2009).

Della Porta and Diani (2006, p.85) note ‘in the absence of references to one’s own history and to particular nature of one’s roots, an appeal to something new risks seeming inconsistent and, in the end, lacking legitimacy’. This point is of relevance as one characteristic of social movements is to mobilize supporters to pursue a collective purpose and policy objectives requiring interactions with others. The Social Enterprise Coalition (SEC, undated) promoted their purpose to offer a:

*voice for the sector, we support and represent the work of our members, influence national policy and promote best practice.*

The emphasis is upon a movement which influences policy and best practice. From a social movement vantage point, it might be questioned if social enterprises chose to follow what is perceived as good practise in an attempt to acquire acceptability and be seen as legitimate businesses with social aims if they do not identify with the historical roots. A different social movement perspective is explicit in the mission statement of Social Enterprise Alliance (SEA, undated), which promoted a ‘community of practitioners’ and offers:

*a single point of reference and support, a source of education and networking, the leading voice of this revolutionary social and economic movement.*

Of note, this mission links networking to a social and economic movement. By using the term ‘revolutionary’ it would appear better aligned with the radical change as voiced in the literatures (Drayton, 2005; Arthur et al., 2006; Nicholls, 2006a). Unlike their US equivalent, the SEC mission statement shows no intent to mobilise a ‘revolutionary’ movement. Nicholls (2010, p.624) notes SEC ‘aligned itself with policy initiatives as they emerge rather than providing a critical voice against

them.’ In summary, differing and conflicting narratives have emerged voicing social enterprise as a social movement.

#### 4.4.1 From networks perspectives towards social movements

Nicholls (2006a, p.2) states that ‘social activists and their networks [...] borrows from an eclectic mix of business, charity and social movement models. An intrinsic quality of social movement theory is ‘movement and constant change’, thus in order to ‘make sense of them [movements] sociologically’ this field of study draws upon distinctive components of processes (Clemens & Hughes, 2001; Crossley, 2002; Della Porta & Diani, 2006). Different participants may perceive events differently; ‘frame alignment’ enables the exploration of how social movement organisations [SMOs] mobilize support and other resources, as well as the exploration of beliefs, understandings of situations and interactions between people (Snow & Trom, 2001; Crossley, 2002; Della Porta & Diani, 2006). Hence the need to explore which models and insights Nicholls suggests social enterprise draws upon.

Della Porta and Diani (2006) recognise that in framing information, the credibility and reputation of the person conveying information is perceived as critical as is the content. This is similar to findings of Shaw and Carter (2007) in considering social enterprise relations. In considering the interpretation of how problems and responses are framed for analysis, Della Porta and Diani (2006) highlight two criticisms from the field of social movement research: first explanatory factors are considered of importance and cultural dynamics have been neglected, and second that frames are not static and evolve over time thus many researchers in the field emphasise practices and processes - they offer the example of how language changes and affects relationships. They also note the process has ‘visible’ as well as ‘latent’ or quiet periods (Della Porta & Diani, 2006).

Part of the ‘movement’ in social movements is transforming identity, language, interpretation and action (Crossley, 2002). Like social enterprise, models presented in social movement literature were more often normative than illustrative of practice. Crossley (2002) critically assessed Blumer’s process of social movement formation as lacking wider environmental factors, and described how a ‘space for change’ occurs in response to ‘strain’ and ‘agitation’ and includes environmental factors that ‘constrain’ or ‘facilitate’ movements. Arthur et al. (2006) argue that social enterprise development follows this course of social movements in creating

‘alternative social space’. This links the conversation to ideas of civil society [see sub-section 3.2.3]. Arthur and his colleagues suggested that these spaces differ from mainstream service provision and may influence and alter the way mainstream services are delivered. Chesters (2003, p.42) advocated that within peaceful social movements:

*For radical social change to emerge, we have to pull down fences, cross borders, and make connections. We have to know what tools to make use of and what to discard, where to act, how to act, with whom and when.*

This construct, implying a radical approach, differs from those setting out social enterprise in terms of the ‘mainstream’ economy or as autonomous businesses. As Parkinson and Howorth (2008, p.292) say it is a paradox that social enterprise with its roots in social movements might be ‘more prone’ to individualistic and economic presumptions than ‘mainstream ... where such perspectives have been questioned long ago’.

#### 4.4.2 Drawing upon the social or resource mobilization approaches

Research identifying how theorists conceive and identify what is, and what is not, a social movement, has proved elusive (Arthur et al., 2006). In reviewing the social movement literature, Arthur et al. (2006) identified two distinct approaches: resource mobilisation theory and new social movement. They argue that resource management theory is a linear ‘diachronic’ process that has an end point whereby consensual social change is achieved over time. Arthur and colleagues find the ‘new social movement’ approach offers a means for exploring how social movements are characterised and is ‘a more relevant epistemology for social enterprise’ than resource mobilisation theory (Arthur et al., 2006, p.4). This approach to social movements is linked to themes of ‘newness’ and ‘identity’ discussed in the review, whereas the resource mobilization approach is seen linked to ‘strategy’ (Foweraker, 1995).

Massarsky (2006) analysed social enterprise as a social movement and states that the non-profit sector in the United States has reached its ‘tipping point’ and is now a social enterprise movement. This ‘tipping point’ reflects not only collective action but also ‘dramatically alters the landscape in which the movement operates’ (Massarsky, 2006, p.68). Massarsky does not reflect upon actors adopting a common

group identity and differs from Arthur et al. (2006) in that no mention is made of negotiation of power and is not unlike what they describe as resource management theory, goal-orientated approach. Social theorists Carter et al. (1984, p.46) discussed power as new ways of working:

*channelled through strength, status wealth or expertise ... or it may come from collective reactions of groups expressed through democratic processes, movements or market forces.*

If social enterprise is considered as a social movement with ‘democratic processes’, power might be understood to come from ‘collective reactions of groups’ making decisions to influence wider social change. The review concludes in underscoring network influences are not understood.

#### 4.5 Summary

A common theme running through the literatures is the process of change (Nicholls, 2006b; Defourny & Nyssens, 2006) ‘reflecting a wider trend of thought and practice’ Westall (2007). However, though seen as a critical skill there is a gap in the narrative and models articulating network interactions. This review was in response for calls for further exploration of how networks are formed and how patterns are created (Nicholls 2006b; Goldstein et al., 2008; Skoll, 2009). It argues the need to consider different ‘processual’ models rather than adopting a single theory for social enterprise interactions (Steyaert, 2007).

Table 4.3 summarises the main concepts reviewed in sub-sections 4-1-4.4 and the questions raised link to the overarching research questions and objectives [Chapter 1]:



**Table 4.3: Summary of main concepts**

Theme (sub-section)	Summary	Questions raised
Networking (4.1)	There are perceived benefits acknowledged from networking, but approaches differ as to networking as a means to an end. However, evidence of contemporary practice is lacking	How is social enterprise practiced and what are patterns created in networks?
Sensemaking (4.2)	Those outside organisational boundaries influence identity and actions.	How is policy enacted in local networks?  How are mainstream or resistance support expressed in practice?
ANT: negotiation trust and power (4.3)	Nicholls frames negotiation as through social clauses.  Linked to perceptions of trust, distrust, power and influence.	How is power expressed in networks?  How do members influence one another and negotiate? How does support influence actions?
Critique of narrative of SE as a social movements (4.4)	The narrative voices social enterprise as a social movement - some see it as coherent others fragmented. Many argue SE has something to learn from social movement theory	How do people perceive actions and processes? What aspects of social movement theory are being drawn upon to advance arguments?

The last three chapters have provided an inter-disciplinary foundation upon which to ground the study. Although there are perceived benefits linked to social enterprise, approaches differ and network influences are often ‘overlooked’ (Murdock, 2005; Hulgard & Spear, 2006). A critique of the current issues together with theory from various fields, including organisational studies and entrepreneurial and social networks, has been presented. These other fields have moved from a focus upon the individual and/or organisation to offer a process theory exploring networks (Hosking & Morley, 1991; Hoang & Antoncic, 2003; Bowey & Easton, 2007) and social movements (Snow & Trom, 2001; Crossley, 2002; Della Porta & Diani, 2006). The reviews have aimed to provide the basis for further discussions and of synthesising a model for framing network interactions to suggest new approaches to extend current conceptual constructs in order to contribute to a better understanding of contemporary practice. The next two chapters act as a bridge to the discussion presented in chapter ten and outline the research strategy and conceptual framework utilised to explore these issues and questions.

## Research strategy

### THE CHOICE OF THE RESEARCH DESIGN

The chapter presents the qualitative research strategy undertaken in order to address the aims, objectives and the study's main research questions discussed in chapter one (sub-sections 1.2.1, 1.2.2 and 1.2.3 respectively). It presents the methods and methodology used during the investigation.

The literature reviews have identified the need for organisations to move from grants towards contractual agreements with statutory service providers. The network relations examined in this research are therefore those between the public sector and other support agencies, existing social organisations and commissioners of public services. The aim was to provide an 'identifiable narrative voice' (Parkinson, 2005) by exploring a range of views within local networks and an interpretivist approach was used to analyse qualitative data (Dunford & Jones, 2000; Hason & Gould, 2001; Weston et al., 2001).

The use of case studies is discussed (5.2) along with the various methods used for generating data (5.3 & 5.4). The discussion includes a justification of the methods chosen. And the chapter culminates in a discussion of the ethical implications of generating and analysing the data (5.5). First, the chapter considers the qualitative method of the investigation and the nature of an interpretivist approach in relation to the networks chosen for study.

#### 5.1 Adopting an interpretivist approach

The decision to adopt an interpretivist approach was influenced by Cope (2005), Dunford and Jones (2000), Hason and Gould (2001) and Weston et al. (2001) as the thesis was not interested in if organisations really were social enterprises but in what they said they were and did. Steyaert and Landstrom (2011) link the interpretive approach as relevant to the study of networks. The importance of stories and language used to promote social enterprise was discussed in chapter 4. Narratives and stories are a means of sharing knowledge to provide appropriate problem solving processes (Brown et al., 2005). Like many commentators, Weick (1995, p.41) argues stories and discourse in organisations is important, as it is 'how

social contact is mediated'. He noted that stories and metaphors are more than just words; they affect how you act. Stories 'make meaning out of experiences' and provide insights into different approaches of collaborative working. This study was interested in the variety of stories and conversations concerning social enterprise in local networks. Using narratives generated in interviews (Ayres et al., 2003) enabled an exploration of the meaning participants gave to their situations.

This study fills a gap in the empirical research as much of the social enterprise narrative follows the positivist approach and directs attention at function rather than how an approach to social enterprise is interpreted (Parkinson, 2005; Chell, 2007). Parkinson (2005) noted the entrepreneurial paradigm is not critically questioned by many theorists and argued that the rhetoric of social enterprise is couched in a narrative promoting it rather than critical understanding it. An interpretive approach is therefore useful as it allows for the identification of discrepancies between how the phenomenon is interpreted in contemporary practice. Numerous theorists call for social enterprise to be considered in theory and practice as a 'cognitive framework' and 'interpretive' (Perrini, 2006; Borch et al., 2007; Chell, 2007). This approach has theoretical and practical implications, as Perrini (2006) argues that it is important to have a 'cognitive framework' to identify problems and generate solutions. Paton (2003) reflects this view suggesting that social enterprises operate in a different world of meaning. Additional to theoretical perspectives in entrepreneurship theory, Chell (2007, p.7) says the views and experiences of practitioners are of value:

*Discourse and perspectives about, and for, the nature of entrepreneurship are fundamental to both theory (how we think about, conceptualize and define terms) and practice (what capabilities and behaviour we believe apply to people who we refer to as entrepreneurs) and moreover, to how the terms are used in a wider socio-political arena to serve particular ends.*

The research design for the study also draws upon the strong tradition of qualitative organisational and entrepreneurial network research and is characterised by examining processes and there is a broad consensus that rich detail is essential in understanding the social aspect of networks, hence qualitative approaches are preferred (Anderson & Jack, 2002; Hoang & Antoncic, 2003; Cope et al., 2007; Jack et al., 2008). Johnson et al. (2006, p.135) argue 'in order to explain human action', qualitative management researchers, 'have to begin by understanding the ways in which people, through social interaction, actively

constitute and reconstitute the culturally derived meanings, which they deploy to interpret their experiences and organize social action'. This is a central concern of the thesis of how social enterprise is interpreted. And of the need to understand network influences which is reflected in the underlying question of this investigation of 'How do those in local networks make sense of social enterprise?'. Specifically, what are the principle activities of interest practitioners are implementing and what is their relationship to the problems they are experiencing? These questions are fundamental and reflected in the aims and objectives of this thesis.

Mason (1996, p.4) proposed that 'qualitative research is based on methods of analysis and explanation building which involve understandings of complexity, detail and context'. This situation is found in the social enterprise narrative where current debates and social enterprise rhetoric appears to miss the complex reality (IEED, 2004). Related to this is that best practice and solutions are better not imported from other areas and that an understanding of local context, interpretations and influencers is important (Amin et al., 2002). From this, it is assumed that different people in different contexts will experience problems differently and what works in one situation might not work elsewhere. As Dunford and Jones (2000, p.1208) found 'At times of change, organizational members will construct interpretations of events and of the implications for them (sensemaking)'.

The thesis drew upon an 'open interpretive framework' (Ely et al., 1997) as it was interested in the variety of voices and interpretations of meaning, power and interpretive flexibility performed within the context of contemporary practice. It responds to Ely et al. (1997, p.228) 'Our theories provide us with sets of eyeglasses thorough which we look at the world'. The theory is explored by using a 'practice lens' to explore how participants in existing organisations and agencies interact with the notion of social enterprise. Eisenhardt and Graebner (2007, p.28) outline the following characteristics of an interpretivist approach: highly descriptive, emphasises the social construction of reality and focuses on revealing how extant theory operates in particular examples. This approach is consistent with the trend to research organisations and their environs as discursive constructions (Weick, 1995; Parkinson, 2005; Brown, et al., 2005).

The thesis examines narratives of social enterprise and the focus is on problems of new and retained identity and actions in the changing nature of relations between the public and the voluntary and social enterprise sectors, specifically, in relations between support workers, social organisations and commissioners. Figure 5.1 illustrates the links between the key themes in the review of the literatures, data, conceptual model and research questions.

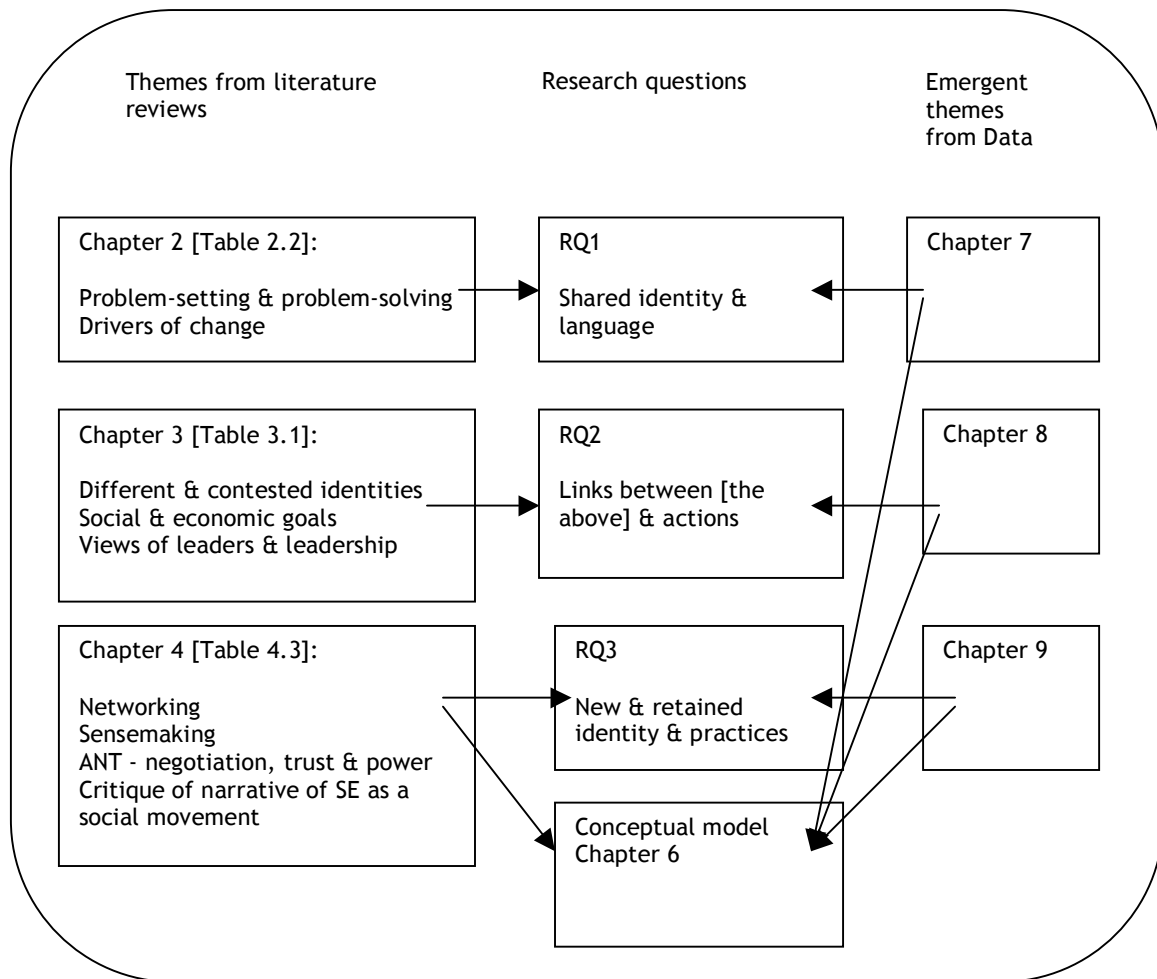


Figure 5.1: Themes, research questions, model and data

The arrows indicate links between the themes from theory and data that informed searches [e.g. terms & phrases - codes] and the data showed ‘richness’ & ‘context’. For example, different drivers of change were recognised and social enterprise is part of a cycle of regeneration policies and programmes effecting voluntary and community sector relations with the public sector (Chapter 2). Though identified as a means for solving problems [Section 2.2], social enterprise arises from different areas of policy and is affected by more than one agenda (e.g.

public services, community cohesion, health), which partly overlap but also contradict one another (Dey & Steyaert, 2010). Murdock (2007) says social enterprise exists in a number of different environments and calls for the need to consider the interactions between government and the sector. The argument developed in the thesis is that participants are influenced by different agendas.

There are conflicting views of statutory influences upon social enterprise identity (Grimes, 2005; Teasdale, 2010). Identity is linked to use of language, actions and leadership (Parkinson, 2005; Brown, et al., 2005). Dunford and Jones (2000, p.1209) found 'the nature of narrative as something that is intended to persuade others towards certain understandings and actions'. Weick (1995, p.79) asked an insightful question of 'How does action become coordinated in the world of multiple realities?'. IEED (2004, p.4) stress 'while this may seem a little esoteric ... the implications [for social enterprise] are real'. Various normative models [sub-section 3.2] were presented offering different views of social enterprise. This inquiry queries these *a priori* models and focuses upon how identity is co-constructed in these local networks. The approach taken in this study looks at the 'tensions' and 'movement' in working between sectoral boundaries (Alcock & Scott, 2007; Mook et al., 2007).

Different findings were also identified regarding the influence of funders upon identity (Grimes, 2010; Teasdale, 2010). Government relations were key to social enterprise development (Paxton & Pearce, 2005; Alcock, 2008; Martin & Thompson, 2010), and local economic development officers and support workers were seen as crucial (Somers, 2007) in accessing support and understanding (RISE, 2005; DTI, 2006; OTS, 2008) and acting as 'interpreters' (Gilchrist, 2000). Approaches to support varied greatly (Lyon & Ramsden, 2005; Goldstein et al., 2008) with debates about networking as a means to an end or end in itself [sub-section 4.1.2] as well as arguments for the need to become mainstream versus those advocating resistance [sub-section 4.2.2]. Support was also perceived to be 'flawed (Howorth & Parkinson, 2008) or 'misdirected' (Amin et al., 2002).

These influences are not viewed as direct causal factors, but are considered as complex and nuanced (Goldstein et al., 2008). Bowey and Easton (2007) pose there will be more than one factor influencing network dynamics and these will differ for different networks (e.g. background, history). However, they highlight that there

will be key factors to consider in understanding activities in networks. Thus, a positivist, quantitative approach was not chosen, as it did not fit the nature of this inquiry. The stance taken is similar to Bowey and Easton's (2007, p.280) where positivist questions of 'who, what and where' were not pursued in studying entrepreneurial networks. For example, Grenier (2002) highlighted that 'where' and 'how' support is delivered needed to be looked at. Extant research differed upon the adverse influences of targets and 'contracted outputs' (Westall, 2001; Stone & Cutcher-Gershenfeld, 2002; Rhode, 2008); Coule (2008) and Grimes (2010) argue that the targets of statutory funder might overly influence organisations identity, but Bode et al. (2006) found no evidence to suggest short-term targets were adversely effecting social enterprises. Thus, further research is warranted to better understand these influences. The research questions are framed to address 'how' actors are making sense of their surroundings, 'what' are the influences and 'why' are participants act as they do. By designing the research questions in this manner, they also fit with Yin's (2003a, p.9) recommendation that 'a how or why question is being asked about a contemporary set of events over which the investigator has little or no control'. This led to the decision to undertake a case study.

## 5.2 Research design: the case study approach to networks

The case study approach was selected as it is a rigorous and 'data rich' research strategy used widely in organisational studies as means of investigation (Weick, 1995; Mason, 1996; Hartley, 2004). In his influential text on case study research, Yin (2003b) emphasises that the case study is a valid approach when exploring contextual issues perceived to be pertinent to the study. Additionally, he argues the findings will offer in-depth details in a real life context. This emphasis upon context is a key reason for choosing a case study as the research strategy for this investigation. In addition, the case study is seen to better understand processes (Hartley, 2004). The principle initially guiding this research was 'to understand the process, rather than to represent (statistically) a population' (Mason, 1996, p.97). Specifically, the extracts from participants' texts and drawings were not selected to be representative of a social enterprise network but rather to explore different views and meanings of social enterprise.

The empirical research employed a multiple, embedded case study design (Eisenhardt, 1989). This inquiry approached the concept of social enterprise as being 'embedded' in wider interactions. In examining influences outside the organisational boundaries the decision was taken to focus upon networks. Networks are seen as: a 'web of relationships or resources' (White, 2002), 'things in themselves' (Anderson & Jack, 2002), 'informal' ways of working (Gilchrist, 2006), used to identify benefits (Granovetter, 1985), but it is the organisations - not the networks - that are 'visible' to the outsider (Gilchrist, 2006). The discourse of networks is also 'ambiguous' (Latour, 2005). The study did not seek to model local social enterprise networks but 'how networks unfold in a contextualized process' (Steyaert & Landstrom, 2011, p.125). It draws upon Latour and uses the concept of networks as a tool to examine different and contradictory views of those people active in making changes and 'traces a set of relations'. Latour's (2005, p.65) definition of a network is adopted 'where new combinations are explored and which paths will be taken'. Latour (2005, p.129) says visual representations of networks do not capture movements:

*Thus, the network does not designate a thing out there that would have roughly the shape of interconnected parts, much like a telephone, a freeway, or a sewage 'network'. It is nothing more than an indicator of the quality of texts about the topic at hand.*

The networks considered in this case study were the interactions between representatives of existing social organisations [e.g. voluntary and/or social enterprises], commissioners and potential commissioners and regional, sub-regional and local support providers. It is not assumed there is one network relating to different geographic areas, but rather a number of network interactions. Networking is concerned with 'network building within and between groups' and emphasises how people make sense of the patterns of interactions (Hoang & Antoncic, 2003; Cope et al., 2007). This is not to assume these are the only forms of networks as various other stakeholders are potentially involved in social enterprise [e.g. volunteers, other members of staff, board members]. Participants chosen were active with responsibilities for decisions and actions and represented these groups -support agencies, commissioning bodies and social organisations. These groupings were chosen following Latour's (2005, p.133) suggestion to focus upon 'groups' especially the 'controversies associated within network about which grouping one pertains to'.



A further need to understand network dynamics emerged from Hoang and Antoncic (2003). They commented (p.75) that the process models that dominate the research understate the timing of contacts as well as the 'extent to which contacts play a role in shaping the very nature of the opportunity that is being pursued'. This was a major influence guiding the decision to undertake a case study approach so that differences and complexity could be explored, thus moving the findings beyond normative descriptions. Such an approach would examine how members of these networks interpret and act upon information and would find out about the influence of relationships providing insights that were of explanatory value. The research does not present an answer but identifies key influences to be considered in order to understand contemporary practice. Like Bowey and Easton (2007, p.280) there was 'no desire to confirm some sort of universal law in a positivist sense'.

Hason and Gould (2001, p.76-77) discussed the importance of discerning what is the meaning of the real phenomena of interest and asked 'What is a suitable unit of analysis with a workable structure that allows for the complexity and variability of the real world?'. Snow and Trom (2001, p.149) stated that 'the unit of analysis for the case study is typically some system of action rather than a cross-section of individuals as in a survey'. Darwin et al. (2002, p.177) emphasised the need to 'recognise in analysis the extent to which they [people] create (enact) that environment by their approach and actions'. However, as Hudson et al. (2008) found individuals working together made sense of complex occurrences in different and unique ways and present polyphonic and contrasting accounts. Some scholars of social enterprise sensemaking, like Grimes (2010), argue the focus is not the individual but about collecting multiple accounts to understand 'collective experiences'. Yet, other researchers exploring sensemaking in social enterprise focus upon the organisation (DiDomenico et al., 2010). The approach in this thesis was influenced by Latour (2005) to consider groupings and by the work of Eisenhardt (1989) and Hosking and Morley (1991) who argue that the focus and framework of a case study occurs at various levels, the individual, the organisation and the wider networks. Looking at networks enables the description of social relations and provides a way to discuss micro and macro levels of analysis. Although key participants are interviewed, it is not assumed they are entirely independent cases, as groups are considered to have 'emergent qualities' that are not predictable from studying individuals or organisations (Hason & Gould, 2001). As

Hosking and Morley (1991, p. 148) comment the frame shifts from focussing upon the organisation or the individual to organising 'as a quality of relational processes within and between groups'.

The approach drew upon the work of Jack et al. (2008) as especially relevant to the study of networks. The unit of analysis in this case study is the specific set of relations entered into by the sampled respondents and like Jack et al.'s study (2008) encompasses discussion networks in order to view the process of describing, interpreting and adopting, in this study social enterprise identity and practices in these network relationships [e.g. how they discussed and drew diagrams of actions, events, outcomes related to social enterprise]. Those chosen were paid staff with responsibility for managing projects, devising policy or programmes of work related to social enterprise. This is similar to the advice of Latour (2005) and Law (1999) who said to 'follow the actor'. For this enquiry, the use of 'artefacts' from Actor-Network-Theory in the form of tools (e.g. business plans, social accounts, targets) was also examined. Hence, the investigation questioned whether different participants encouraged others to take on a social enterprise identity and enacted more 'business-like' activities. This level of analysis is of interest as Murdock (2005) posed that as information is communicated through networks, government rhetoric is interpreted differently at local levels. Thus, it is not assumed there would be one common and harmonious account. Therefore, the investigation examined where participants co-created meaning as well as where individuals held unique accounts. In addition to meaning it also brings actions into focus and from this vantage point the thesis hopes to refocus attention on social enterprise as a socially constructed phenomenon and offer a clearer distinction between processes and dynamics in networks as opposed to isolated organisations or individual traits.

Another factor in choosing case study analysis is that it can be used to generate theory (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). The approach was chosen for the potential to gain insights to aid further discussions in the field, especially given the lack of empirical evidence regarding identity, processes and dynamics in local social enterprise networks. Similar to the argument of Hason and Gould (2001) in the field of management literature, it is posed that social enterprise research would benefit from the application of a conceptual framework that looks at processes and dynamics providing a view of the differing problems and allowing the messiness of context and diversity of stakeholder perspectives. An analytical

framework was constructed as a result of the iterative process between data and literature [framework presented in chapter six].

The case study offers a context in an attempt to adjust the lens of social enterprise to:

- frame and identify groupings within social enterprise networks operating at a local level in the United Kingdom;
- focus upon established organisations from the voluntary and community sector experiencing changes in practising social enterprise activities and the agencies offering support; and
- examine the processes and dynamics between participants including interactions where ideas are shared, who is influencing actions, support offered, opportunities created, resources offered and the nature of the working relations.

The geographic context of the study concentrates upon networks concerned with social enterprise in West Yorkshire. This is a large and diverse area ranging from the city of Leeds, to smaller townscapes of Huddersfield, Dewsbury, Halifax, Wakefield, Bradford and the valleys. These represent a range of northern cities and towns as well as rural areas suffering from disadvantage; many at varying stages of recovery from years of industrial decline. The decision was taken to limit the area examined to Bradford and Kirklees. Both are within close geographic proximity of the other to fit within the timeframe of the study and the resources of the researcher. Neither Bradford nor Kirklees however are chosen as being representative, or as typical, of other areas in West Yorkshire. It is recognized 'individual local authority districts are not mere echos of the sub-region, whilst there are certain parallels, there are considerable differences' (WYEP, undated, p.3). For example, Bradford is not identified as characteristic of other Northern towns for a variety of reasons. One being that there is a high prevalence of young people in the town centre compared to Kirklees and other northern cities and towns. Bradford has a diverse ethnic community, especially in the town centre and has had associated tensions which have been highlighted in the media in recent years. In comparison, Kirklees also has a high level of diversity of Black and Minority Ethnic (BME) communities (14%) the second highest in the region after Bradford (WYEP, undated), but has not experienced the racial issues on a

significant scale. Both areas have a number of regeneration initiatives. Where Kirklees was unsuccessful, Bradford was awarded a LEGL bid, which offers significant funds for developing the potential of deprived local areas through enterprise. Notably, at the time of the study, no single recognised social enterprise network existed in Bradford or Kirklees. Bearing these considerations in mind, the research conceptualises dynamics within the context of interactions between local social organisations, support agencies and commissioning [or potential commissioning] bodies.

### 5.3 Methodological sampling techniques & practices

The selection of the participants representing organisations was purposive as Jack et al. (2008) say random sampling is not viewed as good practice in network studies. It is also influenced by Eisenhardt's 'theoretical sampling' (1989). Participants were chosen as they offered access to organisational network relationships in a particular context (Eisenhardt, 1989; Mason, 1996; King, 2004a). One theoretical factor considered was maturity - though theorists are divided as to how this influences organisational networking. Networking is ascribed to early stages of organisational development (Perrini, 2006; DiDomenico et al., 2010). Light (2008) however poses that mature organisations continue to network at various stages of development. Hence, all were mature organisations in order to ascertain the influence of networking activity.

Additionally, each organisation was chosen as a result of working in similar fields in the geographic area (Jack et al., 2008). As such they offer insights from another factor presumed to affect networking interactions, context, including competition, size and growth (Hoang & Antoncic, 2003). By working in close proximity to one another these participants might perceive one another as competitors for resources. Some like Doherty, et al. (2009) state that competitors are elements of social enterprise networks, but omit network collaborators and partnerships, whilst others suggest that network patterns influence cooperation and information sharing (Goldstein, et al, 2008). Specifically, Maase and Dorst (2006) said that questions of how members of social enterprise networks work collaboratively remain unanswered. Hence, this study sought to identify patterns of competition, collaboration, or both. Where Nicholls (2006a), like others, advocates social enterprise as the answer to resolving failure in other sectors, little is found relating

to lessons learnt from failure (Mair & Marti, 2004; Goldstein et al., 2008). In response, the case study also considered how success and failure were conceived in networks. Hoang and Antoncic (2003) argued both are important in shaping networks.

One of the support organisations, as well as two of the local organisations, had ceased trading and the participants interviewed shared their experiences. As such the case study was 'adjusted' during the course of research (Eisenhardt, 1989), as considering social enterprise from this vantage point brought new insights and a different and 'untypical' view from those promoting success in social enterprise. Hartley (2004) recommends that 'untypical' case studies may offer opportunities to illuminate alternative processes not seen in other areas.

Though having similarities, the participants were chosen to represent organisations and agencies likely to be affected in distinct ways by changes associated with social enterprise. The sample was used to identify common and differing patterns between the group cases and enabled extrapolation and saturation within and across cases. The group cases included:

- Support agencies including regional agencies responsible for delivering social enterprise support and advice as directed from Government as well as European policy and programmes (RA1-3) together with local and sub-regional agencies offering advice and support (SA1-11);
- Commissioning or potential commissioning agencies (CA1-3); and
- Social enterprises and voluntary and community organisations undertaking social enterprise practices (SE/VCO1-19).

Cases were not assumed as homogenous groups. For example, support agencies might have different organisational cultures. This investigation also shifts between local, sub-regional and regional levels, since some support organisations responsible for developing social enterprises exist at the regional and sub-regional levels. The majority of organisations worked at the local level (e.g. city or local authority) with a few focussed upon delivering services to a neighbourhood.

### 5.3.1 GROUP CASE 1: Support agencies and key participants

This section presents a brief description of the intermediate support agencies and places them in context. Three representatives were interviewed from organisations supporting social enterprise development in this region. Each provide support, represent networks or offer networking opportunities. This group was included as the review of the literature highlighted the impact intermediate agencies have upon social enterprise development (Hines, 2005; Grenier, 2006). Table 5.1 provides a brief description of the regional agencies using wording taken from the descriptions offered by the agencies on their websites. To respect anonymity, agencies are allocated a code RA1-3.

regional agency	description
RA1	Represents, promotes and connects social enterprises in the region. Members are social enterprises. Develops single information portal for social enterprise, represent sector, lobby on behalf of sector, help create new markets, raise public and institutional understanding of social enterprise and mainstream social enterprise within society
RA2	Provides coherent voice for VCS in Yorkshire and Humber, member led network to create inclusive and vibrant region, advocates VCS as influential informed, strengthened and connected
RA3	Role to boost economy making the region a better place in which to live, work and invest

The participants interviewed are active within the wider region of Yorkshire and Humber. The Yorkshire and Humber is one of the nine English regions and is acknowledged as a clearly defined geographic boundary in which many intermediate support agencies and programmes have a remit for supporting social enterprise development. Commissioning regional stakeholders include: Government office, Local area authorities, Yorkshire Forward, Local Government Yorkshire and the Humber, Job Centre Plus, Learning and Skills Council (Regional Forum, 2007).

The area has a variety of regional networks for the voluntary and community sector and social enterprise (e.g. Regional Forum, 2007). The Yorkshire and Humber has the highest growth rate [64%] in start-up social enterprises of all regions (SEC, 2009). In the region the number of paid employees within the voluntary community sector ranges from 44,000 - 92,000 (VAK, 2007), and the contribution of the

voluntary community sector and the developing social enterprise sector is seen as significant for the Yorkshire and Humber region. As such it is a recognised and appropriate boundary for considering the regional geographic area for the study. Many parts of the region are recognised as disadvantaged areas that have accessed European structural funding over the past several years in attempts to regenerate the economy. Various interventions encouraging social enterprise development are informed at this level:

- Social enterprise support is identified within the Government's and Yorkshire Forward's Yorkshire and Humber Regional Economic Strategy (RES) plan for investment;
- Yorkshire Forward, the regional development agency, is investing £16 million with Business Link and third sector intermediate agencies to deliver business support to meet the strategic plans identified above by SEYH (2006). Yorkshire Forward invested a further £5.7 million, until 2008, for social enterprise support (WYSE link, 2007);
- The Investment Plan for Social Enterprise Development states 'Social Enterprise Yorkshire and Humber (SEYH) consider this coming decade to be a significant development phase for social enterprise in the region' (SESC, 2004a, p.3); and
- Many contracts that were once locally considered are now being offered at this regional level (Bateson, 2007).

The chief executive of Yorkshire Forward (SEYH, 2006, p.2) stated:

*I have a real interest and belief in social enterprise as a model for delivering significant economic, social and environmental benefits to Yorkshire and Humber.*

He comments that the Regional Economic Strategy (RES), the ten-year plan for economic development in the area, reports the necessity to 'support specific needs of new social enterprises through mainstream business support' (Objective 1,B,ii) and to 'utilise and build capacity of the voluntary sector and social enterprises to deliver appropriate mainstream services.' (Objective 4, D,i).

At the sub-regional (West Yorkshire) and local level (Bradford & Kirklees), fourteen participants were interviewed from eleven different departments representing

intermediate agencies engaged in delivering support programmes. Table 5.2 provides an allocated code (SA1-11) and brief description of the local and sub-regional agencies using wording taken from the descriptions offered by the agencies on their websites.

Table 5.2: Sub-regional and local support agency sample	
support agency	description
SA1	Quality provider of training and all aspects of fundraising and commissioning involving Third sector organisations across West Yorkshire. Ensure organisations have the skills, knowledge and support needed to access and manage funds that lead to success
SA2	Partnership to deliver tailored business support to social enterprise in West Yorkshire. Support start-up and existing social organisations who wish to start selling products or services in addition to receiving grants.
SA3	Believe in leadership and mobilising people around a common goal. High growth business consultancy and enterprise programmes in disadvantaged areas. Aim to change perception of social business offering alternative to traditional enterprise with the product of our work ending up in the control of social and community organisations.
SA4	Community enterprise development project helps community groups to be enterprising by providing goods and services to other community groups as well as the wider local economy. Supporting social enterprise in North Kirklees to deliver new social and community enterprise
SA5	Delivering support to the social enterprise sector in West Yorkshire through network events, communications, workshops and consultancy
SA6	Provides support and network for Kirklees voluntary organisations working with young people to share information, work together and influence decisions making
SA7	Works across creative sector supporting SMEs, new start-up enterprises, projects, by offering new jobs, placements, mentoring, business advice and conferences
SA8	Specialist support provider working in the Yorkshire area providing social accounting and audit for community sector
SA9	Local authority service to stimulate regenerations of neighbourhoods across city
SA10	Local authority specialist support for credit union
SA11	Partnership delivering SRB and regeneration programmes ensuring local people and local organisations are at the forefront of regeneration

One agency had separate offices and teams working in Bradford and Kirklees (SA2) and the majority worked in organisations operating at a local level. Five have a remit across West Yorkshire (SA 1,2,3,5,8), one of four sub-regions within Yorkshire and the Humber. Yorkshire Forward has developed a sub-regional led approach; the focus is two-fold: developing the role of social enterprises delivering public



services and ‘start-up and early development’ (SEnU, 2007). Support workers in intermediate support agencies are a key part of social enterprise networks as they have face-to-face interactions with those in organisations considering transforming into social enterprises. Hence, these participants were considered potential key influencers.

### 5.3.2 GROUP CASE 2: Commissioning agencies and key participants

Three representatives from three commissioning agencies were interviewed. Table 5.3 provides an allocated code (CA1-3) and brief description of the agencies using wording taken from the descriptions offered by the agencies on their websites.

Table 5.3: Commissioning (and potential) agencies sample	
commissioning agencies	description
CA1	Work with partner and provider organisations through work with 101 projects to support the development of new and innovative services for children and young people
CA2	Works closely with local businesses, developers and investors to boost area economy and offers a range of services to business and local organisations and communities in area to raise employment and skills levels
CA3	Offers support to local communities of various sizes and works with Kirklees partnership boards and local public services boards to ensure safe and strong communities

All currently hold contracts to deliver services with social enterprises and voluntary community organisations. Similar to support workers these key participants are considered as potential key influencers in these networks as they were responsible for developing local commissioning policies and contracting and service level agreement procedures. Although contracting is shifting to occur at the regional level, the participants interviewed were those mentioned by the organisations as their key contacts. This is not to suggest that these are the only commissioning agencies in the area. Potential interviewees for two key local commissioning agencies were unable to be contacted for interview; the Primary Care Trust and Health Authority. Although both are significant, no one was able to offer an appropriate representative as contact for either service as both were undergoing restructuring during the data collection phase. Additionally, neither agency attended network events and at one Kirklees event they were openly described as the ‘empty seats’ at the table.

### 5.3.3 GROUP CASE 3: Social enterprises, VCOs and key participants

This study explored nineteen small-medium sized, established organisations. Table 5.4 provides an allocated code (SE/VCO 1-19) and brief description of the organisations.

Table 5.4: SEs and VCOs organisations sample	
organisation	details
SE/VCO1	Ethical company offering community support for people with disabilities
SE/VCO2	Offers business support and advice
SE/VCO3	Provides social and recreational educations needs to local community, focus upon young people
SE/VCO4	Offers services to local area focus youth/ children
SE/VCO5	Social enterprise/charity provides conferences, advice and various services: healthy living initiatives, environmental, job creation, community development
SE/VCO6	Provide youth and children services to local community
SE/VCO7	Services to local community focus upon youth
SE/VCO8	Training and updates for CVs, job search, tots' crèche, Asian dress making, basic English, coffee mornings, bingo, room hire for functions and training and IT
SE/VCO9	Financial services, local, ethical approachable
SE/VC10	Performing Arts and fitness workshops and classes in local areas. Focus upon young people
SE/VCO11	Creative Music & IT workshops, job creation, training and support focus upon young people
SE/VCO12	Medium-sized charity/ community organisation offering local and regional services, meeting rooms and furniture scheme focus children and families. Influence national policy dealing with social exclusion
SE/VCO13	Social enterprise offers consultancy, lets offices, home improvements, refurbishment, information, learning, training, employment opportunities, social events in deprived areas
SE/VCO14	Home care and care for disabled and older community
SE/VCO15	Community-led working through sport and performing Arts focus young people
SE/VCO16	Housing support, services and learning to young people, single parents and Asian women
SE/VCO17	Employment, music and creative services, learning focus young people
SE/VCO18	Creative industries develops IT and educational games
SE/VCO19	Voluntary organisation supports and promotes community involvement in public transport, walks, and music

Twenty-two participants were interviewed; these were paid staff with responsibility for managing projects and programmes of work. All had interactions

with at least some of the other cases through attendance at network meetings, contact with at least one support agency and received funding from at least one intermediary agency. As such all are linked directly or indirectly to others in these networks, which enable them to make sense of changing situations, gain access to resources, ideas, information or advice.

All organisations have a minimum of three paid workers but fewer than fifty employees; many also survive with the efforts of unpaid volunteers. All are established and perceived as successful organisations; all are incorporated and have appropriate legal structures (registered charities having trading arms, companies limited by guarantee, or Industrial and Provident Societies). None were registered as recently legislated Community Interest Companies. Unincorporated organisations, or social venture projects of a single social entrepreneur were not chosen, as they were not deemed eligible to access information and resources offered by many of the support agencies.

As not all organisations had websites wording was taken from the descriptions offered by the organisations on two website directories ([www.newlandsenterprise.com](http://www.newlandsenterprise.com) and [www.kirklees.gov.uk](http://www.kirklees.gov.uk)). The organisations have different and explicit social missions and run programmes in different sectors including: childcare (SE/VCO 3,4,6,7,8), social care (SE/VCO 1,14), training (SE/VCO 8,11,12,13,16) Community Arts (SE/VCO 10,11,15,17,18,19), ICT (SE/VCO 11,13,17,18), community transport (SE/VCO 19), Health (SE/VCO 5,10,15) and specialist support (SE/VCO 2,9). Thus, several work across these sub-sectors. A general trend is a focus upon providing services for young people (SE/VCO 3,4,6,7,10,11,12,15,16,17) with two focussing upon services for ethnic communities (SE/VCO 8,16). This approach was chosen as the diversity between these organisations reflects that found across the wider social enterprise sector. All were experiencing changes in their organisational environments. Challenges and opportunities may trigger problems relating to the organisation's capacity to manage change; they may no longer have resources to survive their short-term financial problems nor may they be 'contract-ready' to take advantage of the new opportunities. Equally, network contacts might construct opportunities.

In summarising this section and the choice to undertake a case study, Figure 5.2 shows the group cases: Regional agencies, local and sub-regional support agencies,

commissioning agencies and social enterprises or voluntary and community organisations. The intention was to study the network interactions within and between these three groups; analysis of these interactions will be further discussed in sub-section 5.8.3. The codes in Tables 5.1,2,3,4 are used in reference to primary data in findings chapters (Chapters 7,8,9).

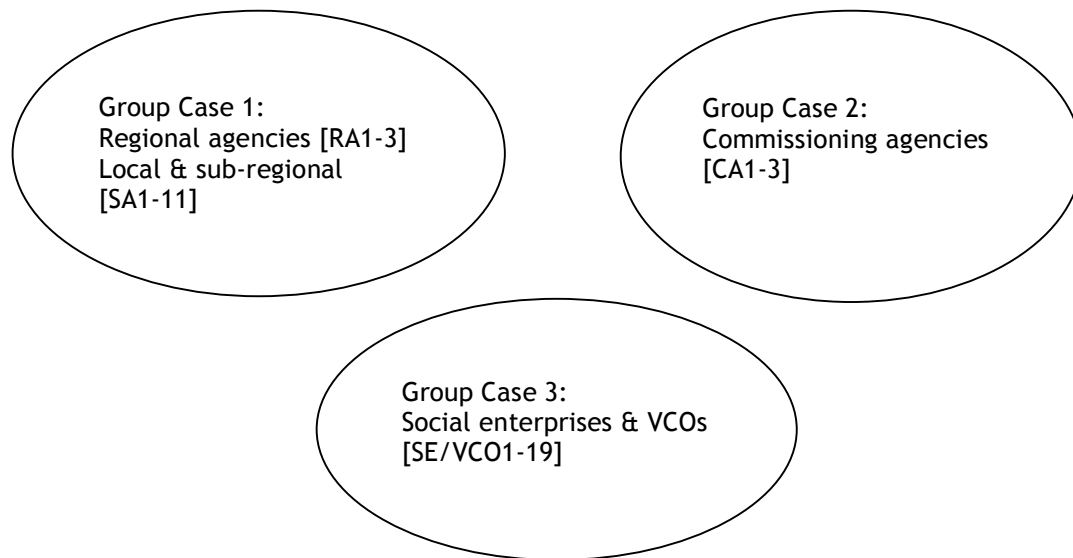


Figure 5.2: Three group cases informing social enterprise networks

Box 5.1 provides a breakdown of the sampling frame. The three cases are comprised of thirty-six different departments within organisations and agencies included in the investigation and forty-three participants attended the interviews.

**Box 5.1: Sampling frame**

Group Case	Organisations/departments	Participants
1) Support agencies		
Regional	3	3
Local & sub-regional	11	15
2) Commissioning agencies	3	3
3) Social enterprises & VCOs	19	22
<b>Totals</b>	<b>36</b>	<b>43</b>

In attempts to offer a balanced view of different perspectives, seventeen organisations/ departments offering support and nineteen social organisations were selected. A discrepancy in the totals between individuals and organisations is accounted for as participants contacted for interview felt that more than one participant should be present to adequately reflect the experiences and discuss the issues. This occurred in both organisations and support agencies. In three additional instances where more than one participant was to be interviewed, only one person arrived, as their colleagues were unavailable to attend due to time-constraints in their organisations. This situation altered an aspect of the thesis to solely invite one person to interview; for these organisations teamwork was viewed as critical.

The interviews concluded when the sample size was sufficient and that the 'saturation point' had been realised with little to be gained from further data (Mason, 1996; Hartley, 2004; Bowey & Easton, 2007). To reiterate, this was not an attempt to accurately map these organisations to show networks in Kirklees and Bradford, nor to compare the two different geographical areas, but rather to identify and understand dynamics and processes in social enterprise networks.

#### 5.4 Research methods used for generating and analysing data








Multiple methods were chosen to generate and analyse data (Yin, 2003; Cassell & Symon, 2004; Liamputtong & Ezzy, 2005). Qualitative data was generated using:

- Qualitative research interviews (Phases 1 and 2). In addition to text from transcripts this included: visual materials generated in interview, internal documents and published reports; and
- Observation and materials from social enterprise network events. These different methods also offered 'structured and diverse lens' with which to analyse the data in order to gain insights from viewing the data from different perspectives of each collection method (Eisenhardt, 1989). As advocated by Eisenhardt (1989) they also are used to combine retrospective (e.g. interviews & archival data) and at the time of the study, real time data (e.g. event observation).

Attending to verbal clues is crucial to this inquiry (sub-section 5.1); however, as Ely et al. (1997) acknowledge interviews and observations rely upon the interpretation

of the researcher. Notwithstanding the strategy of ‘triangulation of methods’, though, was not chosen. It is used in quantitative studies between multiple data sources of evidence as it suggests a strengthened validity to accurately compare and measure the phenomena from differing angles (Blee & Taylor, 2001; Yin, 2003; Hartley, 2004). Mason (1996) and Liamputtong and Ezzy (2005) however argue that the use of multiple methods of triangulation for showing validity in a case study is problematic. These scholars claim ‘methods of triangulation’ implies that data may be interpreted as actually representing a truth of what is seen to exist out in the field. Hence, different views were sought rather than seeking to present data from one perspective. Brown et al. (2005, p.1038) say ‘realities are fluid discursive constructions being constantly made and re-made in the conversations between insiders and between insiders and outsiders’. Yet, they found in most interpretive accounts a single, homogenized account is voiced.

Table 5.5 outlines the timeframe for the two phases for the study and the methods undertaken to generate data. The first phase impacted the subsequent stage where the research questions were formulated to focus attention and address the aims (Eisenhardt, 1989, 1991).

Table 5.5: Study plan and timeframe								
Phase 1: exploratory Interviews								
Phase 2: Interviews								
Network events								
time	Aug-Oct	Nov-Jan	Feb-Apr	May-Jul	Aug-Oct	Nov-Jan	Feb-Apr	
	2005	2005/6	2006			2006/2007		

#### 5.4.1 Networking events

The following five events were the first of their kind in the area focussing upon of social enterprise issues. They were held in community centres in Bradford, Brighouse, Ravensthorpe (near Dewsbury) and two events were held in Huddersfield. Each was facilitated by a different intermediate support agency:

- Talking social enterprise and Bradford Funding Fair (September 2005)
- ChangeUp seminar (May 2006)
- Social Enterprise in Kirklees (January 2007)
- Contracting Kirklees Conference (January 2007)
- Social Enterprise Link Youth Services Networking Event (February 2007)

Funding, commissioning, contracting and critical factors for the success of the local voluntary and community sector were addressed. The focus differed for each event with some addressing decision-making and action plans whilst others sought to influence local policy and practice. Some events specifically promoted social enterprise whilst others were structured to encourage a more critical view. The structure of these events was similar in that information was presented by a panel, followed a question and answer session. Each had a time designated for 'networking'.

In order to overcome the lack of network interactions in interviews, participant observation offered the opportunity to observe the interactions between participants in these networks in a local setting (what happens in the network by watching the actions and what was said and how reported at network events (Anderson & Jack, 2002). Notes were taken from the presentations as well as questions and answers sessions; these together with PowerPoint presentation slides and conference reports were used to generate data.

The events were not initially included in the research design, as they had not been advertised when the thesis strategy was initially conceived, and were seen as 'opportunistic' for the purposes of the research strategy. Weick (1992, p.48) notes that meetings are events where participants tell stories to make sense of their actions and 'spin new stories to set in motion future actions' and 'reaffirm individual and organizational identities'. Stories from the network events were utilised to frame how participants understood their situations. Representatives attending these events were from local organisations and agencies including some of those interviewed. It must be acknowledged that what participants say in public might, or might not, be how they address problems. At one event, the term social enterprise was not specially mentioned on the leaflets and briefing paper. Instead the terminology was of how the voluntary and community sector commissioned.

Importantly, data generated at these events often differed from issues discussed at interviews. For participants interviewed after attending network events, these issues were followed-up.

#### 5.4.2 Conducting the interviews

Qualitative research interviews were chosen as a method ‘to see the research topic from the perspective of the interviewee, and to understand how and why they came to have this particular perspective’ (King, 2004, p.11). Participants were informed in the invitation and again at beginning of each interview that the focus was upon their experiences of social enterprise. The research utilises both text and non-text-based data to offer an enhanced understanding of organisational identity (Stiles, 2004). These were organisational documents brought to the interviews, as well as drawings made during the interview that illustrate how conceptual models relate to their understandings of social enterprise. As Stiles (2004, p.128) stated: ‘I believe that constructs are not just verbal, but also visual’. Ely et al. (1997) found drawings capture meaning used by representatives of organisations and provide valuable insights into issues interviewees were attempting to interpret and resolve. Though images are used in problem-solving methodology (Stiles, 2004), it appears the use of non-text-based data has ‘less clearly established conventions’ for use in social sciences (Mason, 1996). However, Stiles (2004, p.127) proposes that the approach holds value stating ‘images can be as valuable as words or numbers in exploring organizational constructs’.

As outline in Table 5.5, the interviews were conducted in two phases, face-to-face interviews with participants were conducted starting in November 2005 and finishing in March 2007. The interviewer held discussions where interviewees spoke of their interests regarding social enterprise. Over time, issues raised by other participants were also queried (though names were not offered). This assisted in undertaking analytic induction by raising areas of concern to contemporary practitioners and was significant in addressing research questions (Steinerowski et al., 2008).

##### Phase 1: Exploratory Interviews

Phase one was undertaken as an exploratory phase and followed the format of extensive, in-depth interviews to inform the study (Lee, 1999; Yin, 2003b;



Laimputtong & Ezzy, 2005). Eleven participants were interviewed over a four-month period in the winter of 2005 and Spring 2006 (10.11.05 -10.02.06). All were involved in social enterprise activity in the Bradford area of West Yorkshire and are included in the sampling frame (Box 5.1).

Seven of the eight participants represent neighbourhood-based organisations offering services to disadvantaged communities. These interviews were designed to identify the participant's reflections; the exploratory interview schedule was loosely based upon a SWOT analysis focussing upon strengths, weaknesses, opportunities and threats. Interviews began with general, open questions followed-up by more specific questions including: contributions to success or failure of projects; barriers perceived as limiting growth or potential growth; ways they feel barriers could be tackled; support they currently access; additional support they need; how services complements existing activities; if acting as individual and not part of a group what activities would they do?; involvement in neighbourhood actions plans or other support activities in district; other comments not covered. These interviews were part of a larger feasibility study commissioned by Bradford Council for the LEGI bid looking at successes and barriers to social enterprise in the area. The eight named contacts were suggested, and the organisations identified as 'social enterprises', by a local support worker as forming part of a social enterprise network. Each interview lasted approximately one hour and field notes were used. Where quotes were written at the time of interview, they were repeated to the participant to verify the accuracy of what was being noted. These notes were transcribed and where possible sent to participants to verify they accurately reflected the tone of the conversations and the concerns as voiced. This method was chosen over the use of a questionnaire or survey as it provided a more accurate means for exploring and identifying issues *in situ*.

Three participants represented support agencies identified as key contacts from previous interviewees. A different interview schedule was devised for the support participants. The procedure built on the information generated from the insights and commonly experienced problems of the eight participants as well as themes in the literature. Developing the research instruments at this stage enabled the researcher to see if the questions were appropriate in meeting the aims of the study and to ascertain their appropriateness with different interviewees. It enabled the revision of any misunderstood language and highlighted any unintended

assumptions in the questions for the next phase. During this time, analysis of the exploratory data identified initial themes and patterns (Seanor & Meaton, 2007) that were explored in phase two. This phase is not considered as a pilot stage for testing tools/approaches, and data from the exploratory interviews is presented in the discussion in order to draw comparisons (Richards, 2009).

## Phase 2: Interviews

Twenty-seven interviews were conducted with participants in Kirklees over a ten-month period from 2006 through to 2007 (12.06.06 - 28.03.07). These interviews were conducted one year after the exploratory interviews. The gap in this timeframe has potential implications, which will be discussed in the findings chapters. All participants, but one, initially contacted to participate in the study agreed to be and were interviewed. In that case, three attempts were made where the participant representing an organisation needed to cancel due to time constraints and pressures (including changes in the organisation and the participant imminently leaving to go on maternity leave with no named replacement).

Participants comprise those outlined in Box 5.1 and interviewed represented: eleven social enterprises/voluntary community organisations and sixteen departments of support agencies (three potential commissioning agencies, three regional support agencies and ten departments offering sub-regional and local support). The identification of participants differed from that used in the exploratory phase, and did not rely upon one support worker providing the sampling frame and identifying key contacts. Upon reflection, Bradford organisations were in receipt of support from various sources. Those organisations and participants not in receipt of one intermediate agency's advice and support would be omitted from the network. Participants were selected and seen as 'informed experts' in the field and were asked who they considered as key contacts in their networks and who should be included as part of the study (Hartley, 2004; Liamputtong & Ezzy, 2005). This method of sampling is appropriate for the study as the focus is upon network interactions. This approach was useful, as a social enterprise network was not found as clearly framed (Steinerowski et al., 2008). For the purposes of this discussion, the terms, participants and key participants are used interchangeably.

Each interview, lasted from 1 to 1½ hours, and the interview schedule (Box 5.2) was e-mailed to interviewees in advance of interviews. Questions, and prompts to clarify and offer more depth, were asked non-sequentially and respondents were encouraged to include issues that they identified as important to enable emerging themes to be pursued. The aim was to ensure robustness in that similar areas were covered across the study.

### Box 5.2: Interview Schedule

- Q1 What would someone need to know to successfully perform your job?  
 Prompt If you work to a template where does it come from?
- Q2 Is there important work you do that isn't in your job description?  
 Prompt What outputs do you need to meet for your work?
- Q3 Tell me what is the success story your organisation tells.
- Q4 From earlier conversations, some have suggested that good relationships help them to do their work. What do you think?  
 Prompt How do you choose the groups/ agencies you work with?
- Q5 Do you work directly with other groups? Who are the groups/agencies/ networks you work with?  
 Prompt Which of these are important contacts to you?  
 How long do you work with a group/ support agency?
- Q6 How do you think the agencies/groups you work with would describe you?
- Q7 Do you describe your organisation as a social enterprise?  
 Prompt With whom might you do this? How do you describe working as a social enterprise when meeting with a new group or agency?
- Q8 How are you making sense of changes to your organisation in commissioning selling services/products?  
 Prompt What changes do you think your organisation has made over the past few years? What factors are influencing you to adopt this approach? Are you being encouraged to move from grants to contracts?
- Q9 Show social enterprise spectrum: Have you seen it before?  
 Prompt Can you / where would you place your organisation?  
 Why did you position there?
- Q10- Has your organisation changed its social mission/ service delivery/ target groups?  
 Prompt Is there a point where your group could lose its social aim?
- Q11 How would you describe the social enterprise sector?  
 Prompt Do you think it is a movement?
- Q12 How would you describe your role within the social enterprise sector?  
 Prompt Do you see yourself as a social entrepreneur?
- Q13 What are your thoughts/ theories around what influences social enterprise?  
 Prompt innovation ... efficiency...trust...links...reputation
- Q14 Finally anything else you'd like to add

The interview schedule was informed by researcher's experience and knowledge of the field as well as participant's comments from the exploratory phase. Sources of topics for the interview schedule were also influenced from issues identified in the review of the literature and instances used from studies other than social enterprise where problems were solved and context was examined. Examples included:

Q1 stems directly from Mizruchi and Yoo's (2002) research on power and negotiation in organisations. Their findings from chief executives emphasised the contacts and people they needed to know and the nature of these relationships.

Q3 Stories of success led to discussions of performance including outcomes, outputs and targets.

Q4 reflects a question framed by Oakes et al. (1998) in their study of strategic and operational organisational plans. The prompt of how do you chose highlighted processes and reflected thinking from social movement theory and the need to explore how interactions are perceived and support and resources are mobilized (Snow & Trom, 2001; Della Porta & Diani, 2006).

Q6 is drawn from a study by Lee (1999).

Q9 The participant was shown a model based upon Dees (1998) and Dees and Anderson (2006) social enterprise continuum of options (Box 5.3). The spectrum differs as Dees and Anderson (2006) label the polar ends 'charitable' and 'commercial'; however, in the text the terms 'mission' and 'market' are used. Participants were asked if they had previously seen the spectrum. It was used as a prop to aid discussions of how practitioners understand social enterprise.

Q11 and 13 are informed by the critiques of the literature where social enterprise is described as a social movement (chapter 4) and issues of reputation (Crossley, 2002; Della Porta & Diani, 2006).

Participants from organisations were shown the top half of the model. Those from intermediate support agencies were shown the lower model. The participant was handed a pen and asked 'if' they would be able to position their organisation on the spectrum and if so to mark that position on the line. Both groups were asked

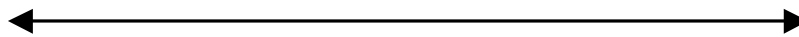
why they had located organisations at the positions. As the intention was to find how practitioners construct social enterprise, care was taken by the researcher not to present a predetermined definition at interviews.

### Box 5.3: Spectrum of social enterprise

Where do you see your organisation on this spectrum?

Are you  
**mission** driven

**market** driven

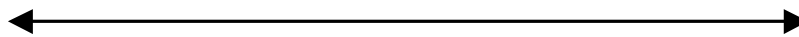


Are you responding to a community need or a market opportunity?

Where would you place the organisations you support on this spectrum?

Are they  
**mission** driven

**market** driven



Are they responding to a community need or a market opportunity?

To reiterate, the interview schedule (Box 5.2) employed was an initial guide and ensured some commonality and encouraged participants to expand on issues they saw as important. It was progressively complemented by questions that reflected recurring themes from earlier interviews. Over the course of the interviews new themes emerged from participants' comments. As an example, in response to questions, interviewees repeatedly mentioned ambiguity. Participants' comments informed a need to return to the literature at which time Billis' (1993) ambiguity model and the cross-sectoral models (Leadbeater, 1997; Pharoah et al., 2004; Alcock & Scott, 2007) were discovered. These models were introduced and discussed, prompting other dimensions of social enterprise thinking and mapping to emerge. The circular outlines of three overlapping sectors were hand drawn by the researcher and participants were again handed a pen and asked to fill in details to enhance their conversations. The circular models also helped participants to describe creating alternative social space, an idea from the social movement literature (Crossley, 2002). Participants presented with both models were asked which they found more useful in making sense of social enterprise. Towards the

end of each interview, the issues covered with the interviewee were reflected upon. All interviews concluded with the final question of 'Is there anything else you'd like to add which hasn't been covered?'.

### 5.4.3 Handling the data

Five key stages outline the data analysis and interpretation:

- 1) interviews recorded
- 2) full transcription of interview recordings
- 3) examine visual materials - make composite figures of individual participant drawings
- 4) within and cross-case comparison undertaken [participants told they would not be individually identified but their experiences would be themed]
- 5) information coded and then framed using the conceptual model looking at extant literature and research and enabling similarities and contradictions to emerge and discuss why.

In analysis of the data special attention was paid to narrative representations, stories, and hence language, and models (section 5.1). A pragmatic decision was taken to tape and transcribe these interviews. All participants gave consent for the interviews to be taped. Taping the interviews with a small digital voice recorder (DVR) was unobtrusive and allowed more attention to be focussed upon the interviewee as the interviewer no longer needed to make copious field notes as during Phase 1; it also eliminated researcher subjectivity and enabled the exact words to be captured when using participant's comments in the text (IEED, 2004; Liamputtong & Ezzy, 2005). Recordings were saved as electronic documents in order to go back to original source materials. These recordings were transcribed. Non-lexicals and repeated words were not included in excerpts from interviews used in discussion chapters and were omitted to ease the flow of the ideas except on the occasions where used to emphasis a point. Though 'tidied up' text was kept in original transcripts (Dean & Sharp, 2006). Notes were taken immediately after interviews and again during transcription regarding the project including dates of interviews, initial impressions and interpretative notes (Richards, 2009).

Data was investigated using ‘with-in case’ and ‘cross-case’ analysis (Eisenhardt, 1991; Ayres et al., 2003; Bowey & Easton, 2007). People consider themselves as members of ‘many groups, at one and the same time’ (Hosking & Morley, 1991, p.229). As Hosking and Morley (1991, p.230) highlight groups can be conceived as either social categories (e.g. those sharing similar identity) or as social orders (e.g. by projects, actions and interactions). Eisenhardt (1991) argued using multiple with-in and cross-cases are analytical units, which serve as replicants and contrasts for comparison to clarify emergent findings and are suitable for illuminating relationships. She finds this approach differs from comparing cases utilising a ‘multiple’ case design as discussed by Yin (2003). Therefore, this with-in and across cases approach was adopted as better suiting the research strategy. Table 5.6 outlines the process for integrating with-in and across case analysis of the interactions and dynamics with others of the same group (with-in group similarities) as well as between organisations and support agencies (inter-group differences).

Table 5.6: Integrating with-in and across case analysis			
Comparison	Purpose	Strategy	Product
With-in cases (different VCOs and SEs)	Identify important common aspects of experiences and variations	Writing up transcripts from interviews & research notes to become familiar with each subject	Emergent themes from empirical data  And Conceptual framework
With-in cases (different support and commissioning agencies)		Considering visual data	
Across cases VCOs/ SEs, support and commissioning agencies	Identify important common aspects of experiences and variations	Reviewing transcripts to locate significant statements (phrases, sentences and paragraphs), coding and creating summaries and tables comparing data	

To clarify, relations within cases, not organisations, were explored. With-in cases analysis was used to become familiar with the data. From this the researcher searched for cross-case common patterns and variations in data to ‘explore theoretical or process relationships among clusters of meaning’ (Ayres et al., 2003,

p.872). Codes were developed based upon relationships that were replicated across most or all cases and ‘addresses questions about how social experience is created and given meaning’ (Eisenhardt & Graebner, 2007, p.28). Codes changed in considering data to better reflect the key factors that influenced participants. Additionally, data was compared for contradictions, nuances, where in conflict and what omitted (Brown et al., 2005).

Nicholls (2006a) proposes an iterative ‘process is needed to establish a unique, field-level, identity’. However, the first research question specifically queries if there is a unique field-level social enterprise identity. The approach taken reflects his recommended iterative process in that:

- it is multi-disciplinary and draws from various fields of study;
- it is grounded in empirical findings; and
- in order to handle the diversity of experiences and interactions between the participants, the approach was undertaken with appropriate flexibility.

The method adopted drew upon a ‘constant comparison’ (Anderson & Jack, 2002) not unlike what is described as an ‘abductive approach’ (Bowey & Easton, 2007) where themes were identified and refined from interviews and observations, then considered in relation to the literatures from various fields. An ‘a priori theory’ from the narrative of the literature and pre-existing conceptual frameworks influenced coding and an iterative process was used to develop initial codes, which were interpretations of participants’ words, phrases and passages (Weston et al., 2001). Therefore it was ‘a priori’ but contextualised using cases and not constrained within existing narrative (Eisenhardt & Graebner, 2007). Information was coded into themes including:

- identity (self-identity and that imposed) and equivocality, both relating to the first research question;
- actions and how measured (considering targets, success stories and lessons learnt from failure) relating to the second research questions; and
- survival, continuity (and discontinuity), and relations (trust and mistrust) relating to retained practices in third research question.



Hence, coding was an important part of the analysis. Table 5.5 shows patterns and themes were developed. As White (2002) commented analysis of patterns enables researchers to view how behaviour is 'constrained or enhanced'. Proponents of this approach argue the need to generate more than descriptive accounts and the final stage is structuring findings by creating propositions or frameworks. The approach was employed in this thesis and a conceptual framework was created.

## 5.5 Ethics in doing the fieldwork

In conducting the qualitative study various ethical issues arose including how to generate data, how to present quotes from interviewees, the interpretation of the findings to the public domain. As the study sought participant's perceptions of their experiences, it was crucial to undertake the research in a manner that respected the interviewee. Borgatti and Molina (2003) argue there are specific ethical challenges posed by network research: 'lack of anonymity', integrity of data, especially missing data, and the risk of being identified. In addition, they highlight that in network research, participants will name others not taking part, or giving consent, in the study.

The underlying ethos was to maintain integrity and to do no harm to individuals at all stages of the study. Mason (1996) refers to this as a 'shared construction of ethos' that enables participants to speak openly to the purposes of the study. A main issue of concern was confidentiality. Initial conversations inviting potential participants to be met for interview described the nature of the study and how the information would be used. In Phase one, information was both academic and practitioner based, in that the transcripts of interviews were used for the thesis as well as presented to a representative of a Bradford support agency as part of the research project informing the LEGI bid. Organisational participants were informed of this situation and offered the opportunity to examine all transcripts prior to completion. In Phase two, this was not the case and the investigation was solely academic. However, these interviews were recorded raising another ethical consideration. Each interviewee was asked if they consented to having the interviews taped. The interviews began by reiterating this issue and requesting the consent of each participant before continuing.

It needs to be acknowledged that the researcher knew many of the interviewees and attendees at network events from practitioner work. The researcher was specifically named in two of the interviews as being part of the network. When observing network events, the researcher identified that she was attending as part of a PhD research project; attendance sheets and name badges clearly identified that she was attending in the capacity of a researcher from the University of Huddersfield. However, the researcher was unable to ask permission of all attendees to be included in the study. The nature of the relationship between the interviewee and the interviewer and dynamics of this relationship must be taken into account. As King (2004, p.11) notes, in the qualitative interview 'the relationship is part of the research process' and the participants cannot be considered as totally separate entities being studied in isolation. Nor can the researcher be considered as separate or isolated from the research (Liamputtong & Ezzy, 2005). As Bateson (2000) argued the individual, especially the researcher, never completely stands outside of the social phenomena being observed. Thus, an objectivist view is not presupposed and there is a role for reflexivity and the interactive nature of the learning process and the researcher's assumptions. These epistemological influences and commitments will be discussed in chapter six. Serious consideration was given to undertaking the case study in this area, as the researcher could in no way be objective nor isolated from the subject. The researcher had previously been involved in the network relationships and had on occasion offered support to some of those interviewed. These relationships helped in gaining access to the relevant participants. As these situations were not initial introductions and one-off interviews, there was a respect in which many of the interviewees said they were able to answer openly and honestly. The researcher's perspective offered potential problems as well as opportunities (McAuley, 2004); one being that the situation offered a potential risk to the study in that participants might not have felt able to comment upon and to criticise previous support. These issues were addressed in initial invitations and did not result in any declining to be interviewed.

A decision was taken that all data would be anonymous and two participants stated they would not give open accounts to the questions if named. All participants were reassured comments would only be used in describing themes or processes rather than being compared and contrasted as individual case studies. The geographic areas in the sample are relatively small and these participants commented that

those reading the findings might adversely affect their work in the field. This reassurance was communicated when arranging and at the start of each interview. None-the-less, as posed by Borgatti and Molina (2003) anonymity was not possible as on various occasions participants recognized others from general descriptions. However, this opened the decision to make use of participant's drawings; these were generated whilst exploring how participants in the field made use of the conceptual models of social enterprise and could not be easily identified to specific individuals or organisations. The issue of anonymity arose in another aspect of the study. The exploratory interviews were all held at the organisation's office space. For the second phase, the decision was taken to invite people away from their office space to more 'neutral' areas (Laimputtong & Ezzy, 2005). Most of these interviews were conducted as invitations to meet over a coffee in a cafe. In agreeing meeting locations, the majority of participants were happy to be invited to discuss social enterprise over coffee but a few had concerns over the choice of coffeehouse. Certain cafes are common meeting locations in the sector and not seen as 'neutral' meeting spaces and consequently some participants were worried about being overheard. Six of the interviews were held in the offices or meeting spaces of the participant's organisation, these participants said they appreciated the offer but there was either no local cafe or they were unable to allocate time away from the office.

## 5.6 Summary

To summarise, the research strategy was chosen for understanding the processes of social enterprise development and relationships in a local context. This was in response to the reported lack of knowledge (Shaw & Carter, 2007; OTS, 2008; Peattie & Morley, 2008). In total forty-three individuals from thirty-six departments within organisations and intermediates agencies participated in interviews. Additionally, five network events were observed. The qualitative approach has proved useful in devising a framework and better understanding contemporary practice. Participants representing local organisations and intermediary support agencies are the 'informed experts' (Hartley, 2004, Laimputtong & Ezzy, 2005) and the ones to ask for their reflections of how they are making sense of the network dynamics and processes. Their stories and visual materials offered insights to identifying the key influences and expectations in social enterprise networks from which to develop some generalizations.

A case study was presented and the research questions ask the 'how' and 'why' questions enabling an appropriate and comprehensive investigation (Yin, 2003b; Bowey & Easton, 2007). The process of coding and the 'with-in' and 'across-cases' approach was presented for framing key issues and potential participants from the different perspectives of social enterprises and voluntary organisations, intermediary agencies offering support and commissioning services. These different methods were adopted to view different perspectives in network interactions. The chapter began by focussing upon the interpretivist view of problem setting and solving as a means of addressing a qualitative research strategy (Mason, 1996; Booth et al., 1995; Crotty, 1998). The next chapter outlines the epistemological and ontological stances adopted in the investigation and considers how the research was addressed and presents the conceptual model developed in this study.

## Conceptual framework & theoretical orientations

### DEVELOPMENT OF A TOOL TO SHOW NETWORK INTERACTIONS

The previous chapter presented the research strategy underpinning the thesis. This chapter discusses the theoretical orientations of the strategy and links the methods to that of the epistemological approach adopted in the investigation. Broadly, the research aims to better understand contemporary practice and investigate how participants in networks make sense of social enterprise. The chapter discusses the conceptual framework (figure 6.1), which draws upon models and theories in organisational development, societal change and social movements. The research questions (Section 5.4) are discussed in relation to each ‘emphasis’ of the conceptual framework providing the structure for the findings chapters. In order to illustrate the robustness of the model and the overall strategy, the chapter closes with a discussion of the theoretical orientations of the work. Aspects of each theory utilised within the conceptual model are presented in relation to which elements of the theories are selected and why.

#### 6.1 A conceptual model for interpreting social enterprise

A model for interpreting social enterprise development was devised to frame network dynamics and processes of organisational change. Figure 6.1 draws upon Weick’s enactment, selection and retention (ESR) model, Actor-Network-Theory (Law, 1992, 1999; Latour, 2005) and social movement theory (Clemens & Hughes, 2001; Snow & Trom, 2001; Crossley, 2002; Della Porta & Diani, 2006).

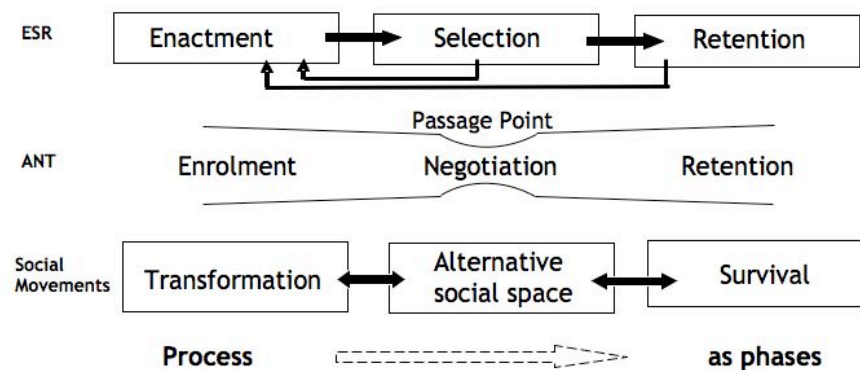


Figure 6.1 Model to interpret social enterprise development

The model does not depict chronological time but how stories and ‘narrative patterns’ develop as phases (Stacey, 2007; Goldstein et al., 2008). As Weick (1995, p.121) said:

*collections of illustrations or stories, held together by a theory of action, provide a frame within which cues are noticed and interpreted.*

Framing enables members of organisations (as well as researchers) to recognize points where the ‘rules of the game’ or ‘business as usual’ approach no longer works (Weick, 2001; Crossley, 2002). A key factor in constructing a framework, rather than using those presented in Chapter four, was two-fold, firstly, most were normative and secondly, tended to focus upon individuals or organisations recognising ‘opportunities’ or trading relationships. In doing so, they did not readily offer a means for exploring how information was interpreted and acted upon in networks.

The conceptual framework was devised to assist with analysing data generated in the field and to investigate how emergent issues relate to the literature (Yin, 2003; Hartley, 2004). It is used to explore how support measures and resources link to organisational problem solving and how these are operationalised in social enterprise networks. Additionally, the model will help to recognise where similar patterns, as well as notable differences, occur between theory, policy and practice, and thus potentially inform a better fit between social theory and practice.

## 6.2 Process models as a tool for framing social enterprise

Three different constructs are presented in Figure 6.1, each having three phases, and were chosen as having significant similar characteristics depicting interactions and processes with a significant divergent characteristic of negotiation located in the middle phase and survival or retention at the end. At the top of Figure 6.1 is Weick’s ESR model (1979, 1995, 2001). The middle of the model draws upon Actor-Network-Theory (ANT) (Law, 1992, 1999; Latour, 2005) which offers a means for understanding how change occurs. Two characteristics [common meaning & view interactions] are associated with the enrolment phase. One way ANT differs from the ESR model is that it is not iterative but is described as having a critical ‘passage point’ where organisations evolve related to the negotiation phase. The final point of uncovering how things get done relates to the retention phase [see table 4.2]. The model [Figure 6.1] illustrating the Actor-Network-Theory is created here as no conceptual model

was found in the literature; this may be attributed to Latour’s (2005) dismissal of conceptual models. As it is an anathema to one of the key theorists, there is some risk in illustrating the process. However, the illustration serves to outline the processes and enables comparison to the other models.

The bottom of Figure 6.1 is based upon processes in social movement theory. This is relevant since the literature review found many writers identified social enterprise as a social movement (see chapter 4 - Borzaga & Solari, 2001; Podolny, 2005; Massarsky, 2006). Crutchfield and Grant (2008) specifically linked social enterprise networks with a social movement. However, the narrative describing social enterprise as social movements does not offer depictions of the process (Arthur et al., 2006). The question raised is ‘When using a social movement framework, do key participants make sense of social enterprise as a social movement?’. Hence, the lower illustration, like the ANT model, attempts to map the process following the ‘factors’ affecting formation and transformation, spaces for change and survival (Crossley, 2002; Della Porta & Diani, 2006). Collective action in Figure 6.1 is not perceived as moving in one linear direction, but instead is depicted with double faced arrows showing the movement between phases as a response to potential ‘strain ... as a result of mismatch between expectations and reality’ (Crossley, 2002, p.36).

### 6.2.1 Emphasis: Enactment – Enrolment – Transformation

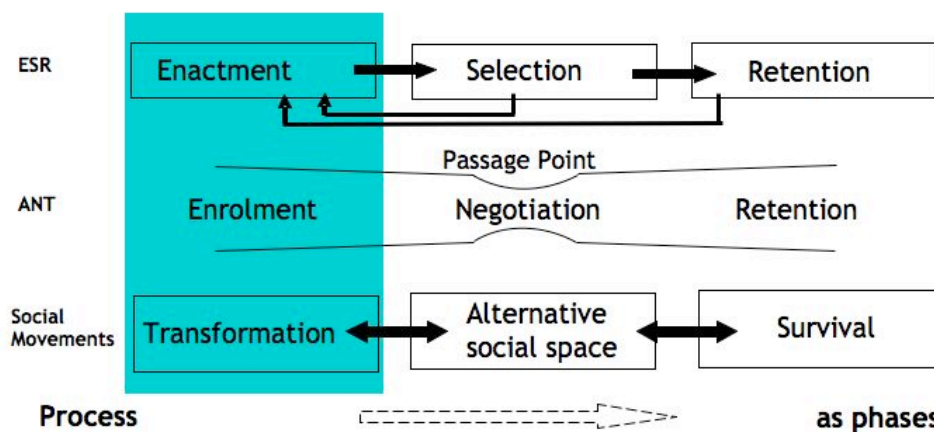


Figure 6.2: Emphasising enactment, enrolment and transformation

The emphasis of enactment, enrolment and transformation, viewed as a column running vertically through the conceptual framework (Figure 6.2), focuses upon the variety of meanings that people in networks understand as important for making

working together possible. As Weick (2001) suggests the term ‘emphasis’ will be used rather than ‘step’, as the process is not seen as sequential. This emphasis relates directly to the study’s first research question:

*RQ1. What are the shared meanings and sense of shared identity, if any, which participants use to make sense of social enterprise?*

The ideas of enactment (Weick 1979, 2001) and enrolment (Law, 1992, 1999; Latour, 2005) stress the link between how participants ‘actively’ give meaning to and interpret their environments and how they will act. In social movement theory [see chapter 4 for discussion], this emphasis is upon the formation of social movement organisations (SMOs) and is a ‘call for change’ that arises out of a conflict within the environment (Snow & Trom, 2001). Formation is comparable to enrolment and enactment as Crossley (2002, p.97) stated ‘Movement formation is less a matter of agents coming together and more a matter of agents who are already together transforming their network into something different’. Since the organisations in this study already exist as voluntary organisations and have interactions with funders, the emphasis is upon ‘transformation’ rather than formation. Participants might continue to draw upon existing experiences and ways of working rather than embracing social enterprise as new identity and way of thinking. As such this aspect of the model investigates the extent to which practitioners identify their actions and identity as a social enterprise.

### 6.2.2 Emphasis: Selection-Negotiation-Alternative Social Spaces

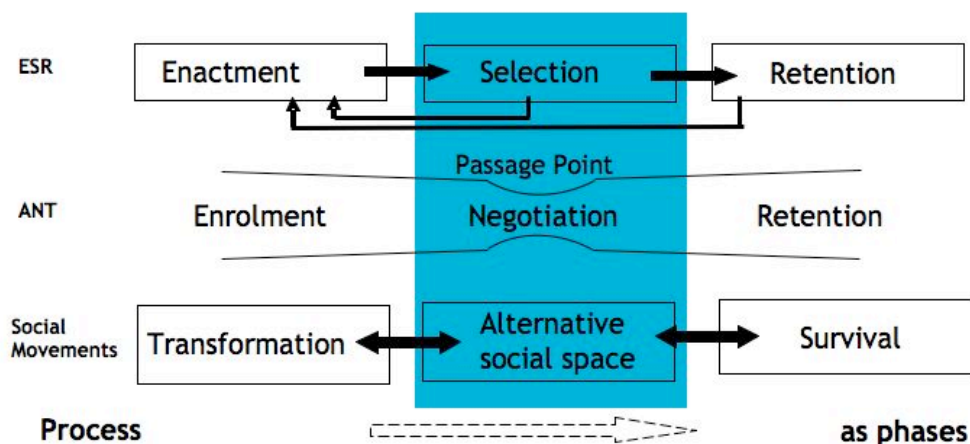


Figure 6.3: Selection, negotiation and alternative social space



This emphasis (figure 6.3) explores perceptions of who or what is driving social enterprise change. Weick (1979, 1995, 2001) uses it to refer to pieces of information selected and emphasised that selection takes place through conversations and social interactions. This research uses the concept to understand why social enterprises select certain practices and structures over other options. Paton (2003) underscored the importance of how information in social enterprise practice is ‘selected’ and how it is interpreted. For instance, with the ‘contracting culture’, participants may need to work in new ways and adopt practices for tendering and service level agreements.

This emphasis of the model is where the approaches most differ. ANT has been incorporated as Weick’s ESR theory neglects negotiation (Hosking & Morley, 1991). Actor Network theorists (Law 1992, 1999; Latour 2005) frame how participants negotiate to resolve disputes to work together. The concept of ‘translation’ [see chapter 4] is presented as crucial in tracing the movements of how actors negotiate change (Law, 1999). Similarly, social movement theorists describe being able to ‘seek pressure for change’ (Crossley, 2002). In seeking to understand how practitioners are focussing on these issues, this second emphasis relates to the second research question:

*RQ2. How are these related to actions within a wider social enterprise sector?*

### 6.2.3 Emphasis: Retention – Retention - Survival

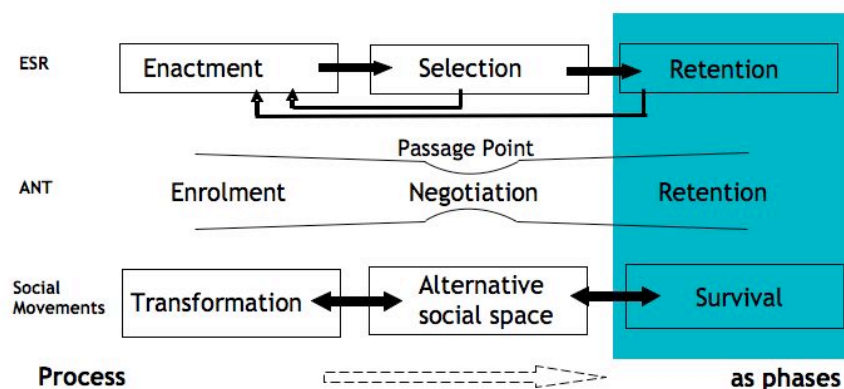


Figure 6.4: Retention and survival

For the final emphasis (figure 6.4), ESR and ANT identify retention; Weick poses retention as crucial and is affected by participants in organisations reflecting upon what has worked in the past to shape decisions and actions. Throughout his work,

Weick (1979, 2001) emphasises that enactment and retention work at odds to one another. Organisations need to balance flexibility and stability in order to deal with the changing environment. This differs from social movement theorists emphasising the short-lived nature of SMOs; they argue a final product is a 'stable environment' or 'survival' (Snow & Trom, 2001). This emphasis is directly linked to the third research question:

*RQ3. What role does context play in network members either adopting social enterprise, or retaining previous practices, in order to survive as organisations and create social impact?*

Thus, the study will examine how this process occurs in local networks. The adoption and retention of practices may be stored in the organisation's business plan, minutes from strategic meetings or other documents. There are obvious potential problems with this phase including information not being easily accessible or was never recorded. Additionally, this aspect of retention becomes more complex when considering networks and informal arrangements, when network meetings are not recorded. Alternately, the information may not be accurate, as the minute taker may not have captured the relevant points for future reference. Such reasons reinforce the use of participant's stories and drawings, in addition examining network artefacts of written documents, to understand retention and survival in contemporary practice.

### 6.3 Theoretical orientations: epistemological & ontological concerns

The choices of methodologies stem from the epistemological and ontological concerns presented in this section. These are informed by a theoretical orientation that Crotty (1998, p.66) identifies as 'the philosophical stance lying behind a methodology'. The use of three differing theoretical models integrated into one conceptual model (Figure 6.1) is explained in relation to the theoretical orientation of this thesis. The approach reflects Baum and Rowley (2002, p.23) who argued:

*Multiple perspectives and research methods are essential - consistently working within one perspective or method, no matter how powerful and fruitful, will lessen our ability to detect errors, narrow our conception of what is possible, and prompt us more easily to dogmatism.*

For the purpose of this inquiry, it is assumed that members in local networks might take on social enterprise activities for a number of different reasons. This stance

differs from the dominant positivist ontology, which is seen to favour isolation (Hason & Gould, 2001).

The decision to adopt more than one perspective reflects Steyaert's (2007) call for the need to consider several 'overlapping routes' and process models which facilitate an interpretative view of processes to develop new meanings of entrepreneurship, which challenge linear and/or rational views by considering co-production of identities, opportunities and ways of workings. Morgan (1986) noted that a single theoretical perspective cannot meet the complexity of decision-making. Instead Morgan argued that multiple views are required to make sense of the variety of messages and interpretations. The research examined emergent issues which were perceived as important to key practitioners in local networks. In order to consider the role of context in these areas of social enterprise, the social nature of the phenomenon is recognised in the contextualisation of processes and dynamics within networks. Hence, each model was chosen to offer 'multiple views' from which to analyse what key practitioners were saying about their identity and actions and how these actions become coordinated.

Hosking and Morley (1991) emphasised, with multiple actors there are multiple interests and problems are perceived from a pluralist perspective that acknowledges the significance of:

- different actors involved;
- the experience of different relationships with the wider context;
- different definitions of problems; and
- different opportunities to influence the network.

This pluralist perspective influenced the decision to undertake a qualitative research strategy and the ontological constructionist approach undertaken in this thesis (Weick, 1995; Crotty, 1998; Darwin et al., 2002).

To consider meaning, interactions and processes the research draws upon a variety of theoretical perspectives and techniques (Mason, 1996; Crotty, 1998; Liamputtong & Ezzy, 2005). Nicholls (2006a, unpaginated reference) discusses the practical importance of these issues in relation to building the field of social enterprise. Two

such issues for those 'keen to join the field from beyond its boundaries' are developing common identity and setting boundaries. Parkinson (2005) highlights that the dominant imagery of the individual entrepreneur found in much of the social entrepreneurship research precludes the influence of collective actions. By emphasising individual traits rather than the culture of group dynamics researchers might miss important relationships influencing the adoption, or rejection, of socially enterprising beliefs and practices.

### 6.3.1 Addressing epistemological concerns

Nicholls (2010) claims social entrepreneurship lacks an established epistemology, hence the need to discuss epistemological concerns. The study of epistemology is perceived as the nature of the relationship between the researcher and the world they seek to understand knowledge (Mason, 1996; Crotty, 1998; Liamputtong & Ezzy, 2005). Crotty (1998) framed this as an interrelationship between the theoretical stance of the researcher, the methodology and methods chosen, and their viewpoint of the epistemology. He (p.8) defined epistemology as 'how we know what we know'; Gray (2004, p.16) stated it as 'what it means to know'. Both agreed one such stance is 'constructionism', which provides the 'philosophical background' informing what knowledge is legitimate in this thesis. Crotty argued that constructionism bridges two other epistemological stances: objectivity and subjectivity. Constructionists hold that people view events, problems and solutions differently (Weick, 1979; Checkland & Scholes, 1990; Crotty, 1998; Walsh & Clegg, 2004). However, this is not to imply, as do some social constructionists, that there is no reality out there. The point being made is a pragmatic one, that there is a reality in which participants interact. Cuncliffe (2008) discusses there are 'different orientations' to constructionism and discerns Weick's (1995) work exemplifies a 'subjective cognitive approach' and in contrast others utilise critical theory and address power relations. Where this thesis draws upon Weick's work, it also addresses issues of power and negotiation. It argues social enterprise as a social construct emerges from practitioner interactions, and that context, especially network interactions and dynamics, influences understanding.

This stance relates to another issue and the researcher, like other social constructionists, adopted an inductive approach and sought theories arising from data generated (Gray, 2004). In line with other constructionist studies [e.g. Down,

2006], the terms 'patterns' and 'insights' are used in relation to the findings chapters. It also compared participants' experiences with theoretical models and narratives (Eisenhardt & Graebner, 2007). Thus, the study drew upon the ideas of practitioners rather than testing a theory or hypothesis. The thesis examined similarities and differences between practitioners and did not test particular properties of social enterprise identity. By considering how people construct and reflect upon their experiences, the researcher can frame the nature of social enterprise as a socially constructed phenomenon. The implications of which are that the 'embedded phenomena' is 'integral to understanding organizations and deciding which strategies are likely to succeed' (Stiles, 2004, p.128).

Unlike Nicholls (2010), Parkinson (2005) and IEED (2004) argue phenomenology is most appropriate for conducting social enterprise research into meaning. Theoretically, the epistemological praxis for the thesis is situated between the methodological traditions of phenomenological and ethnography research. Liamputtong and Ezzy (2005) find ethnography draws upon the influences of phenomenology; both fields stress the need to focus upon how understandings and interpretations are related to the actions people take in their environments (Hason & Gould, 2001; Gray, 2004). Gray discerns between the two in that phenomenology tends to focus upon individuals as the unit of analysis, and the method is 'almost exclusively' interviews, where ethnography considers 'sites' and the 'prime mode' whereby data is generated from observations.

Ethnography is seen as offering 'thick descriptions' and as 'sensitising concepts'; it is founded upon attempts to understand a group or culture's norms, values and practices by observing how culture members use these to frame solutions to problems, particularly during times of change and uncertainty (Liamputtong & Ezzy, 2005). However, they note these can never be fully mapped and that there is a need to look at the context of each situation. Nonetheless, Liamputtong and Ezzy (2005, p.17) argue constructs of meaning, and actions that spring from them, are useful 'to analyse theoretical processes and systems of meaning'. Crotty (1998, p.78) makes similar reference to phenomenology and discusses how phenomenology suggests 'if we lay aside, as best we can, the prevailing understandings of those phenomena and revisit our immediate experience of them, possibilities for new meaning emerge for us ...'. To do so phenomenological researchers argue for the need to 'bracket' or to acknowledge and set aside previous assumptions to allow phenomena to 'speak for

themselves' (Crotty, 1998; Gray, 2004). As such, both ethnography and phenomenology offer perspectives for addressing how participants in local networks make sense of social enterprise development, which will enable 'new' or 'fuller' meanings to emerge.

### 6.3.2 Addressing ontological concerns

In seeking to conceptualise and enable knowledge sharing regarding network interactions, the issues outlined above are linked to the ontology, or as Crotty (1998, p.66) states the study of the 'assumptions' in 'determining the reality' of the phenomena studied:

*Whenever one examines a particular methodology, one discovers a complexus of assumptions buried within it ... Different ways of viewing the world shape different ways of researching the world.*

With regard to the researcher framing problems for inquiry, how academics frame questions is important to consider as this is where they draw the boundaries and focus their attention. The ontological perspectives underlying the fields of social entrepreneurship and social enterprise highlight two different perspectives of the phenomena that reflect and influence how it is framed and researched. This situation resonates with Crossley (2002, p.6):

*A certain amount of tacit agreement between movement participants is required in order for them to disagree and this is what marks them out. They must at least agree over what they are in disagreement about.*

Some assumptions upon which the field is founded were discussed in the review of the literatures of social enterprise and social entrepreneurship (Chapters 3, 4). This study directly questions some of these assumptions. For instance, the first research question has been framed to gain an understanding of how participants in the field share meaning of concepts and how they identify themselves. In doing so, an alternate ontological stance is taken with a focus upon interactions rather than isolated individuals.

The sensemaking of participants and how social enterprise is interpreted and acted upon by others is central to this study. It is here that the approach is influenced by the epistemological stance of constructionism. Social constructionist approaches are

central to many studying social enterprise (Paton, 2003; Schwabenland, 2006; Borch et al., 2007). Paton (2003, unpaginated) said:

*The world is not just 'out there' something that imprints us as passive perceivers. This active constructing of the world is a social business, undertaken in and through communities of one sort or another, communities that share and evolve their language in responding to the issues they face.*

The social constructionist perspective is also central to Schwabenland's (2006, p.8) study of voluntary organisations including social enterprises 'How reality and meaning are created within organisations offers new and important insights'.

An ontological assumption of this study is that participants provide insights into their experiences. In her work with voluntary organisations using founder's tales, Schwabenland (2006) emphasises that stories are 'cultural artefacts' showing how organisations manifest their assumptions and values. In addition to her work, others have also utilised stories and narratives to offer insights into social enterprise (Froggett & Chamberlayne, 2004; Thompson & Doherty, 2006). Schwabenland (2006) identifies a gap in this field of research, which this research aims to address by examining participants' narratives of changes associated with social enterprise.

These reflections are not considered as entirely subjective as there is an assumption that there is a reality in which participants interact. It is not simply a subjective notion that grants and other aspects of their environments are changing; they are changing. Another example is power within local networks, as it is not perceived as simply one participant's subjective understanding of their relation to the environment. Instead there are power dynamics in that these are smaller organisations dealing with considerably larger statutory organisations. However reflections cannot be perceived as true and simple facts. As members of these networks have interdependencies, network participants require skills in agreeing what the problems are and how best to coordinate actions to address them.

#### 6.4 Selection of approaches and methods for generating data

Sensemaking, Actor-Network-Theory and social movement theory are all grounded in case study techniques. Each was chosen with consideration to the epistemological framework and ontological perspective of interactions, particularly in network

dynamics. Notably, Weick seemingly does not offer advice further than advocating the use of a case study. Brown et al. (2005) note there are conflicting views towards sensemaking approaches and argue though the social is fundamental in processes of sensemaking that individuals are unique. Others, like Weick (2005), assume collective or shared meaning and sets of patterns of actions. Hence, this signifies a difference worth noting.

This selection of participants (sub-section 5.8.2) was similar to that described as 'following the actor', the first step in Actor-Network-Theory where the researcher follows and describes the interactions with others they seek to 'enrol' in their projects. Many ANT and social movement theorists are agreed in their dispute of the usefulness of the structural dimension of networks. ANT theorists pose that change can be better interpreted by considering 'traceable associations' (Law 1992, 1999; Latour 2005). Whilst the latter argue that networks are 'complex and multi-faceted' leading to an inability to make broad comments associating structure and effect (Della Porta & Diani, 2006). Each challenges whether or not there can be a meaningful 'objective perspective'. This research explores different views presented in the participants' own voices and drawings. The interviews and associated visual materials are reflections of participant's experiences and perceptions with one notable difference. The observations of network events document immediate interactions and are not retrospective of participants' experiences. Observation was selected as showing network interactions (Mason, 1996; Bowey & Easton, 2007). Mason (1996, p.62) states observation shows 'social interaction in specific contexts as it occurs' and as such constitute an appropriate method for generating data within the case study focusing upon network interactions.

The ESR model offers a move away from the focus upon the social entrepreneurial manager and the linear development model offered in the social enterprise spectrum. Steps in the process are iterative and organisations can go back to adjust and make alterations to best fit in response to changes. However, Weick's 'grammar' does not offer a means of mapping movement and alignments. It cannot capture if projects undertaken by voluntary community organisations and social enterprise were attempted too soon, perhaps before there was market. Nor can it capture if successful projects needed to be dropped, as markets diminished but needs continued. It cannot depict if projects were never started or started too late. Timing has a great deal to do with framing the process of successful projects.



Actor-Network-Theory (ANT) arose from ethnographic studies. However, the focus is upon heterogeneous networks (including humans, materials, ideas, and organisations) to help to explore and explain relationships. ANT suggests that the text documents are vital 'artefacts' for investigating the flow of information in the case study. Thus the emphasis is away from individual characteristics and ANT theorists emphasise the need to examine relationships and processes of change or how actors respond and interact with one another (Law, 1992, 1999; Latour, 2005). With regard to social enterprise this reiterates the need to look at the artefacts and interactions in developing networks which was adopted in this study.

## 6.5 Methodological implications

This section outlines why a qualitative study has been undertaken to interpret the findings and an attempt is made to present and make transparent the methods that were chosen. People in organisations in these networks are working in complex environments [see chapter 2]. Law (1992, 1999) comments that structure, as found in much of network theory, does not determine the character of networks. Similarly, Fine (2001) reflects this stance noting that it is inherently problematic to discuss complex qualitative ideas of trust and reciprocity in networks by using quantitative relationships. This study is not as interested in structure as in making sense of how participants consider the dynamics and processes they have undergone.

The extant body of network research tends to focus upon growth, efficiency, number or frequency of social contacts, and other quantifiable and structural aspects of networks (Granovetter, 1985). These factors are also identified in social enterprise in order to ascertain the dependent variables for success. One such study, Oh et al. (2004) states that an inverse relationship exists between informal work ties and team effectiveness. Hite (2003, 2005) creates typologies in which organisations making use of their social contacts is likened to an 'evolutionary path' where they become viable more quickly than those organisations that do not. Though she offers interesting observations that factors work in combination, she suggests this is a linear process. Hudson (2009) highlights the diverse origins of social enterprise, but argues three such trajectories or paths for UK social enterprises and the tensions to which these give rise in pursuing 'social' and 'economic' goals.

Bowey and Easton (2007, p.280) comment 'what causes something to happen has nothing to do with the number of times we have observed it happening'. Whereas numerous network theorists focus upon the static and structural components of networks, the dynamic nature of how information moves in a network appears not to be considered (Fine, 2001). Cohen and Prusak (2001) make note of this point as knowledge does not flow, like water through a pipe, reaching all parts evenly. It is how information and knowledge flow through networks that they suggest enables effective communication. The dynamic nature of how participants are influenced by one another is seen as important in offering a resource of how networks function by exploring norms, shared visions, trust and reciprocity; none of which is able to be easily captured using rationalist models with boxes and arrows or mathematical formulae of structural analysis perspective (Cohen & Prusak, 2001; Rydin & Holman, 2004). It is not simply the network connections but the nature of the support offered and how that support is acted upon to affect social change that this thesis aims to make sense of. In order to do so the thesis drew upon sensemaking, actor network theory and social movements where key theorists (Weick, 1995, Latour, 2005, Crossley, 2002) explicitly caution against assuming direct associations between cause-and-effect relations. It is acknowledged that a multitude of factors potentially influence social enterprise (Sub-section 2.1). Goldstein et al. (2008) described the 'folded nature' of complex situations relating to social enterprise. In attempts to address these complex issues, the approach drew upon Hartley (2004) who recommended designing a 'tentative' model and Lee (1999) referred to creating an 'unfolding' model to analyse data as the interpretation of data generated in a case study will alter. Lee (1999) acknowledged that qualitative studies are often adopted when variables cannot be controlled or isolated and not well addressed by a questionnaire; however, he advocates that researchers can draw some level of 'causal inference'. Steyaert and Landstrom (2011) also use the term 'unfolding' but in relation to conversational processes stating that models do not entirely capture the everyday nature of entrepreneurship.

## 6.6 Summary

To summarise, the conceptual framework, as a means for interpreting how key practitioners made sense of social enterprise, was created drawing from three models: ESR (Weick, 2001); ANT (Law, 1999; Latour, 2005) and social movements (Clemens & Hughes, 2001; Crossley, 2002; Della Porta & Diani, 2006). The thesis has

repeatedly argued the need to take an integrated approach that explains social enterprise actions in relation to wider context. The philosophical process, adapted from Gray (2004), underpinning the enquiry is illustrated in Figure 6.5.

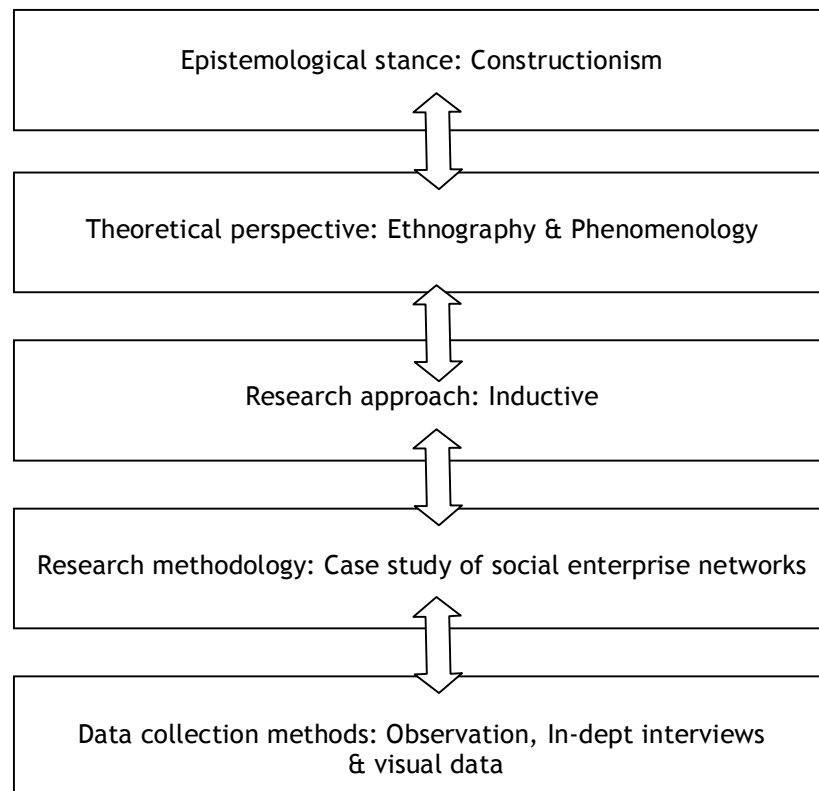


Figure 6.5 Perspective adopted for research strategy

The theoretical framework, developed during the study, built upon these foundations and is ‘ontologically comfortable’ in that it offers an inductive approach and seeks to develop insights from practitioners’ views. This generated data is compared to the dominant literary narrative. Ultimately, this chapter has highlighted that the methods and design, presented in chapter five, are not merely technical questions, but are linked to wider theoretical concerns. It has been argued that it is not possible to stand outside of the phenomena being observed. Nor is it entirely possible to stand outside of one’s meta-theoretical constructs. Hence, the interrogation of assumptions through the capacity for reflexivity is called for (Johnson & Duberley, 2003). The following three chapters present the empirical data using within-case and between-case analysis to examine and illuminate key network dynamics and processes. Each chapter is primarily focussed as attending to a specific research question, and chapter seven attends to the study’s first research question.

## Making sense of identity, shared language and actions

INSIGHTS FROM ORGANISATIONS, SUPPORT AGENCIES AND COMMISSIONERS

This chapter is the first of three empirical chapters and presents data from the case study with an emphasis upon identity, shared language and actions. Analysis of data generated focuses upon the first emphasis of the conceptual model used to frame network interactions [see sub-section 6.2.1]. The focus was upon those findings that address the first research question:

*RQ1: What are the shared meanings and sense of shared identity, if any, which participants use to make sense of social enterprise?*

The themes of shared meaning and identity are explored using three different analyses. First, different aspects of how participants considered identity are presented. Second, data is presented of how they made sense of identity and actions utilising the social enterprise continuum of options (Dees et al., 2001; Dees & Anderson, 2006). Third, participants' shared language and metaphors used in describing organisations, values and projects are discussed. A key interest is how the terms grants, contracting and commissioning are commonly understood in the networks. Notable similarities and differences in the participants' narratives and drawings are discussed as key patterns from the data which was generated through the process of with-in and cross-case analysis described in chapter five. Finally, a summary of the comparisons between cases and key themes is provided.

### 7.1 Analysis 1: How participants perceived identity

Different aspects of identity were analysed to examine whether participants:

- 1 self-identified/ identified those they work with as social entrepreneurs;
- 2 identified organisations as social enterprises; and
- 3 identified as part of a sector or social movement

The findings are first presented to show the common and divergent themes between members of organisations in networks in the Bradford and Kirklees areas. It then turns to examine patterns in relation to the intermediate support agencies.

### 7.1.1 Views towards being social entrepreneurs

The analysis of data from the exploratory phase indicated identity was a key issue and participants had idealised views. The researcher identified an overwhelming resistance to the label of social entrepreneur in this group. When asked if they call themselves, or would consider themselves to act as a social entrepreneur, seven of the eight Bradford participants replied 'NO' (capitalised to relate the emphatic nature of replies). When asking the Kirklees participants 'do you consider yourself a social entrepreneur?', a similar pattern to Bradford was seen and eleven of the fourteen emphatically stated 'NO'.

#### Pattern 7.1: Do not self-identify as social entrepreneurs

Organisational interviewees appeared to hold fundamental assumptions of social entrepreneurs and the roles they perform with which they do not self-identify. Comments indicated they associated being a social entrepreneur with: working alone, or starting up 'on their own'. They did not think it meant continuing what they were currently doing within the existing organisation.

Resistance to being a social entrepreneur emerged in various comments including: 'too stressful to go it alone', a 'minefield of issues to consider' specifically 'insurance, training, employment rights', not wanting to encourage their staff to 'leave the team to set up businesses as social entrepreneurs'. One participant's view was that he knew of others who had set up as social entrepreneurs and 'felt the quality of their work suffered' as a result.

Interestingly, two participants in Kirklees had perceived themselves as social entrepreneurs and had changed their perceptions. One described how his role changed and according to him, he became 'bogged down' and became an 'administrator' and a 'business planner'. He felt his role had moved away from being creative and putting on 'fun' and 'exciting' projects.

## Pattern 7.2: Different views of leaders & leadership linked to identity

Networking and working in partnership appeared as fundamentally more important to participants than identifying and working as 'heroic' social entrepreneurs. One organisational participant reflected that it was 'difficult to raise your head above the parapet' to disagree with the idealised notion of an heroic leader when advocated and/or described by speakers at conferences and workshops. When asked if he self-identified as a social entrepreneur, this participant reflected:

*Um, well, I do but only to a certain extent. Individuals are important and leaders or leadership is important. The trouble is I think it's just more complicated than that, and it's more variable than that cause the sort of model of leadership that I hold isn't a single coherent one.*

*I think leadership can be expressed in a variety of different ways, and leadership can be that, you know, thrusting, setting the direction and you know punching the air ahead of the staff following you, and all that sort of thing.*

*Yep. That is sometimes appropriate, but so is the sort of peer support, putting yourself in the position of supporting your managers, as their peer, so, a kind of equal relationship and a supportive relationship. I think that is also an aspect of leadership. And also I believe that subordinate leadership is important where you recognize within people greater insight, or greater technical expertise, or just greater motivation to make something happen where the role of the leader is to support that as a subordinate rather than to say that's a great idea I'm going to drive that forward for you. So, I have this ambiguous notion of leadership and believe that different circumstances require different styles. And try, not always successful of course, and try and be able to do all of those things. Yeah. [Laughter]*

Interestingly, the participant acknowledges he does not hold a 'single coherent' view of leadership. In discerning why he does not always self-identify as a social entrepreneur it is his approach to different leadership approaches used in different circumstances. The reflective comment (punctuated with a laugh) may be perceived, as a self-parody of not always being successful in this style of leadership. Interview transcripts repeatedly held reference to the importance of teams, working with internal partners or board members. Like the above participant, the majority of other organisational interviewees had been with their organisations for a long time and some were founder members. Some, but not all, of the participants in this study shared the sardonic quality of the above participant. However, this approach to 'shared leadership' was commonly reported.

The following are comments from two participants attending an interview representing an organisation:

*P2: I might say, you know we could do this, and I'll jot all my ideas down on a piece of paper, and I'll pass it over to you and then it comes back in this wonderfully sensible, laid out thing, that I just do. With all the grammatical corrections! That's how we work*

*P1: Yeah*

*P2: and we probably get more done that way, because that bit I see as the boring bit I would just put off and put off and it would never get done. And you would never do the other bits because it is too much out of your comfort zone.*

By working in partnership, these participants identified they complemented one another suggesting the potential for more creative ideas and putting those ideas on paper than of one working alone. Moreover, they described working as a team offers each an 'ally'. Nearly a third [six of the nineteen] of the organisations in this study had two people working as equal partners. The others reported strong cultures of team working and spoke of the need to retain the 'core group' of senior members of staff, or of working closely with another partner in the organisation, wider team members or board members.

### 7.1.2 Views towards being social enterprises

There were different meanings and views expressed of social enterprise. One organisational participant highlighted a difference between the voluntary sector and local authority support for social enterprise:

*What I think tends to happen is the local authority seems to do their own take on social enterprise, business enterprise units and all this sort of stuff and they just do it completely separately to everybody else. And their take on enterprise, the local authorities take is completely different to voluntary sector and community sector's take on it. So they'll develop business units and they'll put up a business enterprise park or whatever; whereas, they won't even think about the voluntary sector. So, I think social enterprise where you are developing projects and initiatives where it's about people rather than about nuts and bolts, which may be business enterprise, and there is less support. It is more talk and if you wanted to start a business enterprise where you were developing a new product, and you were selling physical things there is more help.*

Representative of SE-VCO 12

The implication of this difference in meanings is forms of support to develop social enterprise are seen as not considering the voluntary sector and what they do.

Support workers interviewed referred to the DTA and/or OTS social enterprise definitions. There were differences perceived by support workers relating to the two geographic areas in the case study. As indicated, a representative of a Bradford support agency identified all Bradford organisations as social enterprises. Another interviewee supported this view stating there were a 'large and growing' number of social enterprises in Bradford. However responses varied and an interviewee from a support agency stated that when asking managers of voluntary and community organisations if they are social enterprises, they received very different responses: people either looked 'in horror' or they took it as a 'compliment' or they 'don't care' what they were called.

However, Bradford interviewees representing organisations did not identify as social enterprises but as community organisations or charities (Seanor & Meaton, 2007). When further prompted as to whether they might also be considered as social enterprise, as they had an appropriate legal structure, social aims, social ownership and were changing from grants to taking on contracting relationships with statutory service providers, several emphatically said 'NO'. This indicates that those in the Bradford organisations retained a strong identity as within the voluntary sector. This implies the organisations in the networks continue to hold these practices and ethos rather than those of social enterprise.

The pattern differed in Kirklees and these participants appeared to hold more complex and diverse identities. One stated: 'I think the first thing really is to try to define what it is you are doing it for. So, like social enterprise is, means different things to different people'. Although seventy-eight percent did not self-identify as social entrepreneurs, approximately a third [four out of eleven], of the Kirklees participants agreed that their organisations could be considered as social enterprises. However, when further questioned as to how they marketed or described their organisation to others, only one organisation used the term social enterprise to promote their organisational identity to stakeholders in annual reports, websites or marketing materials. Thus, those describing their organisations as social enterprises appeared only to do so in conversations with others.



Participants representing organisations spoke of the terms social enterprise and social entrepreneur as two separate entities. However, in distinguishing between individual and organisational identity, those who identified their organisations as social enterprises did not see themselves as social entrepreneurs. Nor did it follow that those who saw themselves as social entrepreneurs thought that they led or were part of a social enterprise. Though seemingly contradictory, in one organisation where two participants representing the organisation emphatically denied that the organisation was a social enterprise, they considered themselves as social entrepreneurs.

### Pattern 7.3: Network influencers affected identity

When asked if they described their organisations as social enterprises, key participants within those organisations studied in Kirklees reflected upon when they first heard the term social enterprise. Notably, none of the organisational participants related stories of social enterprise being first introduced within the boundaries of their organisations.

The following excerpt is from another interview between the researcher (R) and two participants (P1 and P2), whom represented their organisation [SE-VCO10], which they identified as a social enterprise:

*R: Can you look back and remember a time when, oh that's where I first bumped into the term social enterprise, or the person who said have you thought about being a social enterprise.*

*P1: I don't know about you, but I think that was just thrown in my face*

*P2: Yeah*

*P1: Well, the term social enterprise, it wasn't something I really knew we were doing. You know, it was something that just came up and people sort of said you're a social enterprise. Are we?*

*P2: That's right. I think I found out about it when I moved into the office at the Media centre, and I was getting all of this advice*

Of note, though the term was initially 'thrown in' their face, the participants had come to adopt this identity in relation to what they were doing.

The next excerpts are from interviewees whom self-identified their organisations as social enterprises [SE-VCO 17 &10 respectively]. The following quotes were in direct response to the question: Do you describe your organisation as a social enterprise?

*Yeah, I suppose we saw ourselves as a social enterprise, but only really because that's what people were calling it. If they were calling it something else then that's what we'd have seen ourselves as really.*

*We were a voluntary/community organisation because that's what people called it then. Then people began talking about social enterprise, and we were like, oh well that's what we do sort of thing, loosely.*

It implies a good enough fit with actions by the above participant qualifying his comment stating 'loosely' and that organisational identity changes as a result of what others are 'calling it'.

#### Pattern 7.4: Social enterprise as an action or a reason for doing

Organisational participants repeatedly stated that the term social enterprise was seen as 'fashionable' and that 'government was pushing their agenda'. A recurring pattern in the narrative of organisational participants was of social enterprise actions, with the term used as a verb. Although the majority of interviewees did not explicitly self-identify as social enterprise as an organisational identity [pattern 7.1], over the course of the interviews many reflected upon social enterprise, as 'that's what we do'. This might be an overly simplistic analysis as it might not be the activity [or what they do] but the reason for doing it that matters. Initially, this pattern appeared supported by a social enterprise support worker [S5], who said the 'actions were those of a social enterprise'. However, she stated:

*people think they aren't doing it, but they are. From the social enterprises across the region we have studied, especially the Community Arts organisations, on average, each had two contracts.*

She equated social enterprise actions to contracts. However, she said there were 'only seven' social enterprises in Kirklees registered with their support agency and reflected this was a lower number than other areas she worked in. This participant acknowledged that organisations in the local area were 'different' from those they worked with across the sub-region, including Bradford, in that people did not identify their organisation solely as a social enterprise. When further prompted, the

participant had no ideas why this was the case. What is highlighted in this study is the contradictory nature of social enterprise identity between support workers and organisational participants and whether organisational participants considered social enterprise actions specifically as contracts or instead associated it with the reason underpinning these actions.

In a separate interview a regional support worker [RA2] offered an insight that Kirklees had a:

*strong voluntary community sector based upon years of experiences in the Learning Partnership.*

For this worker, the strong identity arose from lengthy experiences of working together in a programme - not expressly delivering contracts. Yet, findings indicated Kirklees area participants were more flexible in organisational identity of voluntary organisations compared to those interviewed in Bradford.

Organisational participants offered various reasons why social enterprise did not fit with their 'ways of working':

- A common reason given was that support workers said the organisation was not a social enterprise as it continued to seek grants;
- Three participants reported they were told that the organisation could not act as a social enterprise as it held a charitable status [this differed from other participants who held charitable status and identified their organisational identity as a social enterprise];
- Part of not becoming a social enterprise was that they had a 'strong culture of team working' which they were told by an advisor was not like a social enterprise;
- Advisors said the organisations would need to change legal status to become a social enterprise - these organisations chose not to change legal structures of Companies Limited by Guarantee;
- Concerns arising associating social enterprise with short-term targets and the quality of work being compromised; and

- Concerns arising from the uncertainty of the changing situation and associated these with not wanting to change their organisation to be a social enterprise.

Data indicated contradictory pieces of information communicated within networks voiced by the group of organisational participants, perhaps linked to and indicating their own assumptions as well as those of support workers. Thus, whilst network influencers act to encourage a sense of being a social enterprise, they also seemed to limit the shared notion of social enterprise identity. This suggested that social enterprise was in part being co-constructed based upon interactions with support workers but was subjective and founded upon differing assumptions rather than rhetoric [either government or academic].

#### Pattern 7.5: Different identities held

One interviewee from a mainstream support agency [RA1] noted:

*people need to critically work out what the different meanings are of social enterprise and where they will take you.*

This excerpt acknowledges different meanings of social enterprise. However it appeared assumed that organisations would adopt one identity. Moreover, that people would work out the implications on their own. This however did not appear in practice. Importantly, a single identity was not the result of the network influences but instead the organisational groups presented multi-faceted identities to others in their networks. The term social enterprise was not the sole organisational identity adopted and used as participants described their organisations. Participants repeatedly used multiple terms in the same sentences: charity, social and community enterprise were interchangeably used to encompass how they need to function in changing situations:

*For me, it is just another way in which our charity can function well in a modern day, whether its social enterprise, business enterprise or as community enterprise; they all apply to us.*

This finding might be indicative of changing organisational identity since all commented that ‘social enterprise’ was something experienced more recently in their networks. Other identities included: Arts, Community Arts, Music, Sports, Youth organisation and/or Creative industries, indicating that the sub-sectors these

organisations worked within were equally, if not more important identities for describing themselves to others than the terms social enterprise or social entrepreneur.

#### Pattern 7.6: Size and maturity affected identity & access to resources

This pattern is linked to the finding that network influencers, especially support workers, play a key part in social enterprise networks. Whereas the focus has been upon organisational participants and support workers, this pattern also considers the views of commissioners.

The interviewees from organisations in the study all acknowledged they needed different forms of support - financial as well as social - from smaller or start-up organisations and that this form of support was not recognised or offered by local intermediary agencies. Support was referred to as 'front end' development of social enterprise - meaning support was focussed upon business and marketing plans and start-up organisations. Organisational participants identified a gap in support offered and some form of organisational development 'trouble-shooting' was needed 'to see them through the difficult bits'. One reflected:

*I think the majority of the support available, for social enterprises, is a bit one dimensional and so much more appropriate for new, or relatively new, enterprises than for one the age and size of ours.*

A two-tier support system was repeatedly described: support and training was focussed upon 'start-up' information for smaller organisations/newly formed, while larger and more mature organisations felt they were perceived as not 'needing' support and as being in a 'better position to contract' than smaller organisations.

This is a nuanced pattern, as on the one hand, the organisations were perceived to be larger and more mature than many voluntary organisations in the area. On the other hand, these larger and more mature organisations were still considerably smaller than local authority or other commissioning agencies, with which they interacted. Notably, one participant referred to the duality of their organisation as a 'large-small' organisation. This situation appeared to create a division between the social organisations, the support providers and the commissioning agencies.

The organisational participants often reported that support workers saw their organisations as ‘too big’ or ‘too experienced’ to access support offered, when dealing with commissioners, the same organisations were perceived as too small. The group of commissioning agents [CA1,2,3] supported this view and all commented that smaller organisations proved more ‘challenging’ and whilst they worked with these organisations they were often not the focus of work. One [CA1] said he did not work with the smaller organisations, as their agency did not have the resources to offer the support to build the capacity these sized organisations often needed.

At an observed networking event, support workers referred to organisations as being ‘vulnerable’. Changes were occurring in how services were resourced, but speakers voiced that a ‘transition phase’ was not well acknowledged by government and infrastructure agencies. At another of the observed network events, a commissioner [CA3] commented ‘there is a long way to go’ in the process of developing contracting arrangements between the voluntary community and public sectors and that ‘flexibility’ does not exist in commissioning voluntary and community organisations. Two points were stated:

- 1 there was an environment of ‘prescribed management approach’ from the public sector; and
- 2 little resources were available for supporting organisations in transition.

As such the size and maturity of the organisations in this study proved potentially problematic and left them being perceived as too small or too large.

### 7.1.3 Views of a social enterprise sector or social movement

The question of a social enterprise sector or movement was not asked in the exploratory phase; hence findings relate only to the main interviews conducted in Kirklees. These organisational participants opinions were contradictory in response to whether the group of organisations and agencies could be consider as a distinct local sector:

*No .... I think the notion of sector is almost only valuable in terms of broad government and public sector strategy. I think when you really get down to it there ain't a sector there; there's a diversity of different activities.*

However, he perceived the potential value of a sector is informing public sector strategy and not the ‘messier’ operational activities. However, the ability of government to gain the different views and to ‘talk to the sector’ is not seen to occur but rather the views of particular agencies [partnerships and CVS] were perceived as the voice of the sector. The following separate excerpts from three Kirklees interviewees representing the coded organisations in response to the question ‘is there a social enterprise sector?’, captured this:

*SE-VCO 12: Ahhh. Not in Huddersfield I don't think. There's organisations out there that call themselves social enterprise; [named organisation] call themselves a social enterprise. When they wanna, if the cap fits. [a second named organisation] call themselves a social enterprise when it suits, generally when there's some money attached to it. And, I don't know really.*

*SE-VCO 17: There is a sector because obviously there is money associated with it, so its kind of a Catch 22 in that there is money thrown at it, it has developed a sector. But it wasn't there before the money was there, I don't think. These organisations were operating as voluntary community organisations, which is what the standard model was at the time, you know 10 years ago or whatever. That's what they adopted, company limited by guarantee. We will do this, this and this. And now because grant funding is drying up, or what ever, becoming more and more difficult to get hold of. Organisations are basically being forced to look into more business-like ways of operating now. If it was an idea that was never really business viable in the first place, you're kind of shafted really. So, there is a sector because the funding that has been thrown at it has developed one.*

*SE-VCO 13: It is absolutely, probably there, but we don't know*

Interestingly, the impression being that the local sector, if there was one, was not perceived to arise from organisations seeking new ways of working together. There is an acknowledgement that the ‘standard model’ was voluntary community organisation and that this situation was changing. The driver of a sectoral identity appeared in response to the changes to grant funding and the lack of money. Organisational participants commented that though other organisations were calling themselves social enterprise, this was perceived as ‘when it suits’ in order to access resources or ‘to keep one’s finger in the sort of Government’s strategy pie’. The second excerpt highlighted that social enterprise is not a proactive choice but instead organisations were being ‘forced to look’. The terms ‘look’ and ‘consider’ were commonly repeated and indicated that these more business-like

ways of operating had yet to be adopted and acted upon. The final excerpt changing from absolute to not knowing highlights the uncertain nature for most of the organisational participants.

In response to the question 'Do you think social enterprise could be described as a social enterprise movement', the majority [9 of the 11] did not specifically identify as part of a social enterprise movement although interviewees recognised their organisations as part of a larger group going through similar changes. One said, he did not think of social enterprise as a movement as he had gone to local social enterprise events and felt no 'kinship' with the others [SE-VCO14]. Of the two that did identify as part of social enterprise movement one said they were 'rebels' [SE-VCO 10] and the other [SE-VCO 17] said:

*I don't know but those sort of high level visionary people who are all sort of sat there in big, swanky offices talking about social movements and stuff. Really it's about supporting people on the ground. And I think a lot of capacity is taken up, capacity is taken away from delivery by people wrangling over what the nature of the beast is ...*

Having begun by responding there was definitely a social enterprise social movement, the above participant qualified his answer. Wider economic and social impacts were considered. However, these were conceived as associated with either a social enterprise movement or a community social movement. The concern was not with identity but with how action occurred. He expressed that 'wrangling over the nature of the beast' takes capacity away from project delivery. The important factor for this participant, which reflected those of others, was of 'delivering more' and meeting 'the needs of the community' and 'supporting people on the ground'.

### Support workers' views of a social enterprise sector or movement

This aspect of identity as a sector or a social movement divided the support workers. Whereas, there was more certainty in this group, compared to the group of organisational participants, there was a mixed response to the nature of the movement being positive or negative. In response to being asked if there was a local social enterprise network, nine of the fourteen support workers not only said yes but also identified themselves as being part of a social enterprise sector.



Two of the participants from support agencies spoke positively of a social enterprise movement and identified themselves as part of one [S5 & 9]. Of note, neither used the term social movement in describing their work to others. As one pointed out [S9], it would 'scare off the people you need like Yorkshire Forward and Government Office'. The comment offered the insight that speaking of social movements to mainstream support agencies is perceived as subversive in this network. Thus, network influencers also appear to affect support workers in potentially beneficial and/or adverse ways.

Others, like the following excerpt from an interview with a regional support worker [RA2] perceived the nature of a social movement as negative, specifically in how it was promoted through SEC, development agencies, Business Link and Government:

*Yes there is a movement. It is being seen as the new sexy thing. I don't like it though. You see SEC promoting it and the troops are the development agencies like Business Link. They are all glib about it and they all inhabit the business world. You could see it at VOICE 07. There were four government ministers out for that event. That shows you the importance of social enterprise.*

The imagery used is likened to a military campaign by government; the perception is of these people as part of a 'business world' rather than a social movement working to resist mainstream policies and create positive social change. Another support worker was critical of the approach taken in promoting the local social enterprise sector at a local awards ceremony where 'able bodied men would get up for the awards on behalf of their social firms...and did not take staff or users'. The reference to the male leaders taking credit on behalf of others is associated with the 'old fashioned' approach being used to promote the sector.

The following is another response to whether or not a support participant [S5] described social enterprise as a movement 'That sounds very 70s. What do you mean a movement?'. This quizzical response might reflect the social enterprise analogy of looking forward and she did not consider the use of term social movement as appropriate and seemed to consider social movements as located in the past, rather than being concerned with a subversive nature.

One said they 'try to avoid' definitions of 'sector' and 'movement' as it was not useful in their work with organisations and instead take a 'common sense approach':



- three located their organisations as nearing the middle between market driven and mission driven goals.

This finding implies that they perceive their organisations as equally meeting their social and economic goals, a view that corresponds with the location Dee's identified as occupied by social enterprise hybrids.

- One marked their organisation nearer the market driven end of the spectrum.

The participant reflected the initial social goal was offering social care to black elders, a goal that remains their social mission. However, the organisation found that to financially meet this goal they needed to identify wider market opportunities to win contracts to provide care for elderly people from various ethnic backgrounds living in social housing. In doing so, the participant commented the organisation had moved to meet a market opportunity to meet their social aim.

Fewer than half of those representing organisations [5 of the 11] were hesitant [or refused] to mark a single location on the spectrum. The responses varied but for the majority the continuum was not a useful a tool for representing their goals and concerns. Whilst asking one organisational participant if he had seen the spectrum model, he said he had in business courses at university. However, when asked if he felt it relevant and useful for considering social enterprise he emphatically commented:

*No -*

*I suppose what I think is that the model is just too simplistic, and I'm getting kind of boring because, all I'm repeating is that there are too many ambiguities for it to fit. But I suppose, you know, how I would comment on the model is ... One of the tricks of running a social enterprise successfully is arriving at the compatibility between the two of them [social and economic goals], and using that as your direction. So, they don't exist at opposite ends of a line, but they are there to be used partially and in collaboration with one another. So, it is both the search for market opportunity, for money or sales or investment or whatever, that coincides with the mission sufficiently to, to retain organisational commitment to the mission.*

Ambiguities are central whilst at the same time retaining organisational commitment to the mission was at the crux of his approach. Others provided the following responses to the spectrum.

## Pattern 7.7: Movement, tension and balance between goals

A pattern emerged in analysing visual data; Figure 7.2 is a composite drawing from three separate interviews where participants were unable to place a single mark locating their organisation's position upon the spectrum.

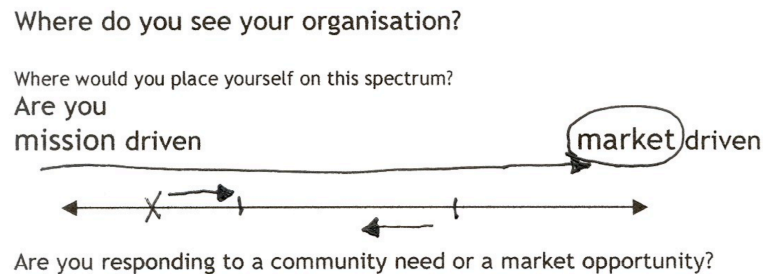


Figure 7.2: Perceived directional changes within organisations

- The top arrow is recreated showing how one participant circled the market goal and drew an arrow to indicate the direction they sought to achieve over time. This action was associated with the struggles in securing grant funding and of their acknowledgment of the need to move towards contracting with statutory service providers.
- The second participant indicated that their organisation had moved between two positions; his drawing is replicated along the line of the spectrum with the X and two arrows facing towards one another. The participant commented that as their organisation moved too far toward a market focus, they needed to change direction and move back towards the mission end of the spectrum.
- The third participant's location, symbolised by two lines on the spectrum, illustrates the location of their organisation as 'culture mostly' as nearer the mission driven end and 'the way we earn income' nearer the market driven end. This included a mix of income streams not simply contracts (Neighbour Renewal grants/lottery/ERDF).

In Figure 7.3, the tensions experienced by another participant are illustrated:

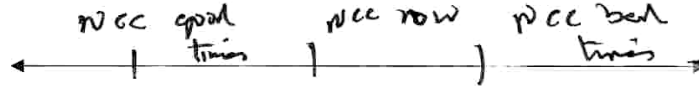
Where do you see your organisation?

Where would you place yourself on this spectrum?

Are you

mission driven

market driven



Are you responding to a community need or a market opportunity?

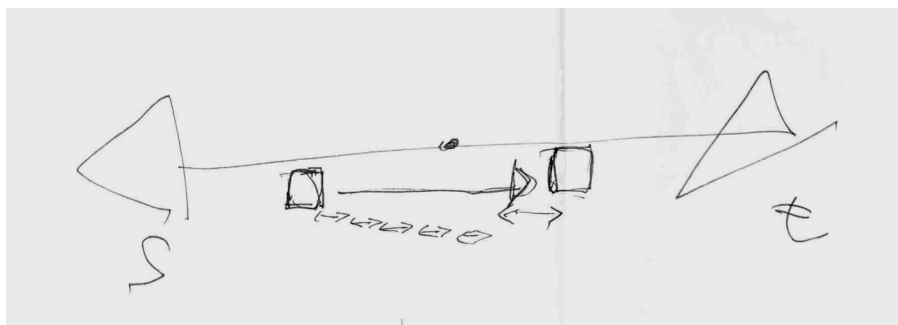
Figure 7.3: Social enterprise spectrum showing good and bad times

According to this participant:

*When times are good we'd be more mission-driven. When times are bad we'd be more market driven. So, at the moment, we're mission stroke market driven, but when profits are good and we can be philosophical and philanthropic then we are more mission-driven. And philanthropy is a really interesting area around what we do and what anybody does really.*

He commented the organisation, 'NCC now' was currently in the middle, and that in the 'good times' the organisation was more secure in their funding and able to 'actively pursue' their social aims. The 'bad times' are described as periods when they concentrate upon their economic goals, 'pull back from networking activities' and the 'promotion of their social aims'.

Drawing 7.1 is a participant's drawing of their experiences as fluctuating within the social enterprise spectrum.



Drawing 7.1: Back and forth movement between goals

Two participants representing their organisation attended this interview and both agreed the organisation moved between two positions, which they symbolised by drawing arrows between boxes. They chose not to interact with the figure

presented and drew their own spectrum. Interestingly, they subtly changed the ends of their spectrum from the figure presented in the interview and drew a (£) to replace market driven and a (s) social for mission driven at the ends of their spectrum. They aimed to move beyond the mid-point (which they marked as a dot on their spectrum) in order to become more financially secure. One drew the first arrow as indicating the movement was from one position to the next; however, the other refuted this process and corrected it by drawing the series of smaller arrows underneath. They both agreed this better represented the process as experiencing a series of backward and forward movements between their goals. These two participants drew another model (Drawing 7.2) to highlight the idea of the process of ‘balance’ in the organisation.



Drawing 7.2: Balance in a social enterprise

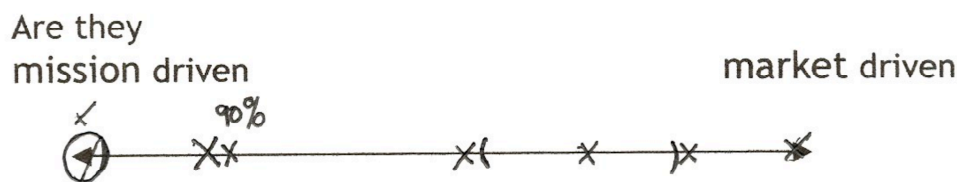
They labelled the social end of the spectrum as representing VCS and drew their social enterprise (se) at a cusp. The desired goal for their organisation was moving (symbolised by the arrow) to the position labelled CN (abbreviation of the organisation). Both stated this related to the need to become more financially secure but stressed that they had no intention of moving further to the economic end of the spectrum.

### 7.2.2 Where support workers drew the lines

The question asked of support workers was ‘where would you place the organisations you support on this spectrum?’. These participants predominately described the need for the organisations they supported to change working practices from voluntary sector organisations to those of social enterprise. They perceived these as more ‘business-oriented’ and in the organisations’ long-term interests. Figure 7.4 is a composite showing the range of positions marked by six support participants attending separate interviews.

Where do you see the social enterprises you work with?

Where would you place the organisations you support on this spectrum?



Are they responding to a community need or a market opportunity?

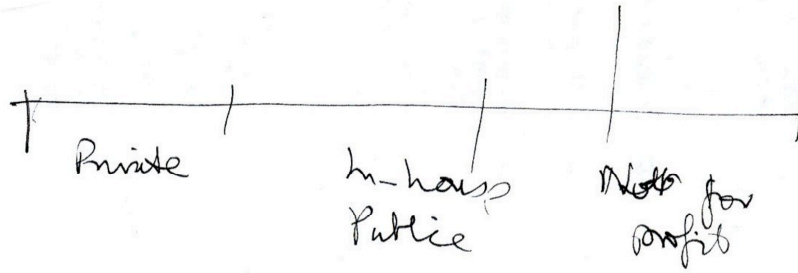
Figure 7.4: Positions locating organisations supported

- Three located the organisations they assisted as being situated on or near the mission driven end of the spectrum: one circled the arrow indicating organisations were at the very end of mission driven end of the spectrum and also marked a cross above this, one marked a cross and another marked a cross and annotated the spectrum to note that 90% of their clients are mission driven.
- One marked the organisations they support as located directly between market and mission driven.
- Another drew brackets to indicate the range of locations of the organisations they support; the bracketed area is in the market driven end of the spectrum.
- One marked XXXs to locate those supported as at the market driven end of the spectrum, with one cross being at the very end of the spectrum.

However, one support worker said:

*The line implies you're more of one and less of the other. There is not enough depth - it doesn't say enough. It is a long line: it is like you either go one way along the line, or you go back along the line. You don't ever fit in a place.*

Another support worker commented that instead of a thin line, the continuum needed to have 'a big smudgy broad messy line' to represent the diversity of organisations and projects. This participant supplemented the spectrum and drew a spectrum (drawing 7.3) showing public service provision.



Drawing 7.3: One view of the spectrum of statutory service provision

Her drawing represents the view that the traditional public sector no longer exists:

*every bit of the council procurement works on this variable continuum.  
It isn't simply moving into a clear statutory area.*

She suggested there was not a single 'discrete' public service area and instead a situation has developed where private businesses provide some public services. This she located at one end of the spectrum. 'In-house public' services she reflected are what many would consider the 'traditional' public sector. Not-for-profit organisations now also deliver these services that she locates at the other end of the spectrum from private business providers. Interestingly, this support worker, who described her role as promoting third sector and social enterprise development across the region, did not specify social enterprise on her spectrum.

One support participant reflected that the model would be:

*great to use to ask organisations where they see their missions and from there where they identify opportunities.*

Other support workers linked social missions to opportunity recognition; however, as highlighted, not all participants interacted with the spectrum. For instance, participants representing a support agency chose not to mark the spectrum and stated that the spectrum was not useful for considering social enterprise development. According to the participants from this agency [S3] the two ends should not be positioned on one continuum; unlike Dees and Anderson (2006) they saw no 'shades of grey' between social and economic objectives. They indicated that charities are mission driven and those that are market driven are social enterprises.



## Pattern 7.8: Supporting third sector or social enterprise

The discussion turns to how participants considered their wider networks and what influenced this thinking. Differences emerged in this group of support workers with ‘third sector’ or ‘generic’ workers appearing more sceptical of social enterprise and ‘mainstream’ support workers promoting the concept. The terms generic and mainstream, as used by an organisational participant to discern those workers from third sector intermediary agencies like CVSs and/or those specifically supporting charities compared to Business Link advisors, are adopted to compare the grouping of support workers.

Interviewees were asked to identify who the key agencies in networks responsible for taking the lead for developing social enterprise and/or voluntary organisations. Yorkshire Forward, the Regional Development Agency, were commonly reported as needing to take the ‘lead role’ and to concentrate upon the support and development of organisations specifically seeking to become social enterprises. The support needs of other organisations, those within the third sector, especially those reported as not self-identifying as social enterprises, were repeatedly described as separate from social enterprise and as the remit of the Yorkshire and Humber Regional Forum.

Support workers had significantly different views of which sector they focussed their efforts upon. One support worker described the voluntary and community sector as ‘a fertile hunting group’ for finding social enterprises. The benefits of seeking to transform these types of organisations appeared linked to their perceived good communications networks. Support workers repeatedly commented that to create new organisations would be extremely difficult as existing organisations had benefited from SRB and European funding, which were no longer available, as well as having the benefits of time and experience. In contrast, another said he supported:

*social enterprises, but not third sector organisations or voluntary organisations that were simply seeking to gain service level agreements.*

Support worker [representative of S2]

Another support worker [representative of S5] was seeking ‘untapped’ areas, by:

*trying to move out of the voluntary and community sector. I’m targeting much more of my work towards the private sector. Not businesses with shareholders, which is a fantasy, but individuals, those forty plus in age who want to start a social business.*

Mainstream support workers described third sector intermediate agencies as having a ‘resistance’ to social enterprise, and reported not working closely with those representing third sector infrastructure agencies [data further discussed in chapter 8]. Noteworthy, at a networking event arranged by a local CVS, the organiser complained that the mainstream support provider had not been in communication, nor attended but instead sent a banner to be set-up to advertise their support agency. Another support worker [RA2] reflected that she heard ‘formally and informally about the voluntary and community sector being a pain in the butt’:

*The relationships are difficult and it is from the culture differences. I could caricature it as the difference between the well meaning, badly organised, rather backward looking community sector that doesn’t like the modernization agenda or the pace of change that is constantly accelerating. The voluntary community sector finds this very difficult.*

*Whereas the social enterprise sector is all gung-ho and tra-la-la-la and it loves modernization. It talks the talk and wears a suit most often, even the women. It is almost that obvious, the split between older, not so well dressed people looking backwards, and younger, better-dressed social enterprises looking forwards.*

This story depicts significant differences between these two groups especially with regards to being forward/backward looking. Mainstream support participants repeatedly spoke in terms of social enterprise being ‘forward looking’ and one described WYSELink advisors as ‘more forward thinking’ than other support workers as they have an understanding of the private sector. A comment from another support worker summarizes those of others in the study that the two approaches are ‘not only far apart, they are looking in opposite directions so can’t see one another’. One support worker [representing S5] described a training session for support workers facilitated by the Regional Forum:

*There was a large board with tramlines and you had a station. It was all a bit Arty-farty. And they gave the problem. And I said right, you’ve got your problem, so you know what your need is. You put a social enterprise on the board, as a station, and a tramline connecting the two, and you have your answer.*

*And they all went no, no, no, not a social enterprise. So, that was taken off the board. And they came up with about fifty-two different stations and you had to do this, this and this. They started with community consultation. Well, OK, I agree with that, but then you had to think about asking somebody else. Then you went and got a grant, and then you did this, and the other.*

*And I just thought, I did it in two stations.*

As this participant stated there is a:

*them and us mentality; they focus on the social and we focus on enterprise.*

However, it appears a more fundamental division than enterprise and social and implies differences in attitudes in dealing with complexity. The excerpt above is of handling complex situations and that social enterprise, as a solution symbolised by two stations on a train line to reach a destination, was assumed as better than numerous interactions presented by other support non-mainstream agencies. According to a development worker representing a regional third sector agency:

*The sector appears very positive. The social enterprise events are quasi-religious, like a religious fundamentalism. I look around and people are going glazed eyed and saying I believe, I believe, I testify. And it is based on a sort of belief set, which is the individual can succeed, and creativity, and we can do it.*

*That energy is great, but it only takes you so far. That's only half the story. At the heart that is undermining it for me; they don't appear to understand the complexities. It is hard to work in this field and people like Yorkshire Forward and WYSELink don't even want to understand it's hard.*

It is noticeable that support agencies are not homogenous but took distinctly opposite approaches to identifying and offering support to organisations and how perceiving problems. Different frameworks appeared to underlie support workers decisions to work with different clients based upon their identity and experiences of different organisational cultures. There was a general divide between how organisations were described as either being part of a social enterprise sector, or not. The latter were perceived as part of the third sector. Related to this pattern, the language differed in descriptions of these two different groups -generally, social enterprise was seen as forward thinking versus the Third sector being backwards thinking. With these distinctions identified as characterising the social enterprise verses third sector, and complexity verses a 'can do' attitude, the section turns to the use of language.

### 7.3 Analysis 3: Language, metaphors and stories

At this point in the interpretive analysis, it was apparent the use of language, meanings, metaphors and images differed. Those in or supporting social enterprises were repeatedly described as ‘talking the talk’. This phrase describes how those seen as social enterprise participants used business language and spoke of it to enrol others in a certain model for change. Interestingly, the language of business plans appears to have preceded their experiences of social enterprise, as they had needed to adopt this language and tools when applying for larger-sized grants, especially from lottery providers. Thus, the practice of voluntary organisations adopting business plans might be better attributed to the Big Lottery than social enterprise, as one interviewee stated ‘where the Big Lottery goes others followed’. At a network event arranged by a voluntary and community sector intermediate support agency, none of the presenters used the term social enterprise. One interviewee commented that she did not want to narrow the terminology to the usage of ‘social enterprise’:

*Within this new environment, or new world, what are the issues people need to be aware of. To do my work to develop the voluntary sector I'm very happy to follow the lead of the Office of the Third Sector, and use 'third sector' terminology. It fudges that big continuum, but in a way I find really helpful.*

In contrast, the mainstream support agencies in interviews and at observed events exclusively used the term social enterprise. Three participants representing mainstream support agencies in separate interviews stated that they did not agree with those who chose to describe a ‘wider third sector’.

#### 7.3.1 Resistance to change or encouraging movement

Analysis of data identified two different recurring narratives in ways different groups, (particularly organisational participants and support workers), discussed change. Organisational participants predominately described resistance to change. One participant [SE-VCO4] reported:

*expanding in response to chronic lack of childcare support in the area ... and there was an initial resistance to growth and change from parents and board members that [the organisation] would drift from focus of offering support to lone/single parents...[the organisation was now] open to all children, not solely those from single parent households. There is still great caution regarding development.*

Another interviewee who reported that the organisation [SE-VCO 14] was originally founded to focus upon the needs of the Afro-Caribbean community and had changed to include provide services for other communities of need. Though now perceived as a positive development, this change had initially been met with resistance by the board. These changes appeared to arise from contracts and grants rather than the philanthropic desire to serve a wider community. Though interviewees identified the existence of caution, none thought their organisations had ‘drifted’ from their missions. Instead most believed that by incorporating a wider group of users and/or services they were able to continue with their mission for the initial community of need.

The pattern emergent from analysis of support workers used analogies of motion, momentum and mechanical movement relating to their work. Table 7.1 lists phrases from support workers that support thematic analysis.

Table 7.1: Motion analogies voiced by support workers
<i>keeping social enterprises going</i>
<i>moving them on</i>
<i>a way of doing business that was gaining momentum</i>
<i>moving groups towards the business end</i>
<i>How else can we exist if we don't move towards the market?</i>
<i>I like the can-do attitude and moving forward</i>
<i>social enterprise was the only route to sustainability</i>
<i>trying to turn them on to social enterprise. It's like turning the oil tanker</i>
<i>I hope people see I've got the oilcan and am hoping to go around making it easier for them.</i>

The pattern illustrated in Table 7.1 was that support workers perceived a positive aspect in their role of moving organisations towards social enterprise. To show this pattern in context, the following two quotes are from support workers describing their role as moving voluntary and community organisations towards social enterprise:

*part of my job is to move the organisations towards the goal of creating economic value, rather than focussing upon social value*

support worker, mainstream support agency

In a document, one mainstream support agency states that it works with organisations that ‘wish to move away from grant dependency’ (SEL, undated p.5).

*Most [organisations] will be nearer the mark at the mission driven end ... Over time many want the sector to move towards the other end of the spectrum.*

support worker, mainstream sub-regional support agency

However, one support worker stated organisations ‘might feel they were being pushed’ into social enterprise.

### 7.3.2 Equivocality: same words - different meanings

At a networking event, a support worker announced the Government was a ‘driver of change’ to the voluntary and community sector and emphasised this change was affected at local levels through interactions in commissioning, procurement and contracting. Another support worker presented the following information at a different networking event:

*Whatever the ‘driver for change’ we are in the current position where **commissioning, procurement, and contracting** is the main way the sector will be funded and we as a sector have to find a way of dealing with it.*

VAK, 2006, unpaginated - emphasis added

This Kirklees networking event was organised specifically to provide information about contracting and commissioning to the local network. A speaker from the local authority described her role as developing procurement and commissioning procedures. Of note she said there were ‘massive changes in the service departments’ that were ‘trickling down’ to interactions with organisations seeking to deliver public services. Medium-sized organisations, including many of those interviewed, in the Kirklees area were:

*increasingly expected to engage in contracting, commissioning and strategic planning while rarely having adequate resources to do so.*

VYONk, 2006, p.7

The document associates the key problem as a mismatch between expectations of public services and lack of resources for organisations. In addition, organisational participants and support workers appeared to agree they were ‘speaking a different language’. This analogy was used in reference to the variety of agencies they were attempting to work in partnership with:

- the third sector spoke a different language from the local authority;
- the local authority in relation to working with representatives on the LSP of the police, PCT and Health;
- the voluntary and community sector and the local authorities; and
- third sector and mainstream support workers.

Yet, a pattern identified was that participants repeatedly used the words: **Grants, contracts and commissioning**. Data from interviewees and reports highlighted the importance of the interpretations of these terms and interactions between the third and public sectors as well as between statutory providers as commissioners. These groups were speaking the same language, but there were multiple versions of what the terms meant and people had different understandings as to the meanings. Organisational participants used the terms interchangeably and underpinned these different terms with processes of accountability. Some used the terms to discuss major changes, though different and contradictory usages emerged, whilst others perceived no change in processes. Table 7.2 offers a comparison of narratives.

**Table 7.2: A comparison of narratives**

Theme: differences in understandings of grants, contracts, commissioning	
Organisational participants	'you get a certain amount of money to deliver on a certain amount of outputs and that's it. And you're accountable if it's a grant, doubly so if it's like European funding'.
Support workers: interviewees	'the move from local authority grants to contracts is all smoke and mirrors. They're (local authority) saying you now have a contract go away and deliver what you've always done'.
Support worker: reports	<ul style="list-style-type: none"> <li>- Marketing materials for one observed event described commissioning as 'the only game in town - or just grants with a different name?'</li> <li>- A report (VAK, 2007) presented at a networking event highlighted that the public sector's usage of the term commissioning was 'significantly different' from that of the third sector.</li> <li>- In another document the different words were used interchangeably to mean the same thing 'a grant or a contract, it is the same thing' (VYONk 2006, p.7).</li> </ul>
Commissioners: interviewees	<ul style="list-style-type: none"> <li>- 'commissioning is different from a contract'</li> <li>- 'In an attempt to clarify the understanding of the term 'commissioning', the local authority promoted 2 uses of the word:               <ol style="list-style-type: none"> <li>1 'asking an organisation to do a specific piece of work'</li> <li>2 'the whole process of identifying needs, priorities, services and gaps and deciding how all the resources should be allocated to meeting the needs and achieving objectives'.</li> </ol> </li> <li>- There are 3 levels of decision-making in commissioning with the public sector: 'strategic', 'operational' and 'individual'.</li> <li>- it as a 'window of opportunity' where organisations could 'influence' welfare service development as part of a corporate review being planned.</li> </ul>
Commissioning: reports	<p>'There has been much discussion about what is meant by 'commissioning' and there are many definitions and approaches to it. There are already well-developed definitions and understandings in the health and social care arenas and some parts of education service have begun to develop practice in this area' [Kirklees Joint Commissioning draft framework, Mar 2006].</p> <p>'... a continuous cycle though has a number of discrete steps: findings what people need; reviewing service provision; deciding priorities; designing services; managing demand; managing performance; seeking views of the public' [Kirklees Partnership 2007].</p>

Reports highlighted different usages of the terms and participants were discussing and defining what they meant by these terms to others. Of note, the realization that there were different and contradictory meanings was just occurring for some participants within these networks.

## 7.4 Summary of findings

This chapter has presented descriptive accounts to address the first research question and explored the complex ways that participants construct identity and use language. Patterns 7.1-7.8 highlighted that identity and shared language were important factors as they were linked to how participants consider social enterprise and undertake actions. The key argument is that contemporary practice is developing meanings for social enterprise at local levels. However, where there



were some shared identity and meanings between organisational participants, support workers and commissioners, there were also significant differences. The following patterns emerged from the comparison within and between groups:

- There are different meanings of social enterprise and notions of social enterprise, and the social enterprise sector and movement are complex. Organisational participants spoke with less certainty of a local social enterprise sector than support workers. Organisational participants spoke of prior strong associations to being part of the voluntary sector and delivering work on the ground. They also commented there were a 'diversity of different activities', which suggesting a grouping too broad to have 'shared values' or 'common identity'. Hence there appeared confusion as to which aspects of that prior identity they could carry into a notion of a social enterprise sector or movement.
- Size of organisation is a factor. The issue of size is pertinent for access to support and contracts. Thus, from the perspective of organisational participants, support workers' and commissioners' perceptions of larger size and maturity is an important factor in organisational identity and access (or lack of it) to support and/or resources from intermediate agencies.

The groups differed most in relation to:

- Support workers spoke of their work in terms of government definitions, but none of the organisational participants referred to the DTA or any other agency's definition; and
- Linked to this finding, identity was strongly linked to actions and/or seen as the reason for taking actions. The term social enterprise was more often expressed as a verb than a noun or organisation identity. However, support workers appeared to use it especially in terms of a product and a contract - an activity of delivering products [outputs] for welfare services as part of contractual agreements. However, this pattern has contradictory aspects as an underlying assumption emerged of organisational participants not perceiving what they did as a 'proper job' or being a 'proper social enterprise'.
- Analysis of data from interviews indicated that organisational participants valued their teams rather than identifying as 'heroic' leaders [Pattern 7.2]. In contrast, many support workers perceived heroic leaders to be crucial to social

enterprise and focussed their work with these individuals. Some only worked with individuals who self-identified as social entrepreneurs. This finding links to the pattern 7.8 linking perceived identity with where support workers focussed their attentions.

- Organisational participants identified movement and tensions in their activities while support workers marks indicated they perceived a more static location for the organisations they support. One support worker commented that social enterprise was not a 'fixed position' but one of 'striking a balance'. He suggested that at times organisations will move further away from their social aims in meeting economic goals, and then they will redress the balance. However, this view continued to see social enterprise as in balance as opposed to organisational participants whom indicated complexity, movement and tensions.

Support workers agreed that there were either a sector and/or movement, but differences emerged within the group of support workers:

- Opposing views of a social enterprise movement with some seeing the term as positive and others as negative; those seeing the notion of a social movement as positive was in itself not voiced as others in the network might not support their work if they are seen to advocate such views; and
- Opposing views of supporting third sector or social enterprise.

These findings and insights into practice will be discussed in context to the literatures in chapter ten. The next chapter examines how participants select, negotiate and make sense of information and if, and how, they seek to create alternative social spaces.

## Insightful reflections on network dynamics

### DIFFERENT VIEWS OF HOW SE IDENTITY RELATES TO ACTIONS

This chapter presents the empirical data from the case study with an emphasis upon the processes selection, negotiation and creating alternative social spaces [see figure 6.3, sub-section 6.2.2]. The focus was upon those findings that address the second research question:

*RQ2* How are these [*shared language and identity*] related to actions?

The themes linking language and identity to actions are presented in this chapter, which is structured within three different analyses. First, network configurations are drawn in an attempt to understand how participants describe structure. Second, since different views are central to this emphasis, key patterns of how participants discussed relationship dynamics and processes are presented. Continuity and discontinuity in practice are presented as some ideas will be perceived as relevant and acted upon and others are over-looked, ignored or rejected. Third, participants' drawings of where they position their organisations in relation to the public and private sectors, including negotiation, opportunities and threats are examined. Finally, a summary of the comparisons between and within cases and key themes together with insights is provided.

#### 8.1 Analysis 1: Differences in descriptions of network interactions

The research explored the notion that contexts differ (Steyaert & Landstrom, 2011) and offer varying potentials for supporting the development and enacting social enterprise. Participants stated being 'good networkers' contributed to the success of their organisation and projects. As the two phases of interviews were conducted in two different geographic areas, at different times, each will be considered in turn.

##### 8.1.1 Organisational views

The data from Bradford organisational representatives are first presented. Table 8.1 illustrates the key network contacts they identified. Data was coded and the

eight Bradford organisations are listed in columns with key contacts listed in rows. Data is arranged as an ‘organisations-by-support matrix’ (White, 2002) including intermediate support agencies, wider agencies and peers.

Table 8.1: Bradford organisational key network contacts								
Contacts	Organisations							
	SE-VCO7	SE-VCO8	SE-VO2	SE-VCO3	SE-VCO5	SE-VCO6	SE-VCO1	SE-VCO4
WYSElink			√				√	
Business in the Community				√		√		
Council Community Services		√					√	√
Council Youth Services	√			√			√	
Council Social Services				√				√
Council for Voluntary Services	√			√		√	√	
Local Strategic Partnership: BradfordVision	√	√						
West Yorkshire Community Accountancy Service	√							
Consultants		√		√	√		√	
Board members	√	√	√					
Local elected councillors		√						
Yorkshire Forward			√					
Sure Start	√	√				√		√
Primary Care Trust & health visitors					√	√		
Local Fora (e.g. Anti-social behaviour, Voluntary Youth Organisation Network)	√	√						
YMCA				√				
JobCentre Plus					√			
Customer 1st			√					
Local schools	√			√		√		
College	√	√		√		√	√	
Local VCOs/ other SEs				√	√	√		√
Se-VCO 1								
Se-VCO 2								
Se-VCO 3								
Se-VCO 4								
Se-VCO 5								
Se-VCO 6								
Se-VCO 7								
Se-VCO 8								

By tabulating the information, a composite picture is presented indicating the following key findings:

- organisational participants accessed resources from multiple agencies [5 accessed support from more than 6 different agencies]. Only 2 organisations accessed support from WYSELink [the mainstream social enterprise provider associated with BusinessLink]. One implication being organisational participants

receive different information and importantly the various intermediate agencies have different agendas; and

- In the Bradford networks relations were dominated by interactions with officers in local support agencies and those interviewed representing Bradford organisations conceptualised networks primarily as linked to support and advice.

This situation might have occurred in response to various local contextual issues, but it suggests that organisations are linked to and reliant upon support agencies to access information and resources. This shows a pattern of reliance upon vertical relationships with larger intermediary agencies (Alcock, 2010) as opposed to a mix of horizontal inter-organisational relationships. Though networking was seen as key, only two were active on local fora, indicating lack of formal networking interactions. In addition, these were not specific social enterprise networks. Four listed one or two local organisations or social enterprises as key contacts but none referred to another in the case study. As the voluntary community sector is perceived to work co-operatively and in partnership with one another (NCVO, 2008), it is noteworthy that data from interviews indicated little networking activities with peers in the Bradford area. This might reflect the sampling procedure [see chapter 5 for details] but is supported by a Bradford participant attending a social enterprise network event who stated that there appeared to be an assumption that those attending all know one another, when in fact he and his colleague did not know of others operating within their own community.

The majority of Kirklees participants also reported being active in networking and that networking was important for different reasons. One perceived the nature of relationships in networks as changing and in the past good relations were related to knowing sources of funding and ‘people have put things your way’ now:

*That’s not happening and so good relationships are needed. It’s a contact around what they’re doing [public service deliverers], how we can help, all that sort of stuff, and see what happens.*

*But then there are other local deliverers ... doing similar basic skills support work to what we do and which we can help them with....*

*And then link to ... [others] that we wouldn’t necessarily have done a lot of work with in the past but we are doing more of it now, because we need to demonstrate togetherness.*

Organisational participant [representing SE-VCO 12]

This excerpt offers a context for how in the past interacts were primarily with funders. This situation might be similar to the pattern indicated in the exploratory phase of the study conducted in Bradford. Over time, networking changed to look to work with known peers in other organisations doing similar work followed by networking with organisations not worked with previously notably as there is a perceived ‘need to demonstrate togetherness’. Table 8.2 summarises the key contacts as listed by Kirklees organisational participants. The information is presented differently from the Bradford network (see Table 8.1) to emphasise a different pattern being identified where participants listed their key network contacts as agencies working at local as well as sub-regional, regional and national levels.

Table 8.2: Kirklees organisational key network contacts	
National	ACEVO, NCVO
Regional & Sub-regional	Learning & Skills Council (LSC), Yorkshire Forward & consultants
Local	Service departments of Kirklees Metropolitan Council, Voluntary Youth Organisation Network (VYON), Children’s Fund Prevention Forum, Kirklees Learning Partnership, Voluntary Action Network (VAN), Local Public Service Board (LPSB)
Individuals	Key named individuals acting as representatives of support agencies and elected members of local authority

The picture for Kirklees indicated:

- Participants repeatedly reported 5 key contacts with national, regional and sub-regional intermediary agencies. Two respected third sector intermediaries - Association of Chief Executive Officers in Voluntary Organisations [ACEVO] & National Council for Voluntary Organisations [NCVO] were commonly reported. Contacts were primarily in the form of e-mail circulars and the Internet. Omitted from descriptions were two networks specifically associated with social enterprise and/or voluntary and community sector work force development: Social Enterprise Yorkshire and the Humber [SEYH] and VCS Regional Learning and Skills Group (Regional Forum, 2007,2008).

The findings of Kirklees organisations using the World Wide Web to access information [e.g. templates for business plans, job descriptions, risk assessments] and organisational support from consultants were supported by a local infrastructure report (Icarus, 2008). Notably, and similar to Bradford participants, none listed social enterprise networks as a key contact. One stated:

*NCVO and there is now an emerging infrastructure support push from, well it was from the Home Office, from Government now has this Third Sector department, whatever it is called, and they are helping and providing infrastructure support to do, in our case voluntary sector. It is less geared towards the social enterprise sector, which tends to be stand-alone. Like NCVO will reference social enterprise and it has, it has started to get into developing the models on the website now there is quite, it is getting there, but it's quite new and so its still slightly separate. And the same with going for the sub-regional social enterprise information, and district level where the social enterprise support, as far as guidance and documentation, all of that tends to come from individuals rather than from the organisations - just individuals who know something about social enterprise - and their relationship with the local authorities and with Health aren't yet established I think.*

This quote suggested that infrastructure agencies separated social enterprise from third sector development and that individual relations rather than support agencies which was supported by other interviewees.

- Key individuals rather than agencies were identified as key local network contacts. It was reported by those working with young people that the VYON was better co-ordinated than other networks due to the support worker. When asked to elaborate it was reported as 'more relevant' to their organisations and the 'information relating to policy and contracting was presented and explained in a manner they understood'. This offers an example of how network interactions influence meaning. However, the findings might indicate that some focus upon key individuals rather than see wider networks at play.
- Kirklees participants were active in the local partnership boards in attempts to influence and affect policy; particularly Voluntary Youth Organisation Network (VYON) and Local Public Service Board (LPSB), which are strategic meeting places that influence local decision-making. Notably, none reported being members of local Chamber of Trade suggesting they do not see the benefits of interacting with and/or identify with local businesses.

- Board members were not listed as key contacts for advice and support. This finding supported the decision not to interview board members as key members of these networks. Upon further prompting, weekend residential events with staff and board members were recalled and described as primarily used to discuss mission and objectives. One said it is the time when ‘we evaluate and look at ourselves and to look at our social relevance ... you have to know where you are’ in order to make social changes. Boards were described as filled by ‘long standing’ members and as sources of ‘social balance’; they were not described as offering links to other networks, opportunities or business contacts which one reflected as a ‘stark contrast between the voluntary community and private sectors’.

There were not single networks evidenced in either phase of the case study but there were different patterns in the two geographic areas. In contrast to the Bradford networks, Kirklees participants appeared to form and manage ‘vertical’ and ‘horizontal’ relationships, the latter evidenced by networking with their peers. Horizontal structures of support were seen as encouraged in various capacity building programmes under the ‘builders programmes’ as well as the Big Lottery fund (Alcock, 2010). This might be indicative of the different approach adopted for the second phase of the study [see chapter 5 for details], however. Five of the eleven organisational participants mentioned previous co-ordinated activity on the West Yorkshire Learning Partnership. During the course of the study, six participants began meeting to form an informal consortia; this will be further discussed in chapter nine.

Interviewees spoke of needing to ‘cultivate relationships’ with people within several departments within the local authority and infrastructure agencies. They also highlighted that plans to disband the Learning and Skills Council by 2010 will make local authorities once again responsible for post-sixteen education together with new delivery partner organisations and reflected this meant that existing relationships must be maintained and new relations formed. The need for ‘face-to-face’ relationships was repeated so key people can ‘put a face to a name’ and identify organisations. The nature of relationships was partly of resource mobilisation and organisational participants described ‘purse holders and strategists within large organisations that control large amounts of public funding’ and ‘the sorts of people who take decisions about and administer and negotiate contracts’. However, the need to understand how government policy affected their organisations and key contacts were people ‘to talk things over’ or ‘as a sounding



board’ but not for specific business planning advice, accessing resources or social enterprise support.

### 8.1.2 Descriptions of network from support workers’ perspectives

Support workers offered support based upon different categories. Table 8.3 outlines the different categories of support as identified by three support agencies operating in the area. The table was compiled from information obtained in interviews, documents and network events. The first column is Kirklees Metropolitan Council (KMC), the second category are the ‘clusters’ created by Social Enterprise Link (SEL), Business Link’s specialist support arm, and the last column is the local voluntary action agency, Voluntary Action Kirklees (VAK). These support agencies operate at different geographic levels; SEL offers support across West Yorkshire, KMC works across Kirklees where and VAK works primarily in south Kirklees.

**Table 8.3: Categories of support within Kirklees networks**

KMC categories Size of organisations for Kirklees	SEL categories Clusters for West Yorkshire	VAK categories Clusters for Kirklees
Small	Health & social care (incl. childcare)	Health & Social care
Medium		Childcare
Large	Young people’s service	Young people
	Construction & housing	Housing
	Education & training	Learning & Training
	Community services	Community centres
	Community Arts	Arts & Culture
		Sports & Leisure
	BME	BME
		Volunteering
	Environment & recycling	

By tabulating the information, similarities and differences to the approach to support can be compared. KMC differentiated and offered support based upon organisational size. The others categorised support through types of projects delivered by different organisations. Both practices acknowledge different aspects

of the diverse nature of the sector. To compare the approaches to ‘clustering’ of SEL and VAK, SEL combine support to organisations offering Health and social care together with childcare; VAK considered these as two different groups with different support needs. Both offer support to young people’s services, housing (though SEL include construction in their cluster), education and learning and training, Community Arts as well as Black, minority and ethnic (BME) communities. SEL does not recognize Sports and Leisure or volunteering as categories, whereas, VAK omits a category to support environment and recycling organisations. Similar information as outlined in Table 8.3 was not available for different intermediate agencies in the Bradford network at the time of this research. However, the SEL information is relevant as the agency works in both Kirklees and Bradford.

*There is a clear need to develop sustainable networks amongst social enterprises. There is also a need to further build the capacity of the social enterprise support organisations [SEL, undated, p.9].*

This reference raised two related points: the perceived value of developing networks and the capacity of delivery agencies. The development of social enterprise in the region is reflected in the comments of a regional support worker and his agency’s ‘commitment to social enterprise’ and the desire to be recognized as the ‘leading region’ for social enterprise. He commented that in the Yorkshire and the Humber region a:

*significantly higher amount of their budget (£16 million) specifically to social enterprise support than any of the other regions.*

The regional perspective appeared to differ from the views offered by support participants working at more local levels. Kirklees support workers identified the importance of knowing named individuals in local support agencies:

*People don’t say I get support from an organisation, they name people. Oh, we talked with John, or Val, or Brian.*

This finding supports that for organisational participants and is further supported by a Kirklees network research study (VYONk, 2006, p.10):

*It seems that the most valued support is seen to come from individuals, rather than organisations or structures.*

This reiterates the question of whether or not people see themselves as part of wider networks and it might be argued that some see key individuals.

### 8.1.3 Network descriptions: commissioners' perspectives

The three commissioners in the study had jointly written and submitted an *Invest to Save* bid to HM Treasury on behalf of the Kirklees Civic Partnership. The intention was a pilot programme between the voluntary and public sectors to improve joint working and commissioning by conducting case studies, creating a Learning Academy to look at 'intelligent commissioning' between representatives of voluntary organisations delivering public services and public services and finally to create a 'clearing house' and one point of entry to voluntary organisations and social enterprise seeking to deliver services. In seeking new ways for the public sector to work with the voluntary community sector to deliver services, one stated that the ethos underlying this bid as:

*trying to fundamentally change the relationships between these two groups.*

During the course of the study, the bid was announced to be successful. Commissioners noted they did not know whom to contact:

*From a practical point of view, I wish that some of the infrastructure arrangements around it [social enterprise] would get sorted out. Because for me sitting in the public sector, or for an individual sitting in an organisation, you just get batted around from pillar to post in terms of having that collective voice, or one place that you can go to for support and advice and information. Do you go to Business Link? Do you go to Voluntary Action Kirklees? Do you go to the LSC? Do you go to one of the nationals? Do you go to one of the various intermediaries that have set themselves up as independent organisations? It's a messy kind of field, but I suppose in some ways that shows its maturity.*

The participant associates the number of different support agencies at different levels offering advice as an indicator of maturity. Curiously, although she does not like it, maturity is associated with the 'messiness of the field' and not orderly network arrangements.

#### Pattern 8.1: Fragmentation

Though participants spoke of forming coherent networks of support, a pattern emerged of fragmentation. Fragmentation was perceived as 'problematic', as having 'gaps', and/or 'missing link'. It appeared 'fractured' in nature between support agencies and local organisations, as well as fragmented relations between

support agencies. Table 8.4 provides representative quotations from support workers and commissioners that support analysis of processes.

Table 8.4: Narratives of fragmentation	
support workers not interacting with one another	'divisions', 'isolation', a 'lack of communication' between support agencies and working in 'small, self-selected' networks; 'We don't talk much between the services. I guess there are very few connections and we don't join up information'.
identifying differences and problems rather than common goals	'situation makes it harder to find solutions'; 'Just how do you introduce organisations to one another and come up with good ideas?'

At the time of the study, eleven ChangeUp projects operated locally through the West Yorkshire Local Development Agencies (WYLDA) as networks providing a:

*framework for improving the quality, capacity and sustainability of the infrastructure organisations that support the voluntary and community sector.*

Various agencies and networks operated within the Bradford and Kirklees areas delivering this agenda: Regional CVS network, Social Enterprise Yorkshire and the Humber, Regional Children's Trust and Children's Centre Network support. Some of the support workers interviewed delivered work within these networks and projects. Mainstream support participants did not mention Changeup or Changemakers programmes or named individuals working within these programmes suggesting little or no contact at the local delivery level. As one worker acknowledged, contacts in these local networks and projects were not known. Instead mainstream support participants interviewed cited colleagues in the local authority, Business Link or Yorkshire Forward as key contacts. This data reinforces pattern 7.8.

Kirklees' interviewees commented that new support posts had been put in place, or were being developed, and they did not know the people in these roles. Support workers also highlighted the confusion and uncertainty of not knowing how organisations access support. The following excerpt summarised the lack of understanding of network relationships:

*We do not acknowledge the importance of these informal relationships. People are finding their own pathways through to find the resources they need. And we don't understand these. There is no model, no path to help.*

Support worker [representing S6]

Although stressing the lack of knowledge of pathways in informal relationships, for some participants, like the above, the importance of these paths appeared linked to resource mobilisation. Not all support workers appeared to perceive a need to understand or co-ordinate networks of support. For instance, at one of the observed network events, various funding agencies had displays offering general information to organisational members. The presentations at this event were focussed upon social enterprise. A speaker representing a support agency presented a report and stated that the onus for accessing appropriate support to secure contracts with statutory providers was upon local organisations (WYSEL, 2005).

## Pattern 8.2 Emphasised relations or structural processes

Emergent data indicated that organisational participants emphasised the need to sort out relationships, whereas support workers spoke of the need to develop structural processes. Organisational participants stated there was 'a lot of talk of rigorous systems, plans, etc.' but described it instead as a 'chaotic environment'. This is linked to a significant number of participants' concerns of the poor relationships between the third sector and local authority. All organisational participants spoke of 'difficulties' or 'messy', 'challenging' and 'problematic' relationships with statutory providers they had dealings with, especially local authorities, and of the need to 'sort out relationships'.

Interviewees also commonly used the description of 'gatekeeper' in reference to support agency workers for access to support, information, advice and contracts. This indicates roles in relation to network interactions and relationships, as opposed to specific tasks. In contrast, one commissioner described the 'bedrock' for support was the 'critical friendship' role between the public sector and social enterprises. She spoke of a 'tension' in the role of overseeing contracting, as this role also involved ensuring that organisations would 'survive in order to deliver the public services'.

Support workers similarly advocated a 'split' in the roles to create different 'channels' of information support and resources and the need to have a separate person offering support from the person negotiating the contract to deliver services. One perceived the need to separate the roles of the person offering support in the commissioning process from that of managing contracts. However, at a networking event, one procurement officer advised organisations to be open about difficulties in delivering the contract. He did not see any tensions in doing so and stated difficulties would not be held against them in future contract negotiation. However, as one support worker interviewed posed that by not having a distinction in roles would it be wise (or fool-hardy) for organisations to share confidences with support advisors when they hold both resources of information and/or money.

In interactions involving support, one organisational participant commented, they did not feel they could say they were having problems and were going 'tits up' to the support worker from the support agency, as they had received a wage-subsidy grant for a worker and they needed that worker to continue doing that job in an attempt to get through the crisis. If they mentioned these problems they feared that the funding support would be withdrawn throwing them into 'deeper waters'. The support worker in connection to this extract was also interviewed and told her version of this story. She expressed surprise and upset emotions at not being informed and reflected upon hearing the organisation had gone into liquidation, work colleagues had rung her to offer her their emotional support. This support worker's view differed from others in the study whom reported relations were seen as having a 'complicated history'. For instance, one commissioner reflected upon the history of relations and related a situation where local voluntary organisations had been encouraged to become social enterprises, by which she discussed entering into contracts with the local authority rather than rely upon grant funding. She said that when they 'got to contracting, they [the organisations] were knocked-back'. Examples of why this occurred were: staff in the organisations did not have child protection training, or the organisations did not have Health and Safety policies and practices. She stated that more than this, there seemed a lack of understanding that in order to contract to deliver services they needed to 'meet thresholds' an 'important part in the middle of the process that had not been put into place' and reflected that one incident became a 'political issue as the groups felt they had been picked upon'. Commissioners [CA1,2,3] acknowledged that the

history of relationships between the voluntary and public sector was 'poor'. A commissioner [CA1] stated voluntary organisations had long recognized the need to sort out problems in relations, especially with the local authority, but only a few officers in the local authority perceived this as problematic. He highlighted that 'even the PCT' have begun to say the local authority needs to first resolve problems in relations. He said instead they appeared to focus upon processes and strategic or operational plans.

Various agencies were identified as needing to take a 'proactive' approach to social enterprise development but one support worker said the process was 'stuck at the moment'. Table 8.5 provides representative quotations that support analysis of processes.

Table 8.5: A comparison of narratives		
Theme	Different views	Quotes
Concerns with existing processes	Organisational participants	'I've always worked in the community voluntary sector. So, I don't understand the process in local authority. It is too long. It really winds me up'. 'frustrated by the time and effort', process 'unclear', 'confusing' and to hold a 'huge variety, and disparity in getting contracts'.
Different levels responsible	Regional agency [RA1] thought local authority responsible	'Should step up to the challenge' and 'develop social clauses'
	Local Commissioner [CA2] thought LSC responsible	'although the rhetoric' of the LSC is of involving people they offer large contracts of half a million pounds regionally for all of West Yorkshire and say take it or leave it.
Different purposes and roles needed in coordination	Support worker [S6] 'facilitate collaborative partnerships'	a role for the local Voluntary Action Network
	Support worker [S2] 'a virtual network'	a role of the Social Enterprise Regional Network through the SEYH website
	Support worker [S4] a 'brokerage' service	'with one person sitting in the middle' co-ordinating activities
	Support worker [S9] 'broker' was needed to facilitate a forum	for 'larger organisations with a track record' to meet and talk
	Support worker [CA1] said 'divisions in support roles needed'	'who do they [organisational members] go to, to say we're struggling to deliver the contract. This cannot be the same person as who manages the successful contract and will be involved in deciding to renew that contract'.
	Commissioner [CA3] wanted to know what 'basis are we interacting'	to be a 'clear split' between supporting, enabling, generating ideas and assisting with bidding ... and contract management work and purchase agreements.

As evidenced in Table 8.5 several support workers identified various means of changing the existing processes. Though different ideas were voiced, the common emphasis of support workers and commissioners was upon creating a formal and recognised network structure. Each support participant spoke of the process as once devised everyone would act according. However, different support workers in different agencies had different approaches to enrol others in this aspect of social enterprise.

In comparing the terms used by groups to describe roles, organisational participants used spatial analogies in describing the key support people in their networks. As examples these were people who 'opened doors in the public sector', were 'ambassadors in that foreign land' and who helped participants 'to understand the environment working in'. All are suggestive of someone who guides them on their journey into unknown territory. The perceived roles described by support workers whom summarised the local context where local authority service departments hold control over their annual budgets and described these representatives were 'gatekeepers', 'policemen' and/or 'enablers'. These roles suggest differences in the nature of interactions as some, the enablers, will encourage interactions and the others will have less empowering attitudes to interactions.

Interviewees commented that support workers created hierarchical structures of network support where they were perceived to attempt 'keeping control' and acting as central 'hubs'. An organisational participant recounted a story where a statutory agency invited organisations to discuss what services could be delivered by the local sector. The participant reflected that the support worker representing this agency was 'taking control by co-ordinating all information ... and setting the agenda'. He described afterwards meeting with other attendees and deciding to 'by-pass' this support worker and meet with one another to discuss working together without the 'controlling influence'. This indicated the diverse approaches to network roles and how these enable or control interactions. This finding is supported by one document:

*Networks were not seen as a way of gaining support from others in the network, but perhaps only through the network coordinator or other staff.*

VYONk, 2006, unpaginated



This raises an important point as to whether or not the support workers offering support in the local networks may be acting to link organisations to financial resources, but are not considering other aspects of networks. One implication is that they might be overlooking the vast potential of social enterprise development, and social impact, to be created through diffusion of innovative ideas and the co-ordinated activities of organisations having more control in setting the agenda and working together.

Nor was support offered specifically in facilitating meetings where organisations could meet directly with statutory service providers. Instead, various interviewees highlighted that workers in support agencies were meeting with the key contacts (commissioning and government agencies) and disseminating information. Moreover, Bradford organisational interviewees voiced concerns that networking meetings were not 'open' but instead dominated by support workers. One participant described being invited to a forum, but finding no other organisational representatives in attendance. The interviewee reported not being invited to subsequent network meetings. Two other participants of organisations in the exploratory phase conducted in Bradford said that when reading local reports prepared by statutory agencies their organisations were listed as 'partners' in local networks; however, they had not been invited to, nor attended, these network meetings. From these comments one suggestion is that support workers focus upon offering support to access financial resources rather than providing support in developing wider network contacts. Though beyond the scope of this study, it can be queried at the time of this study to what extent these networking meetings represent wider networks beyond the views of support workers.

As outlined above, there were concerns with existing processes but differences in the purpose, roles and ways to co-ordinate a network as well as the level of responsibility. One commissioner [representing CA2] was concerned that local organisations were unable to tender for large scale contracts, and when she challenged the LSC approach as not supporting the 'ethos' of affecting social changes, she was told 'it is down to local partnerships to sort out the details'. These examples suggest that those in local agencies look to regional agencies to take the lead whilst those at regional levels assume local agencies will sort out the details.

## 8.2 Analysis 2: Similarities & differences in network interactions

Interactions appeared between third sector and mainstream intermediary support agencies and social organisations as well as inter- social organisations co-operation, however. As outlined above, there were also gaps. There were various types of interactions occurring in networks: project delivery based, support based, used to 'toss around ideas' and/or make sense of situations, resource linked, either grants and/or contracting with statutory providers, which differed from organisational participants advocating and attempting to influence policy and programmes. Findings indicated that most participants were concerned that by entering partnerships with statutory providers they may 'lose their voice as a sector', or 'take away the strength' of the sector, in their ability to challenge, lobby and advocate for change. Notably, none of these participants described their work as campaigning organisations. An impression from the findings was that this ability to have a separate voice from the State was a key issue and one which most perceived was protected by retaining a Voluntary Community Sector identity.

Contracting involved negotiation with public procurement agencies and participants commented that key factors were the statutory services' norms and reluctance to make procurement procedures transparent, or to pay for full cost recovery or the transitional phase in the development of social enterprises. The onus appeared to be placed upon organisations to compromise, or of not knowing the conditions of contractual arrangements with little ability to later negotiate. However, according to an organisational participant [representing SE-VCO 15]:

*it's ok, it's a game, and to play it you have to know the rules. And you have to be able to bend the rules a bit.*

The above does not suggest that outcomes are being negotiated but rather they are learning the rules in order to 'bend' them in order to make them work for their organisations. The following briefing paper from an infrastructure agency noted that organisations already delivering services have some opportunity to negotiate and influence services. However, with the proviso:

*So long as there is dialogue between service providers and those holding resources. ... at the operational level, though, it is not yet clear how decisions are made and how the voluntary sector can participate.*

VAK, 2006, non-paginated reference

The implication being that without an existing relationship, the opportunity to negotiate is lessened, moreover, there appears no systems of how decisions are made.

Support workers identified different areas of concerns over power in relation to dealings with social enterprises. Many of the local statutory providers said they were seeking to contract with one body:

*we have an expectation of commissioning with one organisation; we can't contract with eight different organisations for one service.*

Commissioner [representing CA3]

The effect of this strategy upon smaller organisations was summarised by one participant reflecting that the larger national and regional charities were 'carving up the market' and medium organisations were 'getting the scraps'. One organisational participant likened the process to being offered a 'small bit of cake'. The imagery is not of equal partners 'co-planning' or in 'co-production' but rather of the lesser partner interacting with those with power. Some support workers expressed concern that the processes of contracts in local authority departments was linked to groups being 'dictated' and 'options being taken away'. According to one support worker, organisations 'had their backs to the wall as to funding and will sign that dotted line and live to regret it'. Another support worker [representing S1] related the issue of power directly to support workers:

*And because this sector has been created in a way that gives all of the power to [support] workers, ultimately it means that, power is like their rug to be dragged from underneath the groups.*

*R: Explain a bit more about that*

*It's this two-tier approach that I don't really like. I'm not keen on hierarchy. I think it destroys what things are fundamental, and it's about giving power to a minority and it is actually taking power away from a majority. And I think in this sector we're very good at doing that even though a lot of the workers profess they come to this sector to help people, rather like Miss World contestants. But really it's the complete opposite. A lot of them come with their own baggage, their own hidden agendas, and ultimately it is the groups that suffer. But nobody wants to say it.*

Notably, when asked to explain more what she means by that, she didn't and instead described her values and ethos and the principles of power she believed

underlies different people's notions (e.g. like Miss World) of being perceived as wanting to help people.

Organisational participants whom sat on the Local Strategic Partnership [LSP] and other network meetings [data in 8.1] spoke of the need to promote the sector [meaning Third sector and/or social enterprise]. However, they repeatedly commented that 'decisions will get made before you're gone to that meeting'. The insight from the organisational participants is that in order to negotiate time appears key and that there is a gradual progression and by being involved they perceive that they have 'moved up in position ... to be taken seriously'.

Similarities and differences emerged within and between groups concerning processes and social dynamics in the networks. The following are emergent patterns from the investigation drawn from issues participants found to be important.

### Pattern 8.3: Lack of a local coherent approach to social enterprise

Organisational interviewees reported having accessed various programmes supporting different regeneration themes including: Health, adult education, employment, childcare, housing and social enterprise and reported their organisations were in receipt of funding from various regeneration programmes including Single Regeneration Budget (SRB5), SureStart, Neighbourhood Renewal Funding, Big Lottery, European Regional Development Funds (ERDF - Objective 1&2), European Social Funds (ESF) and Learning and Skills Council (LSC). This indicated the variety of support agencies offering advice and resources to the organisations in the study. Organisational participants specifically referred to two government policies [Cross-cutting review, Every Child Matters] as having impacted their organisations. Notable was that organisational participants omitted social enterprise policy as an agenda for change.

The view that social enterprise support needs to meet the needs of local organisations is explicitly outlined in a report (SESC, 2004a, p.41) 'the support infrastructure needs to respond to clients' needs'. At what is referred to as a 'significant time', it was anticipated that continued activity and investment in the sector has the potential to transform it over the next decade (from 2004-2014). In

this document (p.6) it was acknowledged that the provision of social enterprise support was 'still patchy across the region and insufficient to meet sector needs.' Although advocating that support needs to be 'customer focussed', this document (SESC, 2004a) argued that mainstream support was:

*linked to, but different from, voluntary support bodies and be clearly focussed on business development.*

A recommendation of this report was social enterprise support agencies need not duplicate services already offered by Voluntary Action Networks, thus promoting separate support offered by different types of agencies.

A participant offering regional social enterprise support stated the 'challenge to the RDA' was that the voluntary and community sector was not accessing support from Business Link. He recognized that there was 'work to be done' with mainstream providers to have a 'greater understanding and empathy' in order for them to engage in 'ideological issues' with social enterprises. Yet, a support worker commented that he had attended Voice 06 and was 'very disappointed' that members of the audience clapped to support a speaker's comment that support to sector was poor:

*We offer a bespoke service that people can understand. We can offer appropriate support and I would be bitterly disappointed if my clients had that view.*

Support worker [representing S2]

Different 'drivers of change' were identified and although national policies and regional development plans were perceived to influence their work, and support workers described the affects of policy on their delivery programmes. There appeared two different foci; on the one hand, documents specifically referring to social enterprise development by mainstream support agencies emphasised economic sources (e.g. ERDF). These documents, and by extension intermediate agencies, clearly located social enterprise within an economic agenda. On the other hand, intermediate agencies not delivering under the Business Link and RDA agendas appeared not to list social enterprise development but instead referred to voluntary sector and capacity building. One commissioner described social enterprise as at the 'cross-roads in support'. By this he said he meant that there

were two separate strands of government policy as driving changes: one strand he identified as 'traditional business support' of formal advice:

*driven by the DTI funding programmes and a chain through Regional Development Agencies and Business Link ... [the other strand is] developing the sector and the policy and programmes coming from OTS, DCLG and DfES that appear to feed through information and practices of local neighbourhood and Neighbourhood Renewal departments of local authorities.*

Commissioner [representing CA1]

He argued there was a need to '*bring closer the two separate roles*'. Others [CA 2, 3, RA1, S5] also discussed two separate structures and the need for the differing aims to be better understood in support networks:

*it is hard to work between these two structures and it should become much clearer over the next few years.*

Another identified a 'mismatch' between the 'centrally driven, Third way stuff' and delivery mechanisms such as 'SRB, Yorkshire Forward and Skills funding' which 'have gone the other direction in making these policies achievable'. He stated programmes have undermined the 'ethos' of the policies. Notably, at the same time support participants and commissioners stated that no one knew what was going on locally. Support workers and commissioners repeatedly commented that no one in their teams held the 'bigger picture' of social enterprise development. Support workers expressed concerns that as national policy is implemented at local levels the process is confusing and 'No one seems to know what is going on'.

#### Pattern 8.4: Lack of [or lack of use of] business tools in networks

Job descriptions, business plans, contracts, frameworks, targets and planning tools are all formal documents and are conceived of as business tools and/or artefacts of network interactions.

It was reported there were no agreed action plans for local development and the following quotation from a support workers was reflected by others that devising plans, though not listed in their job descriptions, might be considered as part of their remit:

*Humm, I know I need to do a strategy. I've been saying it for ages. If the council adopts it, then groups will be able to use that when I'm not there. It won't just be me. That's my next goal.*

Support worker [representing S9]

This excerpt implies that the worker acknowledges that support workers are enacting roles as the people who make the plans and are holders and providers of information for members of organisations. Notably that when an individual leaves the post a channel of information for organisations in the network is broken or interrupted. The situation for both geographic areas was summarised by the following:

*We don't have a strategy for social enterprise development and how to progress. We have no idea where we're going.*

Support worker [representing S4]

Another said their agency was 'opportunistic ... as an intermediate agency we don't put resources into thinking strategically' Support worker [representing S6]. This interviewee acknowledged that many intermediate agencies followed grant funding and new government policies, seemingly contrary to the advice given to organisations.

Each organisation had a business plan suggesting the influence of traditional business planning processes, however. Plans were identified as 'out of date', 'not valued' and 'needed updating' or as a participant said 'People come along and try to sell you a plan but it never matches what you're actually doing' [representing SE-VCO 17].

Two interviewees [representing SE-VCO 15] described their experience:

*R: Have you had dealings or support from Social Enterprise Link?*

*P1: 2-3 years ago we met with them and sat down with one of the advisors. And they discussed social enterprise.*

*P2: Is that the one who said he couldn't do anything for us?*

*P1: Yeah. He said he goes to people and says do you need a business plan. It was a bit like that. But he couldn't really advise us, because we'd done all that stuff. Just because of the business we we're in.*

Another stated that BusinessLink support was uni-dimensional focussing upon start-up support [e.g. creating business plans], which they did not feel met the needs of

existing organisations. This is not to suggest that participants rejected planning their actions. As one said:

*What I know about business plans is that rarely if ever ... does it transpire that the business plan is actually adhered to closely. So, the value that I place on business planning is planning, in other words thinking. So, a business plan is useful in my view, in order to clarify one's thoughts and to systematically, to force oneself systematically to go through a thinking and a planning process.*

Organisational participant [representing SE-VCO 11]

However, according to another:

*It [the business plan] just never got in place. It just never got implemented. Yeah, it was all, reactive to problems. None of it was ever implemented, really, to be proactive to try to get ahead of something. Everything was reactive, from finance through to quality, to everything.*

Organisational participant [representing SE-VCO 17]

This interviewee reflected the reactive nature of the work and for organisational participants in this study strategic planning was often in response to grant applications and conversations with members of networks. Business plans were said to be created to 'convince funders', get service providers to 'buy into' their organisation, or get passed the 'gate-keepers' that hold access to resources.

This finding that artefacts do not reflect practice is further supported in that although organisational participants reported that taking part in forums, informal networks, committees and one-to-one conversations as 'crucial' to their work, these tasks were not explicit in job descriptions. This implies that although job descriptions existed these differed from the roles enacted in these networks.

Similar to organisational participants, support workers said that their job descriptions did not describe practices [e.g. the need to network or to create local strategic plans]. Although support workers reflected that the support offered to organisations included: advice, strategic planning, business planning, access to grants, advice on procurement, clustering, social reporting, social accounting, BME special support and mentoring, conversations repeatedly emphasised developing business plans.



One support worker commented: ‘it wasn’t that long ago that if you said the word business plan you were glared at’. This participant found the term and process was now accepted in practice. Another interviewee offered a more nuanced view and said that ‘over the past couple of years’:

*Everybody is bantering ‘Oh I’ve got a business plan, oh, I’ve got a business plan’. Whereas before it was just about development plans to show us what we need to do and how to move forward without this rather formal term of business plan, which you always associate with other sectors and not this sector.*

Support worker [representing S1]

Overall, findings suggested the culture had changed over the past few years. Where the term of ‘development plans’ preceded the use of the term business plans, the influence of social enterprise has not precipitated a change in practices.

Mainstream support workers promoted the use of business plans and said that templates existed for supporting social enterprise, but as one support worker [representing S2] stated the ‘templates stay in the advisor’s briefcase’. Another believed ‘not all templates fit social enterprise -the standard fit doesn’t always fit social enterprise’ [Support worker representing S5]. This implied support appeared heavily reliant upon the support workers discretion, understanding and expertise rather than following the templates offered by their organisations.

#### Pattern 8.5: Different and conflicting advice and approaches

A common theme to emerge from the interviews with support workers was the initial diagnostic questions were similarly worded and emphasised the financial aims of organisations. One said he played the role of the ‘cynic’ and described this as asking ‘tough’ questions and focusing upon financial aspects of organisational development. The majority stated that their very first question was about money:

*There is always a tension or a balance to be struck between social and enterprise activity. The first two questions I ask a social enterprise is ‘Is there a market for it?’ and ‘How are they going to finance or fund it?’ - this could be a grant.*

Support worker [representing S2]

Though acknowledging the ‘tension’ and ‘balance to be struck’, mainstream support participants focussed upon finances and changing ways of working to be

more businesslike. Thus, suggesting a similar approach with nearly identical first questions. A support worker, who described her work as ‘supporting charities to become more sustainable’, took a different approach:

*Rather than saying right I think you need to be a social enterprise. You ask them what they do and what do they see for the future of their organisation? Do they have problems accessing funding? Do they want to be sustainable? Then that leads into what can be the product.*

Support worker [representing S1]

Findings suggest there are two clear but conflicting messages for organisations:

- 1 They should become more business-like
- 2 They should foremost remain mission driven.

One support worker specifically associated a ‘gap in the network’ as a lack of knowledge for organisations needing to understand what is meant to be ‘contract-ready’. This point was supported by another support worker saying that where many organisations have been encouraged to ‘professionalize’ and become social enterprises and to contract for public services, there is ‘not enough information on what providing a public service means’.

Organisational participants reported receiving different and conflicting pieces of advice, which proved problematic:

*We want to do things in the right way but previously have been let down or received lots of conflicting advice from support agencies.*

This was particularly evidenced regarding social enterprise practices and grants:

- grants should only be obtained for initial project development costs;
- grants were appropriate for social enterprise considering some projects will never generate income and that grant funding ‘enhances’ the social enterprise income;
- grants had no place in social enterprise strategies and these support workers appeared to conceive of social enterprise as organisations abruptly ceasing to rely upon grants funding, and ‘grants thinking’, and having a ‘step change’ by charging users or securing contractual agreements.

## 8.2.1 Continuity and discontinuity

Notable differences emerged between how support and organisational participants viewed the continuity and discontinuous nature of ways of working. Interviewees reported potential problems, as various new programmes were not co-ordinated to take effect at the end of older ones and many ‘just don’t see how it all ties together’.

An organisational participant commented, in response to the question, ‘How are you making sense of this moving from grants to contracts?’:

*It hasn't really changed anything for us. It's been a long held ambition to have a more balanced portfolio of funding and investment of which commercial services we strive to build commercial services relative to the funding that's coming in and investment coming in from elsewhere. So, that hasn't been a sort of what do they call it, paradigm shift.*

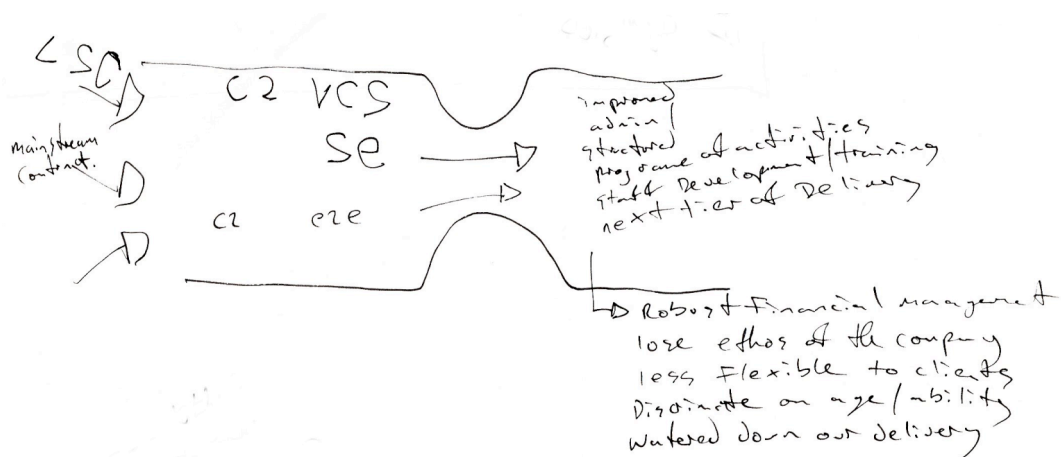
Organisational participant [representing SE-VCO 11]

This participant reflected views of others and did not perceive a dramatic change in approach. In using the terms commercial services he was referring to grant funding, various public sector contrasts and some earned income from direct sales of services to users/customers. Paradoxically, participants repeatedly expressed the notion of situations as being ‘the same’, or that ‘nothing has changed’. This suggests that most did not perceive transforming into social enterprise as a ‘decision-making event’ but rather as ‘ongoing actions’ in response to long-term change, and the following section offers examples.

Two of the eleven Kirklees organisations had switched from accessing grant funding to earned income strategies through contractual interactions with statutory agencies. Three participants representing these organisations [SE-VCO 17,18] described specific events where decisions were taken to become social enterprises. The first instance of the decision to become a social enterprise being reflected upon as an event was from two participants from an organisation who perceived the ‘passage point’ of the ANT model to be of use in describing what they had experienced as an organisation. One commented that the organisation ‘will never be there again’, in the same position in the process when developing new projects and relationships with resource providers. They said they had learnt that they

needed to 'dump' projects that don't work at the passage point rather than attempting to continue with projects that were not resourced.

The third participant representing another organisation described a decision to become a social enterprise taken at a board meeting, which was linked to the decision not to apply for future grant funding. This organisational participant was also shown the ANT model with the emphasis upon the 'passage point' and asked if and how this related to his experiences. He drew the following diagram (Drawing 8.1) to show the process of negotiation and how they had responded to change.



Drawing 8.1: One view of the process of organisational negotiation

The participant annotated the model to describe negotiation and what the organisation gained and lost from taking on social enterprise practices. From left to right, the participant drew various elements 'feeding' into the organisation; he drew these as arrows flowing into the model to symbolise the resource providers for their organisation (LSC contract, mainstream support and advice and an unlabelled arrow, which he said were other factors from the environment). From these 'streams' he highlighted that the organisation was identified differently by network contacts and consequently worked in three different ways: one element was where the organisation (C2) had previous experience, reputation and secured grant funding to deliver as projects working within the voluntary and community sector (VCS); the second was developing the organisation as a social enterprise (SE) and the third was the organisation as a delivery mechanism for an Entry to Employment (e2e) programme. The three distinct identities were drawn as existing simultaneously within the one organisation.

The participant found that the idea of a ‘passage point’ reflected how the organisation interacted and negotiated these different identities and network relations. Associated with what he described as a ‘transformation process’, he said the organisation had learnt to improve administration, structure programme activities, offered more staff development training and moved on to the next tier of delivery and robust financial management. However, he also identified that this process had adverse consequences including loss of ethos of the company, less flexible to the needs of clients, discriminated on age/ability [in order to meet programme outputs] and ‘watered down’ service delivery.

#### Pattern 8.6: Different views of formal and informal processes

Organisational participants commonly repeated that they worked to informal verbal agreements rather than contracts. Only one of the organisations in the study dealt with a single purchaser; the others by necessity had multiple sources of funding. This results in their need to nurture relationships with several service departments within their local authority, as well as the Health Authority and various sub-regional statutory agencies in addition to those with other grant funders. Most reported that different departments within the local authority treated them differently, offered different levels of support and had different expectations of attendance at meetings: one service asked for a brief description of a project ‘on the back of a fag packet’ and another service ‘may say go away and fill in this 40 page form’. Participants recounted experiences where once ‘contracted the service purchaser changed their mind about what they wanted’. Support workers also acknowledged the need for the local authority to be ‘consistent in interactions with local organisations seeking to contract services’ and be ‘more transparent, to make practices more understandable and to be fairer’.

Support workers had different approaches and either described adhering strictly to structured processes whilst others said they were ‘making it up as we go along’. The mainstream support workers outlined the Information, Diagnosis and Brokerage (IDB) model: Information is first sent out to organisations, if they met the criteria for a social enterprise, they are diagnosed for the support needed to become more ‘business-like’. After the diagnosis stage, the support worker may broker links to other support agencies. One support worker [representing S2] described this process:

*Last Friday we ran a social enterprise event, 'Is it right for you?'. We ran this at the Chamber; we do these events monthly. There is enormous demand. When someone contacts us, we send them a brochure inviting them to these events. From the telephone conversation, we discuss with them to see if the social enterprise meets the gateway criteria: Aims, democratic ownership, trading activity and profits.*

*If after meeting the criteria and coming to an event, it is right for them, we would go and meet them and discuss support we can offer, as well as what we can offer access to. Advisors may spend anywhere from 2 - 30 hours with a social enterprise. It may be as little as sending out the new e-newsletter but the majority being long-term - more than two hours. Where we are not specialists in the field that social enterprise needs, they can get signposted, or we can assist groups with Learning Grant applications.*

Another also referred to 'tick boxes':

*When I started, my understanding of social enterprise was around the textbook four tick boxes, but my understanding has changed. I would never have thought there existed the diversity I now see. There are so many people doing so many different things. Yet, they are all to fit into the same four tick boxes.*

Support worker [representing S5]

This participant appeared perplexed as to how such diverse organisations, where she says her understanding has changed from the 'textbook four tick boxes' from her experiences, she continues to frame organisations using the same criteria. Another interviewee identified four 'tick boxes' and described these as 'gateway criteria': aims, democratic ownership, trading activity and profit. He said 'this last is a word that many in the sector struggle with'. Notably, though stating he conforms to the DTI definition of social enterprise, government does not specifically state 'profit' this was his interpretation, which he and others enact.

Others in the networks described tick boxes as a problem associated with social enterprise 'mainstream support programmes base delivery around these tick boxes'. One commented that many mainstream providers offered advice and support that 'ticked boxes' but was not useful to individual organisations. She reported that her interest was in helping organisations make the 'transition of what works and what doesn't'. Although the Business Link sessions are marketed as 'is it right for you?', there appears little discussion of the basic premise of social enterprise focusing upon 'business-like' activities being questioned rather than

other criteria such as social justice or democratic accountability. A regional support participant raised this issue saying that the DTI omitted social ownership from their definition of social enterprise:

*it is a bit of a wolf in a bag.  
They don't want to let it out or it might bite them.*

Thus, this aspect of social enterprise is perceived as potentially threatening to government; the implication being departments responsible for developing social enterprise policy are limiting the concept.

To summarise analysis 2 [Patterns 8.2-8.6], importantly, the views expressed were varied and at times contradictory illustrating the 'messy' situation of contemporary practice in local networks. Overall, network relations appeared informal and prone to being exclusive. At the time of the study there were no local strategic plans nor people specifically identified in their job descriptions as responsible for developing such plans. Paradoxically, an overall impression was that although business plans existed they were not used, or differed from practice. That no one had the 'big picture' indicates complexity as well as how participants told their story. Infrastructure agencies, like organisations, were dealing with changes in their environments. As one support worker remarked:

*The only thing that is certain is budgets and money to support infrastructure agencies is being cut.*

The empirical evidence indicated uncertainty, conflicting practices coupled with little local strategic planning to address government policies.

### 8.3: Analysis 3: Mapping the environment and alternative social space

In order to further examine different influences in networks of social enterprise development, the discussion turns to how the wider environment is conceived. Maps of how participants make sense of social enterprise were compared and contrasted. Analysis of participants' drawings of their environment indicated differences in perceived expectations and understandings. They did more than identify the statutory services they work with or planned to deliver services for/with and products they sought to develop, most described opportunities, processes and the associated tensions experienced. One reflected there is a need to have an 'understanding of where social enterprise comes from, as this influences

where it will go'. This factor is pertinent for the organisations as the majority identified coming from the voluntary community sector (Chapter 7) and were changing sectoral boundaries.

### 8.3.1 Views of social enterprise using the cross-sectoral model

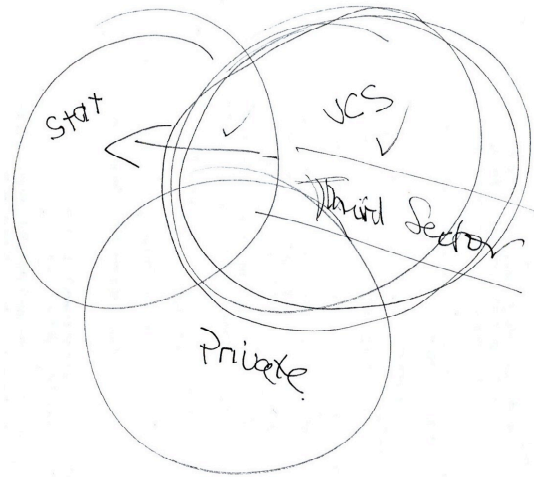
Kirklees participants marked social enterprise activity as existing at different overlaps between the sectors. Note the tool was not used in the exploratory phase of the study [see chapter 5]. One view from an organisational participant [S16] was:

YES. We, we do, we exist very much in those intersections between voluntary section and government, voluntary sector and private and voluntary sector. Yeah, that's where we live.

The majority however emphasised that their focus for social enterprise 'activity' was located at the overlap between the public and voluntary sectors. As such, social enterprise can be viewed as focussing upon the changing relationship with the state. Interestingly, a view was that 'individual' or 'social entrepreneurial' activity was located between the private and statutory sectors, which was considered different from the location of social enterprise activity. Specifically none were undertaking co-ordinated working with private sector organisations to deliver projects. The main interactions between the third sector organisations and private sector were in the role of seeking support [e.g. accountants and solicitors].

Support workers marked social enterprise as at the interstices of where the three sectors overlap. One regional support worker described the 'fleur-de-lis' shape as a useful 'starting point' to communicate important issues and ideas. Other support workers offered different perspectives emphasising the overlaps shared with the private sector. For example, Business Link attempts to 'provide a bridge between the voluntary/community sector and mainstream business' (SEL, no date, p. 7) and the support they offered was primarily drawn from private sector practices. However, support workers acknowledged that current emphasis was upon the third sector delivering public services. A support worker marked a tick to show where social enterprise activity existed in both the VCS and another tick in the overlap between the VCS and public sector (Drawing 8.2).





Drawing 8.2: Third sector moving into statutory service provision

She inscribed ‘Third sector’ over the VCS circle and reinforced this imagery by drawing a line above and below this term and then drew a large arrow to indicate movement into statutory service provision. Another support worker stated although supporting social enterprise activity in the third sector, he expected the organisations he supported needed to show they would eventually become viable by becoming part of a mainstream service. This was also expressed by one of the commissioners.

### 8.3.2 Views of perceived threats and the pursuit of opportunities

All organisational participants spoke of the relations with the local authority, and all but one perceived social enterprise activities as interactions with the public sector. When asked about the local environment, some believed the local authority was ‘hostile’ and ‘damaging’ and did not support the development of social enterprises, whilst others did not.

One described experiences of regeneration programmes as an antecedent of social enterprise and spoke of the network relationships which he perceives to have ‘probably collectively created this platform’ for further social changes. He spoke of niches developed outside of the public sector:

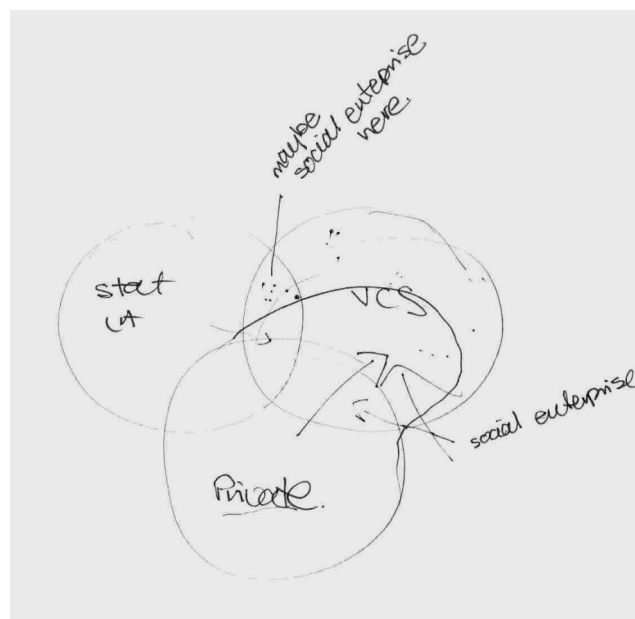
*it’s like the local authority woke up to the strategic implications and advantages of investment in that sector.*

Organisational participant [representing SE-VCO 11]

He identified various third sector organisations which ‘pioneered’ ideas and projects ‘within the quirkier and more niche bits of the economy and then [were] adopted more widely’. He said mainstream providers ‘woke up’; he used the terms ‘stuff switches’ to describe how some activities moved between sectors.

The views of opportunity were nuanced and tensions were perceived: one was an opportunity for the organisation is framed as ‘is it an opportunity?’ or ‘how much is it gonna cost us?’ and of being pressured into ‘providing things on the cheap’ for statutory providers. This was associated with the local authority taking advantage of organisations based upon previous experiences. The marketing material at one networking event questioned whether commissioning was an ‘opportunity or a threat?’.

Another threat was perceived as the private sector encroaching upon social enterprise [Drawing 8.3].



Drawing 8.3: Social enterprise as a private sector threat

The participant initially made small dots to show the diversity of activities within the voluntary and community sector which she identified as ‘may be’ the location of social enterprise rather than as certainty. However, her next marks were assertive and she amended the boundaries of the private sector to emphasise her reality of the changing environment. Like many other organisational participants she described a ‘huge threat’ (symbolised by arrows) as coming from the private

sector and articulated a need to 'defend' against the private sector taking contracts that she felt would be better delivered by the third sector. The picture resembles a battle plan advance on the field or an amoeba engulfing a cell.

Differences were noted amongst the group of support workers especially in terms of identity and opportunity. Support workers described social enterprises as 'risk averse' and repeatedly spoke of not taking financial risks as a barrier to development. A report (WYSEL, 2005) presented at an observed event found:

*social enterprises are generally considered risk averse due to their management and governance arrangements - voluntary trustees often with limited business experience. ... without proactive governance would management be willing to tender as opportunities become available?*

Where it reports that social enterprises are 'generally considered risk averse', it directly correlated the lack of trustees' business experience with the lack of 'proactive governance'. Another support worker identified two risks to organisations: investing large amounts of time developing projects that may get nowhere, and that if these projects come to fruition, the cash flows may undermine plans. For instance, he described how many funding streams pay quarterly but organisations do not have the capacity to pay monthly bills and go 'into the red'. From this perspective, financial systems do not appear to fit with medium-sized organisational capabilities. A support worker described a problem experienced with the overlapping nature of the sectors. In 'trying to build partnerships with VCOs', she described a need for 'clear water' between what each was attempting to do. She reflected upon experiences with representatives of the VCS at Local Strategic Partnership board meetings and described the supposed role of individuals attending these meetings is to influence and inform the public sector of the identified needs of local communities and to suggest innovative solutions to these needs. Her concern was that often the same organisations sought to be awarded contracts to deliver these services and felt that the organisations 'were not there to win contracts' and should 'take that hat off' in these situations. That representatives of the sector were perceived as acting to benefit their organisations concerned the support worker. Thus, the network interactions, such as those of the LSP, are at times conducted in meetings created by the local authority, yet not perceived by some as appropriate for decision making.

### 8.3.3 Alternative space: Rhetoric or reality

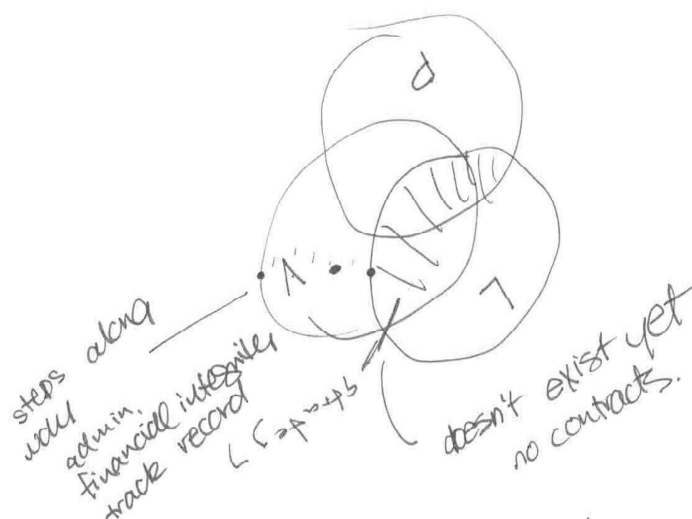
Materials generated from support agencies in the investigation present a picture of the existence of a local social enterprise sector (WYSEL, 2005, unpaginated; SEL, undated, p.5). There were, however, serious concerns expressed between rhetoric and reality. Support workers spoke of turning 'rhetoric into reality' and that social enterprise 'rhetoric is ahead of the reality'. One aspect was the concern of how local infrastructure agencies had:

*not seemed to have changed as quickly as the Government's agenda for change; that next step hasn't been taken yet.*

A local support agency document (VAK, 2007) reported:

*One of the key challenges for the sector is to keep abreast of these factors at a time when the infrastructure support to the sector in Kirklees is already overstretched.*

One organisational participant described social enterprise as an 'oxymoron' primarily as the local authority had not begun to offer contracts. This offered an insight of the paradoxical nature of social enterprise identity in that it addresses the basic issue of how can organisations adopt a social enterprise identity when this environment did not yet exist. Drawing 8.4 depicts one view of changes experienced in developing as a social enterprise.



Drawing 8.4: Becoming a social enterprise

He drew bold lines to show the area of social enterprise 'strategy' and development as located on the overlaps between the Voluntary (labelled V) and

public sector (L for local authority). Like the majority of the organisational participants, he did not perceive the areas between the voluntary and private sectors (labelled P) as areas of social enterprise development. He then marked smaller lines in voluntary sector (labelled V) indicating the 'the steps along the way' they had taken in becoming a social enterprise. The skills listed were to meet the requirements of the public sector and the steps taken in adopting different working practices of 'admin, financial integrity and track record'. He said although he had marked an area of social enterprise, there were 'no contracts' and this environment 'doesn't exist yet'. Others reflected this view describing the situation as akin to 'the emperor's new clothes'.

Related to this paradoxical nature of social enterprise, organisational participants repeatedly described their work not being a 'proper job' or not being 'proper social enterprises'. For instance, one participant described their organisation had moved from being 'grant dependent' to 'contract dependent' and discerned that they were 'not selling anything' but instead 'delivering projects' for the public sector. 'Outputs' delivered on behalf of public services providers were perceived as different from a 'proper' product or service to sell [the issue of outputs will be further developed in chapter 9]. Three of the support workers described the need to develop 'proper' social enterprises and described these as 'supporting a social aim' but not needing to be based upon what the organisation did. This view of social enterprise was also seen as an entity 'separate' from the core mission. This stance differed from the majority of organisational participants; all but one of the organisational participants considered how they develop social enterprise products and activities as fundamentally linked to their core mission and practices. Differences in those holding contracts were reported. The different experiences might relate back to pattern 8.7 and different arrangements in different service departments, however. It was reported that support and the nature of procurement were focussed upon 'products' rather than 'services' and 'if product driven then new products are developed' rather than finding ways to change services. Another supported this perspective:

*That procurement stuff, it's the usual things that you can procure with. You know it is like tomato sauce and ketchup, they are things like that. So, the things we do, [services] they're not there yet.*

Evidence from the interviews found the local authority was saying that local social enterprises are not 'contract-ready' and they, as the local authority, needed to

keep and deliver services 'in-house'. Organisational participants saw this as a 'patronizing view', as that local authority services and other agencies (e.g. PCT) were being 'protective of their budgets' and 'drawing services' back 'in-house'. A commissioner [representing CA1] queried:

*Do we trust the local authority to be relatively open and transparent about the way that it wants to go about securing services? Or do we see a future where the local authority protects its own, and leaves very small opportunities for others, whether private and voluntary sector, to actually take part. Now the rhetoric here locally is encouraging, but the practice isn't at the moment. So it's a matter of saying how long do we have to give them before the practice catches up with their rhetoric? They're not there yet. But they are saying the right things.*

This participant acknowledged the importance of both language and actions. Keenly he perceived rhetoric as encouraging but the experiences of practice differed. The view that this situation will take time to change is shared by many other participants; however, the question he raises is how much time? Various participants commented there was a 'long way to go' and speculated it could take between 2 - 5 years.

#### 8.4 Summary of findings

This chapter has argued that how organisations and support agencies respond to change and select information from various sources is crucial for understanding how contemporary social enterprise is developing. From analysis of data, key patterns [8.1 - 8.6] were identified and the following similarities and differences between and within groups:

All agreed:

- The need to work together in developing local social enterprise networks;
- There is a mismatch between job descriptions and roles identified as important especially lack of reference to networking;
- Regional plans were discussed but it emerged local plans did not exist; and
- All acknowledged that business plans were spoken of and existed.

They disagree most on the:

- Importance of formal business plans as opposed to informal learning and peer support influencing thinking and planning; and
- How to work together - relations or structural processes and operational aspects of networking.

These descriptive findings provide rich account of contemporary practice in the case study, which will be place in context of the narrative of the literature in chapter ten. Before that, the next chapter addresses the final research question and examines how network participants balance new ideas, beliefs and practices with existing 'ways of working'.

## How organisations refashion experiences STORIES AND MODELS OF SURVIVAL AND CHANGE

This chapter is the third and final empirical chapter of the case study. The emphasis of the conceptual model was used to frame the discussion upon retention and survival [see figure 6.4 - sub-section 6.2.3]. The focus is upon how participants reflect upon what has worked in the past to shape future decisions and actions and addresses the third research question:

*RQ3. What role does context play in network members either adopting social enterprise, or retaining previous practices, in order to survive as organisations and create social impact?*

The themes presented in the chapter are structured within three different analyses. First, the chapter begins by examining change and survival. Also considered are the dynamics of what occurs as support and help is withdrawn and practices abandoned. Second, different views concerning the funding and support relationships are examined. Participants' models of targets, grants, contracts and purchaser/provider split are explored to see whether social enterprise offered more flexibility than grants funding. Reflections of success and failure are also discussed. Third, models of co-ordinated activities are presented. Finally, the chapter concludes with a summary comparing the experiences of the groups.

### 9.1 Analysis 1: Changing [or staying the same] in order to survive

All participants experienced change during the period of the study. It was highlighted that change was constantly occurring, with many emphasising that this had been their experience for the past decade. Organisational participants and support workers repeatedly stated that 'existing' organisations needed to change in order to survive. Table 9.1 provides representative quotations and outlines differences between these two groups' narratives.



**Table 9.1: Narratives of survival**

Support worker views	<i>'Organisations are seeking to grow by thinking "how do we stay the same?" rather than how do we change to fit the changing environment?'</i>
Organisational views	<i>'fits well' with organisation, 'a natural progression from being grants-based organisations', 'another way' and 'as one of a few options for responding to change' - 'for existing organisations to function'</i>

### 9.1.1 Views of survival from support workers and commissioners

Organisational survival was not the stance advocated by support workers. Those promoting social enterprise as a central concern had a fundamentally different perspective from organisational participants regarding survival and at one network event, the first slide presented by a support worker read:

*It is not necessary to change ... survival is not mandatory.*

A comment repeated by support participants in interviews was that sometimes it is the right time for an organisation to stop. According to a support worker:

*Many supporting the sector may not mind seeing smaller organisations fail. They want to support the larger organisations and they are interested in number of jobs created and turnover. They are not interested in the diversity of the sector.*

However, no other support worker spoke of the implications of organisational survival for the sector.

Most support workers linked survival with an underlying problem of 'retaining grants thinking'. One spoke of having:

*tracked a number of social enterprises [across West Yorkshire], we found a surprising number were still dependent upon grants. Over 50% of the organisation's turnover is still originating from grants. In this way we're behind other areas where grants were seen to account for nearer 25-30% of the turnover.*

Support worker [representing S5]

Interestingly, this support worker appeared surprised and concerned with how this compared to other areas. This figure of 50% grant dependency, though seen as behind other sub-regions, is in line with 50% benchmark of income secured through trading identified by the DTI (2002). A commissioner commented that several organisations, as well as some support providers, were ‘retaining grants thinking ... and stuck in the voluntary community mindset’. This participant reflected that members of both groups retained this way of thinking and perceived this as a negative characteristic and ‘holding the sector back from development’. Another support worker also identified grant funding as a problem and described social enterprise as a sign of the voluntary sector becoming ‘financially mature and moving away from grants’. A sub-regional support agency (SEL, undated, p.5) reported that their objective is:

*to transform grant dependent organisations into financially viable, sustainable and entrepreneurial social enterprises.*

This reiterates the stress upon support agencies to change existing organisations.

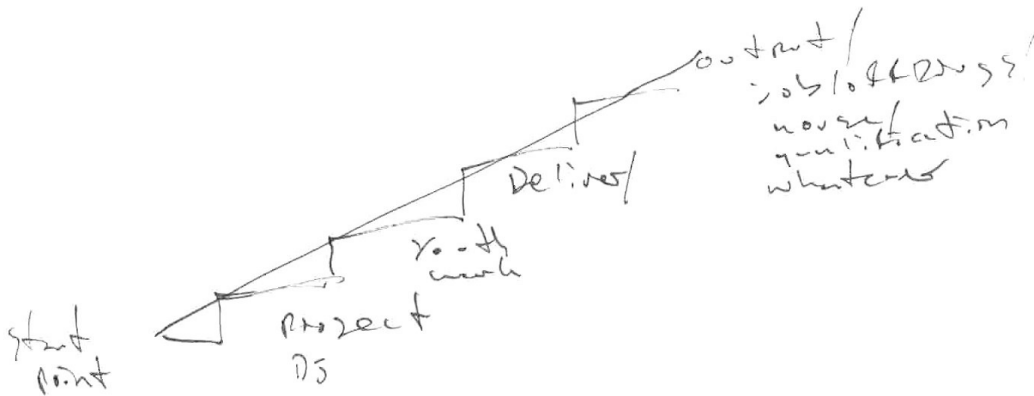
### 9.1.2 Survival from the perspective of organisational participants

Organisational participants repeatedly spoke of the need to interact with others in order to consider options for actions to survive. Notably, most described social enterprise not as a central concern but as a means of changing their organisation in order to survive. Organisational survival was repeated as a key concern as one said they were ‘hanging on by the skin of their teeth’. Another thought that organisations that ‘survive’ would be those able:

*To hang on to who they are, and what they do and understand why they are doing it and be prepared to make choices about where they move within the market, and let go of certain things and pursue others.*

This perspective views the reflective process of understanding identity and making choices. To underline, survival was the key issue and social enterprise was not central to their concerns but one method of achieving it.

Organisational participants described change as incremental ‘steps’ occurring over time, which indicates their perceptions of a constant process of change. The following is a view from one who drew the steps the organisation had taken to become a social enterprise (Drawing 9.1).



Drawing 9.1: Steps in the transformation into a social enterprise

The participant drew the ‘start point’ (described as located at the bottom step of a ladder) where, as a voluntary organisation, they initially delivered music and dance sessions. The next step drawn was delivering these sessions as projects. The organisation became known for doing work with disaffected youth (the third step). The fourth step is illustrated as the point where they became involved in the delivery of a programme of services, not just single one-off projects. They then began to use the term ‘outputs’ in their organisation and targeted unemployed young persons and offered qualifications and access to jobs. This implies that the social enterprise was moving those targeted (disadvantaged young people) into mainstream employment or learning.

The participant reflected that the driver for this organisation to become a social enterprise might have been the particular funder’s criteria, the Learning and Skills Council (LSC), rather than the needs of ‘disaffected youth’. The LSC was the paying client, and in return the organisation needed to adopt and meet their standard operating procedures (e.g. monitoring forms and evaluation standards) in order to continue the contract. Notably, by taking these steps:

*The higher up the ladder we moved - the less flexibility we had.*

He described that they had become a ‘learning organisation’ but had moved away from being a ‘fun, fresh, and exciting creative arts organisation’. He reflected that the level of administration and bureaucracy needed to deliver a complicated training programme was associated with losing their ‘radical edge’ and moved

them further away from the needs of their users, disaffected youths, as well as from their own expertise and passion for doing music and dance.

The participant believed that their good reputation was rooted in the culture of the people in the organisation and their ability to engage with disaffected young people. The participant felt that as the organisation responded to network influences, it was no longer driven by the aims of the young people involved. He reflected that young people were not really interested in being trained for employment opportunities or getting a recognised qualification. Instead, he believed young people wanted an alternative to mainstream education and were there to dance or make music, and that these activities were relevant to young people and part of changing their lives. Developing these relationships might eventually lead to them seeking to re-enter education or seek employment, but these were further steps that might take much longer. As such he recognized the divergence between describing need in terms of meeting the outputs of funding requirements and numbers of beneficiaries into training and jobs. This example exemplified the stories of others in that organisational participants were not affiliated with moves towards the mainstream. This drawing reiterates the 'purchaser/provider split' (sub-section 9.2.1). He experienced changes as constraints of funders required meeting outputs and described becoming an 'administrator ... ticking boxes for the European Union'. Although he believed the outputs were 'good', he equated his role with filling in forms and adopting bureaucratic practices, rather than delivering quality services.

### Pattern 9.1: Views of being entrepreneurial

Having stated this apparent contradiction, a pattern emerged where organisational participants voiced the need to be entrepreneurial, while appearing to mean different things:

*The entrepreneurship has to apply because at the moment we all are having to be entrepreneurs in order to survive. Which is different to organisations that are new and coming through from the start. And I think there is a difference between new organisations that are emerging, and start from scratch and established organisations that are changing, and doing things in a different way.*

*So, for me, for us, we're changing. And so we have this idea of enterprise because we need to be self-funding. But the other bit of that is we have to develop contract arrangements, service level*

*agreements rather than the old grants. But we sort of worked out that's not going to be enough; we need to be sustainable without the contracts. Or, we'd like to be. Otherwise we are too dependent on the one particular area.*

Organisational participant [representing SE-VCO 12]

Others reported the need to 'diversify' their income bases as being entrepreneurial:

*the ability to attract public sector investment and grants, the ability to win, broadly, public sector contracts and the ability to support and guide the business to trade. So, the capacity to support all three areas of income generation as far as the company is concerned.*

Organisational participant [representing SE-VCO 11]

A support provider [S9] said:

*I think the hardest thing for us is getting people to think bigger in terms of what they could potentially achieve. ... It's a cultural change and a lot of people say it requires a lot to even help them, you have to get them from here to over here somewhere, do you know what I mean, to get them to the next step.*

Notably, like organisational participants this interviewee used the analogy of taking steps, but in this instance saw them in terms of offering support. This perspective sees more than just a move from grants to contracts and recognizes a change in culture. This change appears linked to thinking more entrepreneurially and reiterates the pattern of support workers moving organisations to become more 'business-like' [Chapter 7]. This leads to the second analysis of funding and support relationships.

## 9.2 Analysis 2: Funding & support relationships

Data indicated that relationships in networks were more 'entangled than commercial entrepreneurship' as they are not simply contracting and commissioning but also offer support and advice. The relationships were further complicated as support agencies needed to meet targets as well as offering support. The situation could be perceived as an interdependency, whereby social organisations needed to interact with support workers to access funding and support workers needed to show contact with organisations to ensure they meet targets and 'got funding out

the door'. However, it appeared the relationships were not perceived as co-dependent or as simply target-based, but of experts (support workers) and those needing support and/or resources (the social organisations) thus creating a 'power-knowledge' nexus, which potentially creates a relationship of dependency (Dey, 2006).

A report (VAK, 2006, unpaginated) presented at a networking event listed five factors as underlying the interactions between organisations delivering public services, users and statutory providers:

- 1 reducing costs of public services - 'the VCS provides a cheap option';
- 2 funding the sector after reduction in European funding after 2007;
- 3 VCS plays a unique and valuable role in delivering 'sensitive' and 'relevant' services;
- 4 influencing development of accountable services; and
- 5 public services better developed through organisations in close contact with customers.

The speaker commented that the nature of relations between the voluntary sector and government depends upon which of these perspectives is adopted, thus, acknowledging a pluralist approach.

In practice however, one organisational interviewee voiced a view commonly repeated:

*People just need more funds and are asking what do I have to do? I don't think this is driven by them saying, hang on our organisational structure or our mission isn't right and we need to rethink how we resource things. Let's develop a business model. It is not driven by that thinking; it is driven by we don't have enough resources. Tell us which hoops to jump through.*

Organisational participant [representing SE-VCO 17]

Another said:

*My job came about because there is a funding crisis in the sector, which coincides with the modernization agenda. But it isn't the same thing. And they get conflated.*

Support worker [representing RA2]

Other support workers highlighted that the drive for the 'modernization agenda' had become merged/conflated with the responses to a funding crises, which they perceived as potentially problematic.

Organisational participants described various relations with funders and support agencies. For instance, one organisational participant commented that 'pressures and demands that come with public sector contracts' had 'driven' the organisation into a 'different sort of administrative mindset'. They had hired 'more straight people doing straight things' to acquire the necessary expertise to deliver and monitor contracts, and these people differed from other staff:

*And that's the second effect that it creates a tension and pulls us from our kind of cultural goals and our cultural roots.*

Organisational participants often described the funders' requirements being met at the expense of users' needs [see 9.1 for example] as well as the organisational culture. There is an interesting paradox here. Somehow the qualities of these organisations and the diversity and innovation recognised as the strength of the sector were seen as something that were compromised by becoming social enterprises.

Support workers appeared to focus upon meeting their programme targets and all but three had outputs to meet. A support participant commented their role was directly influenced by the 'swathe of performance targets' they had to meet from Government, local and sub-regional agencies as well as from other funders. Participants accessing mainstream support from Business Link agencies reported needing to sign documents acknowledging the support received. However, some described experiences where they saw support workers acting as 'bean-counters' only helping them in order to fill in their agency's quota of numbers of groups supported that month. Others commented that some support agencies were competitive over groups and described support workers encouraging organisations

to attend their advice sessions when these were knowingly held in conflict with those of other agencies. Thus, members of organisations had to choose one or the other.

Table 9.2 outlines narratives that support the analysis of targets and outputs.

Table 9.2: Comparison of narratives of targets & outputs	
Source	Views
Interviewees from mainstream support	'creation of new business'; 'setting-up or growing new social enterprises'; 'forming new networks'; assisting groups for a prescribed number of hours
Evaluation report (Yorkshire Forward 2008)	regional programmes supported 'social enterprises to become more business-like'
Yorkshire Forward website (2008)	in West Yorkshire, SEL had been responsible for creating 38 new businesses and 123 jobs and offered support for 800 social entrepreneurs; the area had secured a further £5.8 million to continue this work until 2009, which is expected to create a further 120 new social enterprises and more than 250 jobs
Interviewees from third sector agencies	support programme targets as 'hidden agendas'; 'I think they [organisations] should be made fully aware of things like that because the danger is that you can sub-consciously steer them in the wrong directions to meet your own aims and objectives and really ignore theirs'
Report from third sector agency (VYONk 2006)	'more professional or distant relationships were sometimes perceived as meeting other agendas or targets, and not really there to respond to the needs of the organisation'

In this region, those delivering programmes under Yorkshire Forward had clear targets for developing social enterprises couched within regional strategy documents such as the Regional Investment Plans for Social Enterprise Development in Yorkshire and the Humber, which is linked to the Regional Economic Strategy. Support workers delivering government programmes used various indicators to measure growth and success [e.g. numbers into jobs, attending training programmes or entering the sector]. These indicators are proxies used to measure the success of social enterprise development:

*The more successful the companies become the more jobs they create and the more social good they can do.*

Yorkshire Forward, 2008

Measuring and supporting this anticipation of 'more social good' was framed within financial models to growth, and within Yorkshire Forward social enterprise targets



come under the 'enterprise agenda'. Interestingly, one interviewee stated Yorkshire Forward, also had an 'inclusion group', but they did not perceive social enterprise as within the remit of this section. Instead, Yorkshire Forward had categorised social enterprise support as within their 'business section'. Thus, findings indicated that outputs are underpinned by specific approaches and development goals. This choice reiterates the lack of coherent policy and practice and support being at the 'cross-roads' between economic and social cohesion [Pattern 8.1].

Table 9.2 highlights that the differences within the group of support workers and in those working for third sector infrastructure agencies described 'hidden agendas' and more often than their mainstream counterparts. As such they presented a potentially negative aspect of outputs and targets, but those support participants who identifying a negative aspect to target and needs of organisations, saw this as problematic for 'other' support providers whom might be 'trapped in contract output delivery'. As one said 'it seems the point of subcontracting with support organisations equates to the number of outputs to hit'. None however identified this as a negative aspect of their work. According to a support worker representing S9:

*Whether people agree with it or not, I think people in the region are now accepting that this situation is the state of play, so they've got to work with it.*

Another stated the moves were to make welfare services delivery more 'efficient':

*the IDB model is now set in stone. It must be acknowledged that the outputs are being met but they are losing the quality of service to advise social enterprises to tailor what they do. The outputs for support become 15 hours, or 2 hours, or number of seminars with bums on seats.*

*.... there has to be some sense made of the time, but also to be able to respond to help organisations find ways round their problems.*

Support worker [representing S5]

BusinessLink adopted the IBD model [information-diagnostic-brokerage] as the process for offering mainstream and social enterprise support [see chapter 2]. However the findings indicated that support time varied between two to thirty hours. Some support workers described support as sending out information (as an

e-newsletter), others described longer-term face-to-face interactions. Another support participant commented that he regularly worked with organisations for an average of 15 days as this was how long it took to ‘meaningfully undertake a business plan’ with members of a social enterprise. In comparison, another equated ‘long-term’ support as interactions lasting ‘more than two hours’.

The participant quoted in the above extract highlighted that targets are met, yet these did not equate with a quality service. That the quality standards of service is seen as lessened and that this ‘set in stone’ nature of the infrastructure Business Link model, associated with government and RDA influences [chapter 2] appears in juxtaposition, especially with an aim to developing flexible and adaptive organisations. Another support worker commented that mainstream support agencies, like Business Link, were no doubt doing what they were ‘set up to do’ and creating new businesses. However, they questioned the very premise that this was the right approach to develop social enterprise. In contrast, another commented that work with their social enterprise clients has an element of ‘making it up as we go along’ and said this was a ‘good thing’ as it allowed flexibility in the response to the needs of social enterprise.

### 9.2.1 Differing views of the purchaser/provider split

The rationale behind the ‘retained grants thinking’ does not appear to be based solely upon a resistance to move from the process of grant funding but is underpinned by a deeper issue of the change in relations between the buyer, provider of services and the community user. Data presented in this section is of how the process of grant funding differs from that of contracts and some of the perceived implications.

Each grouping of participants repeatedly referred to a ‘purchaser/provider split’. Organisational participants indicated that quality of work, innovation and organisational culture suffered when attempting to deliver contractual ‘outputs’ in order to secure economic diversity. Three interviewees representing support and commissioning agencies [S1, RA2, CA1] commented that organisations should not have ‘a social enterprise model imposed’. They voiced concern that the social enterprise model may come to be determined by, if not imposed upon, the product or service the statutory provider is prepared to buy. Additionally, participants

appeared to describe social enterprise as a singular and rigid model, rather than an adaptive and plural one.

Participants adapted their strategies in response to local authorities offering annual contracts. This situation does not afford organisations any more financial security than grant funding. Under grant funding all of the participants representing organisations said that they still had to meet funders' targets and outputs in order to be accountable for public monies. Yet, they described experiences with the processes of grant funding as explicitly meeting the needs of users and being able to offer a more 'flexible service' delivery from grant funding. They described themselves as 'flexible intermediaries' between the grant funder and the community user. They appeared concerned that social enterprise might move their organisations away from being needs based. Organisational participants repeatedly commented that delivering contracts to statutory service provider's outputs took away 'flexibility'. Others suggested a lack of flexibility and freedom and that 'not just anything is possible' in these interactions.

The findings suggested that support workers were pushing organisations to focus upon either the user or the purchaser. One support worker specifically referred to this interaction as a 'purchaser/provider split' and said there was a challenge with:

*both sets of people needing to find new ways of having a dialogue about meeting the needs of people. And letting go of some of the ways we've operated in the past.*

At networking events it was observed that speakers commonly emphasised the need to commission rather than discussing what that entails. In acknowledging that many issues are not being openly discussed, one of the regional support participants reflected that with the 'diversity' of the sector it is difficult to capture views and ideas at one event:

*when so many people are coming in with different perspectives from the voluntary community sector and statutory providers, often the nature of commissioning is not discussed. Things like what the person is prepared to buy rather than what an organisation may do well. We aren't discussing the demand side of the purchaser.*

Support worker [representing RA1]

This is different from prior experiences reported, as one support worker commented:

*if the Arts Council came and said, you're a Community Arts project, we'll give you a grant to deliver a project, the organisation could spend the grant on a project it devised to meet the needs of its users. This was business as usual.*

It is this change from 'business as usual' practice that suggests grants offered a more flexible model than what are perceived as more flexible models offered by social enterprise. Although there were lack of equivocality reported in the meanings of the terms grants and commissioning [sub-section 7.3.2], the process of grant funding and contracting were perceived as significantly different models. In Figure 9.1, recreated from a participant's drawing (which was drawn on the back of a paper serviette), the process was depicted where a grant is awarded to an organisation for services used directly by the customer - community user. The flow is of resources (e.g. money, project and information), which he represented within boxes and arrows. Monies are awarded to the organisation to resource the project/service that is delivered to the customer or community user. Information of community needs & priorities is shown as a long arrow pointing up to the 'Project or service' box.

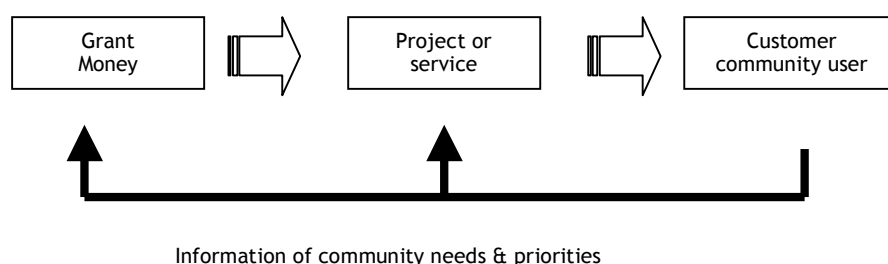


Figure 9.1: Process in grant-funded projects

The participant then drew the lines and arrows below these transactions to indicate they were driven by the needs of the community user. He commented that there is a clear connection between these processes of 'accountability' in that if the customer is unhappy with the service, the organisation can change and adapt it to suit the customer's expectations, or the organisation can approach another funder to resource the project differently. As such the organisation can be innovative in the ways it devises and delivers projects in order to best meet the needs of the local community. He commented that the organisation might be 'selective' in how projects were described to the funder and did not suggest illegal or even poor practice, but rather that the organisation might describe the project as a new scheme in order to meet grant funders' criteria of being innovative when

it was part of an ongoing project. He then drew Figure 9.2 to show the comparison between when the resource is from a contract rather than a grant. He drew a broken line to symbolise the changed relationship between the users influencing this process and commented that the ‘driver’ of this process, symbolised by the line now coming from the money provider, is the statutory agency, not the community user.

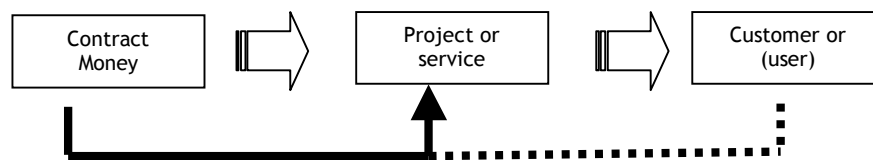


Figure 9.2: Process driven by public service contracts

Support workers repeatedly commented that social enterprises needed to concentrate upon offering what the buyer - the statutory provider - wants to purchase (and to stop providing other services they are not able to sell). For example, one support worker [RA1] used the analogy of e-bay to illustrate that in a market economy sellers do not attempt to tell buyers what they want to purchase.

In contrast, other support workers appeared to be focussing their support for organisations to develop and/or evaluate services in order to meet the needs of the community users. These support workers either implied or directly stated that they did not discuss that organisations meet with statutory providers to discuss their needs. As one support worker reported:

*social enterprise needs a better story. Local organisations need to be better at telling the story of the social benefits to meet the needs of communities.*

This situation typifies the different approaches to social enterprise support. One support worker said ‘there is a need to talk to both the user and the buyer’.

There was an impression from interviews that support agencies offering different types of social accounting and auditing tools were fundamentally divided (those promoting Social Return on Investment [SROI] versus those promoting social accounting [SAN]). More reflective conversations, discussing community user needs together with what statutory providers want to purchase were not heard. As a commissioner representing CA1 reflected:

*support workers are arguing amongst themselves as to whether or not SROI, LM3, social accounting or social auditing are the best routes forward, but what is also needed is a conversation with buyers to know what they want to buy. In that way organisations can develop services and systems over a couple of years to be in place to get these contracts.*

What did not appear to be occurring from interviewees comments and observation at networking events were conversations discussing these different approaches, the assumptions underlying different approaches, as well as just who is, and who is not talked to and what is, or is not, discussed.

## Pattern 9.2: Different views of success and failure

When asked for their ‘success story’ nearly all of the organisational participants spoke of their reputations and associated these with the length of time they had provided services to local communities. Organisational participants repeatedly identified their key role is that they offer ‘non-mainstream learning’ and the social impact they created in such areas as diversity, accessibility, disadvantaged communities, life chances and progression. Stories were told of changes to individuals involved in their projects. One described the ‘real’ success was to have critically examined their approach and role. He acknowledged there was ‘bid blarney’ used to secure grant funding and that practices had little to do with the recorded and monitored quantitative outputs of contract delivery. As such these changes might not be recorded in applications or monitoring forms and remain undocumented.

During the investigation, various support posts and projects ended and three organisations went into voluntary liquidation. This example offers one aspect of failure, but participants reflected that failure was not solely about financial failure. Indeed two of those representing closed organisations specifically stated the decision was not based upon financial reasoning alone. Participants had various notions and narratives of what constituted failure and success. One interviewee [representing SE-VC07] that had received support from various local support providers to set-up ‘sustainable’ projects and discussed two examples, one to set-up a recycling project and another to set-up a luncheon club for elderly members of the community. The participant talked of and showed the ‘fitted out’ kitchen in their centre for the luncheon club that ‘had never been used ... and the project had

never been started'. He then reflected that both projects had been recorded as successful start-ups in that the funding was spent as planned, but that 'not one person benefited' and the organisation never had the capacity, or interest, in developing or delivering these projects. Another organisational participant [representing SE-VCO18] reflected that most programmes were:

*looking for the wrong indicators of success ... start-up, and not sustainability or the organisation making it to the 3<sup>rd</sup> year, or how well do you network.*

Other organisational participants in interviews were equally willing to discuss failure - in private. Notably, one organisational interviewee, who was a speaker at one of the networking events, said he would not 'openly discuss their struggles and failures' as the organisation was contracted to deliver 'successful ventures'. He believed that to say things were not working would either impair the next contract or their reputation for delivering successful projects. This comment illustrates the power dynamics associated with not being able to give voice in public network interactions.

Where support was offered for setting up new projects and businesses, only one of the organisations reported receiving business exit strategy support and/or 'lessons learnt'. Notably, in considering these aspects of failure, one organisation, though remaining in name and structure, altered and radically changed with different people involved, purpose and members of the community targeted to focus upon Black and Minority ethnic members of the community, where before the emphasis was upon disadvantaged white community members. As for other participants in the study, two left the sector after the organisations/agencies closed and two others from social organisations became employees of the local authority. As such their identities would appear to need to be flexible to take on these new roles.

Support workers appeared to primarily link success in social enterprise to accessing public sector procurement, efficiency and effectiveness. An interviewee observed that 'efficiency' was seen to mean 'best value' and 'lower unit costs' and 'higher outputs', but 'the challenge of efficiency is what difference you're making'. One support provider highlighted the term 'efficiency' meant different things to different people. Only one organisational participant stated their organisation needed to become more 'efficient' in order to 'match private sector prices'. Interviewees repeatedly voiced concerns of how the 'added value' offered by

voluntary and community organisations and social enterprises were being equated to financial efficiency through cheaper service delivery and delivering services outputs. It was noted that organisations were ‘expected to make cuts to budgets’ in order to deliver ‘best value’ for agencies such as the ‘local authority’, ‘Connexions’ and/or ‘Health’. These cuts were often to core costs of management, support to volunteers and staff. One support worker highlighted this strategy would lead to the organisation becoming ‘leaner and slicker’ but also becoming ‘tougher with staff’, which would lead to the organisation losing ‘engagement’ with staff, volunteers and ultimately the community that they sought to work with.

In contrast to organisational interviewees, support workers acknowledged that failure was not well discussed within the sector and appeared uncomfortable in discussing failure. A support provider commented:

*the sector is now aligning and realigning itself to the environment and people are feeling their way and they don't know what the solutions look like. There will be mistakes.*

Although acknowledged that within the private sector, failure was a strong precursor of achieving success, it emerged as an uncomfortable topic. Upon being asked what lessons might be learnt from failure, one representing RA3 commented that failure might be something their agency would ‘consider looking at in future’, ‘perhaps in evaluation work’, but he was ‘reluctant’ to use the term ‘failure’ and suggested a need to consider another term that meant organisations ‘weren’t quite as successful as others in achieving social impact’. He described how in this situation failure in social enterprise would be seen as projects that ‘didn’t improve their environment’. More typically of the group, one support worker was disappointed that ‘blame’ and ‘failure’ was being highlighted within the sector, especially as they were tasked with supporting ‘successful’ organisations. Table 9.3 offers supporting quotations of the narratives that support this analysis.



**Table 9.3: Comparison of narratives of failure**

Theme	Views
Failure not discussed - experienced	<p>'At the moment people don't want to talk about it [failure] in the sector'.</p> <p>'The sector hasn't much experience of failure at the moment. Private businesses fail all the time. This is an issue for social enterprise to look at. Those social enterprises well run will manage through adversity, those with the best managers running a social business'.</p> <p>'We don't learn from mistakes, or from one another. When a group fails, let's work on the learning with that group and build that back into how we then work with the voluntary community sector in the future'.</p>
Failure more than financial	<p>'To have gone under in the voluntary sector is a great sin. In the old days, they probably had to do something wrong or smelly to go under. Failure is not perceived the same as in business sector, it implies more than financial failure'; associated with 'a sense of betrayal'</p>
'Welcomed' opportunity to learn from failure	<p>2 participants took this view:                      'How else can we tackle issues of closure or discuss options of merger. It would be good to look at why an organisation fails. Sometimes the environment isn't there or changes. We need to understand the environment as well as the starting up phase &amp; operational frameworks'.</p> <p>'It is a tragedy that you can not speak of failure, even to discuss, or be critical of the social enterprise model with other support agencies'.</p>

This is a crucial theme as perceptions of failure affected actions:

*What we in the public services see is failure, groups failing to deliver contracts, be professional, have appropriate governance.*

*I don't think we're good at identifying and concentrating upon why these organisations should be the preferred deliverers of services.*

Commissioner [representing CA3]

Importantly, this participant acknowledged that when looking at the third sector what she and colleagues see is failure. As she states this preconceived notion of failure appears to almost blind them from seeing third organisations as 'preferred deliverers'. The interviewee said that these failings are not those of the voluntary sector alone. She offered various examples where support workers had encouraged

organisations to develop and deliver services that moved away from their core mission, skills and abilities. Rather than acting upon this advice, she thought groups should be in the position to challenge support workers and promote the work they are doing as most appropriate for the needs of the community. However, no ideas were offered as to how this might occur.

### 9.3 Analysis 3: Models of co-ordinated activities

This sub-section presents key similarities and differences between support workers, commissioners and organisational participants relating to how services might be delivered.

#### 9.3.1 Support worker views

In interviews, support workers commonly discussed the need for organisations to merge. At one network event, organisations were advised they had the following four options for change:

- 1 Do more of what you do already (expand reach of current activity)
- 2 Diversify (new activity)
- 3 Consolidate (merge with another organisation)
- 4 Close up shop! (leave the market place to others)

The tone of this event was prescriptive in that these were the only four options. Additionally, the facilitator for this event declared that grant funding was not an option and that no one was allowed to mention it during the day as part of a strategy. How much influence the speaker holds might influence the actions of some organisations. In contrast, at another networking event arranged by a voluntary sector infrastructure organisation, the focus was upon 'what community organisations can do to make themselves more entrepreneurial and to explore the possibility of forming a consortium of community based organisations, that will encourage community and social enterprise growth and development in Kirklees' (VAK, 2007). This event differed in that the aim advertised was to explore options of forming a consortia rather than working as independent organisations or mergers.

There were concerns raised in interviews. Two interviewees representing the local authority commented that some support agencies want to be ‘imaginative’ about ways of working with local organisations, but practice was of working with single larger organisations. This supports the comments of a regional support participant who identified a ‘big enabling gap’ for organisations seeking to work collaboratively and that she was looking for examples of these practices of organisations working from the ‘ground up’ forming partnerships and consortia.

### 9.3.2 Views of organisational participants

Instead organisational growth participants in the Kirklees area were devising models to work collaboratively in order to survive as organisations. As outlined in Box 9.1, several discussed different ways that they could work together; as one said:

*At the moment we’re still trying to identify the models of engagement because they’re not there. ... So engagement delivery models [are] very important, we need more examples of good practise, but then also by networking around these models of delivery in a way, which is complementary to each organisation, you immediately get a good support network and trust builds. And actually when an issue comes up which needs debating and needs shouting about you’re in a position of strength really to help, to get your partners to help with that. So, you know I think there’s some potential there, but we’re all grappling around at the moment trying to work it all out.*

Organisational participant [representing SE-VCO12]

The importance of this model appeared to be something that the organisation can adapt to work with others in the network. The participant described wanting a framework he can ‘hang something on’. This does not appear to be a definitive model but rather one that can be experimented with to ‘see what happens’. He described an ‘engagement delivery model’ which he envisaged as more than a best practice for a single organisation but a framework for networking which needs to be ‘complementary to each organisation’. He also speaks of the strengths of working together when a common issue needs shouting about which reflects ideas underpinning social movements. Like the participant above, others commented that they would be ‘stronger together than apart’ and by working together would enable them to ‘respond collectively to tendering opportunities, as well as to be proactive’.

Box 9.1 outlines the models described by organisational participants in response to being asked how their organisation sought to develop. Participants had begun to share and discuss these models and many interviewees described other participant's models. In labelling these models, the participants' terms were used.

#### Box 9.1 Social enterprise models for large-small organisations

Replicating - staying small & local and mentoring others in other areas

Partnerships - joining with similar sized and like-minded organisations

Sub-contracting - working as smaller outreach arm with regional provider

Consortia - informal and flexible arrangements

Mergers - formal, more permanent long-term partnerships

Amalgamation - combining and mixing various options

The findings indicate an underlying similarity in that their preferred options were working collaboratively but each had a different model for delivery and engagement. One stated their strategy was to assist other organisations to 'replicate' their processes in other areas. He did not want to work long term in partnership or to be part of an 'umbrella framework', nor to franchise. He stated their organisation was 'autonomous' and that 'is hard enough without other people's agendas'. He emphasised the difficulty in nurturing and maintaining contacts with various providers, and did not choose to work with various local authority service departments, nor do they contract with sub-regional providers. Instead the organisation has a block contract with a single local authority service department. The organisation had offered peer-support to other organisations and had been approached by umbrella agencies to set up and run organisations in other sub-regional areas based upon their model. They did not accept this opportunity as they did not feel 'ready for it' stating the organisation needed to consolidate their position and 'didn't have the capacity or expertise' to expand. However, the organisation has agreed that pending securing a contract for current work, they would reconsider working with existing organisations in other areas. They proposed acting as a mentor and help them to replicate their model in order for that organisation to obtain and deliver contracts for up to three years (or till viable), when it was in the position to itself become 'autonomous'. Another participant [representing SE-VCO1] described themselves and colleagues as 'working together

for the past twenty years, in different partnerships with the board and manager'. Two others described looking to work in 'partnership with similar organisations'; one described looking for a 'similar size/similar minded partner'. One participant described not 'forcing' partnerships, similar to how they experienced the Futurebuilders partnership, but instead, organisations need 'similar ethos and similar sort of integrity'. One said that networking to work together is happening, but only where people have 'established relationships'. Another commented their approach to finding a partner organisation was '*ad hoc*' and they had identified an organisation they were considering to 'join forces with'. For this organisation an important factor would be the other partner organisation was 'competent' and offer complementary services to their organisation. One organisation had received funding support to have a consultant support them to franchise their business. However, they commented that staff and management agreed not to follow the recommendations in the consultant's report as 'no one of those things was the right thing' but rather they were seeking an 'amalgamation' of different models with them working in partnership with other organisations. They specifically wanted to work with an existing organisation as a partner in another area in the region (far enough away not to directly compete but yet within accessible travel distance).

Two of the organisations discussed sub-contracting with a larger organisation to deliver services. One of the organisations sought to sub-contract and work with a larger partner to deliver projects locally. However, this strategy could leave them vulnerable as sub-contracting could mean less money for delivery than the larger organisation, as well as preventing feedback between all parties. Some larger organisations in the region (like Barnardos) were taking the lead on consortia; one participant described trying to form a partnership with this larger national charity but initial contact had not led to this arrangement. Consequently, they were attempting to find ways of working collaboratively more locally.

The discussion of consortia was working with local and similar sized organisations. Some of the Kirklees organisational participants had experiences of working together in the Learning and Skills Council Learning consortium or the Creative Towns Initiative. From these experiences they described how they had learnt that working with similar sized organisations as well as those with a similar ethos was an important lesson.

Only one organisation discussed merging with another organisation as a model for development; this was in the context of a credit union and scale was perceived as essential. Another participant mentioned mergers as 'likely to occur' with the climate of instability. For many, mergers were perceived as an option for other organisations, not theirs.

### Pattern 9.3: Different views of competition and collaboration

The emphasis upon being 'business-driven' was observed at many networking events and one interviewee commented:

*That was the focus of Voice06 about getting more hard-nosed, more business-driven.*

A support worker reflects this approach in the local networks:

*that's where the business acumen needs to come in, as social enterprises aren't as efficient as they need to be. As they get into the competition arena, it is the ones that grasp this that will succeed.*

Situations were commonly described where redundancy letters were in envelopes and prepared for posting to staff on the Friday night and the organisation was saved as a notification was received that a major grant was secured. Participants reflected upon these changes and none saw the demise of others in the network as good for their own businesses. Instead they spoke of being shocked at these situations and not one expressed the desire for their organisation to survive at the expense of another. This appears at odds with the advocacy of traditional competitive business practices and business acumen of becoming efficient to survive. Another support worker commented that where competition 'is not a bad thing' there was a problem with more organisations being:

*led down the garden path ... and encouraged to become social enterprises was that it could not be sustainable for contracts as there is a limited amount of public funding to compete for... and there is not space for that many organisations to become social enterprises.*

Few other support interviewees expressed concern about this key issue that in encouraging more numbers of new social enterprises there may not be the space. Organisational participants discussed the nature of competition for resources (both grants and contracts), for example one said:

*Historically we've always worked in isolation and that's because, that's the way government funded, and trusts funded the voluntary and community sector through grants, through constantly reinventing themselves and there was enough to go around. Well now there isn't, and we're all going for the same pots still, but it's a bun fight. And whereas I really don't think we need, we should be doing this.*

Like many other participants in this study, this participant appears uncomfortable with competing and did not want to act in this fashion. All but two reported applying to more, small grant pots than they used to. They recognized this involved continually seeking grant funding - and filling in more forms - from a wider range of funders than applying to larger pots. One noted his concern that this resulted in more competition and a 'squeeze', which placed them in competition with both similar and smaller organisations applying to those funders. Historically, grant funding was experienced as awarded to single organisations. Other participants made this association of being isolated and reported that if the National Lottery had awarded funding to develop co-ordinated projects the sector would have been in a significantly different position. With much of the emphasis upon growth of individual organisations, less attention has been given to developing and supporting consortia and the potential impact and scale of smaller organisations working together.

Organisational participants spoke of working in partnership with statutory providers and of their projects complementing statutory service provision. Where many of these local projects had been set up in response to the needs of local communities with support from local agencies, subsequent government programmes set up new projects to directly compete. For instance, an organisational participant reflected that they had run a very successful neighbourhood after-school care scheme until Sure Start began to offer the same provision. They had to close their services and the participant stated:

*this could have been avoided if there had been better planning and surveying of what was already available in the area, so as not to set up in competition. Some of the SRB [Single Regeneration Budget] money started up new projects that were in competition rather than complementing services provided.*

Organisational participant [representing SE-VCO 3]

## Pattern 9.4: Perceptions of large-small organisations

The following passage is an extract from one participant that notes a more nuanced pattern relating to organisational size:

*We're a large-small organisation. And quite a lot of what I do is talk to much larger organisations and authorities, so there is a huge discrepancy between, for instance, how an individual freelancer in the Arts, or whatever, would see us, and how the local Learning and Skills Council, or Eureka Museum, sees us. So, we have to deal with that somehow, with the discrepancy in those perceptions.*

*And, something that our largeness, in relation to the organisations that approach us to work together, is a bit of a problem. Because for one, you're seen as probably more competent and able than you are actually are to, you know, click your fingers and apply for funding to do the thing that you're talking about, you know. In some ways some people rely on that too much, and therefore, don't expect to do their fair share in terms of acquiring that money and don't realise that it's, however large you are that's still hard work, you know. And still needs a lot of time. And there is also sometimes the sort of notion that because you're a large organisation and therefore often are more secure, at least superficially, than smaller organisations, that you kind of owe them, you know it's no skin off your nose to put ten grand our way to do this. When in fact I don't actually have, you know the company doesn't have ten grand to splash out on an idea, even a good idea.*

This notion of 'large-small organisation' is of interest to all the organisations in the study acknowledged as established, larger organisations in the local area and offers an insight that these organisations are dual faceted. The pattern elaborates upon pattern 7.5, where size affected access to support and resources, and the nature of size and power and powerlessness in interactions with larger agencies (discussed in chapter 8). It is the nature of them being perceived of as larger organisations and the implications within the network that is the focus of this section.

Organisational participants reported experiences of being regularly approached by smaller organisations with ideas they want help in developing as projects and offering 'peer-support', 'mentoring' and 'business counselling' smaller groups. These roles appear for the most part to be offered free of charge. This suggests these organisations are creating two different types of relationships, one supporting other smaller organisations and individuals working in the third sector characterised by freely sharing their skills, resources and ideas. The second where they preferred not to work in consortia with such groups as equal partners to



deliver projects. Several interviewees described a ‘problematic’ nature and the above participant’s comments reflects those of others that there is no reciprocity in this relationship and the smaller organisations not doing their ‘fair share’ but instead relying upon the skills of those in larger more secure and successful organisations. For these reasons some participants said they would take a ‘cautious approach’ to working with smaller organisations in consortia. From their experiences, they would work with smaller organisations, but reiterated their preference was to work with other similar-sized organisations. Yet, this expectation of offering support to smaller organisations is not discounted or rejected by those in this study.

### Pattern 9.5: Trust and distrust

The investigation identifies the importance of how trust and distrust within local networks. One organisational participant related the importance of trust in ‘ambassadorial work’ representing the organisation to others, especially those in organisations they sought to work with. He reflected that trusting relationships were based upon establishing credibility, competence and friendliness and described the need for establishing ‘good and trusting relations’ in collaborative working. Good relations were perceived as important at all points in projects, as without trust, the relationship ended as a ‘one -off experience’.

All of the support workers interviewed recognized that underlying qualities of trust are important:

*For me trust is integral to everything. A social enterprise is about trust between people employed in social enterprise as well as between workers and the client group. And it must exist with the client; it is a two-way relationship. It is also essential for grant bodies funding them or those contracting them. If its not there, its just too scary to think about without trust.*

Support worker [representing S5]

This participant believes ‘social enterprise is about trust’ in different interactions: between members of organisations - the organisation and community users - the organisation and the funders. Interestingly, she says it is ‘too scary’ to think about interactions without trust. Others perceived trust and good relations as necessary to ‘absorb the ripples’ when things go wrong. In contrast, a support worker

[representing S2] reflected:

*Some social enterprises are using the word trust a lot and I don't think they mean a lot by it.*

This interviewee perceived trust as a 'clever' marketing tool to gain an advantage in competing with less trustworthy competitors. The participant's reflection does not suggest trust arises from shared values and beliefs as a fundamental part of relationships in social enterprises or as a utilitarian approach to work together again. Instead, he seems to have a calculative view that those in social enterprise use the term without meaning 'a lot by it'.

Where stories of trust were told, those of distrust [and mistrust] were also commonly repeated:

*And it was just the mistrust really, because when you've got competitive bidding rounds, you're in competition really for the ever-decreasing amounts of money.*

*Certainly from our end, not me personally, but from the board level, there was definitely mistrust of other organisations. Definitely mistrust of most of the support agencies right up to the council. Anything on a local level was mistrusted basically. It was an us and them mentality. And it was like, well if we give them our idea, they're gonna run off and do it and do it wrong. And then nobody will ever give us any money for it again. And I think that was just ingrained within the organisation; keep it in-house, we'll do it all ourselves.*

Organisational participant [representing SE-VCO17]

This excerpt supports Patterns 9.3 and 9.4 of competition and the size of organisations. Distrust may have been a useful (and sane) tactic, especially as they competed against other larger organisations and agencies that were not trusted. The participant emphasised that in addition to local organisations they also mistrusted support agencies, as these were also perceived competitors placing bids to fund projects. Hence, financial resources and ideas were competed for rather than freely shared to affect wider changes. Some support workers and commissioners recognized an environment of distrust:

*there is not an awful lot of trust between organisations, networks or the voluntary community sector and the public sector.*

Commissioner [representing CA2]

This participant said there were 'valid reasons for the lack of trust' between the third sector and the local authority and 'the breakdown in relationships was two

way' as the local authority representatives had 'made promises that were not kept'. She reflected that 'honesty' and 'integrity' were both required and there was 'a long process ahead to rebuild relationships'. However, one support worker believed:

*Although there is competition in the sector, people still get on and share information. One week they tender against one another and the next joint working. What does get around is when people don't share information. People don't work with organisations that don't share information.*

Support worker [representing S5]

One organisational participant described a lesson learnt that by sharing information people knew of their project and they had improved their initial idea to develop a better project. However, he cautioned there are different levels of sharing information and it would be 'foolish' to share everything.

#### 9.4 Summary of findings

This chapter has discussed the findings relating to survival and retained practices in the local networks. The chapter explored the complex ways in which organisational members and support workers conceptualise survival. Although it initially appears that in practice the issue of social enterprise is simply based upon the move from accessing resources from grants to contractual agreements, in contemporary practice this situation appears more nuanced, uncertain and problematic. The following key patterns of the differences between and within groups were identified:

Organisational participants agreed that:

- Survival, not social enterprise, was their main concern;
- Organisations retained aspects from their experiences as VCOs;
- Established organisations had different challenges from new and emerging organisations as responding to changes and doing things in a different way.

Support workers agreed that:

- Survival is not mandatory;
- There is a need to move from grants to contractual relations;
- Competition was seen, by some, as a means of weeding out inefficient organisations. However, support workers' approaches to this situation differed.

The two groups disagreed most on the following:

- Where support workers promoted organisational growth, organisations did not seek growth - Most were contracting in size. Only one commented that it had grown more quickly than projected in their original plans and was taking on new staff and moving offices to meet demand. They recognised the challenge of this situation and the need for managing and 'catching up' with these changes.
- Organisational participants sought to work in coordinated ways - Each had different models. Although mergers were seen as a way forward by support workers, this would mean organisational growth but at the expense of the demise of another organisation. Evidence from interviews suggests formal arrangements or mergers were not preferred options.

The reflections of participants in these networks articulate a conversation of the 'drivers of change' and wider processes. These findings support the case for an interpretive framework for considering how participants in networks reconcile new changes with existing practices and beliefs. The descriptive findings for this chapter, and previous chapters (7 & 8), are not meant to depict macro-level elements but instead to offer patterns to support the activity of analysis. The next chapter considers the empirical data and offers insights from contemporary practice in the context of the narratives in the literatures.

## Theory and practice

### DISCUSSION OF IDENTITY AND ACTIONS IN LOCAL NETWORKS

This chapter draws upon the literature reviews and analysis of the empirical data in order to address the research questions. The discussion that follows differs from previous chapters in that it looks at the outcomes of the research as a whole and relates them to the research questions and theoretical themes.

Networks, though not the only means of considering wider interactions, are an important and well-recognised aspect (Hoang & Antoncic, 2002; Steyaert, 2008; Jack et al., 2010); others include teams, regions, clusters and local communities (Steyaert & Landstrom, 2011). The thesis has repeatedly highlighted the importance of local network influences upon contemporary practice, particularly identity and actions, and has identified both confluence and divergence in different areas of theory, extant research and contemporary practice. For example, while the conceptual model was used to improve understanding of key patterns and associated processes of social enterprise networks, it also gave voice to the differing perspectives of participants and highlighted differences within the groups and between social organisations and support agencies, so much so that they appeared to operate from different standpoints.

This chapter presents the inter-linked key themes identified in the literatures [Tables 2.2, 3.1 & 4.3]. From these themes it has been argued that:

- Drivers of change - Networks appear to influence how national policy and programmes seemed to be interpreted and implemented locally. Different government departments influence support policy and programmes and economic competitiveness, public service delivery and social cohesion were different agendas affecting development. These policies were not well coordinated in local programme delivery and practice was perceived as at a 'cross-roads'.
- Identity appeared to be coproduced in local network interactions - participants representing support agencies held different views from those representing social organisations. Participants representing social organisations differentiated themselves [and their organisations] from others and discerned

between being a social enterprise and a social entrepreneur. Importantly, they held multi-faceted identities rather than adopting a single identity as a social enterprise.

- Networking appeared fragmented - Data demonstrated that roles adopted were of 'enablers' and/or 'gatekeepers' and indicated engagement with others in social enterprise actions. Networking was linked to notions of leadership and had practical implications for support. Groups differed and support workers perceived 'heroic' characteristics and focussed attention upon these key individual leaders whereas participants from social organisations held different views of leadership.
- Sensemaking, Actor-Network-Theory and theorising of social movements were useful to begin to articulate social enterprise processes. Linked to these processes were the issues of: power [and powerlessness], trust [and distrust] success [and failure].

During the course of the research and critiques of the literatures, the above issues emerged as important to the activity of making sense of social enterprise. Thus, it is within the parameters of these themes that this study has operated. The intention of these themes was to 'locate people within a processual and sequential movement of relationships and life episodes, more than to categorise' (Down, 2006, p.30). The above themes form the sub-sections of the discussion to explore the relevance of these findings in light of the grand narrative of social enterprise in academic writing, social policy and support programmes (Dey & Steyaert, 2010).

## 10.1 Drivers of change

This thesis supports the assertion that government is a 'driver of change' (Nyssens, 2006), which significantly influences social enterprise in the UK, as the changes described by participants reflect major government policies since 2001 to transform public service design and delivery (Chapters 2 & 3). However, it is suggested that interpretivist views are also needed as national policy is affected by communication at local levels (Murdock, 2005). This is reflected in this study [Pattern 7.8] with some support workers promoting the term 'social enterprise' and referencing the DTI and rejecting the term 'third sector' and not wanting to support such diverse organisations, which suggests a rejection of wider policies and programmes promoted with the creation of the Office of the Third Sector.

There also appears to be no single coherent message informing social enterprise development but instead two different strands - promoting business development or community cohesion - enacted through different government programmes [Pattern 8.3]. Additionally, the critique of the literature suggests conflation of the economic and modernization agenda drivers (Hardy, 2004; Kerlin, 2006b), a view supported by participants. Changes in funding is undoubtedly a key factor in influencing organisations and social enterprises appear to be vulnerable to shifts in policy and programmes, and the funding associated with them, as well as to the conflicting views presented in government documents.

For example, while government guidance (CLG, 2007, p.18) suggests that social enterprises 'need to build up a basket of stable and secure independent income streams to resource their development and growth', recent government research (Home Office, 2008) found that the increase in contracting out public services has not led to a decreased reliance on grant income. In practice, while participants described their strategic goals as being to develop a mix of resources, concerns were voiced that intermediate support agencies were not fundamentally addressing how organisations in transition were 'developing what you've got in a different way'. This reflects a 'mismatch' identified between policy promoting social enterprise and the delivery programmes to enable local practices, and highlights how little is known about how policy changes are adopted with existing retained systems of voluntary organisations (Billis, 1993). Participants also described how support workers are 'quietly withdrawing support' and attempting to move organisations into social enterprise thinking and practices, while many organisations reject this approach. The overall impression from organisational participants is that mainstream support is 'one-dimensional' and that mainstream support agencies do not understand their 'social ethos'. These findings support Schwabenland's assertion (2006, p.107) that 'social entrepreneurship is increasingly defined primarily in terms of diversifying the funding base ... not demonstrating new ideas or models'.

Additionally, the research identified fundamental differences in how organisational participants and support workers construct and practice social enterprise, while there is a gap between regional strategic plans as information is 'trickled down' from national policy to regional programmes, and there appears to be no local plans at all [Pattern 8.4]. Patterns of support differed and in Bradford, support

workers appeared to create vertical structures suggesting organisations were more reliant upon intermediary agencies, whilst those in Kirklees appeared to mix 'vertical' and 'horizontal' dimensions (Alcock, 2010), thus enacting peer-support networks and capacity building practices. These aspects combined with tensions in cultures of intermediate agencies delivering support were associated with members of local networks having different, and at times conflicting, approaches for enacting and enrolling others in social enterprise.

The organisations in the study were in contact with numerous agencies reflecting empirical studies in other areas (Aiken, 2006; Shaw & Carter, 2007), but participants appeared influenced by differing agendas and were offered different and conflicting advice [Patterns 8.1, 8.4]. Thus illustrating the complex environment in which these organisations and agencies operate. These findings suggest that local network dynamics and processes are a valid area of focus for better understanding the drivers of change in contemporary practice.

## 10.2 Shared and discrepant identity

To address research questions one and two [RQ1 & 2 - chapter 1], this study confirmed that the way in which people construct identity and actions is key to understanding social enterprise (Steinerowski et al., 2008), and highlighted that the process of establishing social enterprise identity is not straightforward. Similarly, the research found that the term is perceived to have different meanings and no single common identity, in contrast to assumptions of sensemaking (Weick, 1995, 2001). What emerged better reflects Brown et al. (2008) that people act from 'shared and discrepant sensemaking'. Thus, this thesis sought not just commonalities but also contradictions and nuances of meaning [see chapter 7 for empirical data].

The study's findings (especially Pattern 7.2) resonate with other empirical studies of identity where leadership in the sector is seen to be shifting to a 'collectivist' and 'post-heroic' form (Hubbard, 2005; Spear, 2006; Howorth & Parkinson, 2007, 2008; Russell & Scott, 2007; Shaw & Carter, 2007; Crutchfield & Grant, 2008). It appears that participants in social organisations do not entirely set themselves apart from voluntary community organisations and are reluctant to adopt a singular social enterprise identity. This is in part similar to other findings (Howorth & Parkinson, 2007, 2008; Steinerowski et al., 2008) where a reluctance to accept an



entrepreneurial identity was found. This research demonstrated a slightly different view of contemporary practice from these studies, in that:

1 Organisational participants held different identities which shifted in response to network influences rather than remaining constant [Patterns 7.3, 7.6];

2 For those describing their organisations as social enterprises, this was often associated with network influences constructing social enterprise identity and that support workers influenced organisational participants' views of social enterprise [Pattern 7.4]; and

3 Organisational participants voiced the need to be entrepreneurial, however the meaning appeared different from 'mainstream' support workers and traditional academic views [Pattern 9.1].

In summary, to address the issue of shared identity and how participants make sense of social enterprise posed in RQ1, there were different understandings suggesting shared and discrepant sensemaking in local networks. Though many in the social enterprise and social entrepreneurial literatures (Austin et al., 2006; Pearce, 2003; Perrini, 2006) voice the need to have a clear definition of social enterprise, theorists from other fields of study assert that multiple identities are not necessarily problematic, but rather a positive response, especially in exploring the nature of network relations (Anderson & Jack, 2002; Bowey & Easton, 2007).

The argument put forward is aligned to Down (2006) who argues narratives of entrepreneurial identities are re-crafted to fit changing situations. He draws upon the work of Sennett and says those individuals who can deal with the ambiguity of identity and conflicting elements of entrepreneurial identity 'have a dense identity and are attracted to situations where the 'edges of different narrative meet' (Down, 2006, p.108); from this view the lack of a single social enterprise identity is not 'weak identity' but instead a 'stronger identity' where ambiguity is acknowledged and 'narratively conceived as transient, elastic and dynamic process' (ibid, p.108). It might be that those adopting aspects of social enterprise identities and actions coming from the voluntary sector perceive identity in relation to their dealings with different sectors and as Billis (1993) argued is an ambiguous zone requiring flexibility.

### 10.2.1 Metaphors to express movement and mechanics

Metaphors were used to express two different aspects of social enterprise between those groups in the case study. Firstly, when considering 'movement', there emerged a conflict within the group of support agencies between perceptions of social enterprise and third sector identities, the third sector being perceived as 'backwards' by some and social enterprise as 'wearing the suit' and 'forwards' thinking by others. These findings suggest that mainstream support agencies in the study were attempting to enact a type of environment by emphasising a more 'traditional' approach to business development. The support workers' approach better reflected the narrative in the literature of progressive development of social enterprise becoming 'business-like' (Dey, 2006).

Linked to this, the metaphor of 'motion' was explored between organisational participants and support workers [Pattern 7.6]. Consistent with Schwabenland's findings (2006) that the 'journey' metaphor is significant to voluntary organisations, participants in this study repeated the notion of a journey in describing their organisations as in the process of change and 'taking steps' to change. Incremental change, rather than radical change associated by many writers (Drayton, 2005; Podolny, 2005; Nicholls, 2006; Massetti, 2008) as essential in social enterprise, was found in contemporary practice. In particular, instead of a linear journey, organisational participants spoke of an 'ebb and flow' nature of movement [Pattern 7.6], and - reflecting the kinetic motion metaphor (Morgan, 1986) - the study found that support workers try to influence social organisations to move towards social enterprise, to become more efficient and move toward the commercial end of the spectrum.

Mechanical metaphors, representing a different aspect linked to complexity, emerged in the study which is consistent with Schwabenland (2006) and Thorpe et al. (2008). The language used by support workers implied that they believe themselves to be part of a mechanical production-line, changing voluntary organisations to the shape they understand best resembles social enterprise. The mechanical metaphor offered an insight that they assumed a cause-and-effect relationship might be achieved by voluntary organisations taking on business practices from the private sector, becoming more efficient, more competitive, businesslike and successful. While mechanistic approaches are described as having job descriptions with clear definitions, clear hierarchy of control and rigidly

controlled environments (Hosking & Morley, 1991), it has been suggested (Leadbeater, 1997) that the 'best' examples of social enterprise are 'organic', facilitating people in shaping their jobs as well as the environment, even though they interact in a non-organic environment. The mechanical analogy has been found (Parker & Parker, 2007) to be pervasive in the Labour government's language and approach to public service provision, but there is a gap between mechanistic performance indicators and the reality of services as perceived by the user (at the levels of the local delivery agency as well as community member). This 'mechanistic' versus 'organic systems' approach is found in management theory (Morgan, 1986) where the use of language is conceived as part of a 'rational' process, thus inhibiting social enterprises ability to be flexible, encouraging people instead to be reliant upon being fixed

### 10.2.2 Influences of statutory providers upon identity

Acknowledging the existence of 'intersectoral' influences upon social enterprise (Aiken & Spear, 2006; Bode et al., 2006; Reid & Griffith, 2006), this study sought not to classify social enterprises; rather it aimed to examine how they identify themselves, focussing on the 'public narratives' of identity (Down 2006). There are contested views of influences upon identity within the literature. For instance, the literature asserts that identity in new organisations (not existing organisations) is 'multi-faceted' (Teasdale, 2009), whilst others argue that interactions with statutory providers - especially funding and performance measures - limits the interpretations of identity among social enterprises (Grimes, 2010). Teasdale's empirical study focuses upon new social enterprise and he found a 'multi-faceted identity useful in relations during the starting up phase; he poses that existing organisations might not use this strategy. The findings in this study are that those in existing social organisations do adopt multi-faceted identities. Additionally, that how identity is discussed in public, be that self-identity and perceived identity, both affect practices. This might be because participants have diverse funding streams rather than one core funder, hence the perceived need to present a different identity in interactions with each different funder. As the identities of social enterprises were not static, any strategy for providing them with support needs to reflect the fact that their situations with others in networks are likely to be changing and uncertain.

### 10.2.3 Views of being entrepreneurial

The study sought to clarify the extent to which practitioners' perceptions correspond with those identified in the literature in relation to distinctions in approaches to managing social enterprises, with the key dichotomy existing between considerations of entrepreneurship and enterprise theory (Chell, 2007). Greiner (2002) identifies five themes of entrepreneurship as underlying social enterprise: innovation, risk and uncertainty, spotting and acting upon opportunities, bridging sectors, and leadership. Kreuger et al. (2009) argue those that do not identify as a social enterprise are less likely to have strong entrepreneurial beliefs. Dey (2006) comments such terms are set up as a 'business-non-business binary' with entrepreneurial perceived as positive, whilst not being entrepreneurial is in some way perceived as negative. This is reflected in Boschee's (2006) comment that 'smart' actors are entrepreneurial. The implication being non-entrepreneurial organisations are 'dysfunctional', 'outdated' and 'inefficient leftovers' and 'seal their own fates' (Dey, 2006, p.129).

Within the social enterprise narrative of traditional third and public sector interactions, different views of entrepreneurial identity are presented. Some scholars suggest that social enterprises are fundamentally similar to their commercial counterparts (Cools & Vermeulen, 2008; Steinerowski, et al., 2008; Kreuger et al., 2009), while others (e.g. Howorth & Parkinson, 2007; 2008) found being 'entrepreneurial' is not accepted. Neither was the case in this study [Pattern 9.1]. This finding in part reflects that such terms are common-place in 'every day vocabulary' (Dey, 2006). But this in itself does not explain the findings addressing research question two [RQ2] linking shared meaning with actions. The findings suggest that those in local networks use the terms to mean different things from traditional narratives of entrepreneurship. Similarly, Berglund (2006) suggests that assumptions do not capture 'newly begun regional conversations' of what entrepreneurship can mean, arguing that the notion of entrepreneurship is at a 'crossroads' of issues concerning economic and quality and urges researchers to pay attention to identity work and 'unconventional ways' of conceiving entrepreneurship. She also asserts that people can resist the dominant discourse, in which the identity of entrepreneurs is as 'agents of change' and the main focus is on 'start-ups' and 'growth'.

The case study findings relating to RQ2 indicated that notions of social enterprise

differed from traditional views of being entrepreneurial as conversations covered both economic issues as well as those of advice and support. Mainstream support workers stated they used the DTI definition of social enterprise and based support on their identification of various criteria. Notably, one criterion differed from that of the DTI and a comment repeatedly emphasised was that social enterprises needed to make a 'profit'. This criterion also differs from SEC (2007), which describes social enterprise as having an 'enterprise orientation', or Pearce (2003) 'engaging in trade'.

The study also found that changes in entrepreneurial behaviour were observed in network relations with larger organisations operating at regional level; specifically, research participants reflected that these types of organisations had recently recruited more business-minded leaders and board members. In one instance, a commissioner voiced concern that he and colleagues had discussed that the new manager of a regional charity did not share an understanding of the social aspect of the sector. However, this particular influence was not reported for the organisations in these networks, suggesting that local network patterns, especially smaller to medium-sized organisations, differ from those operating at regional and national levels. These findings are consistent with previous studies, in which medium and smaller-sized organisations were found to be more likely to have 'difficulty negotiating contracts' with larger statutory agencies (Spear, 2008, p.34).

Analysis of participant responses in addressing RQ2 indicates that support workers use business language to enrol organisational participants, who in turn appear to 'talk the talk', reflecting previous research (Oakes et al., 1998). Conversely, those organisational participants not self-identifying as social entrepreneurs and/or social enterprises nonetheless described themselves as 'enterprising' and 'entrepreneurial'. Organisational participants recognising the need to be entrepreneurial appeared to mean different things from the dominant narrative, with differences focussing - typically - on sources of funding. Whereas mainstream support workers promoted the need to become more like the private sector and 'business-like' (particularly to move from grant funding), participants from social organisations appeared to seek to diversify income, and in discussing the market for services described not the private sector but public sector, grants and contracts. However, they recognized that changing to public sector contracts

would not be enough, intending to have diverse public sector contracts together with grants. Some sought to be 'self-funding' as all recognized that public interactions left them vulnerable, reflecting previous research (Spear et al., 2007, p.10) which found that this situation leaves social enterprises potentially 'vulnerable to sudden changes in public policy'.

In seeking evidence that social organisations had become more 'enterprising' and/or business-like, the research found that all of the social organisations possessed a business plan. These were found to be embedded in the organisation (as in Law, Latour) and treated as an 'artefact' illustrating that advice from support workers (about becoming more 'business-like') was transmitted. However, plans were not always in use [Pattern 8.4]; hence, not embedded in practice. This highlights the need to look beyond the existence of documents within local networks and to explore the use of such documents in influencing social enterprise development.

The nature of being entrepreneurial and taking risks was also explored, as a key element identified in social enterprise is taking risks (Nyssens, 2006), with some distinctions having been identified between board members (Spear et al., 2007) and the risk taking of senior management (Russell & Scott, 2007). The research did not involve board members but focussed upon interactions between representatives of the groups in the case study, although support workers claimed that non-professional board members had an aversion to risk. However - in focussing upon financial risks - they failed to recognise risks to reputations, trust and service outcomes, identified elsewhere as key risks to social enterprises (Paxton & Pearce, 2005). This perspective also neglects issues such as smaller size, location, few examples of wider networking and failure to meet community needs, that are also seen to place social enterprise development at high risk of failure (Amin et al., 2002; Pharoah, 2007). Shaw and Carter (2007) claim a 'cultural shift' is a key difference between social enterprise and traditional commercial organisations in that rather than being concerned with economic risks, those in social enterprise are more concerned with maintaining good reputations and credibility. However, network theorists link the importance of reputation in network interactions to risk-taking (Burt, 1999; Paxton & Pearce, 2005; Bowey & Easton, 2009) and 'a careful display of a cooperative image' is possibly as salient, since being seen to be cooperative can be capitalized upon to the organisation's

benefit (Bowey & Easton, 2007, p.276). Confirming the importance of these sensitivities and going against the notion of competition and survival by any means depicted by evolutionary models of business practices (Dey, 2006), organisational participants voiced concern over potential competitors 'going bust', with none expressing the desire for organisational survival at another's expense.

These findings suggest that network contacts and credibility are essential, particularly as perceptions of opportunities and threats were linked to risk [see participants' drawings in chapter 8]. This reflects the view that social enterprises recognize opportunities between the sectors and create niches, and that they respond to local needs (Westall, 2007; Howorth & Parkinson, 2008; Shaw & Carter, 2007). However, it appeared opportunity recognition was not done in isolation but through interactions with others in networks. The study sought to identify how organisations create and pursue opportunities, as this is another element of entrepreneurship (Cools & Vermeulen, 2008; Kreuger et al., 2009). None of the organisations in the study described situations where they first developed an opportunity or identified a gap in the market. Instead one referred to 'unknowingly creating an opportunity' and described interactions and developing a pilot scheme with the local authority and later attributed this with 'scoping out an opportunity' for their organisation. Opportunities did not appear as a strategy or narrative and participants appeared to reflect upon how they developed opportunities with others in networks during the course of the interviews. It appears that participants in social organisations were in contact with support workers and/or commissioners in statutory public sector agencies, and the findings suggest that all but two organisational participants linked opportunities with the public sector. This finding resonates with a government report (Home Office, 2008), which - while acknowledging the 'distinctive ways' the third sector, including social enterprise, delivers public services as opposed to those in the public or private sectors - found that good service was linked to good relations with public sector agencies. This reflects work (Krueger et al., 2009) that suggests opportunity could be modelled at the intersections of sectors, although the research stressed the importance of established contacts. The data highlighted that good relations trust and the role of 'enablers' were key to opportunities but that members of networks also acted as 'gatekeepers' of information, a 'purchaser/provider' split was identified and relations of distrust were common in network interactions.

### 10.3 Networking

The literature discussed in chapter three suggests that networking is important (Pradhu, 1999; Austin et al., 2006), but is overlooked (Murdock, 2005; Spear, 2006). As well as looking at how participants adopted organisational identity, in addressing RQ2, the study sought to consider how members of networks adopt social enterprise practices in order to work together. While emergent patterns [8.1-8.6] indicated that identity was related to actions within the local networks, pattern 8.3 in particular illustrates the need expressed by organisational participants to improve poor network relations whereas support workers focussed upon creating structures. Similarly, the study indicated that although network relations influenced organisations, these social enterprises are not entirely at the mercy of these influencers; instead, identity and actions were more flexible.

A key pattern from analysis of findings was the fragmented nature of interactions [Pattern 8.6], reflecting a recent study by SEnU (2007). This fragmented aspect was not well addressed in extant research with Borch et al. (2007) being one of the few studies to do so, and the finding indicated that different information was spread from regional to local levels across various networks, further complicating the situation. Support agencies appeared to disseminate information in an uncoordinated fashion across local networks, something evident in advice, tendering and contractual agreements. Participants suggested that network influencers enact roles of 'enablers' and 'gatekeepers' (consistent with Strang & Sine, 2002) that affected identity and actions. However, by identifying their own criteria, support workers are enacting, constructing - and at times narrowing - the local network of social enterprise. These findings resonate with work of Grenier (2006) and Hines (2005) who found that the way support agencies and government identify organisations may affect their access to resources.

The insights from support workers appeared embedded in traditional business thinking and were not characteristic of 'emergent patterns' (such as how to change processes or devise new roles that encourage reciprocal ways of interacting, as per Goldstein et al., 2008). Though relationships were seen as crucial in networks, some support workers highlighted that no one was looking at how these relationships influenced development or how organisations found and made paths into public service provision. In considering the role of context posed in research question three [RQ3 - chapter 1], participants from organisations in Bradford



networks appeared more reliant upon local support advisors than those in Kirklees, a similar pattern to that illustrated in the DTI (2006) model for voluntary community sector support networks (see Figure 3.12). Toner et al. (2008) argue that Bradford support agencies focussed upon linking organisations to resources at the expense of developing organisational networks. Their argument, in response to an earlier paper (Seanor & Meaton, 2007), supports this study and is that smaller social enterprises in Bradford were overly embedded in the goals of the local support networks. The majority of support workers did not facilitate opportunities for wider connections, beyond e-mail groups, with others in networks. The findings links to those of Grenier (2006) asserting that few support agencies acknowledge the importance of networks of mutual support. This situation is also reflective of network findings by White (2002) with lead organisations not being ‘interlocked’ thus not well integrated as a group. The potential wider implications are that some agencies hold more information than others and hinder rather than facilitate access to resources (White, 2002). However, Steyaert and Landstrom (2011, p.128) refer to a study by Johannisson where the context supporting enactment varied between two networks with one ‘not dense nor connected ... but relatively elaborated with regard to communication and exchanges of competencies.’ They suggest embedded connections, though dependent upon context, are not essential for enabling good network interactions.

### 10.3.1 Networks interactions indicated leadership practices

The nature of contemporary practice was discussed from the perspective of commissioners, support workers and organisational participants in the case study. From a theoretical perspective, a number of links to previous points regarding networking relations arise. There were different approaches to support, some supported ‘key’ individuals and others focussed upon building the capacity of teams, which reflects a theme in the literature (Hubbard, 2005; RISE, 2005; Bridge et al., 2009). As highlighted at the time of the study, none were working outside of organisations and facilitating face-to-face inter-organisational interactions, but instead met with potential commissioners on behalf of the organisation/sector.

In considering context [RQ3], numerous support workers, especially those offering mainstream support, focussed upon the exceptional individual and the imagery of the heroic social entrepreneur. They sought to work with those who self-identify as social entrepreneurs and have good business skills, reflecting the support workers’

belief that one person is the catalyst for change, finds solutions to problems others do not see and does not let others stand in their way. This view however does not complement a network approach. An additional constraint was found to be the fact that the business hours worked by mainstream support worker's hours were not compatible with the availability of volunteers and board members. Thus, these mainstream practices enact an environment that potentially excludes wider stakeholders. Moreover, the hidden assumption that those not seen as the heroic leader 'running' the organisation [e.g. other staff, volunteers and stakeholders] were consequently not perceived as important to work with. A regional support participant suggested there 'was probably a skills gap about organisational development and who support advisors needed to meet in discussing change'. He voiced the concern that there was a 'danger in the current approach' where the leader was seen as one person driving change and the process was not about democratic leadership. In contrast, others working from a 'community development approach' described it as important to 'invest in the organisation rather than developing an individual'. This differed from their mainstream counterparts and third sector support workers described working evenings in order to meet members of social organisations. There appears an incompatibility between those who focus their efforts upon an individual, as the hero portrayed in the social entrepreneurship discourse of academics and Government policy even though participants have 'non-heroic' identities and their motivations are diverse. However both approaches neglect the consideration of working with networks. Two participants representing their social enterprise consultancy suggested the social entrepreneurial model was working as a 'sub-plot'. They acknowledged that for many organisations a single leader might be initially successful. However, they found many social entrepreneurs 'cannot make strategic decisions in networks - because they're so dogmatic about where they want to go'. Though basing their support upon entrepreneurial examples from the private sector, it was where the 'humble ones' were successful.

The study has found that the heroic individualistic metaphor of social entrepreneurship or the co-operative 'collectivist' views of social enterprise within the boundaries of an organisation are not the only models. These examples indicate the importance of organisational participants, commissioners and support workers in reflecting upon the influence of networks upon identity and perceived identity and how this affects access to resources (funding and support

environment). Although the initial motivation might be resource mobilization, this alone was not the sole factor influencing actions. How structures were conceived and the dynamics and expectations of others also affected network interactions, suggesting the need to consider different perspectives of the 'social' in social enterprise.

### 10.3.2 Collaborative working models

Each organisational participant offered a model for collaborative working. Organisational participants described not only their own models but also those of others in the networks implying these are public narratives shared with others [chapter 9]. Collectively these 'engagement models' are potential operational models that offered more in-depth information of how the network seeks to operate with one another in the interstice between the public and voluntary and community sectors [Box 9.1]. In addressing RQ3, the findings suggest that organisations seek to work collaboratively and at the same time retain their autonomy, in doing so seeking flexible approaches rather than permanent changes or mergers. Though mergers were discussed, none wanted to merge and this was described as something other organisations would need to consider. This differs from the promotion of social enterprise as 'geared up' for mergers (ESRC, 2009) and suggests that organisational survival underpins these models. It also differs from reports of expectations of lowered numbers of collaborative working with greater emphasis upon infrastructure bodies (Third Sector, 2009c). Organisational participants reported little support for developing models for collaborative working. It appeared that they would attempt collaborative working on a trial and error approach.

The strategies of organisations operating at this network level differ from the pattern of mergers occurring between larger charities at the national level (e.g. Age Concern and Help the Aged). The findings (sub-section 9.2) also differ from models of co-ordinated working (Aiken, 2007; NCVO, 2008). Though many had worked in partnerships in previous projects, there was no evidence that organisations were working together to deliver projects and network interactions appeared based upon support and discussions. Interviewees identified the potential to work together on future co-ordinated projects, but emphasised the importance of the nature of these relationships as an important element. Organisational participants discussed the need to meet together to discuss the issue more fully.

Within much of the social entrepreneurship discourse organisations are perceived as either choosing or being ‘pushed’ into growth (Austin et al., 2006), with some writers advocating scalability rather than organisational growth and the process of spreading innovation (e.g. Perrini, 2006). The study’s findings indicate that participating organisations do not seek to grow, the majority looking instead to work with other similar sized and experienced organisations. This approach attends to what Peattie and Morley (2008) list as two challenges of co-ordinated working: damage to reputation from association with a lesser partner and loss of independence from power imbalances with a larger partner. The findings suggest a preference for scaling organisational impact and associating the power of working together rather than growing their organisations; this might prove to be the first step to working collaboratively within social enterprise projects. Notably, the participants’ models did not include competitors or purchasers, so are incomplete maps of their environment, possibly reflecting the difficulties faced by partnerships and consortia in forming (Westall, 2007) and the cost and time commitment required to form consortia (Home Office, 2008).

There is much to be discussed and understood about co-ordinated working, not only between organisations in local networks, but also between organisations and local statutory providers. Conflicting information regarding organisations merging and working collaboratively has previously been reported: one survey of 1,001 charities found that less than 10% have considered this as an option (Third Sector, 2009b) compared to 75% of those taking part in an NCVO (2009) survey. Organisational participants in this study employed both competition and co-operation [Pattern 9.1], confirming Perrini’s view (2006) that there is a significant difference in how social enterprises perceive competition compared to business entrepreneurs: for entrepreneurs the advantages of winning ideas, resources and products are reaped for their organisation and are best not shared; for social enterprise, the ‘advantage’ is not the same and instead their goal of social change is to spread and share ideas to improve societal well-being. This relates back to the earlier point (10.2.2) that evolutionary models of survival of the fittest might not be relevant process-oriented models for social enterprise.

### 10.3.3 Purchaser/provider split

From the emergent data a ‘purchaser/ provider split’ was identified [sub-section 9.2.1] which related to both the community user needs as well as those of

statutory providers [Figures 9.1. & 9.2]. This pattern relates to RQ3 and offers a more nuanced view of context, which differs from Alter's (2004, 2006) 'fee-for-service-model' where she depicts the needs of statutory purchasers as overlapping, and the same, as community users. These findings concur with Howorth and Parkinson (2007, 2008), suggesting that those within organisations do not perceive social enterprise as a 'proper job', and that they did not offer 'proper products' but instead some were changing practices to deliver 'outputs' for statutory providers. The implications of support workers framing social enterprise within a business construct and focussing upon delivering programme outputs could be perceived as enacting shorter-term targets associated with changing the 'rules of the game' in institutional change rather than addressing changing attitudes associated with organisational survival and social impact (Freeman, undated).

Whilst many organisational participants claimed to develop projects in response to the needs of their communities, they were also aware of the need to focus upon meeting the needs of funders. Some participants suggested that a better understanding is needed of how the community user was affected, as this is central in considering 'outcomes' rather than 'outputs'. This reflects concerns that processes focussed purely on funders' preferred outputs and outcomes might render other activities (those by social organisations) as 'inappropriate', 'invisible', 'deviant' and/or 'inferior' (Aiken & Spear, 2006; Dey, 2006). Research participants related different stories of how they addressed these tensions: the majority understood the importance of reputations and how the organisations were perceived as crucial in dealing with public sector, and some 'bend the rules'.

#### 10.4 Conceptual models to articulate social enterprise processes

As discussed in chapter four, there was a gap in the literature regarding process-oriented models. For example: Leadbeater (1997) emphasised the sequential life-cycle of new social enterprises; Dees and Anderson (2006) focussed upon linear transitions; whilst Alter (2004, 2006) and Bull (2006) framed 'equilibrium' and 'balance' between social and economic objectives. At the time of this investigation, few theorists had discussed social enterprise as a non-linear process, in particular examining interactions between those representing social organisations, commissioners and support workers. Unlike the grand narratives and 'utopian rhetoric' of how social organisations should transform and adopt social enterprise identity (Dey & Steyaert, 2010), participants' stories were complex and

contradictory. Research indicated that the nature of relationships affected actions in the local networks studied, and that support workers had a significant influence of how social enterprise was being constructed. Organisational participants though were not passive in this process and made decisions to accept or reject advice and support. Thus, this study attempted to capture different views of social enterprise using process models, particularly the 'ebb and flow' nature of social enterprise as well as the contradictions and paradox as indicated by data. In order to illustrate the emergent themes of trust [and mistrust], continuity [and discontinuity] and success [and lessons learnt from failure], the study adopted a conceptual model based upon process models [see chapter 6 for discussion]. Before the emergent findings are discussed, the discussion compares theoretical models with contemporary practices.

#### 10.4.1 Comparing theoretical models and contemporary practice

The researcher explicitly asked participants how useful theoretical models were in making sense of their actions. Narrative of participants telling their stories in their own words and drawing maps of social enterprise practices underpinned, as well as contradicted, theories. Thus, the study identified potentially how useful and relevant theory was and the implication to their practices. The following discussion considers the use of the linear and cross-sectoral models.

##### 10.4.1.1 Linear constructs

The study used a linear construct to show how identity was conceived. The hybrid spectrum frames the status of social enterprise at the organisational level of analysis and is reported to have influenced the 'entire research agenda' (Peattie & Morley, 2008, p.54). An assumption in the literature is that voluntary organisations will become 'professionalised' and more 'business-like' following the lead of private sector organisations (Light, 2006). Mainstream support workers commonly described organisations as 'emerging' or 'transitional' social enterprises. Most identified their role as moving organisations towards the economic end of the spectrum and to be more business-like. However, it did not appear that organisational participants were following the inevitable 'McDonaldization' metamorphosis of social enterprise, (Dart, 2004), but were considering other paths for social enterprise development and other ways of undergoing the process of change. The analysis of findings shows organisations identified being in a period of

change. It would be naïve to speculate on future developments, as it might be that the pattern reflects that of Alter (2004, 2006) where social organisations do not move to the end of the economic spectrum. However, this is not to say that they will choose to transform into social enterprises, an assumption of many mainstream support workers in the study as well as policy and programmes.

Organisational participants identified a range of positions and that they ‘oscillated’ between ‘social’ and ‘market’ goals on the social enterprise continuum. This notion better reflects the idea of social enterprise ‘ebb and flow’, which Light (2006) suggests is influenced by time and environment which may change the quality of how actors engage in the process of meeting social and economic objectives. Where many organisations perceived this ebb and flow allegory as useful in describing their development, only one support agency identified this as a characteristic of social enterprises. These reflections of reconciling goals and shifting actions appear to better reflect the ongoing process of aligning and realigning goals (Dym & Hutson, 2005). However, in contrast to an assumption in the literature, as well as many support workers in the study, organisational participants did not interpret movement towards the market end of the continuum as equating with positive organisational change, or social impact.

Rational models depicted by the linear spectrum (Alter, 2004; Dees, 1998; Dees & Anderson, 2006) might not address the underlying ambiguity in contemporary practice. A key issue emerging from this study is that support workers have different approaches to solving problems and creating structures as a process for change, a process affected by social dynamics. Moreover, there were underlying differences and tensions associated with how complexity is perceived: social enterprise advisors were perceived as ‘too simplistic’ compared to third sector participants and agencies who emphasised a ‘messiness’ and complexity in understanding the situation. This links back to problem-setting [chapter 2], and reflects the assertion (Curtis, 2010) that the way in which social problems are perceived needs to be enriched, and that it is important to ensure they are not over simplified.

#### 10.4.1.2 Cross-sectoral models

Arthur et al. (2006) argued that ‘synchronic’ change and the concepts of ‘waves and cycles’ and ‘alternative social space’ is relevant to understanding social

enterprise. Creating 'alternative social space' in this fashion is not perceived as a linear approach to change and development. As was the case when presented with the social enterprise continuum (Dees & Anderson, 2006), the majority of participants commented they had not previously seen the cross-sectoral model. When the cross-sectoral model was introduced and discussed, ten interviewees found the model more relevant than the linear spectrum in describing experiences and organisational development and in thinking about possible future options. There is a need to bear in mind that some participants did not find models useful [Chapter 7]. However, for those that do, it might be that the continuum model represents linear thinking processes, where social enterprise is seen as a means to an end (resource mobilisation). However, participants' drawing and annotations on models provided rich details not otherwise illustrated by putting a tick on a line or between inter-sectoral boundaries to locate organisational activity. One instance is a participant describing further detail as needed in engaging with the cross-sectoral model (Drawing 8.4) and making own model (Drawing 9.1) illustrating the steps taken in the journey. If this is the case, the importance of devising the conceptual model is that it needs to offer 'flexibility' in exploring network dynamics rather than learning a sequence of how to travel from place A to B (Weick, 1995). Social enterprises might have different routes towards their goals.

It is also acknowledged that the creation of alternative space might not have the desired positive impacts. Parkinson (2005) argues that mapping within the sector is associated with 'functionalism and positivism' by 'reinforcing accepted patterns'. In a similar vein, Schwabenland (2006, p.97) comments that when constructing alternative structures members of third sector organisations 'change the context in which they operate ... But they also risk becoming a very part of the context they were founded to subvert'.

The cross-sectoral model itself might limit the ideas for the potential of creating alternative social spaces. There are the implications of using the cross-sectoral model, especially the depiction of the overlaps being of equal size. It is acknowledged that social enterprise practices will probably not entirely replace private or public sector as a way of doing business (Arthur et al., 2006; Schwabenland, 2006). There is a resounding note of realism recently struck by the Home Office (2008, p.22) stating 'the debate on the transformative capacity of the third sector is a rhetorical storm in a fiscal teacup'. Their 18-month study found



that social enterprises are not significantly changing the face of the nations' public services. The report (Home Office, 2008) noted that government spending to third sector for provision of services is 'tiny - only 2%' compared to public sector in-house service or contracted to private sector. The report highlighted that public policy has shifted from attempting to create equal numbers of different service providers to one which creates a 'supportive environment' to enable commissioning with third sector organisations. As such, the cross-sectoral model could offer a means to discuss whether or not this area is a supportive environment, but it greatly distorts the area of social enterprise delivery by picturing overlapping areas between the sectors as of equal size.

#### 10.4.2 Thesis conceptual model

Utilising the conceptual framework [Figure 6.1], the following findings emerged:

- Participants exchanged information and ideas to enrol others in their actions, though many held both shared and discrepant organisational identities [This finding addresses RQ1 within the emphasis of Enactment - Enrolment - Transformation - sub-section 6.2.1];
- Participants created niches or 'alternative social spaces', however, there were few or no formal mechanisms to negotiate with statutory services and negotiations were nuanced with different distinctions dependant upon the nature of relations [This finding addresses RQ2 within the emphasis of Selection-Negotiation-Alternative Social Spaces - sub-section 6.2.2]; and
- Social enterprise was not central to organisational participants - instead, survival was vital to their concerns. However, a central concern of support workers was to 'shift from grants thinking', and they encouraged social organisations to adopt social enterprise practices. This was met with resistance with some participants retaining some practices from voluntary sector and adopting some new practices [This finding addresses RQ3 within the emphasis of Retention - Retention - Survival - sub-section 6.2.3].

The use of the model and the findings addressed arguments made by Steyaert (2009) of the urgent need for models of entrepreneurship, which challenge assumptions in the literatures and facilitate alternatives not based upon linear and/or rational views. However, this is not to suggest that the conceptual model

offered an elegant means for framing themes from 'messy' data and significant concerns and differences arose, and these are now discussed.

#### 10.4.2.1 Sensemaking:

The study highlighted the existence of both agreed and discrepant sensemaking relating to identity, shared language and retained practices. Notably, data indicated shared and discrepant identity [sub-section 10.2]. This has implications as Brown et al. (2008, p.1057) stated 'most interpretive case-based research still culminates in a single homogenized account' and critiqued literature finding it leaving 'relatively unexplored' different interpretations. They argued that scholars need to better understand sensemaking before understanding how collective decisions are agreed and actions coordinated, especially of how decision arise from ambiguity and disagreement. Notably, participants explicitly called for the need for more conversations in order to better understand the various aspects of social enterprise.

#### 10.4.2.2 Equivocality

A key argument is that while contemporary practice is developing meanings and actions for social enterprise at local levels, where there were some shared and common meanings, there were also significant differences. It is appreciated that how people make sense of meanings and shared language and how they act might not be one and the same (Weick, 1995), but there appears a link between the two (Weick, 2001) in that people draw upon beliefs and images to map their actions.

Although participants initially stated they did not speak the same language [Chapter 7], it was found they used the same terms but had different understandings of what these meant. In acknowledging the different understanding of terms and the different means of solving problems, one participant specifically stated there was the need to 'start from a common understanding of these words'. Within the social enterprise discourse, a key factor is the move from grants to procurement of contracts and commissioning. By defining their social and economic objectives, it is assumed that social enterprises will seek to legitimise their identity, and actions, to match the move towards a financially oriented culture (Dart, 2004); hence, how these terms are used and understood between agencies and organisations is vital. This study identified issues arising from the confused and

conflicting understandings of these terms in the local networks [see chapters 8 for further empirical data]. The patterns identified in these local networks appear to reflect those found at a national level (Home Office, 2008).

The literature review found that social entrepreneurial practitioners promoting their tools and approaches are perceived to use business language (Paton, 2003; Tracey et al., 2005; Massarsky, 2006; Nicholls, 2006a). The literature offers different perspectives with the dominant narrative of transforming organisations and individual social entrepreneurs to be 'business like'. Others warn that business-like language and ideas might undermine the innovative nature of social enterprise (Paton, 2006). This pattern was reflected in this study, with many of the participants representing intermediate support agencies highlighting the importance of focussing organisational development upon business planning, with organisational participants confirming that support from independent consultants also emphasised financial advice [e.g. business plan, financial planning].

Notably, this study found that the act of creating a business plan did not consider network influences. Instead, reflecting findings by Hoang and Antoncic (2002), advisors focussed on business issues and did not obviously consider peer support and nurturing networks or wider issues of community cohesion [see Chapter 8 for further empirical data]. The findings resonate with empirical work by Howorth and Parkinson (2008) who found intermediate support workers focused upon business models as solutions to smaller organisations' problems. They argued that organisations' usage of language reflected an attempt to legitimate their actions to outside agencies but was more focussed upon local problems. They suggest that language used by intermediaries to promote social enterprise may reproduce the inequalities they are supposedly attempting to overcome in disadvantaged communities and are in essence used by those seen as holding power in relationships with smaller organisations. Although, Hudson (2009) poses that those in the social economy, including social enterprise, might themselves 'perpetuate inequality'.

### 10.4.3 Negotiation

Actor-Network-Theory was included to view sectoral interactions and if, and how, research participants negotiated change [Chapter 7]. Negotiation is perceived as a key issue for social enterprises (Austin et al., 2006), with 'added value' needing to

be discussed and negotiated so both parties understand and allow for the development of social or community benefit clauses in contracts (Nicholls, 2007). Participants reported there was little or no support offered in directly negotiating with statutory agencies or other organisations, while few had written contracts and instead operated using informal verbal agreements [Chapter 8]. These findings reflect a national study of members of charities, which identified skills gaps in their organisations for negotiation and influencing, as well as partnership working (Clark, 2007). The study examined the distinctive language that members of networks used to negotiate change through the differing ways in which interactions take place (reflecting Darwin et al., 2002). ‘Quality of relations’ was seen as key for negotiations, and in particular were issues of trust.

#### 10.4.3.1 Trust and distrust

The finding that the notion of trust was vital to network relations confirmed aspects of existing literatures of social capital (Bourdieu, 1972; Coleman, 1990; Putnam, 2001) and networks (Lane, 1998; Sydow, 1998; Cope et al., 2007; Murdock, 2005). However, the study demonstrated [Pattern 9.5] the existence of both trust and distrust in existing network relations, as well as different types of trust reflecting a ‘multi-dimensional’ nature of trust (Lane, 1998). To draw upon the empirical work of theorists from other fields, participants appeared to have ‘mutual’ trust in collaborative working as described by Cope et al. (2007). Participants in this study also described trust arising from ‘long-term relations’ and being ‘utilitarian’ similar to Sydow (1998), in this instance being ‘funding driven’. Another aspect of trust reflects findings by Lane (1998) of being ‘calculative’, for example one participant saying ‘they don’t mean a lot by it’. There were underlying demonstrations of trust in that few of the social organisations worked to formal contracts and instead had verbal agreements. This was perceived as problematic as it left social organisations vulnerable to the public sector and some called for the need for security offered by longer-term contractual agreements. There were limits to trust and as one support worker commented in grant funding there was a situation of trust but this changed with newly introduced contractual agreements. He suggested that in trusting relations, in this instance, which he relates to grants, you do not need contractual arrangements. Sako (1991) argues it was not the contract in itself but the underlying ‘adversarial relations’ that lowered trust; she found long-term contracts could increase trust. In this study, as formal contracts were either not in place or not for those with such legal

agreements, the interactions had not been for a lengthy period of time, this situation did not emerge. Curtis et al. (2010) found the local authority giving new social entrepreneurs the 'benefit of the doubt', and trust was seen as an antecedent to contractual arrangements. Instead, findings in this study suggest distrust, which was associated with prior experiences as well as potential contracts. Lack of trust is reflected by the comment of a commissioner that she and her colleagues saw 'failure' in relations with social organisations, which potentially adversely affected interactions and legal contracts. Other participants reflected lack of trust was linked to competition but also the poor relations between support workers, commissioners and social organisations. Additionally, highlighting the challenges in maintaining trust when sharing information and working collaboratively, one interviewee described how it would be 'foolhardy' to tell potential competitors everything. Rather than members of networks freely sharing information and new ideas (Perrini, 2006), members of networks appeared as 'gatekeepers' of ideas and information and distrust served to demonstrate different elements of relations based more upon 'negative expectations' of others to steal ideas [see chapter 8 for empirical findings]. The aspect of distrust appeared to reflect literature that in addition to trust, distrust offered a means for managing uncertain situations and making decisions in risky situations (Sydow, 1998). Thus, distrust is not simply bad, nor trust is simply good; rather that both can complement one another based upon different antecedents.

#### 10.4.3.2 Power and powerlessness

Pharoah (2007) considers that as social organisations seek public sector contracts, government may be the 'major shareholder' in the sector. As such it may not only be driving change but imposing a new social enterprise environment upon social organisations. Statutory agencies are larger and more powerful in their relationship with these smaller-sized organisations, and in the case of government agencies, they hold the power to legislate change (Murdock, 2007; Somers, 2007).

Crucially, it is the shift in relationships between these groups that is of interest as organisations (either separately or in co-ordinated work with other organisations and/or statutory agencies) attempt to create niches. Research participants indicated the desire to change interactions and described desired relationships as a 'partnership on equal terms' which offers them the flexibility to change how the service is delivered to their user group so that it 'suits the organisation'. One key

aspect was that although many participants interacted with the public sector (e.g. sit on their Local strategic partnerships) and worked together to create opportunities (e.g. Invest to Save bid), many claimed that members of the public sector ‘just didn’t understand our social ethos’ or ‘value’ their work and that key decisions were made outside these meetings.

This pattern reaffirms two critical questions posed by Schwabenland (2006): ‘whose voices are heard?’ and ‘whose interpretations matter?’, and relate to the role of power (Law, 1992, 1999; Latour, 2005). Crucially, one interviewee said he did not openly discuss failure at network events as he thought this would jeopardise the next contract, thereby showing the perceived power dynamics within the network and self-imposed silence. Many stressed that ways of working and their motivations for delivering services to disadvantaged communities were not being discussed and one participant highlighted that in negotiating changes and transforming into a social enterprise, the organisation had become output driven and lost their focus upon the users of their services [sub-section 9.2.1]. In speaking of outputs and outcomes concerns appeared associated with service contracts and grants; no one spoke of wider meaning as discussed by Paxton and Pearce (2005) as ‘expanding frontiers’, ‘changes to systems’ or as ‘communitarian’. Specifically, the ability to negotiate was found to be down to the level of interactions and ‘quality of dialogue’ between organisations and statutory providers. Although acknowledged as a ‘complex process’ with ‘no common approach to engagement’ (OTS, 2006), ‘commissioning’ is repeatedly discussed in government rhetoric and defined as ‘the process of assessing the needs of people in an area, considering how best and by whom those needs can be met, and then planning the provision of appropriate services’ (HM Treasury, 2006). Within the networks there were different understandings of the process [see sub-section 7.3.2 & Table 7.2 for empirical data]; for example, in presenting their definition at a networking event as ‘correct’, one local authority appeared to ‘assert control’ and regulate the meaning and process in the networks.

#### 10.4.3.3 Continuity and discontinuity in practice

Defourny (2001, p.2) described social enterprise as ‘a process, a new enterprise spirit which takes up and refashions older experiences’. The study sought to consider not only which ideas and practices were adopted but those that have been retained [Chapters 8 & 9]. As organisations deal with new information, procedures

and practices are adopted which sit alongside existing ones (Weick, 2001). The emphasis of retention and survival is the final highlighted column of the conceptual framework [figure 9.1], which was used to consider existing practices and beliefs stored in organisations and addresses RQ 3 [refer to chapter 9 for empirical data]. Boschee and McClurg (2003) argue that the 'smart' leaders of organisations are those who have realised they must depend upon themselves in order to survive. Their focus is a unitary perspective emphasising the individual rather than a pluralist perspective (Darwin et al., 2002). A theme of participants' stories was of 'rhetoric being ahead of reality', reflecting arguments that much of the literature and policy of social enterprise is written as if the environment already exists (Paton, 2003; Westall; 2007).

This research resonates with the findings of Paton (2003) and Arthur et al. (2006) where attempts to change established patterns provoked resistance and defensiveness. The different views between organisational participants and support workers were experienced at a network event where a support worker posed a question to organisational participants in the audience to identify what were their organisations' 'unique selling points'. She clarified this by describing 'When working with communities what do they do best? And when do they do it at their best?' These two questions were met with completely discontinuous replies. Members of the audience and the speaker articulated disjointed comments in response to one another. Various organisations in the audience responded by asking a question of their own 'How were they to survive in the short-term without grants?'. In effect it appeared that people were not listening to one another and were instead attempting to have two important but separate conversations. This scenario exemplifies the state where the support agency is withdrawing community development support and the organisations are refusing to abandon grant funding and accept this new situation.

For three participants, the emphasis of the ANT model, especially the passage point, was of more use than Weick's ESR model in reflecting upon and describing their experiences of organisational change [sub-section 8.2]. These research participants perceived social enterprise activities, specifically applying for grant funding, as discontinuous with prior practices. Each reflected upon negotiating gains as well as losses in response to local context and network interactions. However, the model itself narrowed these discussions to within the boundaries of

the organisation. For instance, Figure 8.1 illustrated the obligatory passage point where the participant identified different public policy agendas as an influence upon organisational identity. In this example three different organisational identities were formulated and adjusted through actions. In another instance of different views of commissioning, one service department within the local authority was seen as attempting to make their views of commissioning obligatory for others in the network [see Chapter 7 for empirical findings]; however, this strategy did not succeed, and instead there were numerous interpretations of commissioning in the networks [Table 7.2].

Though the ANT model has the common theme of networking and voicing different perspectives, instead of one narrow and obligatory passage point the network appeared to have lots of ‘translations of social enterprise and practices associated with social enterprise. This reflects Star and Griesemer’s empirical study (1989) where they found in contrast to ANT theory there was not one point of view ‘funnelling’ information but instead several points negotiated and interacted with various network members. Thus, for the purposes of this study, this aspect of the ANT model was not fruitful in examining how the network of contemporary practitioners negotiated with one another and/or public sector bodies. However, the examples enabled discussions of the process of the organisations becoming a social enterprise as a specific event and transformation and reflects Schwabenland’s finding (2006) of ‘decision-making as an event’.

In contrast, Drawing 9.1 illustrated one experience of change being drawn as ‘incremental steps’ and the overall impression from the empirical data was of movement and tensions and relates to an issue raised by Schwabenland (2006) that voluntary organisations in the UK undertook incremental steps to social change. There is debate in the literature regarding this approach to social change, with some theorists (representative of the US approach to social entrepreneurship) arguing that complex challenges will not be met by taking incremental steps (Dees & Anderson, 2006; Osberg & Martin, 2007; Bloom & Dees, 2008). Parker and Parker (2007) similarly find that innovation in public services in the UK needs to break from the ‘business as usual’ approach and radical systematic change is required. However, others (Doherty et al., 2009; Somers, 2007) argue that change can be incremental or radical - thus it does not need to be pattern breaking to characterise social enterprise, but can draw on the ‘transformative power’ of how



participants in both the third and public sectors frame and understand social change. Data indicated organisational participants did not perceive a paradigm change in relation to funding, one participant specifically stating that ‘there has been no discerned paradigm shift’, thus implying they perceived ways of framing courses of action, but had not significantly changed how they acted [refer to chapter 8 for empirical data]. Markedly, the statutory providers in these networks did not appear to be influenced by social enterprises to change the nature of mainstream services. The findings suggested social enterprise development is in a state of transition and participants at times used the same terms to mean different things [Chapter 7]. Although interviewees repeatedly stated other groups had a ‘different language’, or were from ‘different worlds’, members of the networks continued to communicate; however, they appeared at times to have significantly different perspectives and approaches. The finding links to what Johnson et al. (2006, p.135) described as ‘Kuhn’s pre-paradigmatic stage of development’ and that it would be an ‘exaggeration’ to perceive that participants in different worlds spoke and acted differently and were unable to engage in ‘meaningful communication’. As the data indicated, there were areas of coordination and cooperation as well as areas of fragmented actions. With the emphasis upon new organisations, exploring how existing organisations adopt new options and retain ways of working is of use in gaining insights to contemporary practice in social enterprise. The process of change was not experienced as a break in continuity. Instead the findings were incremental smaller steps of change over time.

#### 10.4.3.4 Stories of success & failure

When asked for stories of success, and later lessons learnt from failure, participants repeatedly spoke of the influences of wider networks, thus moving beyond personal stories of success [and failure]. Data demonstrated different views of success and failure [Pattern 9.2 & Table 9.3]. A somewhat cynical view expressed by one organisational participant was that when a partnership project is successful, everyone - including network stakeholders and public services - share in the success; however, when a project fails, it is seen as a personal failing, and the leader or the organisation’s reputation suffered. Failure was linked to both financial and wider failure, and was found in existing and closed organisations. One commissioner said that when looking at interactions with social organisations, what statutory providers saw was failure. Stories of success and failure were openly discussed in the interviews with participants in local organisations, but they were

not told in public. Notably, failure was an unwelcome subject for some participants in the support agencies, as it was felt that this meant lessons were not learnt. The issue of success and failure are worth considering as some scholars caution against evaluating organisations and projects solely in terms of their success; instead social enterprises need to learn from and share insights gained from failure as well as how behaviours change in response to failure (Mair & Marti, 2004; Goldstein et al., 2008; Arthur et al., 2006). This would have implications for better understanding 'repeat' or 'serial' entrepreneurs (Blackburn & Kovalainen, 2009) in this instance how these factors influence network interactions in social enterprises. Nicholls (2006a, p.23) argues that in conceiving social enterprise, the process needs to 'focus strategically on resolving social market failures and creating new opportunities to add social value'. The failure Nicholls addresses is that of the market and state, not that of the social enterprise and wider networks.

#### 10.4.4 Differences in narratives of social movements

Whereas the narrative describes social enterprise as a social movement [Chapter 2], extant empirical research (Steinerowski et al., 2008; Howorth & Parkinson, 2007, 2008) discusses individual and organisational identity and few scholars have looked at the collective aspect of identity in considering a sector and/or a social movement. This study found opinion differed, with some believing that there was a distinct sector, and others arguing that the organisations were diverse and not in large enough numbers to be identified as a sector. Respondents' perception of the relevance of social movement theory was mixed, as organisational participants repeatedly described their organisations as 'distinct', while little attention was given to maintaining a group identity with either a sector or social movement. This finding resonates with Schwabenland (2006) who identifies 'being distinct' from the other sectors as a key narrative of voluntary organisations, including social enterprises, as these participants appeared to be discerning between themselves and other sectors. However, they did not view themselves or organisations as part of a specific social enterprise movement. The contributions of organisational participants concur with the social movement literature (e.g. Snow & Trom, 2001), in that the individuals in a network need to know one another and these connections need to be active in order to be a social movement. Notably, those support workers who considered they were part of a social movement said they could not describe their work as such for fear of negative stakeholder opinions (especially those of regional and national agencies). Thus, issues of perceived

legitimacy affected public narratives and agencies and also therefore inadvertently influenced networks.

#### 10.4.4.1 Alternative social space

The theme of alternative social space from social movement theory proved useful in analysis of the research. The study linked the cross-sectoral landscape (Pharoah et al., 2004) and Arthur et al.'s (2006) approach from social movement theory to mapping alternative social space to explore how social enterprise development is perceived. This emphasis of the conceptual framework was utilised to explore these 'niches' or 'alternative social space' with participants. Organisational participants identified their activities as in the interstices of the public and voluntary sectors [Chapter 8]. Only one organisational participant marked the overlaps with the public sector as an area where they sought to develop social enterprise activities. This finding resonates with empirical insights from other studies where the sector does not readily interact with the private sector (e.g. Peattie & Morley, 2008). In contrast, many support workers more commonly identified a 'fleur-de-lis' pattern of social enterprise and included the overlaps with the private sector.

Weick (2001) argues that those entrepreneurs who create niches in their environs are different from than those who are passive in terms of organisational development; furthermore, by extension, they create different interpretations linked to their beliefs and how they characterise their environments. The findings of this study differ from Weick in two key aspects: firstly, he suggested that newly formed organisations are more likely to create niches for themselves than established organisations; and, secondly, Weick overlooked how intermediate support agencies may also create niches for the organisations they support or seek to contract. It also questions if social enterprise is 'state sponsored' and simply an 'arms length' alternative form of public delivery services (Aiken, 2006; Somers, 2007). The arguments link to the differing views in the social enterprise discourse of moving from the margins to becoming mainstream (e.g. SEnU, 2007; Home Office, 2008). Organisational participants repeatedly described being 'distinct' in their delivery of services to users as a strength of their organisation. All emphasised and illustrated how their actions differed from the mainstream [see empirical data in chapter 8]. However concerns were expressed, for instance, one said that in order to undertake more administrative responsibilities associated with

contractual interactions, they were 'taking on more straight people to do straight things'. They perceived this change in organisational culture as an issue for a sector valued for finding innovative solutions to problems.

A pattern found in the data was of organisational participants commonly spending more time doing evaluations and monitoring reports than delivering projects. This was referred to in terms of being 'accountable for public monies' and 'bid blarmey' [Chapter 9]. In relation to RQ3, a shift in approach appeared to be occurring and was described as influenced by the 'outcome agenda'. Organisational participants had experience of what the organisation 'did', which was reflected in narratives of 'mission statements', 'priorities', 'targets' and 'objectives'. This differed from 'why' they existed, or specifically what was their intended social impact. As highlighted, none of the organisations undertook social accounts. Notably, it did not appear that a social enterprise agenda was influencing changes. Instead, this agenda appeared influenced by changes to evaluation introduced by statutory providers. One participant reported that *Every Child Matters* had 'turned practice in the children's world on its head' [e.g. to change target from outputs to outcomes and achieving social impact]. However, this was specific to organisations and statutory providers delivering Children's services and not resulting from social enterprise policies and programmes.

## 10.5 Summary

The chapter has linked together the key literature and empirical data in order to address the research questions and has highlighted the importance of social interactions in networks. While there were some initial similarities supported by the narrative with extant research, key differences emerged as discussed in the inductive analysis. These differences converge around the emergent themes, suggesting that contemporary practice appears outside both the US and EU narratives. In this way, the chapter has attempted to offer an alternative to the grand narrative of social enterprise to adopt rational business practices and to offer a view on those appearing to resist and/or deviate from normative approaches.

Analysis of the data revealed various understandings of social enterprise and social entrepreneurship which are socially constructed and negotiated in different contexts. Thus, the study contributes to 'little narratives' (Dey & Steyaert, 2010)

to offer alternative interpretations to consider social aspects of social enterprise currently outside the grand narrative and has questioned various assumptions. It has also offered a view of network processes and relationships. Furthermore, it challenges a single theory of identity or process and instead facilitates an alternative view of the advantage of different perspectives, especially practitioner views, in order to better understand social enterprise. In addition to narrative, the study has considered processual understandings of social enterprise. The implications of utilising the conceptual model were outlined and the potential problem of attempting to tidy up messy data might overlook contradictions and ambiguities in practice.

To conclude, the conceptual model provides a framework with which to consider 'shared and discrepant' meanings for identity and language. The ANT model aligned with a 'passage point' of three of the organisational participants but the majority had not perceived a transformation but instead 'incremental steps' including that social enterprise processes need not be radical but can be incremental. The notion of social movement was limited, however this of itself is useful. Three different views of dynamics are seen to support collective action (Foweraker, 1995). One view of collective action is seen to arise from the interstices of different sectors. Second, collective action arises where actors mobilize supporters in fragmented fields and third, is in social movements. It is believed the understanding of social enterprise can benefit from these approaches because each focuses attention upon the 'social' and highlights some of the assumptions in current thinking on network influences. For example, viewpoint one is potentially similar to the depiction of social enterprise using the cross-sectoral model as a tool except writers do not depict collective action and instead highlight organisational positions and/or areas of service delivery [sub-section 3.2.3]. Johnson (2000) highlighted a gap in the literature of a 'common discursive framework' for inter-sectoral dialogue. Within the social theory literature, some like Crossley (2002) argued unless a mandate is given to represent diverse groups, social movements are unable to negotiate. Neither ANT nor sensemaking theorists address this point. The context of the case study better demonstrates networks than experiences of a common social sector and/or movement. It is acknowledged that this situation might alter over time. Chapter eleven will conclude by considering the contributions to knowledge, as well as the limitations of the thesis, and the implications for research and practice.

## Concluding interpretation and points of view

### UNDERSTANDING CONTEMPORARY PRACTICE IN LOCAL NETWORKS

The study set out to enhance understanding of social enterprise and refocus attention on the narrative and process-oriented understandings of those in existing voluntary sector organisations/social enterprises and intermediate support and commissioning agencies. The thesis responded to the needs identified in chapter one, which included demands for a more critical approach (ARNOVA, 2006; Russell & Scott, 2007) to development and calls to better understand social enterprise (Pharoah, 2007; Westall & Chalkley, 2007; Dey & Steyaert, 2010). It does so by exploring differences and similarities between theory and the everydayness of practice.

An interdisciplinary approach was taken to developing understandings of social enterprise. Drawing on established theories and critical methods from other fields of study offers views of social dimensions of processes linking networking with interactions between existing organisations and agencies (exchange of information, resources, knowledge) that influences organisational identity and actions.

The research utilised a case study. This offered a context (Amin et al., 2002) in which to understand how key practitioners representing existing social organisations, support workers and commissioners make sense of social enterprise identity and actions in everyday practice. The approach served to gain insights from participants representing these groups and facilitated an enriched understanding during a period of change. There appears a need to consider network influences as well as influences within organisations. By focussing upon network interactions, an alternative pluralist view emerged that differed from the more dominant unitary emphasis in much of the social entrepreneurship discourse. In doing so, instead of solely focussing upon ‘champions’ or ‘heroic’ social entrepreneurs, the research supports a more nuanced view from contemporary practice of how networks potentially influence identity and actions.

To show the value of this approach, this concluding chapter offers some interesting insights and reflects upon the key issues relating to the research questions (11.1).

Contributions to knowledge including implications for researchers and practitioners are discussed in 11.3. Prior to that, section 11.2 presents an evaluative framework in order to discuss the robustness and limitations of the research. Following this evaluative discussion of the reliability and accuracy of method, the generalizability of analyses and validity of data of this case study are offered. The summary (11.4) concludes this chapter and the final thoughts regarding the thesis.

### 11.1 Some interesting insights

In addressing the research questions, local context became critical for understanding the dynamics of these relationships and offer key insights. Emergent data generated from the qualitative interviews highlights the following processes in relationships, which may prove relevant in understanding the social processes of network dynamics of social enterprise development in other contexts (Mason, 1996; Hartley, 2004):

Key finding 1: Identity and meaning in relation to RQ1 - existing social organisations had multi-faceted identities. Existing social organisations were influenced by agencies but while Grimes (2010) believed that these agencies influenced a single organisational identity, this was not the case in this study. From the research, it emerged that no single identity was adopted in response to a single influencer but that multi-faceted identities were created in order to interact with a variety of others outside the organisations. This finding extends the findings of multi-faceted identity of new social organisations (Teasdale, 2009) to include existing ones.

**Insight 1:** Size, especially the dual aspect of large -small was a factor in the case study. This had implications for contractual agreements as well as support. The findings indicate that differing criteria, including size, was used by local support workers to identify social enterprises. Whilst the distinction between larger and smaller-sized social enterprises has been raised in the empirical studies (Aiken, 2007; Aiken & Slater, 2007), the insight from interactions in this study is that there is another dual faceted nature [e.g. 'large/small'] in perceptions which affected not only access to resources but network interactions [refer to chapter 10 for empirical data]. It appeared organisations investigated were either too developed, too well established or too big, to access support from local third sector agencies

and too small and in need of too much support from local mainstream support providers and commissioners. Thus, perceived identity affected access to support and the organisations in the study appear to fall between these two stances leaving the development of existing 'large-small' organisations almost entirely to trial and error.

**Insight 2:** Local network influences - participants discussed what it meant to be a social enterprise and in effect co-constructed how national policy and programmes are implemented at local levels. Data indicated that support workers and commissioners hold a great deal of influence in the implementation of national policy and programmes on the ground, however. These groups alone do not construct social enterprise in local networks, as members of organisations also actively construct identity and meaning.

**Insight 3:** The thesis added an insight into entrepreneurial identity, which is contested in the literature (Howorth & Parkinson, 2007, 2008; Cools & Vermeulen, 2008; Steinerowski, et al., 2008; Kreuger et al., 2009). Notably, organisational participants voiced the need to be entrepreneurial (10.2.2), however the meaning appeared different from 'mainstream' support workers and traditional academic views. This reflects Berglund (2006) stating that researchers need to question the taken for granted assumptions of entrepreneurship that do not capture 'newly begun regional conversations' of what entrepreneurship can mean.

**Insight 4:** Related to findings of shared identity and meaning, the research highlighted the issue of equivocality where the same words had different meanings. Participants spoke of different groups speaking different languages. However, the issue appeared to be that different groups interpret words differently - especially the terms commissioning, grants and contracts. As this factor was perceived as crucial in the changing context and is assumed to affect identity, the different understandings of meanings were problematic. It would appear that improving understanding between the groups is beneficial if not vital. In exploring identity beyond the individual/organisational level, there were confused ideas as to the existence and identification of a local social enterprise sector. Social enterprise appears not to have uprooted the older voluntary community identity. The majority associated the notion with changes in funding rather than collective actions. Those who associated their actions, and the overriding process, with that of a social movement, did not perceive a united social



enterprise movement. Notably, the two support workers identifying as part of a social enterprise movement appeared concerned that talk of a social movement would jeopardize key contacts. Thus, network interactions appeared of more relevance [and legitimacy] than did sectoral or social movement interactions. This leads to how identity and meaning link to actions.

**Key finding 2:** Differing views of actions in relation to RQ2 - the majority of support workers viewed their role in moving organisations in a progressive linear fashion towards being more business-like and the market end of the social enterprise spectrum. It appeared anticipated, if not an expectation, of most support workers that the social enterprise model will change many voluntary community organisations ways of working by adopting more 'efficient' business approaches and 'abandoning their reliance on grants' and 'retained grants thinking'. Many perceived this situation as holding back the development of the social enterprise sector. Using the spectrum as a tool to better understand actions reinforced the pattern of the motion analogy [pattern 7.7] where support participants described moving organisations towards being business-like.

This was in contrast to how organisational participants and those interacting with the social enterprise spectrum did not mark a constant location or indicate that they were moving in a continuous direction towards being more business-like, but instead illustrated that activity 'ebbed and flowed'. Differences between the groups regarding progressive development were illustrated. Aspects of social enterprise organisational identity appeared based upon the move from grants to contracts. Notably, at the time of the study, all but two organisational participants continued to secure grant funding and sought diverse income streams.

**Insight 5:** Support workers as a group were not homogenous and appeared to have polarised and constructed a local support framework where one type of agency attends to the business and financial aspect [e.g. Business link and associated specialist social enterprise delivery partners] and another type [e.g. Council for Voluntary Services, Yorkshire & Humber Regional Forum] attends to the social needs of inclusion and representation. This indicates different approaches being made legitimate by two different types of agencies. Mainstream support workers emphasised the need to focus solely upon financial concerns; creating business plans was the primary form of advice offered by mainstream support workers in

networks. Consequently neither appeared to deliver a holistic approach of both social and economic needs rather than conceiving the need to translate more than business knowledge for application in social enterprise networks.

**Insight 6:** Local agencies were ‘overstretched’, fragmented and not working together to better co-ordinate their resources. One implication of fragmentation and existing networks is there seemed little way of addressing an agreed process or general direction in which social enterprise develops and the actions in which it engages. Participants repeatedly referred to the problems of making new relationships and managing differing pieces of advice, which appeared to have the potential for creating more uncertainty. One support worker said a great deal of time was spent ‘sorting out’ the conflicts arising from misunderstandings.

This has potential implications for the development of social enterprise and reflects how organisations respond to policy and support agency pressures to become more business-like (perhaps drafting business plans and talking the talk), at the same time as following their organisational aims and seeking to meet users needs and expectations.

**Insight 7:** Lack of use of operational planning tools and strategic plans - the focus upon the need for organisations to adopt more business-like practices initially appears as accepted as all of the organisations had a business plan. However, upon deeper analysis the majority of organisational participants did not use, or place a high value, on these documents. Findings suggest that little or no support was offered to update plans or provide other types of support. Similarly, other strategic planning documents [e.g. social accounts - social return on investments] were not adopted by organisations in the study.

**Insight 8:** Local networks appeared to influence how national policy and programmes were interpreted and implemented. Yet, policy was not co-ordinated at local levels and support workers highlighted that though working to regional strategic plans, there were no local plans. This supports Murdock’s (2007) assertion that as policy is filtered through the hierarchy of government channels, messages become less clear as policy is implemented at local level. But more than this, there were no formal mechanisms for social organisations in this network to influence local service planning and it fell to the quality of dialogue and relationships

between the individual organisation and public service department. This indicates that local practice lacks strategy to implement either national government policy or local everyday concerns.

**Insight 9:** Differences between theory and practice - The linear model offers a tool for exploring these issues by framing social missions and economic (or market) goals. The spectrum enables a discussion of 'business as usual practices' of what organisational participants and support workers do in developing social enterprise, however used alone, it did not facilitate an exploration of network dynamics. This would entail moving outside organisational boundaries to exploring the dynamics of how social enterprise approaches that are distinct and discernable from either private or public sector organisations doing the same things.

More than half of the organisational participants found the linear model too simplistic to discuss their experiences of social enterprise. Participants representing social organisations and third sector agencies indicated social enterprise was 'not predictable' or 'mechanistic'. They also thought that mainstream support workers were seen as having 'too simplistic' a view. Several participants found the spectrum to be 'too thin' or in 'not enough depth' to convey the complexity of practice [sub-section 7.2.2].

In addition, the linear spectrum did not enable participants to separate ideas of efficiency and diminishing grant resources, with one participant commenting that these ideas were 'conflated'. Overly simplifying (or conflating) problems is problematic in trying to generate theory from empirical data.

As a significant number of participants in the study were unable to interact with the linear model, it might be that the nature of this theoretical construct of social enterprise is problematic in itself. These findings suggest that the existing linear models might not be of relevance to practitioners and of the need to bridge theory with contemporary practice.

**Insight 10:** Participants' drawings showed that different terms were used synonymously: for many the market-end of the spectrum where the terms enterprise, business (or business plans), and economic or (£) were used interchangeably. These are different activities, yet findings suggest that many

participants assumed them to mean the same things. Moreover, analysis from data suggested that how participants understood the term 'market' was not necessarily to become more like traditional private sector organisations and sell services (and goods) but rather to diversify income bases from a variety of resources including European funding (e.g. ERDF), regional funders (e.g. LSC), the local authority as well as grant funders (e.g. Lottery). Additionally, where some support workers conceived of the market as seeking to provide what the 'buyer' or statutory service provider sought, organisational participants spoke of the market as meeting the needs of users.

**Insight 11:** The analysis of the data initially highlighted a 'non-heroic' model of organisational participants. Organisational participants discerned between social enterprise and social entrepreneurs. Few organisational participants self-identified as social entrepreneurs and many were sceptical of the identity of the heroic social entrepreneur. Similar to Law's experiences, there were no tales of the leader who like a superhero flew in and put the organisation back on the rails to run smoothly (Law, 2004). Instead, the interviewees spoke of 'holding on by the skin of their teeth' and another described twenty years of the board and manager working together with different partnerships and having seen changes from being fully grant funded to securing some financial support through service level agreements (Seanor & Meaton, 2006). Stating this, there were a minority of interviewees who strongly disagreed with the pluralistic model and argued that charismatic individuals are key.

Linked to perceived identity, data suggested the views held regarding leaders and/or leadership were of importance in considering whom support is aimed at [the heroic individual or the team]. Notably at the time of the study none offered inter-organisational support actively engaging members of networks - although during the interview phase it was reported that an *Invest to Save* bid had been awarded to develop such support. This has implications for those utilising social enterprise and/or social entrepreneurship theory. This is not to pose that the thesis is simply of a non-heroic narrative but that social aspects including context are essential in understanding contemporary practices.

**Insight 12:** Participants repeatedly labelled drawings and voiced concern that 'rhetoric is ahead of reality', in so much as at the time of the study contractual

agreements were not being used, and that contemporary practice was not as well developed the rhetoric of policy indicated. Many said there was still 'a long way to go' and there were no resources to support development through these transitions. Thus, existing models suggested the existence of the environment not experienced by numerous participants.

**Insight 13:** Extant models emphasised prescriptive and structural aspects of change (Jack et al., 2008). Data indicated differences emerged between the need to change structural processes or change relations. Support workers perceived their roles as solving problems by addressing structural change. Different participants identified various ideas to facilitate networking and different agencies were seen as responsible for this role. Interestingly, participants described centralised 'wheel' or 'hub' structures as opposed to decentralised communication networks. However, channelling information through a central co-ordinator might in effect limit group interactions in finding solutions to complex problems and this type of brokerage system could empower the co-ordinating role but disempower wider network members. Moreover, the structures generated would need to be explicit if they sought to be inclusive and enable effective involvement of different stakeholders. In contrast organisational participants were concerned with relationships and said that more than changing structural processes of institutions, changing attitudes and relationships was a crucial first step in resolving differences between the public and third sectors.

**Insight 14:** Participants' drawings offered explicit data of how boundaries within a cross-sectoral model are being mapped in changing local and regional environments. Participants pictured and described themselves and their organisations and their attempts to work with others to create niches within a wider context. Organisational participants drew changes to the boundaries between the public and third sectors while mainstream support workers drew these as changes associated with social enterprise as occurring between all the overlaps, including the private sector.

**Insight 15:** These external factors shaped not only where (e.g. public sector rather than private) by how participants identified risks and opportunities. Data showed participant's accounts demonstrated the importance of network dynamics for offering insights into how opportunities were identified and how relations

influenced collaborative activity. Krueger et al. (2009) argue a widely held view that 'personal opportunities' are at the 'heart' of entrepreneurship and thus there is a need to understand how social entrepreneurs construct 'opportunity space'. The research suggests networks are linked to opportunity and it is not simply how 'heroic' actors in organisations create opportunities in the market but how they and other stakeholders, especially their relationships with the public sector, perceive and evaluate different options.

These, in turn, were linked to established contacts and it seems that collaborative working was the favoured means for scaling-up. The area of collaborative working and learning in networks is of particular interest to the author in developing a future research agenda. Since the interviews, conversations with various participants highlighted that six organisations had formed a consortia and accessed funding for a consultant to work with them to draw a terms of reference. One future piece of research would compare the different 'engagement models' presented in chapter nine and explore how they have been adapted to see how they have negotiated change and are co-ordinating actions. This work has wider implications for research with social enterprises and small and medium enterprises in the current climate with the Coalition government's emphasis upon growth to explore alternate collaborative ways of working.

**Key finding 3:** In considering context in relation to RQ3, different expectations were identified suggesting that network members are often in a state of conflict. Notably, this differs from extant research of networks being more commonly in agreement (Jack et al., 2008) and is more similar to that of social movement theorists interpreting interactions as confrontations (Crossley, 2002). By focusing upon existing organisations a view is gained of which practices are adopted and those resisted, those retained and others, which are quietly abandoned.

**Insight 16:** Differences were observed in how support workers and organisational participants saw survival. Support workers appeared to focus upon competition and emphasised growth of individual organisations, with less attention given to collaboration and developing consortia, an approach that organisational participants were much more engaged with.

Related to this was advice to change from old 'grants ways of thinking' to social enterprise strategic thinking where survivors would be those adopting business models and competing with others in the market. Yet, this was not found in practice. Organisational participants did not see social enterprise as offering more flexibility. They had a resistance to mainstream and retained identities and actions from voluntary sector experiences.

**Insight 17:** Participants described interactions in this network in relation to power and powerlessness [see Chapter 9 for empirical evidence]. Where some network relations with support workers were found to create vertical relations rather than encouraging horizontal mechanisms of peer support, these network relations were also constructs of a 'power-knowledge' nexus, which promoted relationships of dependency (Dey, 2006).

**Insight 18:** The local networks were not listening and learning lessons from early warning signs and failures. With success being the focus of social entrepreneurship literature and practice, seeking to find what went wrong and the lessons learnt from failure offered a different, and useful, perspective in understanding social enterprise. Rather than looking only at success stories, the study explored lessons learnt from failure, both from support agencies and voluntary organisations and sought to enhance the research agenda [refer to chapter 10 for discussion and implications for practice].

**Insight 19:** Trust and distrust - instead of common values, participants appeared to have an 'inter-dependence' and chose to work together for various reasons. Trust became a key focus and the thesis shifts the focus from trust being viewed primarily between organisations and community users, to being important between network members. Participants expressed various benefits and types of trust, which they linked to collaborative projects, sharing information and ideas. Trust was expressed between similar sized organisations and appeared not as solely based upon similar beliefs but also on utility. Whereas trust is seen as crucial, there existed a narrative of distrust in the networks. Many reflected upon an environment of distrust from previous experiences in the changes from grants to a contracting culture. This reflects a view that competition is perceived as a threat to organisations and adversely affects trust (Sydow, 1998). Sydow (1998) proposed that interactions between organisations having little perception of a shared

identity and shared beliefs might be based more upon a utilitarian 'calculative trust'. Whereas trust is seen by Sydow (1999) as a vital mechanism to absorb the complexity of interactions between organisations, distrust serves the same function as indicated in their interactions with those offering support (e.g. information, advice and funding).

**Insight 20:** Paradox & complexity - findings indicated some elements of everyday practices were counter-intuitive and/or not coherent with existing literature. Participants repeatedly said that 'everything changes yet stays the same'. This final insight is by no means the least significant and a core theoretical issue underlying the discussions is paradox and complexity as positive features in social enterprise networks (Chapter 3). This approach was not found in extant research and represents an insight that is under-utilised in the field of social enterprise. The findings indicated that participants did not know where social enterprise development was going and that actions, outcomes and outputs often had unexpected and unpredictable consequences.

The findings of the study have questioned many assumptions and the prescriptive nature of much of the narrative. Overall, understanding different processes and interpretations of social enterprise and especially the influence of networks appears crucial. To paraphrase Law (2004), in attempting to understand processes in organisations with so much going on: meetings, projects, documents, business plans, friendships, policies, programmes, conferences and cups of coffee, it can be overwhelming to see patterns. Where Law was describing elements within the boundary of one organisation, this thesis has looked for patterns from the wider interactions within networks.

The approaches taken by organisational participants to work collaboratively were seen as 'trial-by-error' with little or no intermediate agency support. Many of the patterns indicated approaches between organisational participants and support workers were opposed. Contrasting approaches also emerged between support workers offering mainstream versus third sector support. The implications are of fundamental contrasts in local networks affecting how social enterprise is constructed and practiced. As such complexity offers insights into the 'messiness' of practice. This highlights another area of future research to explore contradictions in respondents' narratives.



## 11.2 Limitations

During the planning and designing of the thesis, attention was given to constructing an argument that would run like a thread through the research strategy so that a consistent approach could be achieved (Johnson et al., 2006). Sensemaking is grounded in deductions from theory as well as inductions from case studies to reduce ambiguity (Weick, 1995). The research strategy attempted to balance these two approaches. This was an iterative undertaking, not a positivist approach whereby the literature was first reviewed, then data sought to answer a set of hypotheses. No attempt was made to answer clearly stated hypotheses or propositions. Instead, patterns were identified and interpreted. Running alongside the review of the literatures, the exploratory interviews informed the research strategy. Tapes of the interviews were listened to and transcribed; they were listened to and reread and repeated phrases were coded into themes. From empirical findings, network relationships and processes important to social enterprise development were identified. This approach appears similar to what Mason (1996) describes as 'dialectical process'. As such, moving between actor's accounts, the researcher's experience and understanding of the everyday meanings and problems in the sector, and theoretical ideas from the literature was deemed as most appropriate for the design of this thesis (Liamputtong & Ezzy, 2005).

This study has attempted to hear various perspectives but as Bowey and Easton (2009) comment 'the greatest weakness' of network studies exploring social dynamics can be the absence of data or 'silent partners'. This may mean that the researcher may never fully understand what is occurring in its entirety. A further potential limitation of the study is its context. The work was wholly conducted in the north of England and was situated within the context of the UK government's influence in support programmes. This is not to suggest one governmental agenda. Blackburn and Kovalainen (2009) noted that many case studies in extant entrepreneurial research do not explore the 'array of agendas'. Hence differing agenda are explored. It is also acknowledged that one of the perceived limitations of the case study approach is that it can generate ambiguous and contradictory data (Scott et al., 2000). Indeed the complexity of data proved problematic, which reinforced the need to focus upon the issues of complexity and context.

This section reflects upon the process and assumptions made in this research and an overarching question is whether or not an interpretive framework is of use in

understanding social enterprise network dynamics. In devising and synthesising three different models to consider new ways to frame issues and problems, each individual model offered a lens for seeing different views. The ESR model is iterative (Weick, 1995) rather than linear. This was chosen, as there were simply too many variables, which may or may not influence the process of social enterprise in a local context, to assume that a single cause can be linked to an effect. Choosing Weick's sensemaking in itself has limitations; Basboll (2008) criticises Weick as promoting a literary, poetic style rather than offering a rigorous analytical approach. Moreover, Brown et al. (2008) highlight that theorists of sensemaking, including Weick, assume people act from common sensemaking, but found that people act from 'shared and discrepant sensemaking'. This links to what Steyaert and Landstrom (2011) say regarding the 'mess' of 'language problems' for the researcher in that there is not a unitary but a diversity of language in networks. They argue the different meanings 'creates as much mess as message' and it is necessary to view this 'mess' as positive aspect not to be avoided and to examine the differences.

Further, adopting a process framework might inadvertently suggest a 'flow' that is not there. Law (2004) highlighted, the implications for researchers who might unintentionally impose and create frameworks upon research scenarios. Hence, care was taken in considering potential strengths and shortcomings. One of which was the potential limitation in attempting to frame rich and positive 'messy' data within a conceptual model. Law (2004) described the choosing of options for undertaking qualitative research as the 'method of assemblage'. These choices are considered as key for making convincing and consistent arguments from theory and data and include: the protocol for undertaking the case study, the interview design and also the listening skills of the researcher in detecting the arguments of those being interviewed (Mason, 1996; Hartley, 2004; Law, 2004). It is recognised that there are various means of 'listening', 'hearing' and 'detecting' arguments and interpreting and generating appropriate data to the research questions of this study. Therefore, care needs to be taken in constructing a 'rigorous' argument (Liamputtong & Ezzy, 2005).

The evaluative criteria reflected upon in this thesis are presented together with the implications of choosing a qualitative rather than quantitative approach. Several authors have identified the following three elements as crucial in

presenting a robust argument in a qualitative inquiry reliability and accuracy of method, generalizability of analyses and validity of data (Mason, 1996; Yin, 2003b; Hartley, 2004). However, others argue that since these criteria are founded in 'positivist' assumptions that fundamentally differ from qualitative approaches Johnson et al. (2006, P.133) transferring these criteria '*undermine and subordinate*' qualitative research. They argue that positivism 'dominates' the field of study and that evaluation criteria have:

*gained the status of common-sense benchmarks which might be inadvertently, and inappropriately, imported into the assessment of management research when the latter deploys non-positivistic knowledge-constituting assumptions.*

Johnson et al., 2006, P.136

This critical position, though acknowledged, is not adopted in this thesis. If the field is dominated by a positivist approach, the intention is to engage in a discussion with a wide spectrum of the academic community and the terms will be used but the meanings defined in relation to this qualitative study. It is recognised that other researchers may not be able to repeat the study and generate the same findings at a later date. Moreover, with the changing nature of the network interactions, the same questions asked at a later date would likely generate differing data.

Nor, does the process attempt to divorce the researcher from the phenomena of social enterprise development. This reflects the qualitative approach where there is no assumption of seeking an 'underlying commitment to a correspondency theory of truth' or 'the need to distance the researcher and the research' so that findings are not 'contaminated by the actions of the researcher' (Johnson et al. 2006, p.137). For this thesis, data was perceived as 'plausible explanations' rather than as being accurate and true (Crotty, 1998; Weick, 2001). Schwabenland (2006, p.25) reiterates this view stating:

*Research into interpretation and meaning is less about the discovery of truth and more about participating in a developing conversation*

An attempt is made to show transparency of how data was generated and interpreted. The methods allowed the researcher to consider the issues and for others to trace how themes and process models were developed. Following these considerations, the criteria of reliability, generalizability and validity were not

discarded but considered from the perspective of the qualitative approach taken in this study.

### 11.2.1 Reliability and accuracy of method

Care was taken to ensure the reliability and accuracy of the methods chosen (Mason, 1996; Lee, 1999). Participant's different perspectives are central to the study. The thesis used participants' stories and drawings to give voice and to illustrate different perspectives. To ensure rigour and depth, direct quotes and summary tables were presented (Eisenhardt & Graebner, 2007, p.28). Where visual materials were drawn upon to complement the text, the original drawings were used.

Field notes from exploratory interviews were e-mailed to participants to ensure that these were authentic representations of the exploratory conversations. All other interviews were recorded and transcribed and quotations are used to ensure accuracy and context. Generated data was systematically transcribed and stored for access to increase the study's reliability. Data generated from the networking meetings drew upon the research notes of participant observation as well as events reports. However context and emphasis are extremely difficult if not impossible to set in transcribed text (Mason, 1996). Additionally, the reports are the reflection of the minute-taker and cannot be said to be objective.

The interview schedule [Box 5.2] was designed with both representatives from social organisations and support agencies in mind. However, it proved not to be as relevant for interviews with participants representing intermediate agencies that will potentially purchase social enterprise services and some questions were modified or omitted. These interviews also differed from support workers interviewed in that many of these interviewees did not have direct contact with organisations.

### 11.2.2 Generalizability of analysis

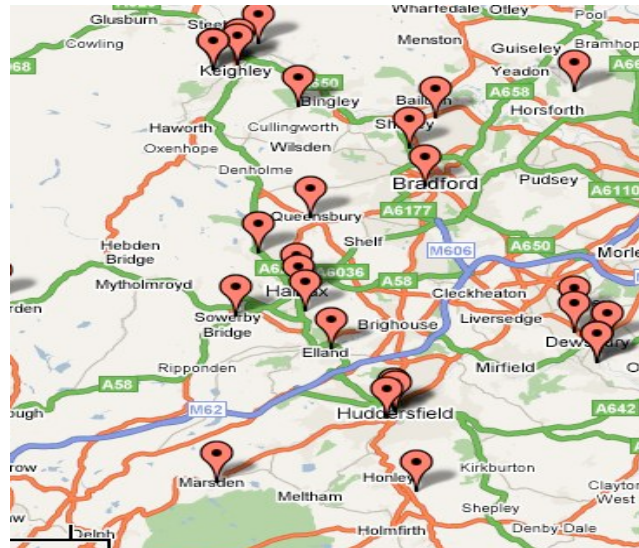
Theoretical generalisations underpin the rationale for undertaking the study. However, the intention was not to develop a coherent and separate theory of social entrepreneurship, as some writers have advocated (Nicholls, 2006a). The thesis seeks to view the field as within a 'border zone' (Steyaert & Hjorth, 2006)

and argues that there might not be a single grand theory of social enterprise and that theorising should seek to be dynamic and interesting rather than prescriptive and static.

A purposive sampling method was chosen: 'purposive sampling aims to select information-rich cases for in-depth study to examine meanings, interpretations, processes and theory' (Liamputtong & Ezzy, 2005). Participants were included in this case study in an attempt to generate 'rich' data from which patterns were identified. Each perspective was valuable in gaining insights into the processes of change. All but one of the individuals initially contacted to participate in the study were interviewed. The participants were selected as they were identified as responsible for decision-making and delivery of social enterprise or third sector programmes or projects in their organisations or services. Hence they are key informants for understanding how practitioners make sense of social enterprise in their local areas. Participants were chosen using a 'snowballing or chain' sampling technique. This action, described as 'following the actor', is the first step in Actor-Network-Theory where the researcher describes the interactions with others they seek to 'enrol' in their projects. This method of sampling is appropriate for the study as the focus is upon network dynamics. As mentioned, some of the participants in the study were already known to the interviewer and were chosen as being relevant sources of information. These participants were seen as 'informed experts' in the field, and the fact that they knew and suggested other key actors reinforced the decision to include them (Hartley, 2004; Liamputtong & Ezzy, 2005). The case study was conducted over a year and though not a lengthy study offered a dynamic dimension of phases to be experienced.

The very nature of studying networks proved problematic (Ely, et al., 1997). One potential limitation is that the study included a small number of organisations and support agencies in two specific geographic areas. Also, there is no single agreed frame to select a sample representing social enterprise networks. Moreover, there was conflicting information in comparing existing sources. One study (SESC, 2004) identified thirty social enterprises in Kirklees; however, only seven received support. Another possible sampling frame was a social enterprise electronic newsletter circulation list with 151 social enterprise subscribers in the Kirklees area (SEL, 2007). Notably, only one organisation appears on both lists. A regional website located 115 social enterprises in the Yorkshire and Humber area and

included a local government council and independent consultants (SEYH, 2007). Figure 11.2 illustrates 5 social enterprises in Bradford and 8 in Kirklees (S.E. Yorkshire and Humber, 2008).



source: SEYH, 2008

Figure 11.1: One frame of social enterprises in Kirklees and Bradford

In Bradford sample, as identified by a support worker, none of the organisations corresponded to the regional website (Figure 11.2). As there was no single framework from which to select representative samples, and differing sampling frames offered conflicting information, the decision was taken not to use the above. Interestingly, the potential inaccuracy of local mapping reflects the debate at the national level (Lincoln, 2006; Haigh, 2005). A further reason for not using these lists was that those not listed as subscribers or recipients of support would be overlooked. A social enterprise network, West Yorkshire Social Enterprise Link cluster network, was developed by an intermediate agency to support social enterprises. This network covered the areas of Calderdale, Bradford, Kirklees, Wakefield and Leeds and categorised and delivered support based upon clusters (e.g. Youth Services, Community Arts, Health and Social Care). This network was not chosen as it was established in the later stages of the research and the researcher was a lead cluster mentor for this project. Although an ethnographic approach was taken, to ask people about the quality of support when the researcher is a key person offering that support was not seen as practicable.

A small number of organisations that do not characterise the main sample were also included (Yin, 2003). This ‘sub-set’ was actors from organisations that had

failed and/or gone into liquidation. Harley (2004) describes this consideration of alternative explanations as the need to seek 'confirming and disconfirming data.' Mason (1996) refers to this as creating 'negative instances' where actor's experiences are sought to rigorously explain the phenomena. This arose as actors in the exploratory phase discussed awkward experiences where a lack of skills of staff or volunteers or where the reputation of an organisation severely suffered [Chapter 10]. However, rather than presented as a distinct sub-set, the issue of failure was incorporated into subsequent interviews.

No attempt was made to show 'statistical generalisations' from the findings of the case study (Yin, 2003b). The findings are extremely unlikely to be representative of a wider population. As Hartley (2004) notes it would be a mistake for researchers to base the 'robustness' of case study findings upon empirical generalisations. However, attention was given to internal generalisations between the three groups: social organisations, support workers and commissioners] and their reflections applied to others within and across these groups (Weston et al., 2001; Eisenhardt & Graebner, 2007). The study does not argue that those in social organisations and agencies comprise a coherent social enterprise network, as the majority of participants did not perceive themselves to be in a social enterprise sector. There is no assumption that if a sampling frame did exist that the reflections of these groups would be representative of the concerns of a wider social enterprise movement or population of actors in the United Kingdom, let alone a global perspective and it is appreciated there have long been objections to case studies being used to make generalisations (Lee, 1999).

It is the understanding of process and context, or the 'analytical generalization', from which the findings of this local case study may be used to consider issues in other areas. Hartley (2004, p.331) suggests 'even a single case study can be the basis of generalizing, and it may later be tested through replication or additional studies'. Thus, the 'non-representative' sampling strategy enables 'key comparisons' to be made and theoretical interpretations to be constructed from the data (Mason, 1996; Amin et al., 2002). It is by inferring from grounded research combined with deductions from theory in other fields that a theoretical framework was constructed. Organisations may uniquely 'transform' into social enterprises in particular ways that fit with their local contexts (Amin et al., 2002). However, the

patterns identified in this local context might have a resonance with experiences of social enterprise development in other geographic areas.

### 11.2.3 Validity of data

The third and final element considered in the design was the validity of the data used to support the argument. As Eisenhardt and Graebner (2007) argue 'better stories' supported by evidence leads to 'better theory'. In order to limit biased views from informants, the thesis sought different perspectives from different vantage points in networks to provide a 'complex picture' that one viewpoint alone would not have provided (Liamputtong & Ezzy, 2005). The data presented in empirical chapters [7,8,9] were highly descriptive in order to emphasise the social construction of social enterprise in the case study and focussed upon revealing how extant theory operates in particular examples (Eisenhardt & Graebner, 2007).

Triangulation was not chosen as a means of ensuring validity (Chapter 5). As Crotty (1998, p.13) observes:

*At best, our outcomes will be suggestive rather than conclusive. They will be plausible, perhaps even convincing, ways of seeing things - and to be sure, helpful ways of seeing things- but certainly not any 'one true way' of seeing things.*

To accept this approach, that there is one true depiction, would not be consistent with the epistemological stance taken where instead the study seeks to make sense from the various streams of meaning held within the network (Mason, 1996; Liamputtong & Ezzy, 2005). Instead, the 'validity of interpretation' (Mason, 1996) of this data is of importance. The study set out to find relevant models from other fields from which to generate ideas and theory in social entrepreneurship. To improve this validity, actors were directly asked how useful they found theoretical models used in the social entrepreneurship literature. The researcher reflected upon findings (Johnson et al., 2006) and regularly met and discussed the findings with a local social enterprise support worker, who was not a participant in the interviews, as well as academic colleagues to critically question the interpretation seemed valid with their experiences.

Finally, it could be argued that the interdisciplinary research adopted a generalist approach. It is acknowledged that in taking such an approach a wealth of



literatures were reviewed which may have resulted in some compromise in relation to depth, yet conversely added to the length of the thesis. The intention was to connect arguments from other fields in order to present opportunities for further research and theoretical development.

In summing up this section, arguably there are two key limitations of the study. One relates to the lack of representation from Health agencies. These are key agencies enacting social enterprise, but none were available for interviews, nor did they attend network events. As such, an important perspective is missing. The second key limitation is the focus of the case study; other networks might generate other in-depth ideas of social enterprise in other contexts. Having acknowledged the limitations of the study, and attempts to minimise these, the discussion turns to contributions to knowledge.

### 11.3 Contribution to knowledge

The thesis contributes to knowledge in that it:

- offers a 'little' narrative of social enterprise network interactions in context;
- presents a creative process approach using critical narratives and visual methods, not well utilised in the field, but borrowing from other fields; and
- provides an unfolding model for framing network processes;

It does so by considering areas where there are deficiencies in knowledge and helps to develop an enhanced understanding of social processes involved in social enterprise. An underpinning contribution of this thesis was offering a critical and grounded approach that offers insights into complex network processes. Exploratory work of issues of identity, ambiguity, trust and failure has been presented to conferences and in peer-reviewed journals (Seanor & Meaton, 2006, 2008). Because of its ethnographic and phenomenological approach, the thesis expands upon these early ideas and adds to the theoretical narrative and offers rich insights into contemporary network practices. Thus, the thesis makes a contribution by offering an alternative pluralistic perspective to that of the single social entrepreneur and/or organisation.

There are a number of implications related to the research and findings. In terms of how this information might be used, there is a range of potential benefits for developing curriculum and research in academia as well as policy and programmes in practice. Applying the implications for business support uses has not been explored directly with participants during the study. It is envisaged that the model will potentially be of more use to researchers than practitioners as it is acknowledged that the potential impact is limited due to different approaches and lack of communication between academia and policy makers (Blackburn & Kovalainen, 2009). However, it is thought the qualitative research is valuable to practitioners and policy makers to make sense of social enterprise and may have some practical use.

### 11.3.1 Regarding a 'little' narrative of network interactions

The field was found to lack empirical research (Shaw & Carter, 2007) and the thesis has presented empirical data in order to better understand contemporary practice. In addition, Peattie and Morley (2008) observed little is known of the nature and roles in social enterprise networks. In order to look beyond the individual and to consider network influences the study adopted a critical narrative analysis (Down, 2006; Steyaert & Hjorth, 2006; Dey & Steyaert, 2010). This approach was taken to contribute to 'little' narratives and offer alternative interpretations to consider social aspects of social enterprise currently outside the grand narrative (Dey & Steyaert, 2010). The study adopts a pluralistic perspective and is persuaded by the argument that no one grand narrative is adequate to explain all phenomena (Cope, 2005; Blackburn & Kovalainen, 2009), in this instance understanding social enterprise.

In exploring local narratives, many participants commented that the activity had helped them to reflect on their own views and practices, as well as wondering how others perceived social enterprise and a participant concluded an interview saying 'I would love to know what the others are saying'. Another interviewee claimed their participation in the research had 'been useful, as no one else in the network is asking these questions'.

Although a single social enterprise identity was not adopted, elements of a social enterprise environment were reported. Responding to ambiguity and uncertainty required that participants engaged with others in their local networks to bring

about collaborative activities, although at times there were fragmented patterns of activity.

### 11.3.2 Creative process approaches: stories & visual methods

The thesis contributes to diverse research perspectives being utilised in social enterprise and of the importance of exploring how participants collaborate and reconcile multiple views and voices and how they interpret the 'social' and 'economic' in social enterprise. Specifically, from the analysis the aim was to make visible images and narratives from which other choices are made in contemporary practice. To do this, it utilised both critical narrative analysis (Cope, 2005; Down, 2006; Dey & Steyaert, 2010) and visual data analysis (Meyer, 1991; Mason, 1996; Stiles, 2004) and participants' narratives including stories metaphors and drawings were used. This is a little used methodology in business or social enterprise research although it is used in the context of Health, regeneration programmes and working with young people. It provides an alternative that can supplement narrative methodologies by using drawing to frame complex situations which participants might find difficult to initially verbalise. The focus is upon *if* and *how* participants make sense of academic models and how they relate to the concept of social enterprise and what they mean when they say they are entrepreneurial. By using both narrative and drawings, the researcher can move from description to depictions and theorising by explaining their reasons *why*.

By drawing upon empirical data, the study gained a richer picture and deeper understanding of social enterprise. By mixing narrative and drawing, the study is not looking at sharp lines and static boundaries but rather processes illustrating movement and differing views. From the findings, the researcher adopted the preference for a social constructionist view to how theorists represent solutions, which is linked to the creative processes of identity and entrepreneurship (Down, 2010). It is also posed there is a need to rethink the tools by learning from how practitioners interact with them.

### 11.3.3 Regarding an unfolding model

Extant research have yet to focus upon conceptual models emphasising processes, and within this narrative, some have highlighted that the approach to social enterprise be redirected to an interpretive model rather than being positivist

(Parkinson, 2005; Chell, 2007). The conceptual framework was developed to address this concern and lack of such a model (Chapter 4). As discussed in chapter six, the conceptual framework was not intended to be prescriptive or to offer a cause-and-effect model to improve efficiency or performance (Latour, 2005; Bowey & Easton, 2007; Steyaert, 2007). Instead it provides a framework, drawing upon different clearly established process models (Weick, 1995, 2001; Law, 1992, 1999, Latour, 2005; Crossley, 2002, Della Porta & Diani, 2005) of what are the important factors that have influenced both words and actions (Baum & Rowley, 2002; Hoang & Antoncic, 2003; Stacey, 2008).

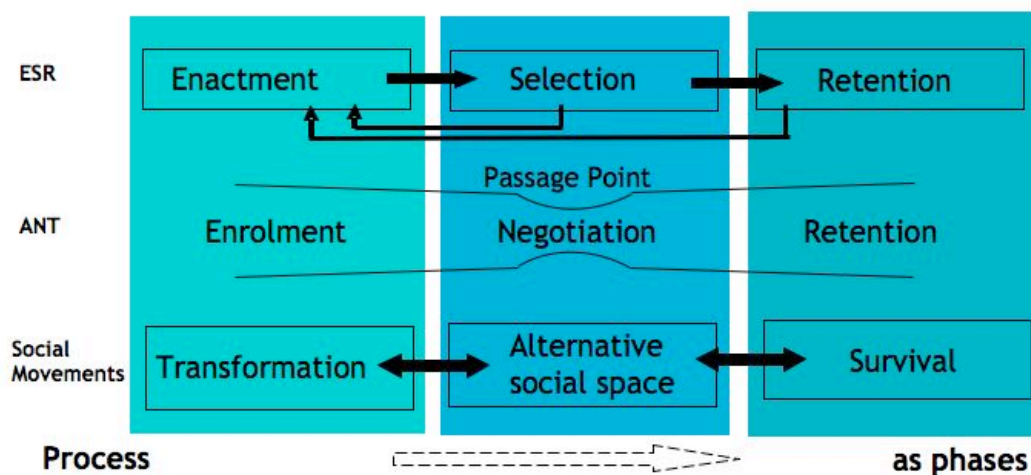


Figure 11.2: Conceptual framework

The model (Figure 11.2) is a theoretical framework underpinned by work in the fields of organisational development and social movements. From these literatures issues such as negotiation, fragmentation, retained practices, failure and survival all offered conceptual counterpoints from which to explore social enterprise in an attempt to develop theoretical insights and better understandings of the diverse perspectives of stakeholders. It was by devising such a framework, rather than the use of narrative alone, that helps to link theory to literature and aids the generalization of the findings from the case study (Hartley, 2004; Steyaert, 2007).

The framework was employed in order to explain interactions among various aspects of change. There were problems in linking economic aspects of social enterprise to social change. Moreover, it addresses an issue illustrated in the theoretical models where social enterprise is commonly portrayed as a static location rather than recognizing tensions, movement and paradoxes (Evers &

Laville, 2004; Rodgers, 2007; Goldstein et al., 2008; Whittam & Birch, 2009). Blackburn and Kovalainen (2009, p.132) note 'multiple interpretations might call for entirely different design from that which is usually used'. It does not seek to construct firm boundaries but seeks to enable researchers and practitioners to appraise different views and potential conflict and to negotiate bases for thinking and acting. The argument is that researchers and practitioners would benefit from making sense of processes associated with social enterprise development by looking beyond individual traits and outside of organisational boundaries. As such it attempts to articulate social processes in order to enhance the understanding of social enterprise.

#### 11.4 Final concluding thoughts

This chapter has discussed some interesting insights related to the research questions, the contribution to knowledge and reviewed the limitations of the study. It has presented context driven, problem-focussed and interdisciplinary findings for existing social organisations and intermediate agencies. The findings pertain to local networks in West Yorkshire. Yet, the findings have wider implications for how social interactions influence identity and actions and contribute to an enhanced understanding from different perspectives of contemporary practitioners. This reflects the main aim to enhance understanding of social enterprise and refocus attention on the narrative of those in existing voluntary sector organisations/social enterprises and intermediate support and commissioning agencies. To achieve this, reviews of the narratives and processual understandings of the literatures were undertaken, which highlighted the complexities associated with social enterprise.

An approach portrayed by advocates of social enterprise is often of a 'can do' 'way of thinking' underlined by the need to change voluntary organisations to become more efficient with lessons to be learnt from the private sector. The thesis has argued that thinking and doing are not entirely separate, as how one enacts ones environment influences actions. In addition to what they were doing and saying, different participants voiced interventions they felt 'should' be taken to improve relationships. One assumption in much of the narrative is that existing organisations grasp the need to change and will adopt these practices and become competitive businesses, or at the very least more business-like. This assumption is critically questioned in the thesis. The findings suggest the need to consider

tensions and movement in adapting to change rather than models that emphasise a static location.

To reflect back upon the first sentence of this thesis, that voluntary organisations are *'adrift on a turbulent sea and at the mercy of powerful environmental pressure'* (Billis, 1991), the empirical study explored how different groups of contemporary practitioners made sense of social enterprise. The findings show social enterprise is not static and explores how local network influences the 'multi-faceted' identity and actions of social enterprises, and how national policy is interpreted and implemented at local levels. It suggested that opportunities were part of a network process and also highlighted the issue of equivocality (the same words meaning different things) and the need for alternative interpretations. So, to conclude, the social context is particularly important for considering social enterprise, and the study offers an unfolding model linking narrative and process models with which to consider different views and argues that understanding the processes of social enterprise can be enhanced by considering diverse perspectives. It thus contributes to an emerging body of interpretative research and the researcher subscribes to the notion that reality is not objective and has questioned 'taken for granted' assumptions in the literature (Reid & Griffith, 2006; Crutchfield & Grant, 2008; Light, 2008).

Finally, it has made the case for an interpretative approach to understanding social enterprise networks. With the dominant narrative of social entrepreneurship reflecting a unitary perspective an objective of this study was to examine process-oriented models, which enable network relations and dynamics to be framed for consideration. The study was limited in exploring dynamics in local networks in the north of England. It suggests a social constructionist view might be helpful for developing social enterprise theory of networks and networking. As such it makes a modest contribution to knowledge and acknowledges the need for further research to examine whether or not the unfolding approach enables researchers the ability to appreciate, recognise and begin to understand social enterprise networks and also allows for flexibility in considering the influences of local context. The cost of not knowing if, and how, networks are developing might adversely affect the field of study, as well as policy and programmes.

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