

2012

Perspectives of the Business sector on social enterprise

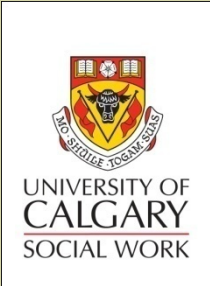
Lai, Daniel

Trico Charitable Foundation

Lai, D. "Perspectives of the Business Sector on Social Enterprise". Presented at the Trico Charitable Foundation Engaging Community Leaders: Social Enterprise World Forum on September 11, 2012.

<http://hdl.handle.net/1880/49370>

Downloaded from PRISM Repository, University of Calgary



Perspectives of the Business sector on social enterprise

A presentation at
Engaging Community Leaders: Social
Enterprise World Forum
September 11, 2012

Research Team members

- Daniel Lai, PhD, Professor & Associate Dean (Research & Partnerships), Faculty of Social Work, University of Calgary (Principal Investigator)
- Jim Dewald, PhD, Associate Professor & Associate Dean, Haskayne School of Business, University of Calgary
- Les Hayes, Doctoral Student, Faculty of Business, Athabasca University
- Catherine Pearl, Doctoral Candidate, Faculty of Social Work, University of Calgary

Special Thanks

- Research Sponsor:



- Research partners:

Calgary Chamber of Commerce

Edmonton Chamber of Commerce

British Columbia Chamber of Commerce

S.U.C.C.E.S.S.

Social Enterprise (SE)

...a business venture owned or operated by a non-profit organization that either sells goods or provides services in the market, for the primary purpose of achieving a blended return on investment, financially, socially, environmentally, and culturally.

Research Objective

- to examine the perception of the business sector toward social entrepreneurship in terms of perceived competitiveness, values, social mission, and social impacts.

Research Questions

- What are the perceptions of the business sector on the goals and objectives of social enterprise?
- From the perspective of the business sector, what are the values and benefits of social enterprise?
- What are the views of the business sector on social enterprise's competitiveness, challenges and impacts, and roles in the market economy?

Research Methods

- A mixed method research design
 - online survey
 - qualitative telephone interviews
- Target participants
 - business owners, operators, and/or administrators from different business sectors in Calgary, Edmonton, and Vancouver

■ Recruitment: Multiple strategies

- publicity and promotion by major business associations
- personal and professional networks of the research team members and staff
- ongoing email solicitations sent to business contacts
- social media outlets, and online business bloggers identified through search of online business directories and websites

Research Methods

- Data collection: Between the end of August 2011 and mid-February 2012
- Participants:
 - 87 completed qualitative telephone interviews (Calgary 30, Edmonton 26 and Vancouver 26)
 - 502 participants completed the online survey (80% in Alberta, mainly in Calgary and Edmonton; 20% in British Columbia)



Findings

1. Knowledge of Social Enterprise

- SE is a “fairly new” idea for many – they have never “heard of the phrase”, “have no idea” what it is, and are “not familiar” with it
- Only some indicated that SE is a business with a charitable goal, operated by non-profit organizations

2. Mission, role and function

- Over three-quarters of participants in the online survey indicated that they support the mission, goals and business strategies used by SEs
- Most qualitative interview participants believed that SE can be beneficial at societal, community, organization and personal levels

3. Social enterprise vs. traditional charity model in addressing social problems

- ...a creative way of solving social problems, and may be a more effective strategy than the traditional charity approach
- ...can enhance people's integration, self-esteem, and independence, and is particularly helpful to those disadvantaged in our society
- ...provides more employment opportunities, makes NPOs more productive and is more effective in generating resources apart from government funding

4. Competitiveness of social enterprise

- most of the participants considered the competition created by SE as healthy and beneficial
- others were concerned about sharing the market and increased competition

5. Values and benefits of social enterprise

- balance the market economy, as it would create a sub-market and competition between social enterprise and the business sector
- helps non-profit organizations become more sustainable and independent
- brings benefits to vulnerable populations in many ways, including:
 - meeting their diverse needs
 - enhancing their life skills and self-worth
 - creating employment opportunities
 - helping them to be self-sustainable
 - providing a channel to connect to the larger society

6. Prospect of social enterprise

- ...should align with the mission and purpose of non-profit organizations and/or charities
- ...be transparent (mission, goals, operation strategies) in order to gain marketplace support
- Most of the qualitative interview participants reported a positive view toward SE and felt that SE could co-exist with the business sector

7. Challenges encountered by social enterprise

- lack of recognition and acceptance from the business sector and public
- affected by the complexity of the market, competition in the economic environment, rejection by business sectors, and are disadvantaged in competition
- have challenges in operation, governance and management
- challenges in human resource management such as the lack of business experience and capable expertise of the management team

-
- financial challenges such as a lack of and unstable funding for social enterprise, how to use funding or investments appropriately, hardships in generating profit for SE and financial losses due to various reasons
 - over one-third of the online survey participants thought that SE faces greater financial challenges and market risks than for-profit businesses in trying to be profitable
 - 23.5% of online survey participants thought that the for-profit activities of SE distract charities and non-profit social service organizations from their original community or social missions that they set out to achieve

8. Support and assistance required for social enterprise

- strategies for sustainability, good board governance and management, human capital and teamwork, start-up support, financial support and marketing support
- government should initiate education among the public to promote social enterprise, set up regulations, and monitor SE's structure, transparency and accountability
- businesses can provide mentorship (coaching, guidance and training), support social enterprise through partnership, share the corporate responsibility and mentality, and provide human resources for SE

-
- promotion of public awareness of social enterprise, voicing their needs and suggestions, and by donations and volunteering
 - 58.3% of survey participants would be willing to offer their personal support (e.g. donate or volunteer to provide advice, guidance or training)
 - most participants would hire people who have gained previous job experience in SE

Conclusions

- ...strong support toward SE from the business sector
-the business sector echoes the mission and benefits of SE in bringing social goods, independence, and sustainability
- ...sees the value of SE and does not view SE as competition

-
- Some concerns and challenges about the operation and development of SE are identified.
 - While the business sector is willing to provide mentorship and business expertise to support SE activities, many believe that the government has a key role to play in promoting SE through establishing the legal and business infrastructure and environment for SE to flourish and grow in a healthy and accountable manner.

For further questions:

Daniel Lai, PhD, RSW
dlai@ucalgary.ca