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Perceptions of Institutional Influence on the Scalability of Social Enterprise: A Study of Social Entrepreneurial Practise in the South African Food Industry

BY

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A dissertation submitted in fulfilment of the requirements for the degree of Master of Commerce by Research in the field of Management to the Faculty of Commerce, Law and Management, University of the Witwatersrand, Johannesburg.

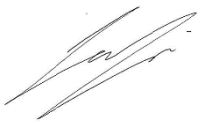
Johannesburg
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June 2017

Declaration

I, the undersigned, **Lee Larbi** hereby declare that this research is my own, unaided work. It is being submitted in fulfilment of the requirement for the degree of Masters of Commerce at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

I further declare that:

- I have followed the required conventions in referencing the thoughts and ideas of others and,
- I understand that the University of the Witwatersrand may take disciplinary action against me if there is a belief that this is not my own unaided work or that I have failed to acknowledge the source of the ideas or words in my writing.



…… **13-06-2017** ……

Lee Larbi Date

Abstract

The field of social entrepreneurship is gaining prominence in academic research through its ability to drive innovation and solve complex societal problems. There is a growing interest in this field due to the inherent appeal of entrepreneurship as well as the need to address social inequalities. However, despite the growing interest in social entrepreneurship, there is limited academic research in the subject – especially with regards to the nexus between institutional influence and scale of social enterprise. The majority of social entrepreneurial endeavours in South Africa are found in the food industry. Despite the magnitude of the role that social entrepreneurs play in this industry, research remains limited. Definitional debates with a bias towards conceptual research over empirical research dominates current study on social entrepreneurship – resulting in a lack of consensus among researchers on what social entrepreneurship means.

In addition to the above, social entrepreneurship literature has devoted insufficient empirical and theoretical work to the study of scaling of social impact. The majority of the theoretical work has been geared towards the development of practitioner frameworks. The empirical research in the field has also been limited, specifically with regards to understanding the drivers of successful scaling of social entrepreneurial organisations. The majority of these empirical studies have utilised comparative case study approaches.

Using institutional theory as a lens, this research aimed to develop a conceptual framework that can be utilised by social entrepreneurs, as well as relevant stakeholders in order to promote the scale of individual social enterprises, particularly in the South African food industry, by developing a "roadmap" to scaling. In addition to the above, the focus was on food security in the South African food industry. It is intended that the conceptual framework can indirectly address the broader societal issues surrounding food security.

The above was achieved through a qualitative study. Perceptions of institutional influence on scale as well as start-ups, and drivers of scale were identified through conducting a literature review. A conceptual framework was then established from these constructs. The next step involved conducting semi-structured interviews with 14 social entrepreneurs in the food industry to validate the constructs, and identify the relationships between the constructs. The data was then analysed using the Interpretative Phenomenological approach. The result of the qualitative research is a conceptual research framework, with certain hypotheses.

The empirical study identified social innovation as well as the implementation of impactful governmental policies as the most critical institutional influencers of scale. In addition, using SCALERS model as a reference, the empirical study identified lobbying, alliance building, and staffing as drivers to scale. It is noted that that lobbying and alliance building can be linked to government policies as it relates to the collaboration of social enterprises in order to influence policymakers, in addition, staffing relates to the use of volunteers to bring new innovative solutions to the business – these drivers of scale (based on SCALERS model) reinforce the identified institutional influences as critical to scale. If all of the above are present, with all things being equal, then social ventures are more likely to scale – resulting in economic growth and in addition, social issues such as food security will be addressed.

From a social entrepreneurship perspective, this study made a substantial contribution in shifting the social entrepreneurship research focus from conceptual, definition biased research towards empirical research that strengthened theoretical research on social entrepreneurship.

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Contents

1. Chapter One - Introduction 1

1.1 Introduction 1

1.2 Background 1

1.3 Social entrepreneurship 2

1.4 Food security, food industry and malnutrition in South Africa 3

1.4.1 Food security 3

1.4.2 Food industry and malnutrition in South Africa 4

1.4.3 Government interventions 4

1.4.4 A solution to hunger: social entrepreneurship 5

1.5 Institutional influences 5

1.6 Scale 6

1.7 Problem statement 7

1.8 Context for research 9

1.9 Research questions 10

1.10 Research objectives 10

1.11 Intended contributions 11

1.12 Chapter outline 12

1.13 Conclusion 12

2. Chapter Two – Social entrepreneurship and food security 13

2.1 Introduction 13

2.1.1 Introduction to social entrepreneurship perspectives and themes 13

2.1.2 Notion of social entrepreneurship 15

2.1.3 Contrasting entrepreneurship with social entrepreneurship 16

2.1.4 Defining social entrepreneurship 21

2.1.5 Boundaries of social entrepreneurship 22

2.1.6 Types of social entrepreneurs 24

2.1.7 Contextual and operational challenges of Social Entrepreneurship 26

2.1.8 Research on social entrepreneurship in South Africa 27

2.1.9 Social entrepreneurship in South Africa 28

2.2 Food security 30

2.2.1 Introduction to food security 30

2.2.2 Food security in South Africa 30

2.2.3 Food security and social entrepreneurship 33

2.3 Conclusion 34

3. Chapter Three - Institutional influence and scalability 35

3.1 Introduction 35
3.2 Institutional influences 35
3.2.1 Formal institutions 35
- **Access to funding** 36
- **Minimum capital requirements** 37
- **Education** 37

3.2.2 Informal institutions 38
- **Self-perceived capabilities** 38
- **Entrepreneurial attitudes** 39
- **Social orientation** 39
- **Innovativeness** 40

3.3 Theoretical framing - institutional theory 40
3.4 The paradox of embedded agency 42
3.5 Scalability and the social entrepreneur 43
3.5.1 SCALERS model 43
3.5.2 Scalability across different entities 44
3.5.3 Structural embeddedness and the measurement of social value 45
3.5.4 Structural embeddedness and scaling 47
3.5.5 Scaling strategies 49
3.5.6 Nexus between institutional influence and scalability 50
3.6 Conceptual framework 51
3.7 Conclusion 53
4. Chapter Four - Research methodology 54
4.2 Research paradigm 54
4.3 Research design 56
4.4 Population 57
4.5 Sample 58
4.6 Sample description 60
4.7 Data collection 60
4.8 Recording semi-structured interviews 61
4.9 Data analysis 62
4.10 Thematic causal mapping 63
4.11 Reflexivity 64
4.12 Validity and reliability 66
4.13 Ethical considerations 68
5. Chapter Five - Results 71
5.1 Introduction 71

5.2 Sample description 71
5.3 Auxiliary themes 72
5.3.1 Experience 72
5.3.2 Defining the social entrepreneur 74
5.4 Institutional influence on start-ups 77
- **Government spending – influence on start-ups** 81
- **Access to funding – influence on start-ups** 81
- **Social orientation – influence on start-ups** 82
- **Innovation – influence on start-ups** 82

5.5 Institutional influence on scale 83
5.5.1 Access to funding/government policies – influence on scale 86
5.5.2 Government policies – influence on scale 87
5.5.3 Innovation – influence on scale 87
5.6 SCALERS model in relation to social entrepreneurship in the South African food industry 88
5.6.1 Lobbying 91
5.6.2 Replication 91
5.6.3 Alliance building 92
5.6.4 Staffing 92
5.7 Thematic causal map 93
5.8 Conclusion 95
6. Chapter Six - Discussion 96
6.1 Introduction 96
6.2 Reflection on key findings 96
6.2.1 Understanding of social entrepreneurship 96
6.3 Reflection on research questions 103
6.3.1 Research question 1 - Perceptions of institutional influence on scale of social enterprise 103
6.3.2 Research question 2 - Institutional influences on social enterprise start-ups 111
6.3.3 Research question 3 - nexus between scale and institutional influence 119
6.4 Revised conceptual framework 122
6.5 Conclusion 125
7. Chapter Seven - conclusion 127
7.1 Introduction 127
7.2 Summary of literature 127
7.3 Summary of findings 131
7.4 Implications of findings 132
7.4.1 Reflection on the study's objectives 132

7.4.2 Implications for social entrepreneurs 133
7.4.3 Implications for policy makers 134
7.4.4 Implications for academic literature 137
7.5 Limitations 138
7.6 Recommendations for future research 139
7.6.1 Food security 139
7.6.2 Scale and social entrepreneurship 139
7.6.3 Support for future research 140
7.7 Conclusion 141
8. References 143
Annexure A: Participation information sheet 174
Annexure B: Consent form 176
Annexure C: Interview guide 178
Annexure D: Clearance Certificate 182

List of Tables

Table 2.1: Social entrepreneurship research perspectives and themes 14

Table 2.2: Contrasting definitions and core characteristics of the terms Entrepreneur and entrepreneurship 18

Table 2.3: Contrasting definitions and core characteristics of the terms social entrepreneur and social entrepreneurship 20

Table 2.4: Key events in the history of social entrepreneurship in South Africa 29

Table 3.1: Three Pillars of Institutional Theory 41

Table 4.1: Food Emergencies in 2005 57

Table 5.1: Thematic coding: Defining Social Entrepreneurship 75

Table 5.2: Thematic coding: Institutional Influence on Start-ups 78

Table 5.3: Thematic coding: Intuitional Influence on Scale 84

Table 5.4: Thematic coding: SCALERS model in relation to SE in the SA food Industry 89

List of Figures

Figure 2.1: The entrepreneurship spectrum illustrating the boundaries of social entrepreneurship 24

Figure 2.2: National food self-sufficiency index Source: Department of Agriculture, Forestry and Fisheries 31

Figure 2.3: Trends of households that went hunger over the period 2002 to 2008 32

Figure 3.1: Conceptual Framework based on current Literature 52

Figure 4.1: Causal Map 64

Figure 5.1: Final Thematic Casual Map 94

Figure 6.1: Institutional Influences on Scale 107

Figure 6.2 Final Conceptual Framework 123

List of Abbreviations

BBBEE – Broad Based Black Economic Empowerment

CCM – Catchment Characterisation and Modelling

CSESE - Centre for Social Entrepreneurship and the Social Economy

CSR – Corporate Social Responsibility

CVP – Customer Value Proposition

FAO – Food and Agriculture Organisation

NGO – Non-profit organisation

ROI – Return on Investment

SA – South Africa

SE – Social Entrepreneurship

SEA – Social Entrepreneurship Agency

SROI – Social Return on Investment

1. Chapter One - Introduction

1.1 Introduction

According to Bloom and Smith (2010), a worldwide growing interest in social entrepreneurship has been fostered by significant changes in the environmental, economic and political scenarios. These changes have driven disadvantages communities, policy-makers and citizens to turn to social entrepreneurs for sustainable and creative solutions that address food security concerns (Nicholls, 2006). In this chapter; social entrepreneurship, food security, scale, and institutional influence are introduced. The chapter then proceeds to highlight the problem statement, research questions and objectives, the purpose and intended contributions of the study. A brief introduction of the chapter outlines concludes this chapter.

1.2 Background

An emerging field plagued by scarce empirical data and incontinent definitions across the literature is how many scholars describe the state of social entrepreneurship literature (Mair and Marti, 2006). Zeyen, Beckmann, Mueller, Dees, Khanin, Kruger, Murphy, Santos, Scarlata, Walske and Zacharakis (2013) state that the limited theoretical understanding stems from social entrepreneurship literature not questioning current beliefs of the entrepreneurs, economy and the organisation. According to Short et al, (2009), the field of social entrepreneurship research is not progressing towards a stage of legitimacy due to the bias towards conceptual research. Researchers suggest that social entrepreneurship research is immature and lacks the deep, rich, exploratory or prescriptive theories expected in a mature research area (Cukier, Tenholm, Carl and Gekas, 2011). In

addition, social entrepreneurship literature has devoted insufficient empirical and theoretical work to the study of scaling of social impact (Grant and Crutchfield, 2007). The development of practitioner frameworks has largely been the focus of the theoretical work (Bloom and Smith, 2010). In the same way, empirical studies on the scaling of social businesses have been scarce, with majority of the work adopting comparative case-study methods (Alvord et al. 2004, Sharir and Lerner 2006, Grant and Crutchfield, 2007).

1.3 Social entrepreneurship

The field of social entrepreneurship is gaining prominence in academic research through its ability to drive innovation and solve complex societal problems (Zeyen et al., 2013). There are varied reasons behind the growing popularity of social entrepreneurship (Dees, 2001). These include the inherent interest and appeal of entrepreneurship, together with the need to drive social change with lasting benefits to communities (Martin and Osberg, 2007).

Social entrepreneurship has developed into a research and practice area over the past three decades (Choi and Majumdar, 2014). Despite these developments, there is no consensus among researchers on what social entrepreneurship means, with many conflicting definitions of what it is. Grimes (2010) defines social entrepreneurship as the process of employing market-based methods to solve social problems. Social entrepreneurship also refers to non-profit organisations that seek new funding strategies through business activities (Boschee and McClurg, 2003); is the creation of businesses to serve the poor (Seelos and Mair, 2005); and the use of social innovations to solve social problems and bring about social change, regardless of whether the motive is commercial or not (Martin and Osberg, 2007). Hockerts and Wüstenhagen (2010) defines social entrepreneurship as

the discovery and sustainable exploitation of opportunities to create social and environmental benefits.

Social entrepreneurs possess the qualities and behaviours of business entrepreneurs, but are more concerned with bringing change to communities as opposed to financial gain (Nicholls, 2006). Social entrepreneurship practices are evident in many profit-seeking businesses, but the main area of prevalence is the voluntary sector (Thompson, 2002). Leadbeater (1997) identified social entrepreneurs as possessing the following qualities:

- Identifying a needs gap and a related opportunity;
- Injecting imagination and vision into their answer;
- Recruiting and motivating others to the cause in question and building essential networks;
- Securing the resources that are needed;
- Overcoming obstacles and challenges and handling the inherent risks;
- Introducing proper systems for controlling the venture.

1.4 Food security, food industry and malnutrition in South Africa

1.4.1 Food security

According to Clay (2002) and Heidhues et al., (2004), in the last thirty years, concepts of food security have developed gradually to reflect changes in official policy legislation. In the 1970s, food security was defined in terms of food supply (Napoli, 2010). This definition was based on the price stability and the availability of basic food items at the national and international level (World Food Conference, 1974). Since the 1970s, the definition has been revised several times to include human rights, ethical as well as household and individual level elements (Napoli, 2010).

The following is a widely accepted definition of food security;

> Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (World Food Summit, 1996).

1.4.2 Food industry and malnutrition in South Africa

According to Stats SA (2015), total income in nominal terms generated by the food and beverages industry increased by 8.1% in April 2015 compared with April 2014. Positive annual growth rates were recorded for food sales (9.5%), which makes it a lucrative industry for social entrepreneurs (Stats SA, 2015). However, despite this increase, malnutrition is a growing concern in South Africa (Dirk, 2015).

According to Dirk (2015), 64 percent of South Africa's children under the age of five have died due to malnutrition as an underlying cause. Many children have been deprived of the minerals and vitamins that are critical for development and good health (Dirk, 2015).

1.4.3 Government interventions

The government has rolled out several programs and policies to enhance food insecurity, and minimise malnutrition and hunger in communities, however in 2012, it was reported that 14% of children occupied households where child hunger was prevalent (Sambu, 2009).

From 2002 to 2006, it is reported that there was a considerable drop in child hunger – from 31% to 16% (Stats SA, 2014). However, since that period, the rate has remained stable (Sambu, 2009). This suggests that the government may not be targeting all problems which contribute to the level of food insecurity, despite efforts in providing school feeding schemes as well as the provision of social grants (Sambu, 2009).

Sambu (2009), suggest African children are most likely to suffer from hunger. It is suggested that in 2012, about 2.4 million African children resided in households where child hunger was prevalent (Stats SA, 2015). This equates to 15% of the total African child population, while relatively few Coloured (9%) children lived in households where child hunger was reported. The proportions for Indian and White children were below 4% (Stats SA, 2015).

Although social grants are targeted to the poorest households and are associated with improved nutritional outcomes, child hunger is still most prevalent in the poorest households: 23% of children in the poorest quintile go hungry sometimes, compared with 1% in the wealthiest quintile of households (Sambu, 2009).

1.4.4 A solution to hunger: social entrepreneurship

According to Landman (2004), food is believed to be at the base of all life. However, it is not being preserved. From the extracting of the food to be packaging, unsustainable and unethical practises have become the norm (Landman, 2004). It is suggested that the food cycle needs to be revised - how we grow it, how we distribute it, how we eat it and how we manage leftovers (Landman, 2004). A growing number of social entrepreneurs are looking to address this issue by creating more socially just and sustainable food systems (Dirk, 2015). This will be elaborated upon in chapter 2 of this research report.

1.5 Institutional influences

Institutions refer to facets of social structure, which constrain behaviour as well as act as guidelines (North, 1991, 2005; Scott, 2005). Powell and DiMaggio (1991), suggest

institutions are explicit rules that can be understood by individuals. Institutions can also be implicit rules for individuals' actions (Powell and DiMaggio, 1991).

Formal institutions refer to objective restrictions arising from government control of organisational and individual actions. (Bruton et al., 2010; Scott, 1995, 2005). Informal institutions are implicit and are more socially constructed (Scott, 2005). Based on the three-pillar framework (Scott, 1995, 2005), there are two types of informal institutions, normative and cognitive (Javidan, House, Dorfman, Hanges, and Sully de Luque, 2006). Normative institutions refer to expectations about suitable actions based on norms in a given culture as well as social obligations (Bruton et al., 2010; Scott, 2005), whereas cognitive institutions refer to culturally shared understandings associated with cultural values (Javidan et al., 2006; Stephan and Uhlaner, 2010).

1.6 Scale

According to Dees et al., (2004) the challenge of how to successfully scale social impact efficiently and effectively is one of the major problems for social entrepreneurship practioners and researchers. Bloom and Smith (2010) suggest social entrepreneurs aspire to conceptualise and develop businesses that provide solutions to solve social problems and then scale these businesses so that more communities can benefit from the social impact created.

The field of social entrepreneurship has dedicated relatively little theoretical and empirical work to the study of scaling of social impact (Grant and Crutchfield, 2007). Bloom and Smith (2010) suggest the majority of the theoretical work has been geared towards the development of practitioner frameworks. The empirical research in the field has also been limited, specifically with regards to understanding the drivers of successful scaling of social entrepreneurial organisations (Sharir and Lerner, 2006). The majority of these

empirical studies have utilised comparative case study approaches (Alvord et al., 2004; Grant and Crutchfield).

According to Bloom and Chatterji (2009), the emerging work of the SCALERS model is an exception to the limited theoretical work. The SCALERS model, identifies seven different possible drivers of scaling social impact (Bloom and Smith, 2010) – it is based on case studies and past research on scaling. It is also constructed from theoretical notions from marketing, organisation behaviour and strategic management (Bloom and Smith, 2010). These drivers of social impact are: Staffing, Communicating, Alliance-building, Lobbying, Earnings-generation, Replicating and Stimulating market forces, and form the acronym, SCALERS (Bloom and Chatterji, 2009).

According to Webster (2014), the ability of a system to successfully manage an increasing volume of work without a decrease in performance levels is referred to as scalability. Scalability of an organisation involves four concepts; change capacity, customer value proposition, market analysis and business attribute analysis (Kumar, 2010).

The trade-offs of scalability versus increasing capacity is what change capacity evaluates (Mair and Schoen, 2006). Kumar (2010) refers to capacity of this nature in stating that high performance entities rely on high-performance people. Dudnik (2010) suggests customer value proposition (CVP) is extremely important as it is an indication of how the organisation is adding value while driving return business. A change in CVP can result in declining branding and a decrease in customer base (Kumar, 2010). According to Lumpkin, Moss, Gras, Kato and Amezcua (2013), business attribute analysis reflects the need for the entity to gain an awareness of just what differentiates it from the competition.

1.7 Problem statement

According to Short et al., (2009), due to the bias towards conceptual research, the field of social entrepreneurship is not progressing towards becoming a legitimate area of study.

Researchers suggest that the field of social entrepreneurship lacks the rich exploratory theories expected in mature areas of study (Cukier, Tenholm, Carl and Gekas 2011). The limited theoretical understanding of social entrepreneurship is due to the research not seeming to challenge the ongoing notions of the organisation, the entrepreneur and the economy (Zeyen et al., 2013).

In addition, the field of social entrepreneurship has dedicated relatively little theoretical and empirical work to the study of scaling of social impact (Grant and Crutchfield, 2007). Grimes (2010) suggest the majority of the theoretical work has been geared towards the development of practitioner frameworks. The empirical research in the field has also been limited, specifically with regards to understanding the drivers of successful scaling of social entrepreneurial organisations (Sharir and Lerner, 2006). In the same way, empirical studies on the scaling of social businesses have been scarce, with majority of the work adopting comparative case-study methods (Alvord et al. 2004, Sharir and Lerner 2006, Grant and Crutchfield, 2007).

According to Dirk (2015), 64 percent of South Africa's children under the age of five have died due to malnutrition as an underlying cause. Many children have been deprived of the minerals and vitamins that are critical for development and good health (Dirk, 2015). This reflects the SA food industry, and particular a failure to leverage off of social entrepreneurship to address societal and economic concerns. Despite the magnitude of the role that social entrepreneurs can play in this industry, research remains limited (Sharir and Lerner, 2006). According to Stats SA (2015), total income in nominal terms generated by the food and beverages industry increased by 8.1% in April 2015 compared with April 2014. Positive annual growth rates were recorded for food sales (9.5%), which makes it a lucrative industry for social entrepreneurs (Stats SA, 2015). Institutional influences could

influence the scalability of social enterprise, which not only can result in the growth or stagnation of the food industry, but can also have a significant social impact.

The research problem on social entrepreneurship can be addressed by moving towards theory-driven research questions. Using institutional theory as a lens, this research aimed to develop a conceptual framework that can be utilised by social entrepreneurs, as well as relevant stakeholders to promote the scale of individual social enterprises, particularly in the South African food industry, by developing a "roadmap" to scaling. In addition to the above, the focus was on food security in the South African food industry. It is intended that the conceptual framework can indirectly address the broader societal issues surrounding food security.

1.8 Context for research

Social entrepreneurship literature in South Africa is scarce (Littlewood and Holt, 2015). A study of South African social enterprises was conducted by researchers at the University of Johannesburg and is said to be the most thorough study of social entrepreneurship in South Africa to date (Littlewood and Holt, 2015). This study was based on a case study involving 24 South African organisations, focusing on problems relating to the replication of their business model, target market and best practices based on previous learnings (Littlewood and Holt, 2015). The result of this comprehensive study was the development of numerous tools addressing identified themes (Fonteneau, 2011).

Practioner literature such as Fury (2010) can add to the scarce research on social entrepreneurship. Fury (2010) examined Broad-Based Black Economic Empowerment (B-BBEE) in relation to social entrepreneurship and the creation of opportunities (Littlewood and Holt, 2015).

South Africa has a long history of social entrepreneurship (Littlewood and Holt, 2015). Several social firms were stablished in the apartheid period in South Africa, as early as 1892 (Steinman and van Rooij, 2012). However, the past 15 years has seen a surge in social entrepreneurial activity in South Africa (Steinman and van Rooij, 2012).

1.9 Research questions

The primary research question is stated as follows:

- What are the perceptions of institutional influence on scalability of social enterprise in the South African food industry?

The secondary questions are:

- What are these institutional influences and how are they playing a role in the start-up of social enterprises?
- What is the relationship between institutional influence and scalability of social enterprise?

1.10 Research objectives

The objectives of the research are stated as follows:

1. Identify the perceptions of social entrepreneurs' barriers to scale that hinder attempts at addressing issues relating to food security,
2. Garner a fundamental understanding of how social entrepreneurs define social entrepreneurship, scale and food security,

3. Identify the relationship between institutional influence and scale of social enterprise,

4. Based on the literature and research from the empirical study; present ways of addressing the different barriers that hinder the scale of social enterprise.

The objectives of this study were achieved through conducting qualitative research. The next step involved conducting semi-structured interviews with 14 social entrepreneurs in the food industry to validate the constructs, and identify the relationships between the constructs. The result of the qualitative research is a conceptual research framework, with certain hypotheses.

1.11 Intended contributions

There is limited academic research on social entrepreneurship, despite its increasing importance (Zeyen et al., 2013). Researchers hold varied opinions on the legitimacy and future of social entrepreneurship as a research domain (Dacin et al., 2011). The SCALERS model has the ability to identify significant opportunities for both theoretical and empirical work on scaling of social impact (Zeyen et al., 2013). However, to provide the platform for a research stream of scaling social impact, the SCALERS model needs additional theoretical work and the initial development and testing of measures to assess its predictive validity (Bloom and Chatterji, 2009). By conducting this study, a conceptual framework was developed that can be utilised by social entrepreneurs, as well as relevant stakeholders to promote scale of individual social enterprises as well as the South African food industry. – which contributed to the legitimacy of the field. In addition, this study made a significant contribution in shifting the social entrepreneurship research focus from conceptual, definition biased research towards empirical research that strengthens theoretical research on social entrepreneurship.

1.12 Chapter outline

The research report has seven chapters. Chapter one comprises of an introduction to the study, its purpose, objectives, problem statements and the research questions to be answered. Chapter two comprises of the literature review pertaining to entrepreneurship and social entrepreneurship as well as food security. Chapter three examined existing and relevant literature on institutional influences and scale of social enterprise and the nexus between these. Chapter four highlighted the research methodology and research design respectively. Chapter five presented the findings of the research. The results were discussed in chapter six in relation to the literature and the research questions answered. Chapter seven concluded the study.

1.13 Conclusion

The chapter introduced social entrepreneurship and the role it could play in addressing issues pertaining to food security. In addition, institutional influence was highlighted as drivers and barriers to scale. The chapter then highlighted the problem statement, research questions and objectives of the study. Finally, the chapter outlines were presented. In the following chapter, literature pertaining to social entrepreneurship and food security will be highlighted.

2. Chapter Two – Social entrepreneurship and food security

2.1 Introduction

Social entrepreneurship has developed into a research and practice area over the past three decades (Choi and Majumdar, 2014). The field of social entrepreneurship is gaining prominence in academic research through its ability to drive innovation and solve complex societal problems pertaining to food security (Zeyen et al., 2013). This chapter begins with a review of literature pertaining to social entrepreneurship. The notion of social entrepreneurship (SE) is explained. A comparison of the characteristics of entrepreneurs and social entrepreneurs is made to highlight the apparent differences. Various definitions of social entrepreneurs are presented. The section goes on to present the boundaries, types and challenges of social entrepreneurs. The section on SE is concluded with a summary of SE research in South Africa to contextualise the study. The next section illustrates the notion of food security and attempts to demonstrate the relationship between SE. The section is concluded with a summary of food security in South Africa to contextualize the study.

2.1.1 Introduction to social entrepreneurship perspectives and themes

There is limited academic research on social entrepreneurship, despite its increasing importance (Zeyen et al., 2013). Researchers hold varied opinions on the legitimacy and future of social entrepreneurship as a research domain (Dacin et al., 2011). Dey (2006) describes the discourse around social entrepreneurship as similar to a fashionable trend. The research on social entrepreneurship is dominated by definitional debates with a bias towards conceptual research over empirical research (Dacin et al., 2011; Short, Moss and

Lumpkin 2009). Choi and Majumdar (2014) demonstrate that social entrepreneurship is a contested concept and as a result might never have a universally accepted definition.

Using Gartner's framework for new venture creation and its four perspectives (individual, process, organisation and environment) in a literature review of social entrepreneurship, Hogendoorn and Pennings (2010) identified themes associated with each perspective. There was an equitable spread of research across all four perspectives, with varying differences for the themes. The perspectives and themes are reflected in Table 2.1.

Table 2.1: Social entrepreneurship research perspectives and themes

Perspective	**Associated Themes**
Individual	• Skills • Background • Discourse • Demographics • Motives
Process	• Stages • Opportunity identification • Innovation • Scaling • Networking • Process traits • Risk

Organisation	• Strategy Elements
	  ○ Mission
	  ○ Goals
	  ○ Impact
	• Internal Organisational Characteristics
	  ○ Governance
	  ○ Resources
	  ○ Legal form
	  ○ Learning

Perspective	Associated Themes
	○ Monitoring
Environment	• Environmental dynamics • Support structures

Source: Hogendoorn and Pennings (2010:230)

Hoogendoorn and Pennings (2010) contend that the social entrepreneurship research focus should move away from conceptual exploration towards empirical research, and the perspectives and themes presented can serve as a foundation for the empirical focus.

This view is supported by Dacin et al (2011) who believe that the field of social entrepreneurship has the potential to offer something unique to organisational science, and proposed five research focus areas. The first of these relates to further extensions and utilisation of concepts from institutional and social movement theories. The second area of research interest is the relationship between social entrepreneurs and networks, how social entrepreneurs build and leverage these networks. Third, the integration of cultural approaches in research focus can support the creation of social value. The fourth focus area is on the issues of identity and image. Lastly, Dacin et al (2011) suggest cognitive approaches as holding promise for strengthening theoretical research on social entrepreneurship.

2.1.2 Notion of social entrepreneurship

According to Porter, Sachs and McArthur (2002), the majority of academics and economists support the notion that entrepreneurship is becoming a pivotal element in the well-being and development of communities and societies. Social entrepreneurship promotes healthy competition in the economic environment, resulting in increased productivity, efficiency as well as increased employment rates (Porter et al., 2002). Social

entrepreneurs strive to create and spread social value through innovative means (Hoogendoorn and Pennings, 2010). Abu-Saifan (2012) notes that social entrepreneurs seldom strive to gain profit.

There has been a rise in the use of the term social entrepreneurship (Shane and Venkataraman, 2000). However, vagueness around the definition remains prevalent (Bruyat and Julien, 2000). Social entrepreneurship is not well defined and is fragmented (Barendsen, Lynn and Gardner, 2004). Scholars generally work independently and do not add onto each other's work when there is a lack of consensus on a research topic (Hogendoorn and Pennings, 2010). Knowledge cannot be accumulated in this manner (Bruyat and Julien, 2000).

In the following section, a review of the literature around the definition of entrepreneurship will be discussed. Thereafter, a clear and concise definition of social entrepreneurship will be formulated. In addition, the unique features of social entrepreneurs will be identified and boundaries for social entrepreneurship will be suggested.

2.1.3 Contrasting entrepreneurship with social entrepreneurship

Certain qualities define the entrepreneur as a subset of business owner (Dey, 2006). Theorists refer to entrepreneurs alternately as individuals who initiate change and individuals who exploit in-progress change by identifying and seizing opportunities to alter the status quo, despite the risks of early adoption (Trabandt and Uhlig, 2011). Social entrepreneurs are essentially entrepreneurs who develop business models based on the notion of creating social value (Trabandt and Uhlig, 2011). Whereas entrepreneurs improve commercial markets, social entrepreneurs improve social conditions (Wood, 1991). Several other factors further differentiate social entrepreneurs and will be discussed in the following section.

- **Characteristics of entrepreneurship**

According to Eckhardt and Shane (2003), social entrepreneurship needs to be defined in a manner that is consistent with what is currently known about entrepreneurship and its practices.

Dey (2006) suggests entrepreneurship is a process closely linked to success, as entrepreneurs possess exceptional qualities and mind-set. In current literature, entrepreneurs are presented as unique individuals who view business and the mechanisms that govern it differently to others (Guth, 2008). It is this different outlook that allows them to identify opportunities (Guth, 2008). The attributes of entrepreneurs are tabulated in Table 2.2. These characteristics were derived from literature on profit maximisation, opportunity exploitation and value creation (Austin et al., 2006). Economist's view of an entrepreneur is reinforced by the identified features of an entrepreneur (Guth, 2008). This view relates to seeking economic prosperity and profit maximisation (Austin et al., 2006).

Table 2.2: Contrasting definitions and core characteristics of the terms entrepreneur and entrepreneurship

Source	Definition	Core Characteristics
Schumpeter (1934)	An entrepreneur is an innovator who implements entrepreneurial change within markets, where entrepreneurial change has five manifestations: 1) the introduction of a new/improved good; 2) the introduction of a new method of production; 3) the opening of a new market; 4) the exploitation of a new source of supply; and 5) the carrying out of the new organisation of any industry	▪ Innovator
McClelland (1961)	The entrepreneur is a person with a high need for achievement. This need for achievement is directly related to the process of entrepreneurship […] Entrepreneur is an energetic moderate risk taker.	▪ High achiever ▪ Risk bearer ▪ Dedicated
Kirzner (1978)	The entrepreneur recognises and acts upon market opportunities. The entrepreneur is essentially an arbitrageur.	▪ Arbitrageur
Shapero (1975)	Entrepreneurs take initiative, organise some social and economic mechanisms and accept risks of failure.	▪ Organiser ▪ Initiative taker
Carland et al. (1984)	The entrepreneur is characterised principally by innovative behaviour and will employ strategic management practices in the business.	▪ Strategic thinker
Kao and Stevenson (1985)	Entrepreneurship is an attempt to create value through recognition of business opportunities.	▪ Value creator ▪ Opportunity aware
Timmons and Spinelli (2008)	Entrepreneurship is a way of thinking, reasoning, and acting that is opportunity obsessed, holistic in approach and leadership balanced.	▪ Leader ▪ Holistic ▪ Persisten

Source: Abu-Saifan (2012:422)

- **Characteristics of social entrepreneurship**

Social entrepreneurship literature is in its early stages of development and lacks rigour (Austin et al., 2006). Brickerhoff (2009) suggests that the field of social entrepreneurship can be legitimised through documenting successful social entrepreneurship endeavours. Organisations that have been frequently referenced in literature include Ashoka,

OneWorld Health, The Skoll Foundation, and the Schwab Foundation for Social Entrepreneurship (Peredo and McLean, 2006). These organisations have made notable strides in poverty eradication as well as social upliftment (Shaw and Carter, 2007). However, Mair and Marti (2005) go on to suggest that the field of social entrepreneurs lacks rigour due to it being phenomenon-driven.

Social entrepreneurs tend to have similar characteristics to commercial entrepreneurs; however, they are more socially orientated (Zahra, Gedajlovic, Neubaum and Sulman, 2009). Social upliftment would be the ultimate goal of social entrepreneurship (Eckhardt and Shane, 2003). This desire to address social issues and social upliftment is why social entrepreneurs are held in high regard in the public (Zahra et al., 2009). Table 2.3 highlights the core characteristics of social entrepreneurs as per the current literature.

Table 2.3: Contrasting definitions and core characteristics of the terms social entrepreneur and social entrepreneurship

Source	Definition	Core Characteristics
Bornstein (1998)	A social entrepreneur is a path breaker with a powerful new idea who combines visionary and real-world problem-solving creativity, has a strong ethical fibre, and is totally possessed by his or her vision for change.	▪ Mission leader ▪ Persistent
Thompson et al. (2000)	Social entrepreneurs are people who realise where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (generally people, often volunteers, money, and premises) and use these to "make a difference".	▪ Emotionally charged ▪ Social value creator
Dees (1998)	Social entrepreneurs play the role of change agents in the social sector by: ▪ Adopting a mission to create and sustain social value ▪ Recognising and relentlessly pursuing new opportunities to serve that mission; ▪ Engaging in a process of continuous innovation, adaptation, and learning; ▪ Acting boldly without being limited by resources currently in hand; ▪ Exhibiting a heightened sense of accountability to the constituencies served for the outcomes created.	▪ Change agent ▪ Highly accountable ▪ Dedicated ▪ Socially alert
Brinckerhoff (2009)	A social entrepreneur is someone who takes reasonable risk on behalf of the people their organisation serves.	▪ Opinion leader
Leadbeater (1997)	Social entrepreneurs are entrepreneurial, innovative, and "transformatory" individuals who are also: leaders, storytellers, people managers, visionary opportunists and alliance builders. They recognise a social problem and organise, create, and manage a venture to make social change.	▪ Manager ▪ Leader

Source: Austin et al (2011:434)

A comparison of the two tables (Table 2.2 and Table 2.3) indicates that economic wealth creation is the ultimate goal for entrepreneurs, whereas social mission fulfilment is the focus for social entrepreneurs.

2.1.4 Defining social entrepreneurship

This section builds on the definitions presented in Table 2.3 and propose a definition that captures the key factors that are vital to social entrepreneurship. This definition will attempt to accelerate the advancement of social entrepreneurship as a legitimate academic research field, reduce the constantly perceived vagueness about the field and identify the scope of related research. One of the reasons why this definition has been chosen is because it is one of the most cited (Brinckerhoff, 2009).

Thus, the following definition is proposed:

> The social entrepreneur is a mission-driven individual who uses a set of entrepreneurial behaviours to deliver a social value to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable (Abu-Saifan, 2012).

This definition combines four factors that make social entrepreneurship distinct from other forms of entrepreneurship. Social entrepreneurs:

- are *mission-driven*. They are committed to serve their mission of delivering social value to communities (Dees and Anderson, 2003).
- act *entrepreneurially* through a combination of characteristics that set them apart from other types of entrepreneurs (Drayton, 2002)
- act within *entrepreneurially oriented organisations* that have a strong culture of innovation and openness (Fowler, 2000).

- act within *financially independent organisations* that plan and execute earned-income strategies. The objective is to deliver the intended social value while remaining financially self-sufficient. This is achieved by blending social and profit-oriented activities to achieve self-sufficiency, reduce reliance on donations and government funding, and increase the potential of expanding the delivery of proposed social value (Bacq, Hartog, Hoogendorn and Lepoutre, 2001).

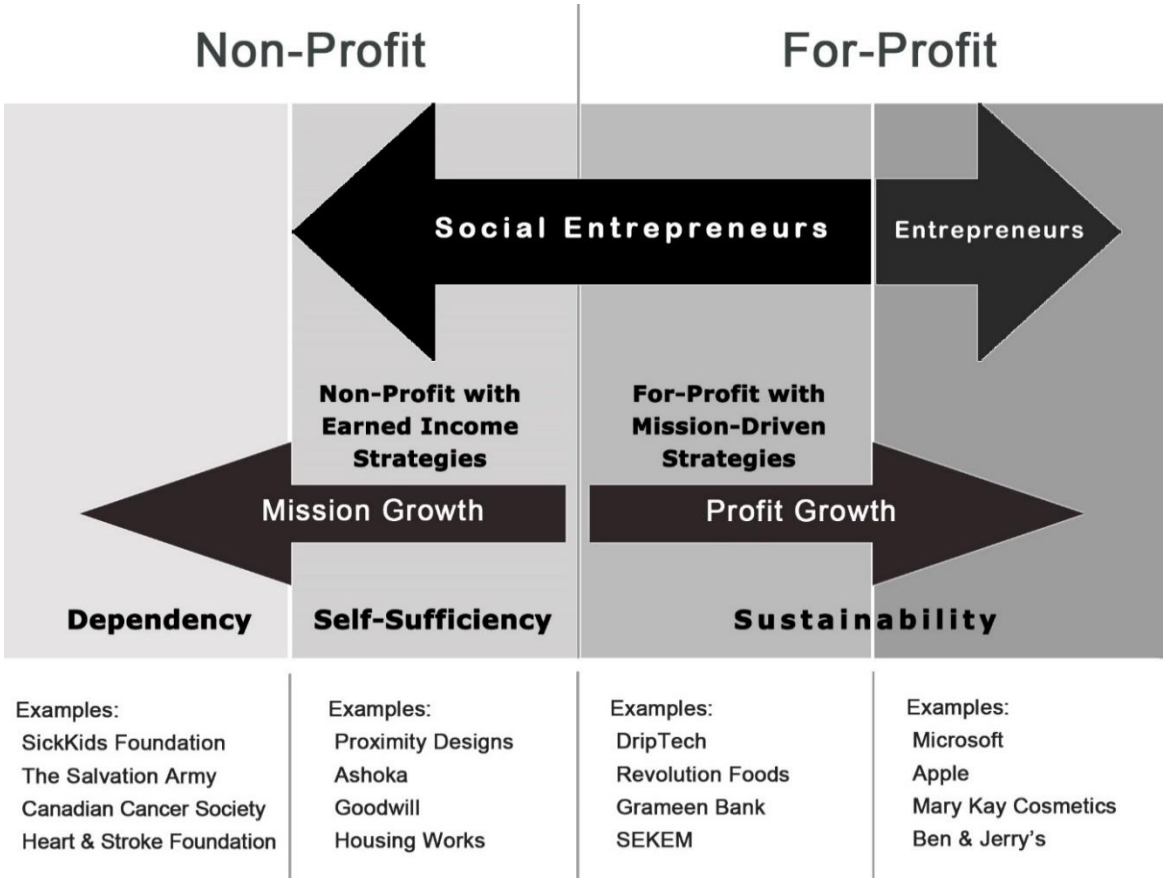
2.1.5 Boundaries of social entrepreneurship

This section distinguishes between social entrepreneurship and other non-entrepreneurial, mission-driven initiatives. Social entrepreneurship is attracting increasing amounts of resources due to its growing popularity (Cochran, 2007). Government officials and the media have begun to pay attention to the social entrepreneurship space due to its ability to solve social problems through innovative means (Fowler, 2002). However, it is noted that social entrepreneurship should not be confused with social activism, philanthropy and other social orientated endeavours (Dacin et al., 2011). Identifying and establishing boundaries between social entrepreneurial activities is critical in defining social entrepreneurship and legitimising the field (Roberts and Woods, 2005).

Philanthropy, corporate social responsibility (CSR) and social activism should not be included in the definition of social entrepreneurship (Abu-Saifan, 2012). These terms should be exclusive to each other (Abu-Saifan, 2012). While philanthropist and social activists are valued in society, they are not social entrepreneurs (Battilana, 2006). Individuals who donate their money and time are referred to as philanthropists (Caramela, 2011). Volunteerism is a term closely related to philanthropy, as it involves donating time and money to a cause, resulting in a positive social impact (Battilana, 2006). Activism relates to individuals who engage in social and political issues through the act of protesting

(Caramela, 2011). Activists are typically involved with strikes and demonstrations against social injustices (Battilana, 2006). Corporate Social Responsibility (CSR) refers to companies developing and implementing initiatives to create some kind of social value in communities (Caramela, 2011). This is usually incorporated in the company's business model and is aligned with ethical standards and norms (Caramela, 2011). Boundaries to efficiently place social entrepreneurship in the continuum of entrepreneurship is proposed and is illustrated in Figure 2.1. It is suggested that social entrepreneurs fall within profit and non-profit business strategies (Abu-Saifan, 2012). Non-profit with earned income strategies refers to social businesses that achieve self-efficiency through engaging in commercial and social entrepreneurial activities (Pomerantz, 2003). Income created from this strategy is only used into further enhance and spread the social value created (Shaw and Carter, 2007). For-profit with mission-driven strategies refers to social that businesses that operate to simultaneously create social value for communities as well as wealth for the founders and investors (Roper and Cheney, 2005).

Figure 2.1: The entrepreneurship spectrum illustrating the boundaries of social entrepreneurship



Source: Abu-Saifan,(2012:26)

2.1.6 Types of social entrepreneurs

Zahra et al., (2009) suggest that there are different types of commercial and social entrepreneurs. The identified types of social entrepreneurs are based on the work done by Hayek (1945), Schumpter (1942) and Kirzner (1997). These authors narrowed the types down to three, each of which occupies a distinctive and important part of the social entrepreneurial landscape (Zahra et el., 2009). These theories are a novel contribution to academic literature as it contributes to the better understanding of theories pertaining to the procedures and antecedents of the various types of social entrepreneurship (Zahra et al., 2009). A brief review of each type of social entrepreneurship follows.

- **Social bricoleur**

Social bricoleur is the first type of social entrepreneur and draws on the belief of entrepreneurship as a localised undertaking (Austin, 2012). This type of social

entrepreneurship is a result of first-hand experience and exposure to societal problems (Burt, 1992). These including witnessing crime in a community or being affected by crime directly (Burt, 1992). Kirzner (1997) suggests that this type of social entrepreneur seeks to identify and solve local problems and maintain a local focus. The solutions developed to solve local problems are small in scale and scope (Zahra et al., 2009). This suggests that resources to do this are limited, and should they seek to expand their focus beyond a local area, they will require more resources (Zahra et al., 2009). These types of social entrepreneurs are limited by the availability of resources (Kirzner, 1997).

- **Social constructionists**

This type of social entrepreneur identifies gaps in the market and attempts to address them (Burt, 1992). These types of social entrepreneurs can identify gaps in the market, as there are more socially alert to such opportunities (Kirzner, 1997). The primary difference between social constructionists and social bricoleur is based on the market focus – social constructionists have a wider market focus (Burt, 1992). Social constructionists' solutions to local problems can also be used to address problems in other contexts (Weerawardena and Mort, 2006). The main characteristics of the social constructionist is that it focuses on solutions to problems that can be applied to many different contexts (Zahra et al. 2009). This type of social entrepreneurship is resource driven and requires resources in order to scale the social mission (Burt, 1992).

- **Social engineers**

The last type of social entrepreneur focus on changing the mechanisms of society in order to achieve large scale social impact (Zahra et al., 2009). Schumpeter's (1942) notion of creative destruction can be seen in Social Engineers, who attempt to create social

businesses to replace those solutions currently provided by the existing institutions (Marshall, 2011). The broad scale and scope of this type of entrepreneurial ventures require mass support and must thus concern itself with legitimacy (Schumpter, 1942). Broad-scale issues that are often understood and acknowledged by the society at large, is the focus for social engineers (Dixon and Clifford, 2007). Resources are important for social engineers; however, these resources may already exist and are held by the institutions that these social engineers seek to replace (Dixon and Clifford, 2007). Thus, the most critical resource is the legitimacy of the public, and the associated political capital, which provides access to resources that already exist (Marshall, 2011).

2.1.7 Contextual and operational challenges of Social Entrepreneurship

During the life cycle of an organisation, the social entrepreneur undergoes multidimensional challenges (Weerawardena and Mort, 2006). These challenges are related to the dynamic environment; socio-economic dilemma; informal market setup (awareness and acceptance); resource mobilisation; characteristics of offerings (affordable, accessible and available); investors fit and scalability dilemma.

- Dynamic environment

This refers to the dynamics relating to the government, information, competition and the customer (Tracey and Phillips, 2007). The government challenge relates to inadequate policies and government support (Lumpkin et al., 2013). The information challenge includes lack of access to accurate data pertaining to market based, geographical and cultural patterns (Tracey and Phillips, 2007). The competition challenge relates to low quality solutions being provided by a dominant informal market ecosystem (Tracey and Phillips, 2007).

- Socio-economic dilemma

According to Dixon and Clifford (2007), socio-economic dilemma refers to maintaining the ethical balance between profitability and the social mission.

- Informal market setup

The informal market setup relates to a lack of acceptance and trust of formal markets due to the dominance of the informal market (Tracey and Phillips, 2007).

- Resource mobilisation

This challenge relates to lack of access to funding and other critical resources (Marshall, 2011; Lumpkin et al., 2013).

- Characteristics of offerings

This challenge is linked to the identification of needs and delivery of the product or service offerings, while taking into consideration challenges relating availability and affordability (Tracey and Phillips, 2007).

- Investors fit

This challenge relates to investor confidence with regards to the viability and probability of returns of the social business, and whether the investor is aligned with the social mission (Dees, 2001).

- Scalability dilemma

This last challenge relates to how, when and where to scale a social business (Mair and Schoen, 2007; Lumpkin et al., 2013).

2.1.8 Research on social entrepreneurship in South Africa

Social entrepreneurship literature in South Africa is scarce (Littlewood and Holt, 2015). A study of South African social enterprises was conducted by researchers at the University of Johannesburg and is said to be the most thorough study of social entrepreneurship in

South Africa to date (Littlewood and Holt, 2015). This study was based on a case study involving 24 South African organisations, focusing on problems relating to the replication of their business model, target market and best practices based on previous learnings (Littlewood and Holt, 2015). The result of this comprehensive study was the development of numerous tools addressing identified themes (Fonteneau, 2011).

Practioner literature such as Fury (2010) can add to the scarce research on social entrepreneurship. Fury (2010) examined Broad-Based Black Economic Empowerment (B-BBEE) in relation to social entrepreneurship and the creation of opportunities (Littlewood and Holt, 2015).

South Africa has a long history of social entrepreneurship (Littlewood and Holt, 2015). Several social firms were stablished in the apartheid period in South Africa, as early as 1892 (Steinman, 2010). However, the past 15 years has seen a surge in social entrepreneurial activity in South Africa (Steinman and van Rooij, 2012).

2.1.9 Social entrepreneurship in South Africa

LifeCo UnLtd South Africa recognises social entrepreneurs as "passionate people who are committed to deliver sustainable solutions to social challenges in South Africa" (UnLtd SA, 2012). Definitions of social entrepreneurship formulated from a South African perspective demonstrate the increasing embeddedness of this phenomenon in South Africa (Steinman, 2010). The history of social entrepreneurship in South Africa can be traced back to the Apartheid era, where a notable civil society was developed and social activism emerged (Steinman and van Rooij, 2012). However, the last two decades has seen the most promising developments in the social entrepreneurship space, with many social ventures emerging, as well as the implementation of new policies aimed at fostering the growth of the social sector (Steinman, 2010). In 2001, the Trade Association of the Southern African

Natural Products Industry, was created in order to assist with addressing issues relating to poverty (Steinman and van Rooij, 2012). More recently in 2012, Social Enterprise Academy Africa (SEAA) was developed in South Africa (Littlewood and Holt, 2015). In addition, in 2010, the University of Johannesburg established the Centre for Social Entrepreneurship and the Social Economy (CSESE). Table 2.4 highlights major events of social entrepreneurship in South Africa.

Table 2.4: Key events in the history of social entrepreneurship in South Africa

Year	Events
1892	Founding of the Pietermaritzburg Consumers Cooperative.
1966	UN declares apartheid a crime against humanity. Donors begin funding local civil society.
1970s	Growth of 'civics' campaigning around local material issues (e.g. better service delivery) and wider political issues (overthrow of apartheid)
1980s	Agricultural cooperatives; Trade union cooperatives emerge
1991	Ashoka Foundation opens offices in South Africa
1994	First free national and local elections in South Africa
1997	National lotteries Act (Act No. 57 of 1997) distribute proceeds to good causes Non-profit Organisations Act(1997), repeals restrictive Fundraising Act 1978
1999	End of transition to democracy, reduction in international donor funding
2001	PhytoTrade Africa formed
2003	Broad-based Black Economic Empowerment Act
2004	Cooperation for Fair Trade in Africa (COFTA) formed; Co-operative Development Policy for South Africa, 2004;
2005	Cooperatives Act (Act No. 14 of 2005)
2006	South African Social Investment Exchange (SASIX) launched
2009	ASEN and UnLtd South Africa created. ILO social enterprise research study commences
2010	CSESE founded at the University of Johannesburg; Gordon Institute of Business Science (GIBS) launches Social Entrepreneurship Certificate Programme (SECP); South African government New Growth Path Framework
2011	Bertha Centre for Social Innovation and Entrepreneurship launched University of Cape Town; Social Enterprise World Forum, Johannesburg
2012	Social Enterprise Academy Africa formed
2013	COFTA - World Fair Trade Organisation Africa; Amendments to Cooperative Act (2005)
2014	ImpactHub Johannesburg launches Social Impact Accelerator

Source: Littlewood and Holt (2015:12)

Social entrepreneurship can be used to solve food security problems in South Africa (Dirk, 2015), through the creation and implementation of innovate ideas. The following section introduces food security.

2.2 Food security

Food security has been an ongoing concern in South Africa (du Toit, 2011). The right to food is an international law (du Toit, 2011). The following section introduces and defines food security. The section then proceeds to contextualise food security within South Africa – highlighting household trends.

2.2.1 Introduction to food security

According to Clay (2002) and Heidhues et al., (2004), in the last thirty years, concepts of food security have developed gradually to reflect changes in official policy legislation. In the 1970s, food security was defined in terms of food supply (Napoli, 2010). This definition was based on the price stability and the availability of basic food items at the national and international level (World Food Conference, 1974). Since the 1970s, the definition has been revised several times to include human rights, ethical as well as household and individual level elements (Napoli, 2010).

The following is a widely accepted definition of food security;

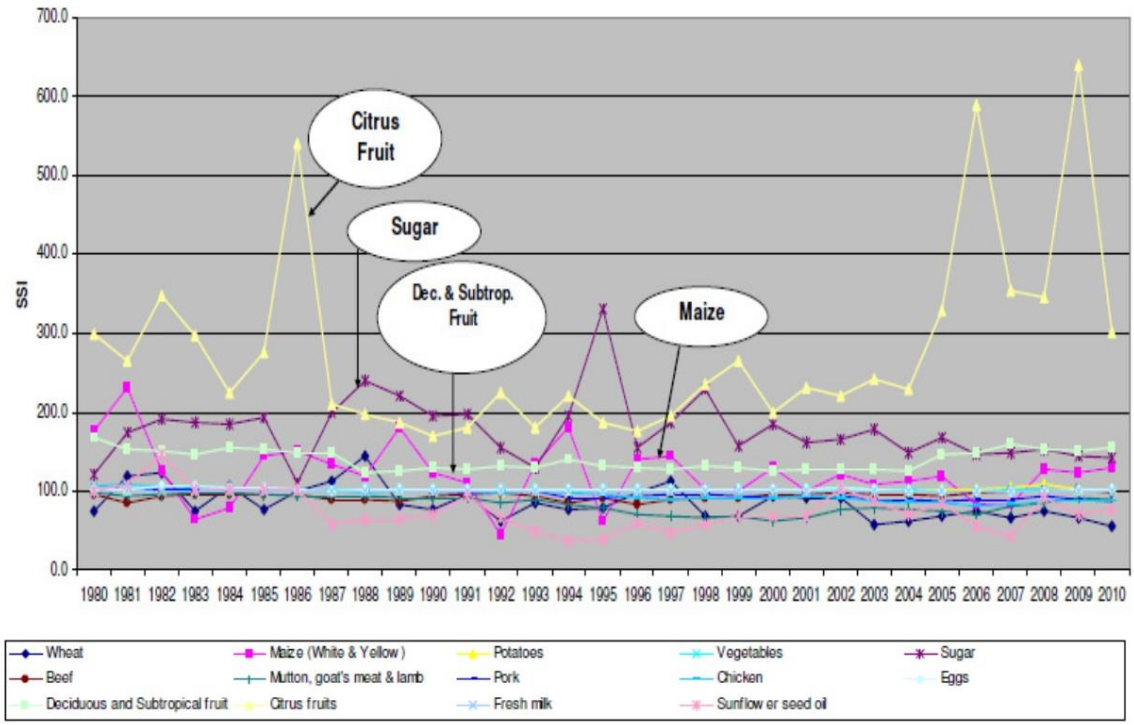
> Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (World Food Summit, 1996).

2.2.2 Food security in South Africa

According to Stats SA (2014), South Africa can produce enough food to meet the nutritional requirements of its population, thus making it a food secure country. It is argued that South Africa is not food secure when it comes to households in rural areas (Stats SA, 2014).

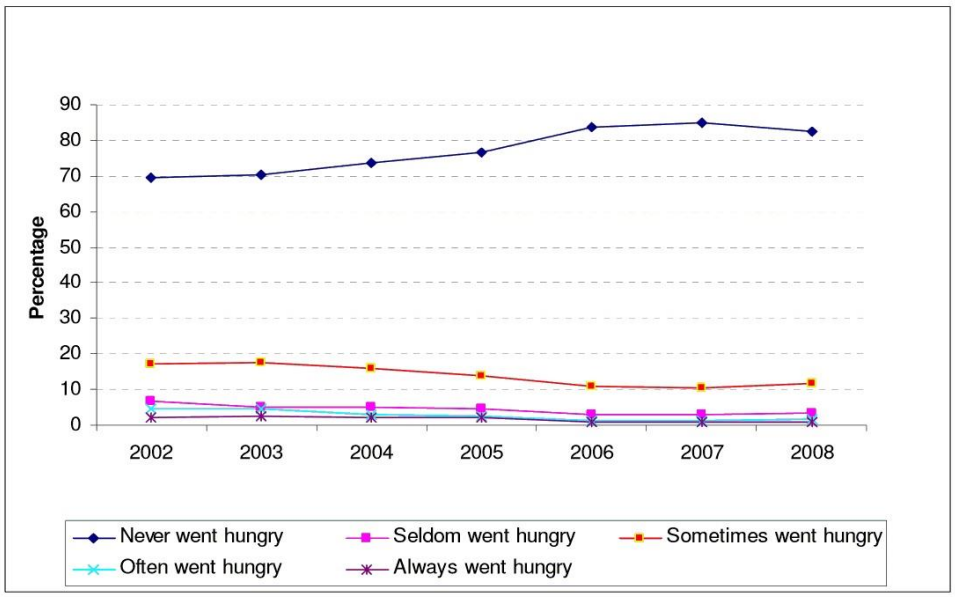
Figure 2.2 indicates that South Africa is self-sufficient in most of the major food products and can import shortages when necessary (du Toit, 2011).

Figure 2.2: National food self-sufficiency index Source: Department of Agriculture,



Source: Du Toit (2011:5)

Figure 2.3: Trends of households that went hungry over the period 2002 to 2008



Source: General household survey (2009) Statistics South Africa

Figure 2.3 illustrates that although the majority of households in South Africa "never went hungry", there is still a large percentage that "sometimes went hungry". This is an issue that relates to food security. Although only under 20% "sometimes went hungry", this percentage translates to millions of people. This is a food security problem that the government aims to address. Based on the literature on SE, it is suggested that the problem of food security can be addressed by engaging in social entrepreneurial activities.

It is reported that 20% of South Africa households have insufficient access to food (Stats SA, 2014). The Free State has the highest percentage (33.5%) of households in South Africa with insufficient access to food (General Household Survey, 2008). Food insecurity in South Africa has been influenced by factors such as unemployment rates, health issues (HIV and AIDS), failure of the government to provide adequate social welfare systems (du Toit, 2011). Landman (2004) suggests the issue of food insecurity in South Africa remains a major concern. With a growing population of 1.7%, South Africa has still been meeting the food needs of the increasing population (Stats SA, 2014). However, Demetre, Yul and Zandile, (2004) argues that an estimated 35% of the South African population is vulnerable

to food insecurity. A study by Machete et al., (2004) further reinforces the argument by Demetre et al., (2004), concluding that food insecurity is a major concern in rural areas in South Africa.

2.2.3 Food security and social entrepreneurship

According to Landman (2004), food is believed to be at the base of all life. However, it is not being preserved. From the extracting of the food to be packaging, unsustainable and unethical practises have become the norm (Landman, 2004). It is suggested that the food cycle needs to be revised - how we grow it, how we distribute it, how we eat it and how we manage leftovers (Landman, 2004). A growing number of social entrepreneurs are looking to address this issue by creating more socially just and sustainable food systems (Dirk, 2015).

Food security - and malnutrition is a major underlying cause of death of South Africa's children under the age of five (Stats SA, 2014). One in five children are deprived of the nutrients that are critical to optimal development (Stats SA, 2014) – this is a reflection of the SA food industry, and particular – a failure to leverage off of social entrepreneurship to address societal and economic concerns (Landman, 2004). Despite the magnitude of the role that social entrepreneurs can play in this industry, legislation surrounding the empowerment of social enterprises is limited (Landman, 2004). In addition, positive annual growth rates were recorded for food sales over the past five years (Stats SA, 2014) – which make it a lucrative industry for social entrepreneurs.

2.3 Conclusion

In this literature review, literature pertaining to social entrepreneurship practices, perceptions and themes as well as food security was discussed. The literature review directly correlates with the study's research questions.

The chapter began with a review of literature pertaining to social entrepreneurship. The notion of SE was explained. A comparison of the characteristics of entrepreneurs and social entrepreneurs was made to highlight the apparent differences. Various definitions of social entrepreneurs were presented. The chapter then went on to present the boundaries, types and challenges of social entrepreneurs. This section on SE was then concluded with a summary of SE research in South Africa to contextualise the study. The next section illustrated the notion of food security and attempted to demonstrate the relationship between SE. The section was concluded with a summary of food security in South Africa to contextualize the study. In the following chapter, literature pertaining to institutional influence and scale will be highlighted.

3. Chapter Three - Institutional influence and scalability

3.1 Introduction

Institutions are facets of social structure, which provide implicit guidelines for actions and regulate behaviour (Scott, 2008). Institutions can also be referred to as disparaged rules (Powell and DiMaggio, 1991). The governmental regulation of organisational and individual actions and behaviour, is referred to as formal institutions (Bruton et al., 2010). Informal institutions are more implicit and are based on social and cultural norms (Bruton et al., 2010). Informal institutions can be categorised as either normative or cognitive (Javidan, House, Dorfman, Hanges, and Sully de Luque, 2006). Normative institutions relate to social and cultural norms that govern behaviour, whereas cognitive institutions particularly refer to cultural values associated with individual actions (Stephan and Uhlaner, 2010). Autio and Acs (2010) suggest comparative institutional economics investigates formal institutions, whereas informal institutions are investigated by cross-cultural psychology and cultural sociology (Autio, Pathak, and Wennberg, 2013).

3.2 Institutional influences

The establishment of social ventures can be influenced by various factors, and are highlighted in the following section. Formal institutions are necessary as they provide the legal boundaries and environment, whereas informal institutions legitimise the social entrepreneurial activities.

3.2.1 Formal institutions

According to Bruton et al., (2010), the governmental regulation of organisational and individual actions and behaviour, is referred to as formal institutions (Bruton et al., 2010). In

academic literature, there appears to be a focus on formal influences over informal ones, as informal influences are often viewed as separate (Unsowrth, 2010). In practice, formal and informal influences are complementary and should not be looked at in isolation (Leftwich and Sen, 2010).

- **Public spending**

According to Leadbeater (2007), governments around the world are providing fewer public goods. This is due to new political ideologies that emphasise market driven models of welfare (Leadbeater, 2007). Sharir and Lerner (2006) suggest that this has resulted in the decreasing supply of public goods. It is noted that social entrepreneurship is more prevalent in countries where the provision of social services by the government is scarce (Cornwall, 2008). However, literature suggests that the work conducted in the social spaces by social entrepreneurs and governments is complementary as social entrepreneurs provide effectiveness and efficiency through innovation in spaces where spaces where governments have been active (Friedman and Desivilya, 2010). Despite the benefits of this, literature further goes on to indicate that the establishment of social ventures increase as public spending decreases (Austin et., 2006; Harris, 2009; Sharir and Lerner. 2006).

- **Access to funding**

According to Grimes (2010), capital is an essential element in the start-up of any business venture. Several studies indicate that capital limitations play a major role in the decision to become an entrepreneur (Holtz-Eakin et al., 1994). There is no indication in current literature that suggests that the importance of funding differs between commercial and social entrepreneurs (Alvord et al., 2004). However, current literature highlights the barriers social

entrepreneurs experience when sourcing funds (Certo and Miller, 2008). Lack of investor confidence in social ventures due to profitability and sustainability is seen to be the overriding reason for sourcing funds (Borzaga and Defourny, 2001). It is suggested that greater access to credit as well as easier access to funds will increase the establishment of new social ventures (Ferri, 2014).

- **Minimum capital requirements**

Financial hurdles may indeed reduce the enthusiasm surrounding the creation of new social ventures (Ferri, 2014). Dreher and Gassebner (2013) suggest large capital requirements make it extremely difficult for social entrepreneurship to emerge. It is this reason why governments are lowering the entry barriers by focusing attention on minimising capital requirements (Van Stel et al., 2007). Financial constrains for entrepreneurs are also increased by equity funding (Braun et al., 2013). It can then be said that there is a negative correlation between capital requirements and the rate at which new social ventures are established (Armour and Cummins, 2008).

- **Education**

According to Ferri (2014), in relation to entrepreneurship, people's behaviour is guided by acquired skills and knowledge. Studies indicate that it is more likely that an individual will start an organisation if they have a high level of education (Arenius and Minniti, 2005; Delmar and Davidsson, 2000). In addition, a common feature of social activists is high education levels (Ferri, 2014). However, research does not indicate that this knowledge should be centred around business management (Shaw and Carter, 2007). In summary, literature suggests having

the right skills and knowledge will gives individuals more confidence to start a business, thus making them more inclined to do so (Chen et al., 1998).

3.2.2 Informal institutions

Informal institutions are more implicit and are based on social and cultural norms (Bruton et al., 2010). Informal institutions can complement formal institutions and should not be looked at in isolation (Leftwich and Sen, 2010). Formal institutions are often shaped by informal institutions (Migdal, 2001).

- **Self-perceived capabilities**

Competence or the belief in one's ability refers to self-perceived capabilities (Ferri, 2014). This has many facets such as risk taking, fear of failure and perception of entrepreneurial skills (Button et al., 2011). It is noted that these facets are directly correlated to the propensity to start a business as well as the successful managing of it (Thompson, 2002). Harding and Cowling (2004) argue that commercial entrepreneurs are more confident about their ability to run a successful business than social entrepreneurs. Entrepreneurial capabilities and competencies result in a higher rate of entrepreneurship in a country (Ferri, 2014). In summary, entrepreneurship literature suggests there is a positive correlation between social entrepreneurship and self-perceived capabilities (Button et., 2011).

- **Entrepreneurial attitudes**

Entrepreneurial attitudes can affect the rate of emergence of social entrepreneurs (Ferri, 2014). These include the image of the social entrepreneur in the public, entrepreneurial culture and the impact of the media (Ferri, 2014). It is suggested that the decision to establish a business is influenced by the cultural norms and values that exist in societies ((Bruton et al., 2010). Therefore, the establishment of new ventures differs from society to society as not all societies equally promote risk taking, innovation etc. (Bruton et al., 2010). A study by Shapero and Sokol (1982) reinforcement this statement, as their research revealed that beliefs about the desirability of new projects differ from societies (Ferri, 2014). A positive view on the desirability of entrepreneurship could result in more establishments of new ventures (Harding and Cowling, 2004). Media can also influence social entrepreneurship, as positive stories reported can create a favourable image of social entrepreneurship (Ferri, 2014). A favourable image can make social entrepreneurship a plausible career choice (Bruton et al., 2010).

- **Social orientation**

Dees (2001) notes that the social mission is the underlining feature of any social business. The emphasis on the social mission as the base of social entrepreneurship, is prevalent in all definitions of social entrepreneurship (Dees, 2001). Selflessness, a lack of a desire for material possessions and being involved in social causes form part of the social orientation dimension (Dees, 2001). A social orientated mind-set fosters the identification of social opportunities (Cornwall, 1998). Social orientation positively affects the social entrepreneurial process, as it presents a means for socially conscious individuals to achieve their social missions (Ferri, 2014).

- **Innovativeness**

Innovation refers to engaging in creativity to create novel services, products or processes (Lumpkin et al., 2013). The characteristics of an entrepreneur include; creative (Kirby, 2004), non-conformists (Solomon and Winslow, 1988) and versatile (Kirby, 2004). According to Chell et al., (2010), social entrepreneurs are more innovative when resources are limited, as they have to develop novel ways of solving social problems. Innovation can therefore be regarded as essential to the social entrepreneurship process (Nga and Shamuganathan, 2010).

3.3 Theoretical framing - institutional theory

According to the institutional theory, organisations operate in an environment of values, beliefs, norms and assumptions that guide and restrict their actions over time (Barley and Tolbert 1997). These values, beliefs, norms and assumptions are formed because of the existence of institutions. Institutions are defined as social structures that provide orientations to organisations and individuals, yet at the same time restrict and control them (Scott 2008). Institutional theory is used in social entrepreneurship research from two perspectives. The first approach, which is derived from early institutional theory studies (e.g. Meyer, Scott and Deal 1981, Zucker 1989) assumed that organisations and individuals adapt to institutions around them (Battilana 2006). Organisational legitimacy issues, institutional isomorphic pressures, political pressures, structural pressures and moral pressures influence the establishment of social enterprises (Sud, Van Sandt and Baugous 2009).

Institutional isomorphism talks to the constraining process where one unit of a population has to resemble other units that face the same set of environmental conditions, in order to access resources and customers, gain political power and institutional legitimacy, as well as social and economic fitness (Di Maggio and Powell 1983). Di Maggio and Powell (1983) classify these

isomorphic influences as coercive influences (political or social pressures), mimetic or culture cognitive influences (imitation of best practices) and normative pressures (rationalisation through professional structures). These three pressures have been tested and found to exist in the context of social entrepreneurs. The three pillars and their attributes are detailed in this chapter.

Table 3.1: Three Pillars of Institutional Theory

	Regulative Pillar	**Normative Pillar**	**Cultural-cognitive Pillar**
Basis of compliance	Expedience	Social Obligation	Shared understanding
Indicators	Rules, laws, sanctions	Certification, accreditation	Common beliefs
Basis of legitimacy	Legally sanctioned	Morally governed	Recognisable, culturally supported.

Source: Jacobson (2009:125)

The second perspective talks about institutional entrepreneurship, which is how the social enterprise can influence change in long established institutions (Mair and Marti, 2006). It positions the social entrepreneur as an agent of change, creating a paradox where social entrepreneurs seek to change the very same institutions that influence their actions, intentions and rationality (Holm, 1995). This study focuses on the first approach, which is, how institutions around them shape social entrepreneurs.

3.4 The paradox of embedded agency

The discourse on the broader structure-agency of institutional theory can be referred to as the paradox of embedded agency (Friedland and Alford, 1991; Seo and Creed, 2002). The paradox is as follows: how are individuals able to get others to endorse new practises if individuals are subject to institutional constraints that define their identities (Garud, Hardy and Maguire, 2007). Maguire (2007) suggests authoritative players in the economy such as governments lack the motivation to bring change, whereas smaller players such as social entrepreneurs are motivated to bring change, but do not have the ability or power to change institutions like the authoritative players.

Presenting agency as being distributed within the structures that individuals have created is one answer to the paradox (Garud and Karnøe, 2003). Therefore, embedding structures creates a platform for developing entrepreneurial activities (Garud, Hardy and Maguire, 2007). Based on this view, individuals could behave in ways that are different to social rules (Giddems, 1984; Mutch, 2007). Agency is "the temporally constructed engagement by actors of different structural environments – the temporal–relational contexts of action – which, through the interplay of habit, imagination, and judgment, both reproduces and transforms those structures in interactive response to the problems posed by changing historical situations" (Emirbayer and Mische, 1998, pg 970). Understood in this way, it is suggested that not only do institutional structures regulate agency, they can also promote entrepreneurial activities (Garud, Hardy and Maguire, 2007).

Institutional entrepreneurship not only involves the 'capacity to imagine alternative possibilities', it also requires the ability "to contextualize past habits and future projects within the contingencies of the moment' if existing institutions are to be transformed" (Emirbayer and Mische, 1998, pg 963). Lawrence (1999) suggests that strategies should be developed to embed change in fields populated by diverse organisations, many of whom are invested in, committed

to, and advantaged by existing structural arrangements. It is not surprising, therefore, that institutional entrepreneurship is viewed as an intensely political process (Fligstein, 1997; Seo and Creed, 2002; Garud et al. 2002). It is suggested that institutions have the potential to either enable scale or restrict it (Garud, Hardy and Magurie, 2007).

3.5 Scalability and the social entrepreneur

According to Webster (2014), scalability refers to the ability of a system to cope with increasing volumes of work without compromising quality. Scalability of an organisation involves four concepts; change capacity, customer value proposition, market analysis and business attribute analysis (Kumar, 2010). The trade-offs of scalability versus increasing capacity is what change capacity evaluates (Mair and Schoen, 2007). Kumar (2010) refers to capacity of this nature in stating that high performance entities rely on high-performance people. Dudnik (2010) suggests customer value proposition (CVP) is extremely important as it is an indication of how the organisation is adding value while driving return business. A change in CVP can result in declining branding and a decrease in customer base (Kumar, 2010). According to Lumpkin et al., (2013), business attribute analysis refers to the need for the business to garner an understanding of what differentiates it from the competition.

3.5.1 SCALERS model

According to Bloom and Chatterji (2009), the emerging work of the SCALERS model is an exception to the limited theoretical work. The SCALERS model, identifies seven different possible drivers of scaling social impact (Bloom and Smith, 2010) – it is based on case studies and past research on scaling. It is also constructed from theoretical notions from marketing, organisation behaviour and strategic management (Bloom and Smith, 2010). These drivers of

social impact are: Staffing, Communicating, Alliance-building, Lobbying, Earnings-generation, Replicating and Stimulating market forces form the acronym, SCALERS (Bloom and Chatterji, 2009).

The ability to scale can be established by asking the following questions (Horoszowski, 2013);

- Staffing: What is the organisation's effectiveness at recruiting, engagement, and retaining employees?
- Communication: How effective is the organisation at engaging stakeholders?
- Alliance building: Does the organisation have a strong ability to form and leverage partnerships?
- Lobbying: Can the organisation affect decisions of local government?
- Earning generation: Beyond revenue, can the organisation generate profits and reduce costs?
- Replicating: How effectively can the organisation reproduce effective programs and initiatives?
- Stimulating market: Can your organisation create incentives that encourage people or institutions to pursue private interests while also serving the public good?

3.5.2 Scalability across different entities

The industry in which a firm operates affects its ability to scale (Lumpkin et al., 2013). The ability to scale also depends on the business model of the firm, as some models are easier to scale than others (Mair and Schoen, 2007). Sutton and Rao (2014) suggest structure and culture are the most important elements to scale. It is inherently simpler to scale organisations that produce consumer goods (Walsh, 2015). Small businesses that produce consumer goods have many opportunities to achieve economies of scale, increased efficiencies and cost savings

(Nicholls, 2006). However, Uzzi and Lancaster (2003) suggest increased complexity and decreased quality could result from efforts to achieve higher production and efficiency levels through scaling. It is also worth noting that CVP also needs to be taken into consideration when small businesses attempt to scale as perceptions of their business can change when they grow (Walsh, 2015).

A classic question for manufacturers of high quality goods is how do they maintain standards while meeting increased demands? Brooks (2008, p. 471) addresses these concerns: "All processes are the same in that they consist of equipment, raw material, people, and methods. Yet, each process is unique in terms of the variation that is inherent to a specific process. Understanding the nature of the variation that is unique to a specific process is the key to applying classic problem-solving tools that have been proven to be effective regardless of what is being manufactured." Brooks (2008) suggests small businesses that offer services are generally very challenging to scale. When attempting to scale up, small businesses that offer services need to take into consideration their experience, passion and intelligence (Dees, 2001). According to Peng (2003), small businesses are flexible, personal and offer high quality services or products. Scaling up requires a focus on what behaviours are the reasons for the success of the business and how they can be replicated (Dey, 2006). Developing a brand with these qualities will give the business some leeway during growth stages (Roberts and Woods, 2005).

3.5.3 Structural embeddedness and the measurement of social value

According to Dees (2001), the major differentiating aspect of commercial entrepreneurship relative to social entrepreneurs is social upliftment. Social entrepreneurs seek to enhance the livelihood of society by means of removing barriers that hamper social inclusion (Austin,

Stevenson and Wei-Skillern, 2006). This is done through adopting innovative strategies and tools (Austin, Stevenson and Wei-Skillern, 2006). Peng (2003) suggests the definition of social value raises the question of how to evaluate social entrepreneurship and, more specifically, the measurement of social value.

Social value can be measured in multiple ways, these include; qualitative measures, quantitative measures such as social return on investments (SROI), and self-developed input measures (Peng, 2003). According to Uzzi and Gillespie (1999, p.91), structural embeddedness is concerned with the "concrete ties between and among actors and focuses on material exchanges of resources and information as the basis for exchange". When considering social entrepreneurship, the exchange of resources refers to the different forms of capital (Peng, 2003). An example would be the provision of financial capital from individuals, to develop improved academic programs in schools (Peng, 2003). This provision of financial capital will be exchanged for social value creation i.e. enhanced academic programs (Peng, 2003).

Porter and Sensenbrenner (1993) suggest that when considering embedded ties, as is probable for the Social Bricoleur form of social entrepreneurs, the greater extent of structural embeddedness between the donor and the social entrepreneur indicates an escalation of expectations and obligations between the two parties, however the donor must be embedded in the community (Walsh, 2015). The alignment of exchange is attained through trust (Uzzi, 1997). The social entrepreneur will not be required by the donor to perform a comprehensive quantitative analysis of social value such as social return in investment (SROI), this is due to the embedded relationship between the parties (Stephanis, 2003). Less direct oversight of the project by the donor will be unnecessary, if the donor and social entrepreneur are in close proximity to each other, as the donor will have sight of any activities in the region resulting from their financial contribution (Stephanis, 2003).

A higher degree of complexity in the measurement of social value may be required if there is a dependency for arm's-length ties, as is probable for the Social Engineer form of social entrepreneur (Walsh, 2015). Arm's-length ties will result in less frequent interaction between the donor and social entrepreneur (Walsh, 2015). However, the social entrepreneur may have to provide substantial evidence of the creation of social value (Peng, 2003).

3.5.4 Structural embeddedness and scaling

When social entrepreneurs develop an effective way to solve a social dilemma, they usually consider ways to spread the social value that they have created (Wei-Skillern, 2008). This is referred to as scaling of social value (Wei-Skillern, 2006). In the context of social entrepreneurship, scaling is defined as "increasing the impact a social-purpose organisation produces to better match the magnitude of the social need or problem it seeks to address" (Dees 2008, p.57). There is substantial literature on the scaling of commercial businesses whereas little attention has been paid to the scaling of social businesses (Alvord, Brown, and Letts 2004). Although literature on scaling social ventures is limited, several authors (Dees, Anderson and Wei-Skillern, 2003; Taylor, Dees and Emerson (2002) and Bloom and Smith, 2010), have made enormous strides in addressing this (Grimes, 2010). According to Dees, Anderson, and Wei-Skillern (2003), decisions to scale social value are based on the questions 'how to scale and where to scale' (Wei-Skillern, 2008).

- **Scaling up**

One of the most critical decision that a social entrepreneur will have to make is the decision of where to scale (Wei-Skillern, 2008). With regards to where to scale, Taylor et al., (2002) indicate that there are two types; scaling up and scaling deep. Spreading social value to other

geographic locations is referred to as scaling up (Wei-Skillern, 2006). This approach generally focuses on replicating practises in new geographic areas (Taylor et al., 2002).

- **Scaling deep**

In comparison to scaling up, scaling deep means "focusing...energies and resources on achieving greater impact in your home community by doing one of the following: improving the quality of your services, achieving greater penetration of your target client population, finding new ways to serve your clients, extending your client services to new client groups developing innovative financial management approaches and serving as an example to others in your field" (Taylor et al., 2002, p.47).

Wei-Skillern (2006) suggests the decision of whether to scale up or deep is not necessarily the social entrepreneurs' decision to make alone. The scaling decision may also be influenced by the embeddedness of the relations that the social entrepreneur has formed (Dees, Anderson, and Wei-Skillern, 2003). It is probable that the Social Bricoleur form of social entrepreneurship will have a network primarily comprising of embedded ties to multiple stakeholders in a local community (Dees, Anderson, and Wei-Skillern, 2003). This enhanced level of structural embeddedness may restrict the options available to the social entrepreneur (Portes and Sensenbrenner 1993). The community in which a social entrepreneur is looking to scale in must be considered (Dees, Anderson, and Wei-Skillern, 2003). Specific scaling methods may only be seen as acceptable in a particular community, and may restrict the scaling options available (Taylor et al., 2002).

3.5.5 Scaling strategies

According to Bradach (2003), there are three strategies used to innovate; branching, dissemination and affiliation. Branching refers to formation of local sites through one organisation, like 'company owned stores (Bradach, 2003). Dissemination refers to providing information and assistance to individuals that are looking to bring innovation to a community (Dees, Anderson and Wei-Skillern, 2004). Affiliation refers to a "formal relationship defined by an ongoing agreement between two or more parties to be part of an identifiable network" (Bradach, 2003, p.107).

Affiliate networks vary from formal alliances of businesses that aim at achieving similar goals, to stricter structures operating similar to business franchises (Dees, Anderson and Wei-skillern, 2004). Distinct guidelines such as reporting standards may be encompassed in affiliate agreements (Bradach, 2003). The process for broadening social impact should be viewed as a continuum, from dissemination to affiliation to branching (Dees, Anderson and Wei-skillern, 2004).

According to Dees, Anderson and Wei-skillern (2004), social entrepreneurs can refer to the Five R's to find a scaling path;

- Readiness – is the social business ready fit to expand to other regions? (Regulative and Cognitive institutional pillars)
- Receptivity - Will the social business be well-received in target regions? (Normative institutional pillar)
- Resources - What resources are required to be successful? (Regulatory institutional pillar)
- Risk – What is the probability that the innovation will be implemented incorrectly, or will not have the expected impact? (Cognitive institutional pillar)

- Returns - What is the bottom line? Impact should not only be concerned about serving more people – it should be about serving them efficiently (Regulatory, Normative and Cognitive institutional pillars).

Dees, Anderson and Wei-skillern (2004), suggest incremental resources are essential for scaling strategies. A plan of resource allocation should be established (Dees, Anderson and Wei-skillern, 2004). In addition, institutional influences need to be taken into consideration when choosing a scaling strategy (Bloom and Chatterji, 2009). Alliance-building, Lobbying and Replicating from the SCALERS model (Bloom and Chatterji, 2009) mentioned earlier appears to correlate with both formal and informal institutional influences that could possibly affect scalability of social enterprise. This will further be explored in this study.

3.5.6 Nexus between institutional influence and scalability

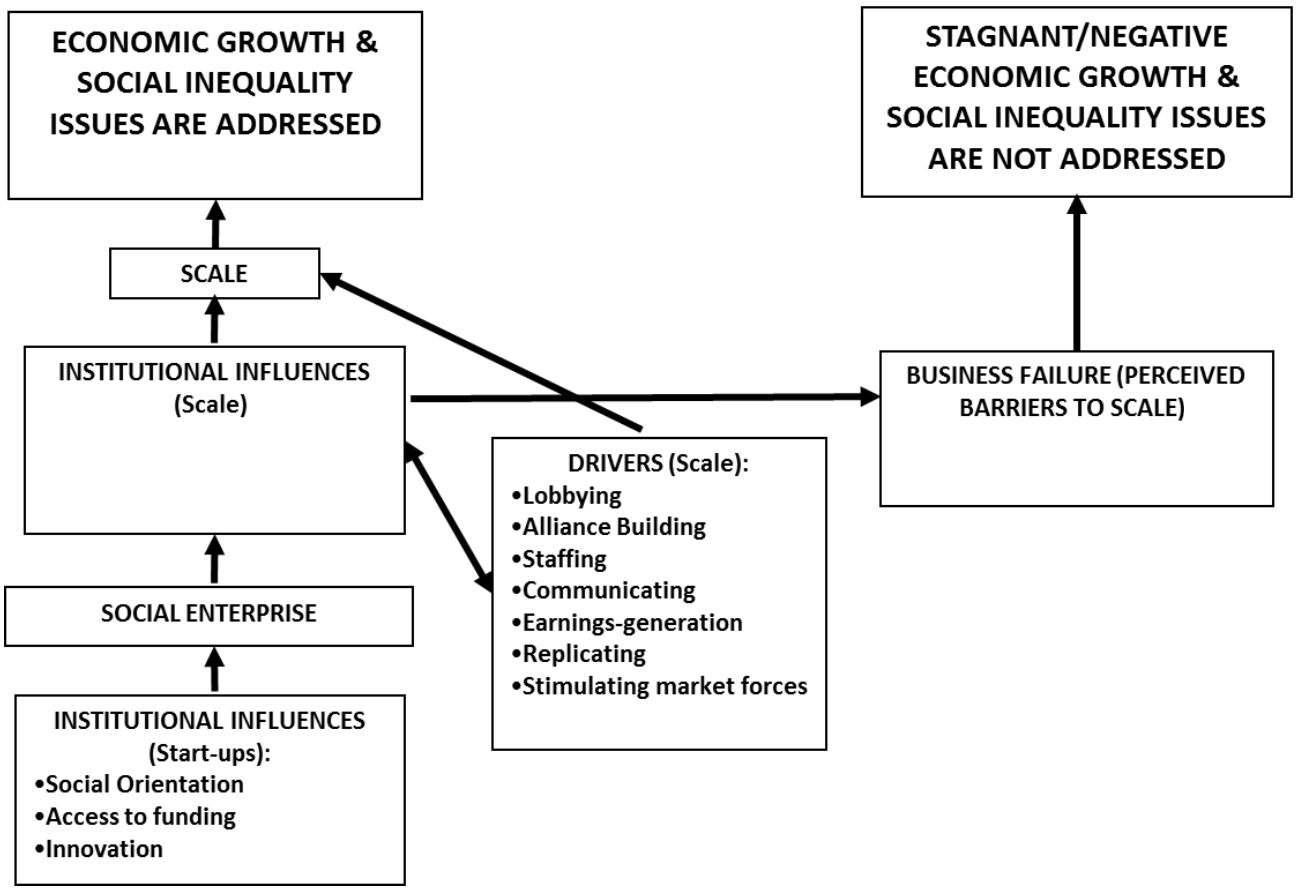
Dees, Anderson and Wei-skillern (2004) suggest that if policy makers and foundation officers are serious about addressing social problems on a large scale, policies need to be developed in order to foster the growth and sustainability of social enterprise. This can be done by a systematic and strategic approach to the question of how to spread social enterprise (Bradach, 2003). When a social enterprise becomes "successful" with regards to social value creation, sustainability, innovation or in monetary terms, the social entrepreneur first needs to determine the social enterprise suitability for scale, before the creation of similar enterprises in other communities (Dees, Anderson and Wei-skillern, 2004). Questions relating to the external or internal factors playing critical supporting roles such as the following need to be asked – how transferable is the innovation? (Relates to informal influences - innovation), what is the skill set of the entrepreneur? (Relates to formal influences – education, informal influences – self-perceived capabilities and entrepreneurial attitudes), can the social enterprise be replicated and

still have the same social impact? (Relates to informal influences – innovation and social orientation), how scarce is the provision of this social service by the government? (Relates to formal influences – public spending), does the enterprise have access to funding? (Relates to formal influences – access to funding). Asking these questions assists social entrepreneurs in understanding what is most effectively transferable and thus the likelihood for scale (Bradach, 2003).

3.6 Conceptual framework

The interim conceptual framework is based on the literature review. It is noted that this framework lacks information pertaining to institutional influence on scale. Note that the final conceptual framework based on current literature as well as the results from the empirical study can be found in the discussion chapter. The empirical study looked to "complete" the framework – thus creating a "roadmap" for social enterprises. Once the framework is completed and presented, this will summarise how social enterprises can scale from two perspectives – institutional influences and drivers of scale (SCALERS model).

Figure 3.1: Conceptual framework exploring the literature



Based on the literature review, the major institutional influences on SE start-ups are social orientation and access to funding. Scale of the newly found SE can be achieved through applying SCALERS model. However, the literature review and the above framework does not take into account institutional influences on scale. Based on the empirical findings of the study, institutional influences that affect scale will be suggested. If all the above is present (including institutional influences), ceteris paribus then social ventures are more likely to scale – resulting in economic growth, in addition, social issues such as food security will be addressed. The conceptual framework will be revised in the discussion chapter – the revision of the conceptual framework is based on the results and discussions from the empirical study.

3.7 Conclusion

In this literature review, literature pertaining to institutional influences and scalability has been discussed. The literature review directly correlates with the study's research questions. According to the institutional theory, organisations operate in an environment of values, beliefs, norms and assumptions that guide and restrict their actions over time. These values, beliefs, norms and assumptions are formed because of the existence of institutions. Institutions are defined as social structures that provide orientations to organisations and individuals, yet at the same time restrict and control them. Institutional theory is used in social entrepreneurship research from two perspectives. The first approach, which is derived from early institutional theory studies assumed that organisations and individuals adapt to institutions around them. The second perspective talks about institutional entrepreneurship, which is how the social enterprise is able to influence change in long established institutions. Scalability refers to the ability of a system to cope with increasing volumes of work without compromising quality. Scalability of an organisation involves four concepts; change capacity, customer value proposition, market analysis and business attribute analysis. Institutions can play a role in the scalability of social enterprise whether it be negative or positive. In the following chapter, the research methodology will be discussed.

4. Chapter Four - Research methodology

4.1 Introduction

In this chapter, the research methodology and design is presented. It begins with a discussion on the research paradigm, the population and the sample. Thereafter, the data collection process, data analysis, reflexivity, validity and reliability are discussed. The chapter is concluded with a discussion on the scope of the study, ethical considerations and research planning.

4.2 Research paradigm

According to Chung (1996), social reality can be approached in various ways, and academic researchers can select between various approaches. A researcher can choose between quantitative, qualitative or mixed method approach which is a combination of both quantitative and qualitative. In this study, a qualitative approach was adopted. Many possible designs were evaluated for their appropriateness and their advantages and disadvantages were reviewed and were assessed against the strategic intent and objectives of the research to arrive at the adopted research design. The interpretivist epistemological school of thought is used in this study. Interpretive researchers assume that "access to reality is only through social constructions such as language, consciousness, shared meanings, and instruments" (Myers, 2008, p.38). It follows a constructionist paradigm.

According to Macleod (2001), in relation to constructivism, reality is socially constructed. Constructivism points out there is no single reality (Chung, 1996), whereas positivists believe in a single reality and truth (Macleod, 2001). According to Burns and Grove (2003), constructivists believe that reality is a subjective creation. As individuals, we create our own

view of the world (Macleod, 2001). This is usually based on our individual perception (Field and Morse, 1996). Concepts such as race, gender and culture are all social constructs (Macleod, 2001). According to Burns and Grove (2003), positivism can be understood as a philosophical approach with a focus on the notion that knowledge should be gained through observable and measurable facts. This is also referred to as empiricism (Burns and Grove, 2003). Positivists do not rely on subjective experiences (Parahoo, 1997). According to Holloway and Wheeler (2002), positivism can be viewed as an epistemological stance in which sensory information counts as true knowledge.

Burns and Grove (2003), suggest there is a distinction between constructivism and positivism, particularly with regards to their core notions. They are both viewed as epistemologies (Polit et al., 2001). Epistemology can be defined as the study of knowledge and its relation to truth and how it can be justified (Polit et al., 2001). Positivism is related to knowledge that is acquired through observing and measuring facts (Holloway and Wheeler, 2002). Reality that is socially constructed can be referred to as constructivism (Macleod, 2001).

The rationale for using a qualitative approach in this research is to explore and describe the perceptions of institutional influence on scalability of social enterprise in the SA food industry. This approach is suitable for the study as the study looks to explain and understand this phenomenon. The most ideal way of going about understanding the phenomena was through conducting interviews with open ended questions – this allowed the interviewee the opportunity to describe their perceptions and understanding of institutional influence and how it relates to the scale of social enterprise.

Field and Morse (1996) note that garnering logical conclusions from individually lived experiences is the essence of qualitative research. In addition to this, qualitative research does not focus on particular notions (Field and Morse, 1996). In this research, there is a focus on the

experiences from the participants' perspective. To achieve the emic perspective, the researcher was involved and immersed in the study. The participation in the study added to the uniqueness of data collection and analysis. According to Holloway and Wheeler (2002), it is not possible to achieve complete objectivity. In addition, individuals do not always behave predictably or logically, therefore qualitative methodology is not completely precise (Holloway and Wheeler, 2002)

4.3 Research design

As defined by Burns and Grove (2003, p.195); a research design is "a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings". Parahoo (1997, p.142) describes a research design as "a plan that describes how, when and where data are to be collected and analysed". A phenomenological research design was used. Lester (1999) suggests the motive of phenomenological research is to identify a phenomenon through how they are perceived by the individual in a situation. The experience from the perspective of the individual is what phenomenology is concerned with (Moustakas, 1994). According to Sandelowski (1999), epistemologically, phenomenological approaches emphasise the significance of personal interpretation and perspective. Phenomenology is used for obtaining insights into individuals' actions and motivations as well as understanding subjective experience (Sandelowski, 1999). Lester (1999) suggests pure phenomenological research seeks to describe rather than explain. Including an interpretive aspect to phenomenological based research. Adding an interpretive dimension to phenomenological research, enabling it to be used as the basis for practical theory, allows it to inform, support or challenge policy and action (Lester, 1999).

4.4 Population

A collection of objects or individuals that have common attributes are known as a research population (Casson, 2005). An entire group of objects or individuals which the researcher intends on generalising the conclusions are known as the target population (Thompson, 2006). In this study, the target population is all social entrepreneurs operating in the South African food industry. According to (Herrington, Kew, Mwanga, 2016) the rate of entrepreneurs in South Africa have declined during the period 2015 to 2016. The Total early-stage Entrepreneurial Activity (TEA) rate in South Africa is 6.9% (Herrington et al., 2016). This is the percentage of 18-64 population who are either nascent or owners of a new business (Herrington et al., 2016). Based on this percentage, there are roughly 4 million entrepreneurs in South Africa.

As mentioned in earlier chapters, the focus is on food security in the food industry. "Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life" (World Food Summit, 1996).

As of May 2005, 39 countries around the world were suffering from critical food insecurity. Out of the 39 countries, 25 were in Africa – including South Africa (Clay, 2002). The following indicates critical food insecurity across the world. These crises resulted from wars, civil conflicts and natural disasters (Heidhues et al., 2004). Table 4.1 indicates that food insecurity levels remains the highest in Africa, with South Africa also labelled as a food insecure country.

Table 4.1: Food Emergencies in 2005

Dominant variable	Africa	Asia	Latin America	Europe	Total
Human	10	3	1	1	15
Natural	8	7	1	0	16
Combined	7	1	0	0	8
Total	25	11	2	1	39

Source: FAO GIEWS, 2005

The population to which researchers can apply conclusions to is known as the accessible population, which is a subset of the target population (Casson, 2005). In this study, the accessible population is social entrepreneurs operating in the South African food industry.

4.5 Sample

According to Suchman (1995), deducing information from large populations without examining everyone can be referred to as sampling. It is noted that high quality information can be obtained with less hassle, and the workload can be reduced when sampling is used (Cochran, 2007). However, the sample size must be large enough to reflect accurate findings (Cochran, 2007). Suchman (1995) notes that the individuals that are selected by the research should represent the entire population.

The sample technique that was utilised in this study was non-probability and purposive sampling. According to Parahoo (1997), non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected. Patton (2002) describes purposive sampling as a method of sampling where the researcher deliberately chooses who to include in the study based on their ability to provide necessary data. Non-probability samples limit the generalisability of research findings (Kuzel, 1999).

Snowball sampling was also used as once the researcher developed a professional relationship with the interviewee, the interviewee provided contact details for other social entrepreneurs which were interested and willing to participate in the study. A snowball sample is one in which the researcher gathers data on the few individuals of the target population that can be located, then asks those individuals to provide contact details of other individuals of that population whom they know, so that they can be recruited and included in the sample (Patton, 2002).

An iterative process that was sought to maximise the depth and richness of data collected with regards to the research objectives was used to select the participants for the interviews.

The sample frame was made up of social entrepreneurs operating in the food industry in Gauteng, and, Johannesburg and Pretoria. In Johannesburg, the interviews took place in the north of Johannesburg, the West Rand and the south of Johannesburg. In Pretoria, the interviews took place in Centurion. These two cities are the economic powerhouses of Gauteng (Stats SA, 2014). The rationale for using purposive sampling was to focus on specific characteristics of the population (Patton, 2002).

The following criteria was used to identify social entrepreneurs:

- The participant should consider themselves a social entrepreneur
- The social entrepreneur should have at least five years' experience in the food industry.

The rationale for this is that after five years of operation, the business is more likely to have reached some sort of maturity i.e. operations (Galliers and Sutherland, 1994). Thus, the participant would be in a better position to provide richer responses, as oppose to an entrepreneur who just started the business. The selection criteria mentioned above was applied to participants identified using snowball sampling.

The number of participants was 14. Ritchie and Spencer (1994) note that qualitative research samples are smaller than quantitative research samples. It is recommended that five to 25 participants be used for phenomenological studies (Creswell, 1998). Fusch and Ness (2015) suggest data saturation will occur when the ability to garner additional new information has been attained (Guest et al., 2006), when the study can be replicated as there is enough information (Walker, 2012) and when it is not feasible to do further coding (Guest et al., 2006). The quality and validity of the research conducted can be jeopardised if data saturation is not achieved (Kerr, Nixon, and Wild, 2010).

4.6 Sample description

A total of 14 social entrepreneurs in the South African food industry were interviewed. Out of the 14 participants of the interview, 11 were based in Johannesburg and three in Pretoria.

Eight out of the 14 participants were male and six were female. The age of the participants ranged from 23 to 42, with a mean age of 38. The interviewees reported to have been collectively and actively involved in social entrepreneurship in the food industry for an approximated average of 7.7 years. The least amount of experience as a social entrepreneur in the industry reported was three years and the highest was 12 years.

4.7 Data collection

Semi-structured interviews were used in this study. According to Patton (2002), interviews whereby the topics for discussion are broad and the interviewee could articulate his or her own ideas, while the interviewer probes for detailed information, can be referred to as semi-structured interviews. Interviews that have a set of predefined questions and limited probing by the interviewer, can be referred to as structured interviews (Zhang and Wildemuth, 2009). Thomas and Holm (2008) suggest this data collection technique is a one-way flow of information. Patton (2002) describes unstructured interviews as a natural extension of participant observation, because they so often occur as part of ongoing participant observation fieldwork (Zhang and Wildemuth, 2009). These are referred to as ‘open ended’ (Thomas and Holm, 2008).

Semi-structured interview guides are well grounded and efficient as they provide a distinct set of instructions for the interviewers (Grove, 2011). The “informal” nature of semi-structured interviews give researchers the much-needed flexibility to probe, in order to develop a deep, meaningful and relevant understanding of the topic at hand (Grove, 2011). Open-ended

questions provide the opportunity for interviewees to give rich and relevant information about the topic of discussion (Thomas and Holm, 2008).

Before the data collection phase commenced, the nature and objectives of the research was conveyed to the potential participants. Once the respondents confirmed their participation in the research, the researcher maintained communication with the respondents as to keep them updated about interview dates and so forth. This created a sense of trust between the researcher and the respondents resulting in more accurate and truthful responses from the interviewees during the interview stage. Dates, venues and times was scheduled and was confirmed by the participants. If an interviewee was unable to participate in the study for whatever reason, a contingency plan will be put into place, namely; a provision sample. A sample of five interviewees was in place in an event where a participant is unavailable.

4.8 Recording semi-structured interviews

The interviewer usually asks questions from a paper-based interview guide (Nicholls, 2006). Nicholls (2006) notes that open-ended questions usually result in conversations diverging from the interview guide. These conversations are vast so it is best to tape-record interviews so that they can be analysis at a later stage through transcribing (Nicholls, 2006). Jotting down notes while conducting the interview will lead to poor results, in addition it makes it difficult to build rapport between the interviewee (Thomas and Holm, 2008). Grove (2011) notes that building rapport is critical in semi-structured interviews.

The interviews ranged on average 45 minutes per session. Interviews should be no longer than an hour and no less than 30 minutes (Grove, 2011). Interviews shorter than 45 minutes would have been too short as the interviewees were given the opportunity to talk in-depth about their

experiences in accordance with this study. Interviews was purposely spaced in order to allow for transcribing. At least a day in between each interview.

4.9 Data analysis

The data that was collected through conducting semi-structured interviews was analysed by using the Interpretative Phenomenological approach. Creswell (2009), suggests meanings can be explored and findings can be interpreted efficiently through using the Interpretative Phenomenological approach. Phenomenology is the study of experience and how as individuals we experience differently (Lester, 1999). It studies structures of conscious experience as experienced from a subjective or first-person point of view, along with its "intentionality" (the way an experience is directed toward a certain object in the world) (Lester, 2009). It then leads to analyses of conditions of the possibility of intentionality, conditions involving motor skills and habits, background social practices and, often, language (Giorgi, 2009). Epistemologically, phenomenological approaches are based in a paradigm of personal knowledge and subjectivity, and emphasise the importance of personal perspective and interpretation (Lester, 2009).

In multiple-participant research, the strength of inference which can be made increases rapidly once factors start to recur with more than one participant (Giorgi, 2009). In this respect, it is important to distinguish between statistical and qualitative validity; phenomenological research can be robust in indicating the presence of factors and their effects in individual cases, but must be tentative in suggesting their extent in relation to the population from which the participants or cases were drawn (Creswell, 2009). Themes were identified through the following process (Zahavi, 2009);

1) Thorough and sensitive readings of participants' descriptions

2) Identification of shifts in participant thought and division into thought segments

3) Specification of significant phrases in each thought segment

4) Distillation of each significant phrase to express the central meaning

5) Grouping together segments that contain similar central meanings

6) Preliminary synthesis of grouped segments focusing on the essence of the phenomena and

7) final synthesis of the essences that have surfaced in participant descriptions to produce an exhaustive description of the lived experience

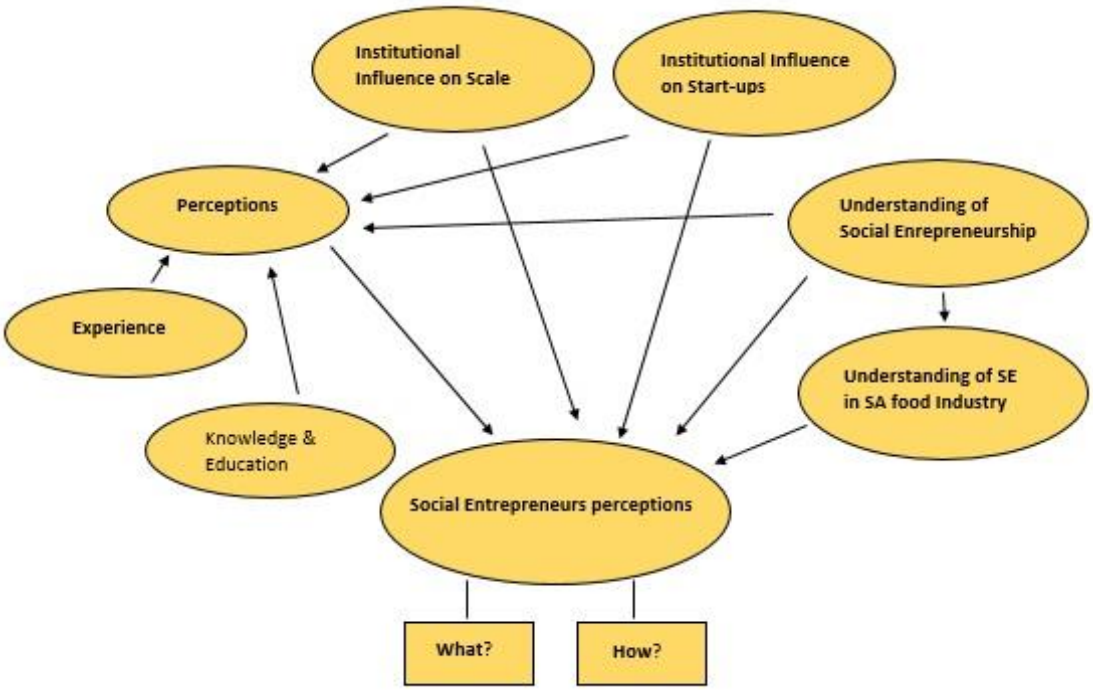
4.10 Thematic causal mapping

This study utilises thematic mapping to depict concepts of this study and the interlinked relationships. Causal maps refer to graphical network representations and include arrows and nodes (Gibbs, 2007). The fundamental concepts and the interlinked causal relationships (as perceived the participants) are depicted through the nodes and arrows of the causal map (Gibbs, 2007).

In some instances, causal maps portray additional notions that describe some characteristics of the relationships, such as its subjective weight or importance and whether the influence is positive or negative (Narayanan, 2005). An analysis of the target phenomenon and the subsequent holistic description are some of the benefits of visual causal maps (Klaus, 2004). Causal maps can also be presented in non-visual forms (Mauri, 2008). Examples of this include square (adjacency) matrix and data based causal maps (Mauri, 2008). Non-visual causal maps also have benefits such as enabling computerised processing of CCM-data and facilitating numerical analysis with cause map-based indicators (Narayanan, 2005).

The following depicts the Causal Map which is based on the findings of this study.

Figure 4.1 Causal Map



4.11 Reflexivity

According to Malterud (2011), reflexivity is an attitude of attending systematically to the context of knowledge construction, especially to the effect of the researcher, at every step of the research process.

> A researcher's background and position will affect what they choose to investigate, the angle of investigation, the methods judged most adequate for this purpose, the findings considered most appropriate, and the framing and communication of conclusions (Malterud, 2001, p. 483-484).

4.11.1 Personal Reflection

The researcher has a interest in entrepreneurship, both theoretical and practical. The researcher's first experience with entrepreneurship was starting a small stationary business in high school - selling pencils, pens and erasers to classmates. Throughout secondary and tertiary education, the researcher has thoroughly enjoyed all entrepreneurship and business-related subjects. More recently, the researcher has developed an interest for social enterprise and the role it can play in the economy. In addition, the researcher has been involved in several community based projects relating to education and nutrition. It is this interest in entrepreneurship, social enterprise as well as community work that has prompted the researcher to undertake a study on social entrepreneurship.

The following is the reflex statement;

- Within the context of the study, the researcher considered ways in which the researcher's interactions with participants might be influenced by the researcher's own prior assumptions, experiences and professional background. The researcher has a interest in entrepreneurship and has a positive view on it.
- The primary outcome of the data analysis was to identify critical recurring themes that emerged through comparing individual responses from the interviewees. The researcher sought to pay equal attention to the minutiae and significant accounts and experiences of the respondents in relation to specific incidents of disclosure.
- The researcher developed a reflexive journal. A reflexive journal is a diary where the researcher can make notes during the research process (Ortlipp, 2008). The researcher made notes about the methodological decisions and the rationale for these decisions. The researcher reflected on what transpired in relation to the research's own values and interests.

- The majority of interviews were conducted at the business premises of the participants, as this was the most convenient for them. The researcher sought to give the interviewees a sense of control over the interview process by not being overbearing and by giving them the opportunity to lead the discussion. The location of the interviews played a role in giving the interviewees a sense of control over the interview process, as they had the power to end the discussion at any moment by asking the researcher to leave their premises.
- The researcher was aware that the topic under investigation could potentially cause anxiety and stress in the participants. Therefore, once each interview was concluded, the researcher tried to confirm that participants were not feeling distressed by their participation. No incidents of distress were reported or expressed by the participants.
- The researcher looked for any contradictions in responses provided by the interviewees

4.12 Validity and reliability

Ensuring validity and reliability of qualitative research is important as doing so validates and legitimises the study (Moskal, Leydens and Pavelich, 2002). The reliability of qualitative research refers to the results from the research being an accurate representation of the total population under investigation (Joppe, 2000).

The research instrument will be deemed reliable if the outcomes of a particular study can be replicated through using a similar methodology (Joppe, 2000). There are three types of reliability in relation to qualitative research (Kirk and Miller, 1986). The types of reliability relate to 1) "the degree to which a measurement, given repeatedly, remains the same, 2) the stability of a measurement over time and 3) the similarity of measurements within a given time period" (Kirk and Miller, 1986, p. 41-42). The "test-retest" method can be used determine the consistency of individual scores and questions answered based on a questionnaire (Charles,

1995). This feature of the instrument can be referred to as stability (Golafshani, 2003). Joppe (200) suggests results of a study can be repeatable if there is a high degree of stability. This is an indication of reliability (Golafshani, 2003).

Validity refers to the trustworthiness of a study. Joppe (2000, p.1) suggests that "validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are". Based on the definitions, reliability relates to how replicable a study is and validity relates to the accuracy of the results (Golafshani, 2003). According to Lincoln and Guba (1985), the following should be pursued in an attempt to establish the trustworthiness of a qualitative study:

1. Credibility (internal validity);
2. Transferability (external validity);
3. Dependability (reliability);
4. Confirmability (objectivity)

The following steps were done to ensure validity and reliability of the study;

- The sample was carefully selected as to represent the population and thus yielded valid results.
- Respondent validation was also used. This involved testing initial results with participants to see if they still authentic.
- The content validity of the research instrument was also considered. The researcher ensured the questions in the research instrument were relevant to the study by developing each question in relation to the research questions as well as the literature.
- Interviews were in varying locations and times

- Triangulation procedures were performed in order to ensure credibility of the results - comparisons with previous studies on similar topics were made in order to validate the findings

Reliability

- Internal consistency was used to ensure reliability of the research instrument. In some instances, the researcher asked the same question more than once, but worded differently. Consistent responses from the participants indicated the reliability of the instrument.

Once the respondents confirmed their participation in the research, the researcher maintained communication with the respondents as to keep them updated about interview dates and so forth. This created a sense of trust between the researcher and the respondents which resulted in more accurate and truthful responses from the interviewees during the interview stage. Dates, venues and times were scheduled and the participants confirmed.

4.13 Ethical considerations

Participants had the right to refuse to partake in the study. Participation was voluntary. No inducements were made to encourage participation. In addition, prior to the research commencing, an ethics clearance certificate was being attained from the University of the Witwatersrand Ethics Committee. Participant consent form, interview recording consent form as well as the participation letter was given to each participant. See annexure A to C for these forms. Conveying the participants' intentions was an ethical consideration of concern. The researcher made an effort to convey the interviewees' responses as accurately as possible.

4.14 Conclusion

The research paradigm used for this study is a constructionist. According to Macleod (2001), with constructivism, reality is socially constructed. Constructivism points out there is no single reality (Chung, 1996), whereas positivists believe in a single reality and truth (Macleod, 2001). Phenomenological research design was used. Lester (1999) suggests the motive of phenomenological research is to identify a phenomenon through how they are perceived by the actors in a situation.

The chapter then went on to discuss the data collection process. Semi-structured interviews were used in this study. According to Macleod (2001), semi-structured interviews are interviews whereby the topics for discussion are broad and the interviewee can articulate his or her own ideas, while the interviewer probes for detailed information. The data that was collected through conducting semi-structured interviews was analysed by using the Interpretative Phenomenological approach. Validity and reliability of the study was then highlighted as well as ethical considerations.

Using institutional theory as a lens, this research aims to develop a conceptual framework that can be utilised by social entrepreneurs, as well as relevant stakeholders to promote the scale of individual social enterprises, particularly in the South African food industry, by developing a "roadmap" to scaling. In addition to the above, the focus was on food security in the South African food industry. It is intended that the conceptual framework can indirectly address the broader societal issues surrounding food security.

The above was achieved through a qualitative study. Perceptions of institutional influence on scale as well as start-ups, and drivers of scale were identified through conducting a literature review. A conceptual framework was then established from these constructs. The next step involved conducting semi-structured interviews with 14 social entrepreneurs in the food

industry to validate the constructs, and identify the relationships between the constructs. The data was then analysed using the Interpretative Phenomenological approach. The result of the qualitative research is a conceptual research framework. In the following chapter, the results of the study are highlighted.

5. Chapter Five - Results

5.1 Introduction

In this chapter of the research report, the results from the primary data that was collected are presented and evaluated in accordance with the literature review. The preliminary analysed data is presented according to identified themes within the data and the literature review conducted in the previous chapters. This chapter is divided in six sections; a review of the sample participants, an analysis of the auxiliary themes, an examination of the definitions of SE, a presentation of the identified influences, perceptions of SE in South Africa and finally a thematic map depicting all the themes and how these interact concludes this chapter.

5.2 Sample description

A total of 14 social entrepreneurs in the South African food industry were interviewed. Out of the 14 participants of the interview, 11 were based in Johannesburg and three in Pretoria.

Eight out of the 14 participants were male and six were female. The age of the participants ranged from 23 to 42, with a mean age of 38. The interviewees reported to have been collectively and actively involved in social entrepreneurship in the food industry for an approximated average of 7.7 years. The least amount of experience as a social entrepreneur in the industry reported was three years and the highest was 12 years.

5.3 Auxiliary themes

The themes reviewed in this section are classified as auxiliary to the primary themes discussed in sections to follow. These themes are derived from phrases used in the transcripts, the literature, the dissertation title, the research questions as well as from transcribed interviews.

The auxiliary themes help in understanding how central themes influence the manner in which the social entrepreneurs' predications and perceptions are framed, the auxiliary themes also give context to the primary themes. These themes include; experience and definition of social entrepreneurship and are discussed in the next section.

5.3.1 Experience

The methodological approach this research utilised was based on the objective of garnering information from social entrepreneurs who have at least five years of social entrepreneurial experience in the industry. The rationale for this is that after five years of operation, the business is likely to have reached some sort of maturity i.e. operations, structure etc. (Galliers and Sutherland, 1994). Thus, the participants were in a better position to provide richer responses to questions relating to scale, as oppose to an entrepreneur who just started the business and is not necessarily looking to scale as yet. The participants affirmed this assertion, demonstrated by their substantial knowledge of scaling in the industry and social entrepreneurship in general. The participants' insights extended beyond the confines of their business – they were knowledgeable about all things relating to business, entrepreneurship and in particular, social entrepreneurship. Note that literature pertaining to social entrepreneurial experience is very scare, therefore experience of entrepreneurs will be used as a reference. According to Davidsson and Honig (2003), organisations that have been started by an entrepreneur with previous start-up experience usually results in positive effects. In the same

way, Ucbasaran, Westhead, and Wright (2009) suggest that the identification and exploitation of innovative opportunities as well as profitability is positively related to previous start-up experience.

The following extracts express social entrepreneurs' thoughts relating to social entrepreneurial experience in the industry and scale;

"Collectively, we have over 15 years' experience between us [founders]. Where I lack the knowledge, my business part steps in… if it wasn't for the world of knowledge and experience that we have in the team, I really don't think we would have been able to scale as quickly as we did" (Interviewee no. 5)

"… we have been in operation for about eight years now, we have seen it all – from issues with raising funds to nearly shutting down the business. Being a social entrepreneur is tough, but worthwhile once you see the social value you are creating" (Interviewee no. 7)

Cope (2011), suggests that previous experience as an entrepreneur encourages individual learning. Past mistakes can be avoided due to previous learnings during the entrepreneurial process (Guth and MacMillan, 1986). Alsos and Kolvereid (1998), suggest entrepreneurs with start-up experience move from the conceptualisation of an idea to the implementation quicker than entrepreneurs with no start-up experience. In addition, the successful transition into the entrepreneurial role, is easier due to previous role familiarity (Alsos and Kolvereid, 1998).

Four out of the 14 social entrepreneurs indicated that before they became social entrepreneurs, they served at volunteers at various non-profit organisations. One of the underlining traits of social entrepreneurs is that they socially orientated individuals (Dees, 1998). This could pose as a reason as to why these interviewees volunteered their time and effort to social causes before pursuing entrepreneurial endeavours.

The level of experience varied amongst the participants. This relates to experience as a social entrepreneur, experience in the food industry and experience as a social entrepreneur in the food industry. Unsurprisingly, the amount of experience as a social entrepreneur in the industry was directly correlated to the age of the respondents i.e. older participants hand more experience than their younger counterparts. However, respondents that joined the industry at a later stage in their careers also had less experience than their cohorts.

Wiklund and Shepherd (2003), suggests behaviours and attitudes can be shaped by perceptions of 'failure' and 'success' of previous start-ups. Wiklund Shepherd (2003), notes the failure of a business is not exclusively realted to monetary terms, it can also relate to failing to spread the social value created.

5.3.2 Defining the social entrepreneur

Although the use of the term social entrepreneur is growing rapidly, the field of social entrepreneurship lacks rigour and is in its infancy compared to the wider field of entrepreneurship (Austin et al., 2006). According to Short et al., (2009), currently there is no clear definition of the domain of social entrepreneurship, despite there being an increase in the amount of literature on SE.

Although the respondents offered different definitions of social entrepreneurship, a common understanding ran throughout all the definitions they supplied. The various definitions reported similarly alluded to the abovementioned features of the concept. Indeed, when asked to define "social entrepreneurship" the majority responded by making explicit or tacit references to the term "giving back to communities" and "social value". Only after further probing did the respondents elaborate. Certain terms/codes appeared recurrently throughout the discussions, as tabulated next. The following codes were used to denote key points in the description of SE:

i. An emphasis on social orientation,

ii. An emphasis on social value creation,

iii. An emphasis on dedication or commitment to a cause,

iv. A focus on being a change agent in society,

v. An emphasis on being emotionally invested in a cause,

vi. A focus on persistence in addressing social injustices and inequality,

vii. A focus on "for profit"

Table 5.1: Thematic coding: Defining Social Entrepreneurship

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
Defining Social Entrepreneurship	1	"Imagine going days without eating… we saw this as an opportunity to make a difference"	Emotionally charged
	2	"Government should definitely play a part in **social value creation**, however the responsibility isn't there's alone - **as the youth of this country, we also have a role to play**…"	Social Value Creator
	3	"Many children are eating foods with inadequate nutrients, we wanted to address that"	Social Value Creator

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
	4	"… someone who is **committed to a cause** and will put in the hours to make sure he achieves the goal of the business"	Dedicated
	5	"I **want to make a difference**, whether big or small…"	Emotionally charged
	6	"… **persevere** through all the obstacles and challenges"	Dedicated
	7	"I have always ben **passionate about volunteer work**… I saw an opportunity to do what **I love** full time, whilst making money and making a difference"	Emotionally charged
	8	"I am aware of the **social injustices** that the previous government has created… the onus is on the new generation of entrepreneurs to help in closing the gap"	Socially Alert
	9	"You can't call yourself a social entrepreneur if you do not want to **create and spread social value**… although important, monetary gain is not at the forefront of my mind"	Social Value Creator
	10	"… leader of a cause"	Mission Leader
	11	"I you also saw the smile on these kid's faces when we give out nutritious food, you would also want to be a part of this"	Emotionally charged

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
	12	"**We hope that we are changing how people view social enterprise** - many people are under the impression that we don't make money. We do, that just isn't our focus"	Change Agent
	13	"We've had a lot of **ups and downs** but we still here making a difference"	Persistent
	14	"… willing to work long hours"	Dedicated

There was some consensus over the definition of these concepts although again the emphasis of the core elements varied from one social entrepreneur to another.

According to Grimes (2010), despite the growing attention paid to social entrepreneurship, there is no agreement on what it is - its meaning often varies. Social entrepreneurial activities mean various things to people in various locations as the cultural as well as the geographical contexts in which they appear vary (Smith and Stevens, 2010).

In the Discussion chapter of this research paper, a new formulated definition of social entrepreneurship is proposed.

5.4 Institutional influence on start-ups

Institutions refer to facets of social structure, which constrain behaviour as well as act as guidelines (Scott, 2008). Powell and DiMaggio (1991), suggest institutions are explicit rules that can be understood by individuals. Institutions can also be implicit rules for individuals'

actions (Powell and DiMaggio, 1991). Organisation's business models and activities are adapted in accordance with limitations and opportunities of the institutional framework (North, 1990). Gnyawali and Fogel (1994) argue that the rates of social entrepreneurial activities are affected by the institutional environment. Creating social ventures that interact with their environment in creative ways promote efficiency (Leadbeater, 1997).

Table 5.2 Illustrates what the respondents cited as factors fostering/inhibiting the creation of social enterprise. Respondents repeatedly referred to government spending, innovation, access to funding and social orientation when describing key influences of start-ups.

Table 5.2 Thematic coding: Institutional Influence on Start-ups

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
Institutional influence on start-ups	1	"We realised that the government **was not investing enough effort and money** in initiatives and programs that would address food security issues"	Government Spend
	2	"I had **the necessary skills** [through tertiary education] and experience in the industry needed to start the business"	Education
	3	"Obtaining financing was a challenge… in my experience, private investors don't see social enterprises as a good financial investment"	Access to Funding

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
	4	"**Policies by government** should be put in place to aid social entrepreneurs…"	Government Spend
	5	"**We always wanted to make a difference in communities, but we just couldn't come up with a clever way of doing this**… until eventually we stumbled across a company in Mozambique which has been supplying food to local communities… we adopted their business model and altered it slightly"	Innovativeness
	6	"I don't think addressing food security issues is a priority of the government"	Government Spend
	7	"**My family has always been involved in it** [giving back to the community] … **I decided to make a career out of it**"	Social Orientation

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
	8	"I have always wanted to be my own boss"	Entrepreneurial Attitude
	9	"We have a social obligation…"	"Social Orientation"
	10	"I've always identified myself as a **creative individual**… you need to be creative in how you look to address social issues"	Innovativeness
	11	"Government should redirect their investments to social enterprise, we play a critical role in the economy"	Government Spend
	12	"A social endeavour is the foundation of a social enterprise"	Social Orientation
	13	"I was determined to make this social venture succeed"	Self-Perceived Capabilities
	14	"We **'thought outside the box'**… a few months later we tested this service with a township close to our house – it worked well. Now we are	Innovativeness

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
		looking to work in more townships"	

A number of synonyms for the core principles of institutional influence on start-ups were used repeatedly, although some elements were omitted in some responses. The following highlights the key themes identified during the interview stage.

- **Government spending – influence on start-ups**

Cornwall (1998) argue that the creation of social ventures increases as the provision of social services by the government decreases. This is in line with the findings from the interviews conducted. The essence of this is captured in the following responses from the interviews conducted.

"We realised that the government was not investing enough effort and money in initiatives and programs that would address food security issues" (Interviewee No. 1)

"… communities have an over reliance on the government. Our initiative helps reduce this [over reliance] … the government can't cater to all of their needs. (Interviewee No. 7)

- **Access to funding – influence on start-ups**

Capital is a critical facet of social entrepreneurial start-ups and is not to be taken for granted (Grimes, 2010). Several studies indicate that individuals base their decision to take entrepreneurial positions on access to capital (Holtz-Eakin et al., 1994; Cornwall, 1998; Chell

et al., 2010). The findings from this study is consistent with the literature on funding. The following response from an interviewee captures this.

“Obtaining financing was a challenge… in my experience, private investors don’t see social enterprises as a good financial investment” (Interviewee No. 3)

- **Social orientation – influence on start-ups**

A social mission is the foundation of any social venture (Dees, 2001). Social entrepreneurship has varying definitions, however there is consensus on the emphasis placed on the social mission as the foundation of any social venture (Dees, 2001). The results from the interviews are in line with the literature. The essence of this is captured in the following statements.

"My family has always been involved in it [giving back to the community] … I decided to make a career out of it" (Interviewee No. 7)

“A social endeavour is the foundation of a social enterprise” (Interviewee No. 12)

- **Innovation – influence on start-ups**

Innovative strategies and tools can be used by social entrepreneurs to create social value and spread it (Chell et al., 2010). The findings from the interview are aligned with the literature. The following extract from the interviews captures the core of this.

“We always wanted to make a difference in communities, but we just couldn’t come up with a clever way of doing this… until eventually we stumbled across a company in Mozambique

which has been supplying food to local communities… we adopted their business model and altered it slightly" (Interviewee No. 5)

"I've always identified myself as a creative individual… you need to be creative in how you look to address social issues" (Interviewee No. 10)

"We 'thought outside the box'… a few months later we tested this service with a township close to our house – it worked well. Now we are looking to work in more townships" (Interviewee No. 14)

A cross reference of the elements of institutional influence on start-ups as cited by the social entrepreneurs against those in the literature indicates a common view on these influences.

5.5 Institutional influence on scale

There are many factors influencing the scale of social enterprises (Dees, 2001). Based on the literature in this research, these factors range from institutional influences on drivers of scale (SCALERS model). This section focuses on the institutional influences that play a role in the scaling of social enterprises.

Table 5.3 Illustrates what the respondents cited as factors fostering/inhibiting the scale of social enterprises. Respondents repeatedly referred to innovation and government policies when describing key influences to scale.

Table 5.3 thematic coding: Intuitional Influence on Scale

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
Institutional Influence on Scale	1	"In my experience, **financial institutions and in particular - banks aren't willing to support social enterprise**…"	Access to funding
	2	"Social entrepreneurs should get more subsidies"	Government Policies
	3	… "biggest contributor [barrier to scale] is **lack of access to finance**… Government should provide **easier financing options** to social enterprises."	Access to funding
	4	"… we need to be more **innovative**, we need to find new creative ways of making a difference"	Innovativeness
	5	"I believe that I am competent and knowledgeable enough to grow this business, with the support from the government"	Self-perceived Capabilities/ Government Policies
	6	"The knowledge that both *John* [false name] and I acquired in university had a role in us finding areas for growth… we had the right tools to fully grasp those opportunities"	Education

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
	7	"The only way to spread the great work that we do is to think **out of the box**... I believe every social entrepreneur wants to reach as many lives as possible…"	Innovativeness
	8	"We would like to bring young and creative people on board who will see what we can't see and help us **create new ways of spreading the social value**"	Innovativeness
	9	"The growth of our business is dependent on government making food security a priority and introducing programs and initiatives that will assist us"	Government Policies
	10	"Government can't do this on their own… let us help - but we **can't do this without support**, **we need policies specifically crafted for social enterprises, we need more funding**… they [the government] needs to be more involved"	Government Spending
	11	"The environment needs to be more conducive to social enterprises, currently it is challenging to do	Government Policies

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
		business with this kind of business model, initiatives and policies by government would help a great deal"	
	12	"We have leveraged off of the ideas suggested by our volunteers"	Innovation
	13	"… **getting a business loan is very hard, we've struggled**. But we've managed to raise a few funds here and there"	Access to funding
	14	"The government can directly influence the success of not only our business but other social enterprises"	Government Policies

The following sections highlight key themes identified in the interviews in relation to scale and institutional influence.

5.5.1 Access to funding/government policies – influence on scale

One of the most prevailing constraints to the fulfilment of social missions by entrepreneurs is lack of funding (Mair and Marti, 2006). The significance of financial support measures to the scale of social businesses is investigated by several academics (Thompson, 2002; Spear, 2006), who highlight that insufficient finance for the establishment and growth of social capital as one of the most significant aspects that hinder the implementation of novel social projects (Mijr and Matri, 2006). This is in line with the findings from this study. The essence of this is captured by the following statements;

… "biggest contributor [barrier to scale] is lack of access to finance… Government should provide easier financing options to social enterprises..." (Interviewee No. 3)

"… getting a business loan is very hard, we've struggled. But we've managed to raise a few funds here and there" (Interviewee No. 13)

5.5.2 Government policies – influence on scale

Governmental policies are the latest and most relevant research relating to institutional influences (Leadbeater, 2007). For example, a study conducted by Sharir and Lerner (2006) the environment in which organisations participate in are influenced by states and laws, which ultimately influence their social success. The essence of this is captured by the following statements;

"The growth of our business is dependent on government making food security a priority and introducing programs and initiatives that will assist us" (Interviewee No. 9)

"The environment needs to be more conducive to social enterprises, currently it is challenging to do business with this kind of business model, initiatives and policies by government would help a great deal" (Interviewee No. 11)

5.5.3 Innovation – influence on scale

Due to the multidimensional origin of social problems, social entrepreneurs have numerous potential ways to use innovation to create and spread social value (Peredo and Mclean, 2006). The following captures the core of this.

"The only way to spread the great work that we do is to think out of the box... I believe every social entrepreneur wants to reach as many lives as possible…" (Interviewee No. 7)

"We would like to bring young and creative people on board who will see what we can't see and help us create new ways of spreading the social value" (Interviewee No. 8)

The results from this section will be further discussed in the Discussion chapter.

5.6 SCALERS model in relation to social entrepreneurship in the South African food industry

According to Bloom and Chatterji (2009), the emerging work of the SCALERS model is an exception to the limited theoretical work. The SCALERS model, identifies seven different possible drivers of scaling social impact (Bloom and Smith, 2010) – it is based on case studies and past research on scaling. It is also constructed from theoretical notions from marketing, organisation behaviour and strategic management (Bloom and Smith, 2010). These drivers of social impact are: Staffing, Communicating, Alliance-building, Lobbying, Earnings-generation, Replicating and Stimulating market forces, and form the acronym, SCALERS (Bloom and Chatterji, 2009). Table 5.4 illustrates what the respondents cited as drivers of scaling social impact. Respondents repeatedly cited or referred to five out of the seven elements of SCALERS model.

Table 5.4 Thematic coding: SCALERS model in relation to SE in the SA food industry

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
SCALERS model in relation to SE in SA Food Industry	1	"**Profits have remained stable**… our focus is not solely on the social aspect but on the business as a whole"	Earning Generation
	2	"The local government has been instrumental in our growth"	Alliance Building
	3	"**We have received overwhelming support from volunteers** who give up their weekends to help us spread the positive impact in communities that we are trying to create"	Staffing
	4	"We have a few partners that have been with us through the years… **we have leveraged off them [partners] which has allowed us to grow**"	Alliance Building
	5	"If we have **more volunteers** helping us out, our services would reach more communities… we can't do it ourselves"	Staffing
	6	"I think **the more social enterprises are formed, the easier lobbying would be**… currently we don't have much say on current policies"	Lobbying
	7	"We want to be able to do what we do in J*oburg* in Cape Town"	Replication

Theme	Interviewee no.	Quotes and key Points	Preliminary Codes
	8	"We have really **leveraged off "Mandela day" …** we have launched initiatives a few weeks leading up to this day – volunteer participation increases dramatically during this period"	Stimulating Market
	9	"**We need more hands-on volunteers** – volunteers that understand the impact of what their services have"	Staffing
	10	"Not only do we focus on social value creation, but also on **growth in profits** – something that we have managed to do year after year"	Earning Generation
	11	"Unfortunately, we can't influence policies"	Lobbying
	12	"Our long-term plan is to have a *** [name of business] in every province"	Replication
	13	"We have **partnered with a local butchery**, this has resulted in cost savings"	Alliance Building
	14	"Only recently have we started making profits… this is because of a reduction in some of our costs"	Earning Generation

Key themes that were identified in the interviews were lobbying, replication, alliance building and staffing. The next section highlights the key findings.

5.6.1 Lobbying

Lobbying is a theme that appeared throughout the interviews. Lobbying can be defined as an attempt to sway the activities, policies, or decisions of officials; policymakers (Mahoney, 2008). The consensus from the social entrepreneurs interviewed is that that they do not have any influence on the development of policies that could potentially support social enterprises more. There is a perception that government could play more of a role in supporting social enterprises. This is consistent with literature relating to entrepreneurship. The essence of this is captured in the following responses.

"I think the more social enterprises are formed, the easier lobbying would be… currently we don't have much say on current policies" (Interviewee No. 6)

"Unfortunately, we can't influence policies" (Interviewee No. 11)

5.6.2 Replication

Replication refers to the spreading of the social value (Horoszowski, 2013). Majority of the interviewees expressed a desire to have operations extending beyond their current geographic locations. The essence of this is captured in the following responses.

"We want to be able to do what we do in Joburg in Cape Town" (Interviewee No. 7)

"Our long-term plan is to have a *** [name of business] in every province" (Interviewee No. 12)

5.6.3 Alliance building

Businesses need key partnerships in order to participate in the economy (Shaw and Carter, 2007). A common theme relating to partnerships emerged throughout the interviews. There appears to be a strong belief that having reliable and reputable partners will not only result in cost reductions but will also enhance the perceptions of the business due to associations with well established brands. The responses from the social entrepreneurs are consistent with current literature on partnerships and alliance building. The essence of this is captured in the following responses.

"The local government has been instrumental in our growth" (Interviewee No. 2)

"We have a few partners that have been with us through the years… we have leveraged off them [partners] which has allowed us to grow" (Interviewee No. 4)

"We have partnered with a local butchery, this has resulted in cost savings" (Interviewee No. 13)

5.6.4 Staffing

The majority of social entrepreneurs interviewed seem to be heavily reliant on volunteers. Volunteers limit salary and wage expenses - in addition to this, volunteers bring fresh ideas to the business (Sagawa and Segal, 2007). The essence of this was captured by an interviewee who stated the following;

"We only have two employees on our payroll, the rest are volunteers. This type of business model has been very effective thus far… they [volunteers] always come with positive energy

and give suggestions about new ways of doing business... we are always open to this and encourage it" (Interviewee No. 3)

We now have two insights of potential drivers to scale; institutional influences and SCALERS model. These two will be critically analysed and discussed in the next chapter.

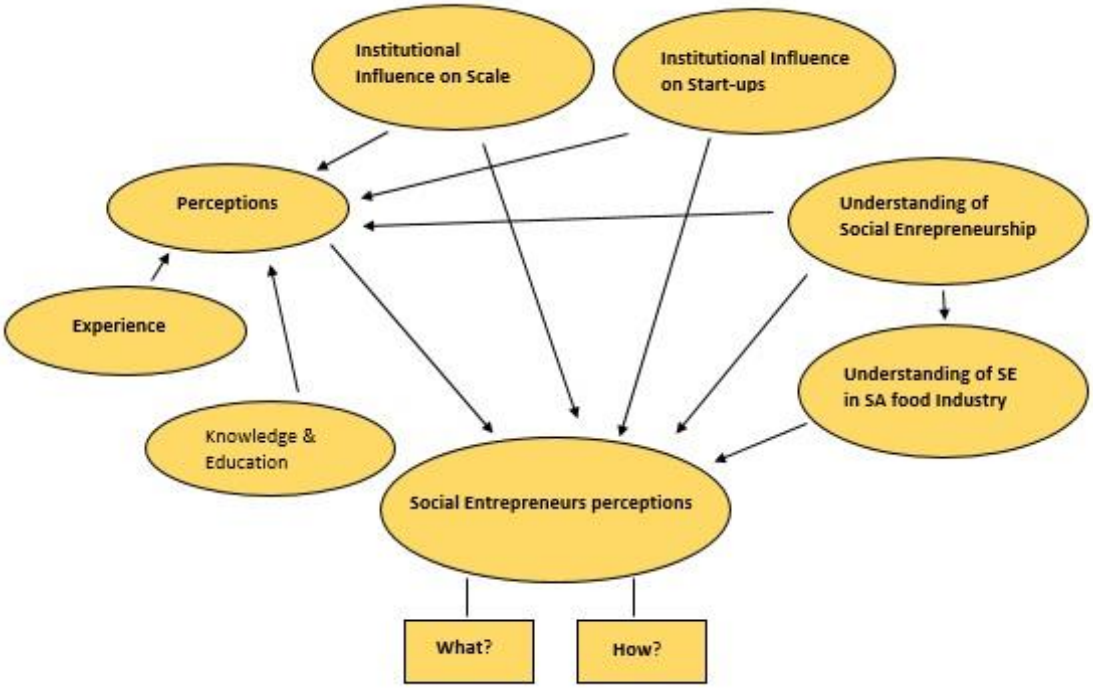
5.7 Thematic causal map

The data illustrated above is illustrated in the form of a causal map. The causal map is an extension of the conceptual framework proposed in chapter three, which was based on the literature review. A casual map is a graphical model that illustrates relationships among many variables (Nadkarni and Shenoy, 2004).

The researcher could derive a causal map from the data collected using semi-structured interview questions with numerous probes to elicit information. The interviews began with extensive questions; how the social entrepreneur defined social entrepreneurship and social value, their experience and background in social entrepreneurship and so on. Subsequent investigations were based on the responses by the interviewees. Casual maps of each respondent were constructed – prior to this, themes were identified within the interviews.

The social entrepreneurs' narratives were useful in illustrating the connections between the themes. Responses from phrases that contained "so", "because and "if they" were focused on as these phrases described themes within the data and relationships between sets of information. The thematic map is illustrated next.

Figure 5.1: Final Thematic Causal Map



The thematic map depicts the themes highlighted in the empirical study, their interactions and the way they influence social entrepreneurs' dispositions about scale and responses (how) to perceived influences (what). The social entrepreneurs' commitment to bringing about social change was found to be a central factor across all interviewees and the way they perceived the influences on scale. Consistent with the literature, the social entrepreneurs' experience was also found to be a factor that influenced social entrepreneurs' perceptions as depicted in the thematic map. Perceptions in turn influenced the 'understanding of what it means to be a social entrepreneur'. It was found that social entrepreneurs with favourable associations with communities, who were emotionally charged and socially alert, with considerable knowledge and experience within the food industry exhibited an increased understanding of scale and expressed a greater desire to spread the social value that their business has created.

5.8 Conclusion

The analysis of the results was aided by the arrangement and preparation of the data into more understandable sets of data. Defining the connections with in the data and literature was achieved through the describing of themes, subthemes and their corresponding codes. The illustration of the thematic causal map allowed the researcher to understand the relationships between the themes as well as garner insight into how the information sets interacted. In addition, the causal map assisting in answering the research questions. The connections between the themes depicted in the thematic causal map include a narrative for what the social entrepreneurs perceived barriers/drivers of scale and their corresponding responses is presented in the following chapter. Chapter six highlights the information presented in this chapter and proceeds to discuss this in relation to the study objectives (chapter 1), the research questions (chapter 1) as well as the literature review (chapter 2 and 3). In addition, the key findings of the empirical research are reviewed. The chapter then goes on to answer the research questions.

6. Chapter Six - Discussion

6.1 Introduction

The results from the primary data gathered and presented in the previous chapter are discussed in this chapter. This was achieved through making use of the literature reviews to validate the findings, as well as to identify any disparities and to draw comparisons. The discussions began with how the social entrepreneurs defined the central concepts in this research report i.e. scale, institutional influence and social entrepreneurship. This is followed by an analysis of their perceptions, attitude and beliefs towards the highlighted concepts. Inquiry aimed at; gathering perceptions of scale, their levels of experience and knowledge of SE and the SA food industry ensued. The last section comprises of a discussion on what the interviewees reported is social entrepreneurship and their attempts in being change agents for communities.

6.2 Reflection on key findings

This section highlights the notion of SE in South Africa and how innovation, social orientation as well as "for profit" are central to this notion. In addition, a definition of SE based on the findings of this study is proposed by the researcher. The reflection on the research questions will be made in the section after.

6.2.1 Understanding of social entrepreneurship

According to Choi and Majumdar (2014), social entrepreneurship has developed into a practice and research area over the past 30 years. However, despite these enormous strides towards legitimisation and developments, there is still no consensus among academics on what social entrepreneurship means, with many contrasting definitions. One common definition of SE is

supplied by Abu-Saifan (2012, pg. 23) – "a social entrepreneur as a mission-driven individual who uses a set of entrepreneurial behaviours to deliver a social value to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable". The above notion of the role of a social entrepreneur was shared among the interviewed social entrepreneurs. Consensus surrounding the fundamental meaning of SE is important, if the field of social entrepreneurship research is to progress towards a stage of legitimacy (Short et al., 2009). The intricate process of understanding SE begins by clearly defining the concept and its constituents.

A coherent and common understanding of SE was expressed by the social entrepreneurs interviewed, which is in line with current literature on the subject. To varying degrees, the social entrepreneurs acknowledged how a common understanding of SE can play a role in addressing issues surrounding food security. Through a common understanding of SE and unity among social entrepreneurs throughout South Africa, and based on the results of this research and current literature, it is suggested that lobbying will be more effective which can lead to the creation and implementation of more growth focused policies. Lobbying can be related to government policies (Mills and Smith, 2011), which is an institutional influence identified by the social entrepreneurs. The idea is for social entrepreneurs to influence government policy makers into conceptualising and implementing policies that make the environment more conducive to social entrepreneurial activities. The domino effect of this is that it will not only lead to economic stimulation but also social inequality issues will be addressed.

A content analysis of the definitions of SE supplied by respondents highlighted the following themes and variables as key to the concept, namely; innovation, social orientation, social value creation, dedication or commitment to a cause, a focus on being a change agent in society, emotionally invested in a cause, addressing social injustices and inequality and an emphasis on

a “for profit” business. The following section highlights the consistency of the responses of the social entrepreneurs with the current literature.

- **Innovation in relation to SE in South Africa**

Innovation is a theme that appeared often during the interviewing stage. It is worth mentioning that although innovation appears in current literature on SE, emphasis is seldom placed on innovation as one of the most critical elements of a social enterprise (Choi and Majumdar, 2014). Majority of the emphasis is placed on social orientation and social uplift (Choi and Majumdar, 2014). In addition, according to literature, the most common barrier of SE start-ups in on capital requirements (Zahra, Ireland, Guiterrez and Hitt, 2000). Martin and Osberg (2007) suggest social entrepreneurs should focus on social innovations to solve social problems and bring about social change.

According to responses from the interviewees, innovation is the foundation for any SE start-up and is the driver of scale in social enterprises. This contrasts with current literature indicating capital requirements as the most common barrier to SE start-ups (Zahra et al., 2000) and social orientation and social uplift as the most critical elements of social enterprise (Choi and Majumdar, 2014). The essence of innovation playing a pivotal role in SE creation and scale is captured in the following responses.

“As a social entrepreneur, we believe that our mission in life is to bring about social change and try eradicate social injustices by creating businesses that are driven by innovation” (Interviewee No. 5)

“It started with an innovative idea... we came up with a creative way to feed communities while making a living” (Interviewee No. 14)

Therefore, according to the findings of this study, social innovation is the biggest influencer of SE start-ups in South Africa, which is contrary to current academic literature placing an emphasis on capital as being the most common influencer (Zahra et al., 2000).

- **Social orientation in relation to SE in South Africa**

Dees (2001) notes that the social mission is the underlining feature of any social business. The emphasis on the social mission as the base of social entrepreneurship, is prevalent in all definitions of social entrepreneurship (Dees, 2001). Selflessness, a lack of a desire for material possessions and being involved in social causes form part of the social orientation dimension (Dees, 2001). A social orientated mind-set fosters the identification of social opportunities (Cornwall, 1998). Social orientation positively affects the social entrepreneurial process, as it presents a means for socially conscious individuals to achieve their social missions (Ferri, 2014). The responses from the interviews are in accordance with the literature pertaining to social orientation – the essence of this is captured in the following responses.

“I have always ben passionate about volunteer work… I saw an opportunity to do what I love full time, whilst making money and making a difference” (Interviewee No.7)

"I am aware of the social injustices that the previous government has created… the onus is on the new generation of entrepreneurs to help in closing the gap" (Interviewee No.8)

“You can’t call yourself a social entrepreneur if you do not want to create and spread social value… although important, monetary gain is not at the forefront of my mind” (Interviewee No.9)

Social orientation also includes dedication to a cause as well as being a change agent for society (Dees, 1998). Social entrepreneurs be change agents in society, as they embark on social missions that create social value and look to change the current socio-economic environment (Dees, 1998). The responses provided by the interviewees are consistent with the literature and the essence of this can be captured in the following responses;

"… someone who is committed to a cause and will put in the hours to make sure he achieves the goal of the business" (Interviewee No. 4)

"We hope that we are changing how people view social enterprise - many people are under the impression that we don't make money. We do, that just isn't our focus" (Interviewee No. 12)

An important element of social entrepreneurs is being emotionally charged (Thompson et al., 200). Social entrepreneurs are usually emotionally attached to a cause (Austin et al., 2011). This is consistent with the literature as the majority of social entrepreneurs gave evidence of this. The essence of this is captured in the following responses;

"Imagine going days without eating… we saw this as an opportunity to make a difference" (Interviewee No. 1)

“I have always ben passionate about volunteer work… I saw an opportunity to do what I love full time, whilst making money and making a difference” (Interviewee No. 7)

Therefore, social orientation is the fundamental of social enterprises. This is consistent with SE literature - Despite the differences between the various definitions of social

entrepreneurship, there is agreement on the emphasis on the social mission as the reason for the emergence of a social enterprise (Dees, 2001).

- **"For profit" in relation to SE in South Africa**

Although there was a consensus as to what SE meant as well as its components, there were different views from three social entrepreneurs regarding emphasis of one or some considerations over the others. The social entrepreneurs reiterated the importance of "for profit" as to suggest superiority of this element over the other considerations. This is not consistent with current literature on SE's having a holistic approach to business - a social entrepreneur operates an organisation that is both social and commercial; the organisation is financially independent and the founders and investors can benefit from personal monetary gain (Roper and Cheney, 2005). The essence of an over focus on monetary gain is reflected in the following responses;

"Profits is a very important factor for us – probably even top three most important aspects of our business" (Interviewee No. 7)

"… profits are there to be made, giving back to the community can't be our only concern" (Interviewee No. 11)

"Our focus is on 1. Profit 2. Giving back to communities and 3. The environment – triple bottom line. But the focus needs to be on profit in order for us to run a sustainable business" (Interviewee No. 9)

It was however noted that these social entrepreneurs were the sole bread winners in their household. This could be an explanation for their insistence on the significance of profits. The

majority of the social entrepreneurs noted the significance of a holistic perspective view of the social enterprise business model; with a focus on all components. This is consistent with the literature - the objective of a social enterprise is to deliver the intended social value while remaining financially self-sufficient (Thompson, 2002). This is achieved by using a mix of profit-oriented and social activities to reduce reliance on government funding and donations, and become self-efficient (Bacq et al., 2011). These views are expressed in the following responses;

"Just like a "normal" business, our activities are centred around the triple bottom line – with an emphasis on the social aspect" (Interviewee No. 4)

"We have to not only focus on spreading the social value that our company creates, but also on the essentials of running a business day to day – the financials, paying salaries etc." (Interviewee No. 10)

The results from the interviews are consistent with current literature. Social entrepreneurs have a holistic approach to business – a focus on the social aspect as well as the sustainability of the business (Thompson, 2002).

- **Defining social entrepreneurship**

As per one of the objectives of this study, a definition of the social entrepreneur in South Africa is proposed. This definition is based on the current literature on SE and on the results of this study. The proposed definition will attempt to advance the legitimacy of SE as an academic

research field. In addition, this definition looks to lessen the perceived vagueness on the notion of social entrepreneurship.

Based on the findings of this empirical study, the following definition of social entrepreneurship in South Africa is proposed by the researcher;

Social entrepreneurship is a form of entrepreneurship, whereby the entrepreneur involved is a social orientated individual, who conceptualises and implements innovate solutions to address complex societal issues, by creating social value and spreading it, whilst simultaneously running a profitable business.

The next section reflects on the research questions based on the current study.

6.3 Reflection on research questions

As mentioned in chapter one, the study looked to answer three research questions. The primary research question is "What are the perceptions of institutional influence on scalability of social enterprise in the South African food industry?" The secondary questions are "What are these institutional influences and how are they playing a role in the start-up of social enterprises?" and lastly "What is the relationship between institutional influence and scalability of social enterprise?" The following section addresses these questions.

6.3.1 Research question 1 - Perceptions of institutional influence on scale of social enterprise

The main purpose of this research; closely moderated by the research questions was to uncover social entrepreneurs' perceptions of institutional influence on scale of social enterprise. This

section addresses this question by answering it using information from the interviews with the social entrepreneurs and the literature.

The institutional influences gathered from literature range from formal to informal (Dees, 2001). The institutional influences mentioned recurrently by the interviewees were categorised as and fell within the realm of formal institutions. The respondents regarded these influences as more imminent, due to the presumption that to spread the social value that their business creates, there need to be better policies in place that make it easier for social entrepreneurs to do business and have access to better funding – essentially, according to most of, many of the interviewees, the environment in which they operate in needs to be more conducive to social entrepreneurial activities. It was noted that there was a sense that the social entrepreneurs' felt as though the government does not fully understand the extent to which social entrepreneurs make an impact in communities and (, how they can assist them in addressing issues relating to food security) thus have not given them the necessary support. The essence of this can be captured with the following responses from the interviewees.

"Food security is a nationwide issue that we have been addressing in our community – on a small scale yes, but we are growing" (Interviewee No. 12)

"Better policies would definitely help us scale quicker" (Interviewee No. 1)

"I read somewhere that the government is planning on subsiding more social entrepreneurial activities, I hope once that comes into play soon… we need the help" (Interviewee No. 9)

"Banks need to be more willing to provide social entrepreneurs with reasonable interest rates on loans as well some kind of mentorship, this is where I believe the government has failed – they [the government] need to implement policies to address these issues" (Interviewee No. 3)

In response to this, according to Shaw and Carter (2007), governments around the world have recently started implementing policies that aim to stimulate the creation of social enterprises. This has been done with the intention to support social entrepreneurs (Shaw and Carter, 2007). The essence of this can be seen by one interviewees' response;

"Our local government has noticed the great work that we have been doing and have thus have been more helpful in helping with assisting us with suppliers etc. "(Interviewee No. 5)

Subsidies are an essential part of growing industries and businesses – social enterprises could benefit from these initiatives as it essential that they keep the cost of their services as low as possible (Dees et al., 2006). The results of this study are aligned with the literature on subsidies. The essence of this is captured in the following response from an interviewee.

"If the government could subsidise our local suppliers, we could cut costs tremendously. This extra cash can be used for other aspects of the business such as paying off some of our debt or expansion" (Interviewee No. 7)

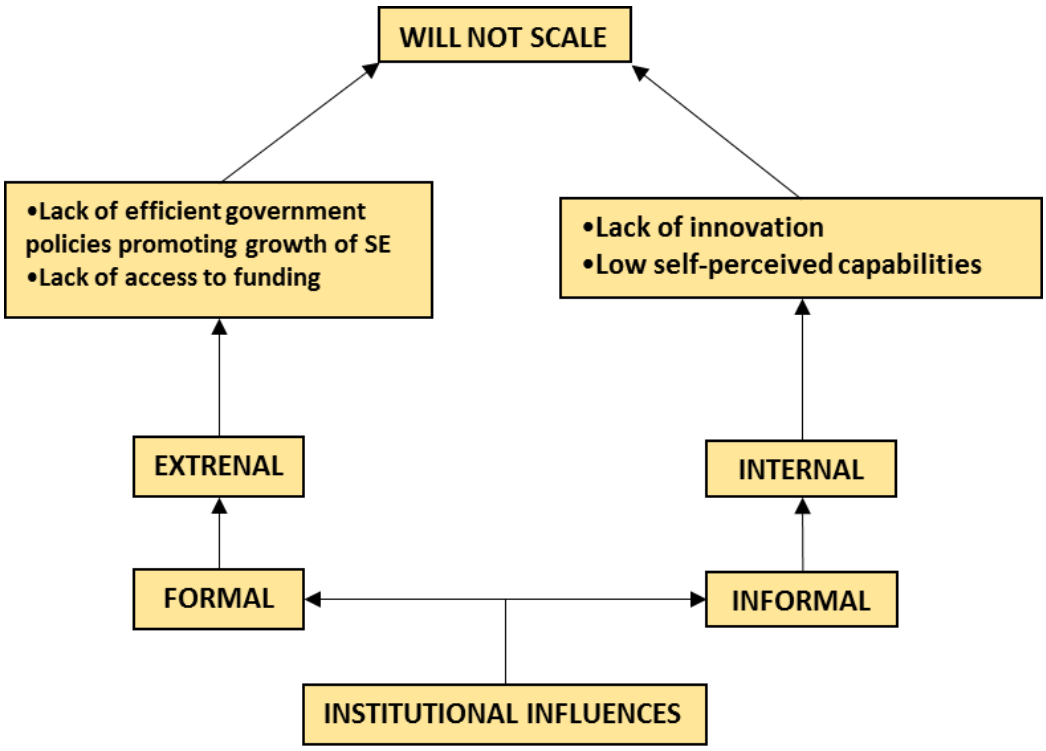
However, it should be noted that literature suggests that not all social services are eligible for government subsidies (Thompson et al., 2000). Currently, there is no available academic literature on social service subsidies in South Africa. Therefore, it is difficult to say whether the interviewed social entrepreneurs could potentially qualify for subsidies.

- **Addressing the primary research question - What are the perceptions of institutional influence on scalability of social enterprise in the South African food industry?**

Answering this question is not as straightforward as the question itself. The notion of social entrepreneurship, institutional influence and scale have many aspects and concepts, thus if one were to ask this question, it would result in many different responses as each social enterprise is in a different growth stage in their business, each social enterprise is different with regards to the services that they provide and the maturity of their operations, and in addition, each social entrepreneur has their own personal beliefs on scale based on their background, experience, self-perceived capabilities etc. What some perceived as institutional influences on scale others did not. However, there were some influences that were commonly perceived as barriers/drivers of scale regardless of any differences – whether it is individual differences or differences relating to the social business itself. The nature of the barriers/drivers identified varied greatly and ranged from innovation, self-perceived capabilities and government support.

There was a consensus among the social entrepreneurs that lack of government support, social innovation, access to funding and self-perceived capabilities was a huge barrier to achieving scale. Figure 6.1 presents the institutional influences on scale identified by the social entrepreneurs categorised as formal and informal influences respectively.

Figure 6.1: Institutional Influences on Scale



- **Access to funding – influence on scale**

One of the most prevailing constraints to the fulfilment of social missions by entrepreneurs is lack of funding (Mair and Marti, 2006) which is consistent with the findings from the study. Capital is a critical facet of social entrepreneurial start-ups and is not to be taken for granted (Grimes, 2010). Several studies indicate that individuals base their decision to take entrepreneurial positions on access to capital (Holtz-Eakin et al., 1994; Cornwall, 1998; Chell et al., 2010).

The importance of economic support measures to the scale of social enterprises is examined by some academics (Thompson, 2002; Spear, 2006), who identify a lack of finance for the development of social ventures as one of the biggest hurdles for implementing new social

projects. This in line with the findings from this study. The essence of this is captured by one interviewee who stated;

"If you are not able to get the necessary funding needed to grow your business then it is likely the business will remain stagnant." (Interviewee No. 11)

Providing sustainable finance for social enterprises is critical to their success (Mendell, 2010). As with commercial businesses, social businesses require capital at all stages of their life cycle (Nyssens, 2012). However sourcing funds for social enterprises is challenging, as traditional banking systems do not understand the social enterprise business model and do not want to risk lending to these businesses (Mendell, 2010). A stable and fair financial marketplace is required for social businesses to be successful (Mendell and Nogales, 2009). The financial market place should consist of various avenues and tools to access funding such as; crowd funding, business angels etc. With regards to policies, financial institutions and governments should establish innovative agreements between each other, which allow for social as well as financial returns (Mendell and Nogales, 2009). Access to capital for social businesses can also be achieved through tools such as credit guarantees (Mendell and Nogales, 2009).

The following can be used for South African based social entrepreneurs to fund their social enterprise (Mendell and Nogales, 2009);

1. Institutional investors – Donor-advised funds (donor activism) and pension & insurance funds (shareholder activism)
2. Individual investors – High net worth investors, angel investors and individual savers
3. Venture philanthropy – Program-related investment and social venture philanthropist acting as investors in social enterprises
4. Crowd funding – Just giving

Dey (2006) suggests that when social entrepreneurs engage with their environment in creative ways, they are most efficient. It is therefore critical that we enhance our comprehension of this phenomenon by further investigating the relationship between the environment, the organisation and the social entrepreneur (Mair and Marti, 2009).

- **Government policies – influence on scale**

Governmental policies are the latest and most relevant research relating to institutional influences (Thompson et al., 2000). For example, a study conducted by Sharir and Lerner (2006) indicates that the environment in which organisations participate in are influenced by laws and policies, which influence their success (Shaw and Carter, 2007). This is consistent with the findings of the study. The essence of this is captured by the following response from an interviewee;

"New policy implementation could promote scale which will allow us to spread our social impact" (Interviewee No.2) The policies that this interviewee referred to was greater tax relief for social enterprises.

- **Legal and regulatory frameworks**

Establishing regulatory frameworks will bring clarity to the field (Mendell, 2010). Doing so will improve investor confidence (Mendell, 2010). Noya and Clarence (2007) suggest that legislation alone will not assist social enterprises with achieving their social mission. Legislation together with strategies aimed at developing social entrepreneurs will yield the best results (Noya and Clarence, 2007). However, governments should avoid over-regulating

(Daneile, Johnson and Zandonai, 2009). Several countries have adopted laws that have aided the development of social entrepreneurs and can be useful in South Africa (du Toit, 2011).

- **Policy implementation**

The following policies and strategies suggested by the interviewees and from the literature are presented;

- Investing in communities should be made attractive by implementing tax relief initiatives like other investment schemes
- Tax credits should be given for social impact – corporation tax relief should be claimed back when companies partner with the social sector, similar to the tax reliefs that companies claim on research and development (Ashton, 2011)
- Subsidise social enterprises – lowering operating costs can have a positive impact on spreading the social value created
- Establish social entrepreneurship graduate programs - The unemployment rates of graduates in South Africa is increasing. Employing graduates to help the community enterprise sector grow can be a solution to unemployment (Ashton, 2011)

The social impact that social entrepreneurs have can be maximised by using a holistic framework to support the consolidation and emergence of social enterprises (Noya, 2009). It is suggested that the process of developing these policies are just as critical as the policies themselves (Noya, 2009). Policies are more effective when the actors and government collaborate with each other during the development phases (Noya and Clarence, 2007). This results in the subsequent reduction in transaction costs and better policy coherence (Mendell, 2010).

- **Innovation – influence on scale**

Due to the multidimensional origin of social problems, social entrepreneurs have numerous potential ways to use innovation to create and spread social value (Peredo and Mclean, 2006). Innovative strategies and tools can be used by social entrepreneurs to create social value and spread it (Chell et al., 2010). Scarce resources can also drive social entrepreneurs to adopt innovative solutions to address social issues (Alvord et al., 2004). This is aligned with the findings of this study. The following captures the core of this.

"The only way to spread the great work that we do is to think out of the box... I believe every social entrepreneur wants to reach as many lives as possible…" (Interviewee No. 7)

"We would like to bring young and creative people on board who will see what we can't see and help us create new ways of spreading the social value" (Interviewee No. 8)

In conclusion, based on the findings of this study, the major influences of scale of social enterprises are government policies (formal) and innovation (informal).

6.3.2 Research question 2 - Institutional influences on social enterprise start-ups

The first of the secondary research questions that this study looked to answer is "What are these institutional influences and how are they playing a role in the start-up of social enterprises?" This section looks to answer this question.

According to North (1990), institutions affect the performance of economies – through influencing entrepreneurs' behaviour. Welter and Smallbone (2011) suggests that the decision so found a social business is the result of the institutions in which it occurs. In addition, literature suggests that social businesses are sensitive government policy changes – especially

with regards to the types of services which are eligible for government subsidies (Thompson et al., 2000).

- **Government spending – influence on start-ups**

Governmental policies are the latest and most relevant research relating to institutional influences (Thompson et al., 2000). For example, a study conducted by Sharir and Lerner (2006) indicates that the environment in which organisations participate in are influenced by laws and policies, which influence their success (Shaw and Carter, 2007). Cornwall (1998) argue that the creation of social ventures increases as the provision of social services by the government decreases. This is in line with the findings from the interviews conducted. The essence of this is captured in the following responses from the interviews conducted.

"We realised that the government was not investing enough effort and money in initiatives and programs that would address food security issues" (Interviewee No. 1)

"… communities have an over reliance on the government. Our initiative helps reduce this [over reliance] … the government can't cater to all of their needs. (Interviewee No. 7)

The social entrepreneurs' dispositions towards SE principles and start-ups were found to be influenced by their personal belief systems towards social value. According to Corner and Ho, (2010), social entrepreneurs focus on issues relating to unsatisfied social needs as well as create new social opportunities that the government has failed to address (Zahra et al., 2009). The results from the interviews are aligned with the literature. The essence of this is captured in the following interviewees;

"No one in our community was addressing food scarcity issues… we decided to tackle this ourselves" (Interviewee No. 5)

"An opportunity to provide three meals a day to children in a nearby community was identified" (Interviewee No.7)

- **Innovation – influence on start-ups**

Surprisingly, the overriding barrier or driver to SE start-ups found in this study is social innovation - innovation in the sense of conceptualising new and creative ways of creating social value and spreading it. This is in contrast to majority of academic literature deeming limited access to capital and finance as being the overriding barrier to SE start-ups (Zahra et al., 2000). It is worth mentioning that although innovation appears in current literature on SE, emphasis is seldom placed on innovation as one of the most important elements of social start-ups (Choi and Majumdar, 2014). There was an overwhelming emphasis on social innovation from the interviewees in contrast to lack of attention given to social innovation in academic literature. The essence of innovation playing a pivotal role in SE creation and scale is captured in the following response.

"I always knew I wanted to be an entrepreneur [social] – wanted to make a difference to less fortunate people, I just had to be innovative in terms of how I tackle inequalities and social injustices whilst making a business out of it… for me that was the biggest challenge I faced when starting the business" (Interviewee No.12)

When entrepreneurial organisations interact with their environment in an innovative way, social entrepreneurs are most effective (Gras and Mendoza-Abarca, 2014). This is aligned with the results from this study. The essence of this is captured in the following responses.

"We would like to bring young and creative people on board who will see what we can't see and help us create new ways of spreading the social value" (Interviewee No. 8)

“We ‘thought outside the box’… a few months later we tested this service with a township close to our house – it worked well. Now we are looking to work in more townships” (Interviewee No. 14)

Therefore, according to the findings of this study, social innovation is the biggest influencer of SE start-ups in South Africa, which is contrary to current academic literature placing an emphasis on capital as being the most common influencer (Zahra et al., 2000).

- **Access to funding – influence on start-ups**

One of the most prevailing constraints to the fulfilment of social missions by entrepreneurs is lack of funding (Mair and Marti, 2006) which is consistent with the findings from the study. Capital is a critical facet of social entrepreneurial start-ups and is not to be taken for granted (Grimes, 2010). Several studies indicate that individuals base their decision to take entrepreneurial positions on access to capital (Holtz-Eakin et al., 1994; Cornwall, 1998; Chell et al., 2010). Although this was not the main barrier to social start-ups, it was one of the most mentioned. The findings from this study is consistent with the literature on funding. The following response from an interviewee captures this.

“Obtaining financing was a challenge… in my experience, private investors don’t see social enterprises as a good financial investment” (Interviewee No. 3)

It is noted that there is no difference between the significance of capital for commercial entrepreneurs and social entrepreneurs in current literature (Alvord et al., 2004). According to studies conducted by Holtz-Eakin et al., (1994), individuals in various countries, are sensitive to capital constraints in their decision to pursue entrepreneurial activities (Alvord et al., 2004). The essence of this is captured in the following statement.

"The biggest barrier to start-ups [social enterprises] in my opinion is start-up capital and cash flow. You can't make money without money… I struggled to get enough capital to start, I didn't manage to raise enough fund but somehow, I made it work. (Interviewee No.3)

- **Education – influence on start-ups**

Empirical evidence shows that a higher level of education has a positive effect on the likelihood of an individual to staring a business (Davidsson and Honig, 2003). The same can be said for social entrepreneurship; a high level of education is a common denominator between different social environments (Shaw and Carter, 2007). The literature is aligned with findings of the study. The essence of this was captured in the following response.

"… my business studies textbooks always have a section on social entrepreneurship, I think that is where I developed my interest. Most university projects I did I always tried to choose a topic relating to social entrepreneurship" (Interviewee No.5)

The literature highlights the importance of skill perceptions for social entrepreneurs (Austin et., 2006). In particular, the literature suggests skills and knowledge control individuals' behaviour (Peredo and McLean, 2006). In this sense, Austin et al. (2006) suggest that an adequate set of skills is essential for social entrepreneurial success. These skills include technical, social and community management practises, among others (Austin et al., 2006). It

should also be noted that an absence of business management skills can be detriment to both commercial and social businesses (Chen et al., 1998). Individuals who believe that they have the competencies to successfully run a business are generally more inclined to do so (Light, 2008). Skills and education was identified in the findings of this research; however, it was not identified as an overwhelming element of start-ups.

- **Social orientation – influence on start-ups**

Dees (2001) notes that the social mission is the underlining feature of any social business. The emphasis on the social mission as the base of social entrepreneurship, is prevalent in all definitions of social entrepreneurship (Dees, 2001). Selflessness, a lack of a desire for material possessions and being involved in social causes form part of the social orientation dimension (Dees, 2001). A social orientated mind-set fosters the identification of social opportunities (Cornwall, 1998). Social orientation positively affects the social entrepreneurial process, as it presents a means for socially conscious individuals to achieve their social missions (Ferri, 2014). The responses from the interviews are in accordance with the literature pertaining to social orientation – the essence of this is captured in the following responses.

“I have always ben passionate about volunteer work… I saw an opportunity to do what I love full time, whilst making money and making a difference” (Interviewee No.7)

"I am aware of the social injustices that the previous government has created… the onus is on the new generation of entrepreneurs to help in closing the gap" (Interviewee No.8)

“You can’t call yourself a social entrepreneur if you do not want to create and spread social value… although important, monetary gain is not at the forefront of my mind” (Interviewee No.9)

Social orientation also includes dedication to a cause as well as being a change agent for society. Social entrepreneurs play the role of change agents in the social sector by adopting a mission to create and sustain social value as well as recognising and relentlessly pursuing new opportunities to serve that mission (Dees, 1998). The responses provided by the interviewees are consistent with the literature and the essence of this can be captured in the following responses;

"… someone who is committed to a cause and will put in the hours to make sure he achieves the goal of the business" (Interviewee No. 4)

"We hope that we are changing how people view social enterprise - many people are under the impression that we don't make money. We do, that just isn't our focus" (Interviewee No. 12)

An essential component of social entrepreneurs is being emotionally charged (Thompson et al., 200). Social entrepreneurs are usually emotionally connected to a cause (Austin et al., 2011). This is consistent with the literature as most of, many of social entrepreneurs gave evidence of this. The essence of this is captured in the following responses;

"Imagine going days without eating… we saw this as an opportunity to make a difference" (Interviewee No. 1)

“I have always ben passionate about volunteer work… I saw an opportunity to do what I love full time, whilst making money and making a difference” (Interviewee No. 7)

Another aspect that was repeatedly stated was the need to be socially alert. According to Dees (2001), social entrepreneurs are aware of their social surroundings and relentlessly pursue

solutions to solve social problems. This aligned with the findings from the study. There was an overwhelming sense from the interviewees that without being socially conscious of prevailing inequalities and injustices, one will not be inclined to start a social venture. The essence of this can be captured with the following response from an interviewee.

"… you need to be socially conscious and have the entrepreneurial drive to start a social entrepreneurial venture. I can't say which of the two is more important, but you need a balance of both to succeed" (Interviewee No. 5)

- **Self-perceived capabilities – influence on start-ups**

According to Ferri (2014), in relation to entrepreneurship, people's behaviour is guided by acquired skills and knowledge. Studies indicate that it is more likely that an individual will start an organisation if they have a high level of education (Arenius and Minniti, 2005; Delmar and Davidsson, 2000). In addition, a common feature of social activists is high education levels (Ferri, 2014). However, research does not indicate that this knowledge should be centred around business management (Shaw and Carter, 2007). The literature highlights the importance of skill perceptions for social entrepreneurs (Austin et., 2006). In particular, the literature suggests skills and knowledge control individuals' behaviour (Peredo and McLean, 2006). In this sense, Austin et al. (2006) suggest that an adequate set of skills is essential for social entrepreneurial success. These skills include technical, social and community management practises, among others (Austin et al., 2006). It should also be noted that an absence of business management skills can be detriment to both commercial and social businesses (Chen et al., 1998). Individuals who believe that they have the competencies to successfully run a business are generally more inclined to do so (Light, 2008). In summary, literature suggests having the right skills and knowledge will gives individuals more confidence to start a business, thus

making them more inclined to do so (Chen et al., 1998). Skills and education was identified in the findings of this research; however, it was not identified as an overwhelming element of start-ups.

Current literature suggested that fear of failure is one of the most common informal barriers to entry - the perceived possibility of failure governs individuals' decisions to found a social enterprise (Bornstein, 2004). However, this theme was seldom identified by the social entrepreneurs in the interviews.

In summary, the overriding influence on start-ups was innovation, followed by capital. Education, skills as well as fear of failure were not common themes identified, contrary to current academic literature.

6.3.3 Research question 3 - nexus between scale and institutional influence

The last of the secondary research questions that this study looked to answer is "What is the relationship between institutional influence and scalability of social enterprise?" In this study, the barriers/drivers of scale of SEs were examined from two perspectives; primarily - institutional influences and secondly - SCALERS model. This section looks to discuss these two notions in tandem.

According to Bloom and Chatterji (2009), the emerging work of the SCALERS model is an exception to the limited theoretical work. The SCALERS model, identifies seven different possible drivers of scaling social impact (Bloom and Smith, 2010). Out of the seven drivers, the interviewees identified four of the drivers, namely staffing, lobbying, alliance building and replication – with replicating being the overwhelming driver to scale.

- **Nexus between staffing (SCALERS model) and innovation (institutional influence)**

Volunteerism which relates to staffing is a major element of social enterprises (Choi and Majumdar, 2014). Many social entrepreneurs look to volunteers for support and for bringing innovative solutions to solving social problems (Dees et al., 2009). This is consistent with the findings of this study. Volunteers limit salary and wage expenses - in addition to this, volunteers bring fresh ideas to the business (Sagawa and Segal, 2007). The essence of this was captured in the following responses;

"We only have two employees on our payroll, the rest are volunteers. This type of business model has been very effective thus far… they [volunteers] always come with positive energy and give suggestions about new ways of doing business... we are always open to this and encourage it" (Interviewee No. 3)

"We have received overwhelming support from volunteers who give up their weekends to help us spread the positive impact in communities that we are trying to create" (Interviewee No. 6)

"More volunteers will allow us to grow and reach more people – we can't do it ourselves, we need more hands." (Interviewee No. 7)

The following section highlights the nexus between institutional influence and SCALERS model as per the literature and the findings of this study.

- **Nexus between lobbying (SCALERS model), alliance building (SCALERS model) and government policies (institutional influence)**

Lobbying can be related to government policies, which is an institutional influence identified by the social entrepreneurs. The idea is for social entrepreneurs to influence government policy makers into conceptualising and implementing policies that make the environment more conducive to social entrepreneurial activities.

Alliance building can also be linked to government policies as this will allow for social entrepreneurs to partner with the right suppliers through subsidies. The essence of this is captured in the following response.

"Partnering with local food suppliers and even with government is something that we have been looking to do. We have a few key partners now, which has taken some time to achieve… partnering with government is critical to our success" (Interviewee No. 14)

- **Nexus between replication (SCALERS model) and innovation (Institutional Influence)**

Replication is like innovation, which is an informal influence on scale. Alvord et al., (2004) notes that limited resources can drive social entrepreneurs to establish innovative tools and strategies to achieve social missions. The multifaceted nature of social problems presents the opportunity for social entrepreneurs to use innovative means to solve social problems (Peredo and McLean, 2006) as demonstrated by the social entrepreneurs interviewed.

"Our work can only reach more people if we think of new ways to bring social change" (Interviewee No.4)

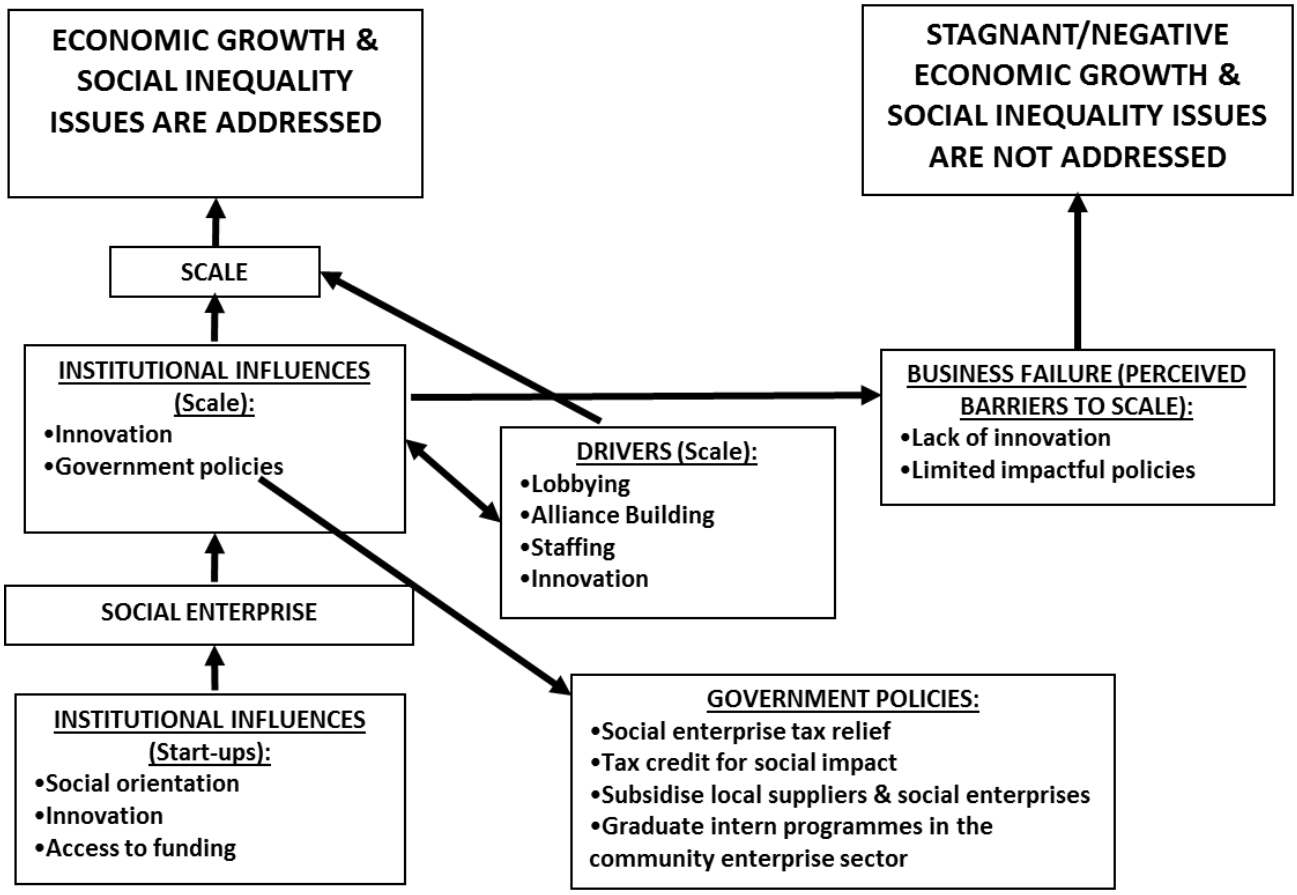
"We 'thought outside the box'… a few months later we tested this service with a township close to our house – it worked well. Now we are looking to work in more townships" (Interviewee No. 14)

In conclusion, governmental policies which is a formal institutional influence can be related to lobbying and alliance building which are drivers of scale illustrated by the SCALERS model. In addition, Innovation which is an informal institutional influence can be related to replication which is a driver of scale illustrated by the SCALERS model.

6.4 Revised conceptual framework

Based on current literature and the results and discussions from the interviews conducted with social entrepreneurs, the following revised conceptual frame work is proposed. In addition, this revised conceptual map is a continuation of the conceptual map proposed in chapter one as well the thematic causal map proposed in chapter five.

Figure 6.2: Final Conceptual Framework



For an individual to start-up a social venture, they will firstly need to be socially orientated (Dees, 2001). Social attitudes are an essential informal influence when considering the social entrepreneurial process, as they propel the social entrepreneur towards innovation to solve social problems (Zahra et al., 2009). Social innovation is an important (if not the most important) element of start-ups of social businesses. According to responses from the interviewees, innovation is the foundation for any SE start-up and is the driver of scale in social enterprises. This contrasts with current literature indicating capital requirements as the most common barrier to SE start-ups (Zahra et al., 2000). However, the availability of capital is important to social entrepreneurs as it lays the foundation for the social organisation (Grimes, 2010). Research conducted in multiple countries indicate that the availability of capital is a

significant determinant in the establishment of new social ventures (Holtz-Eakin et al., 1994). The following can be used for South African based social entrepreneurs to fund their social enterprise (Mendell and Nogales, 2009);

- Institutional investors – Donor-advised funds (donor activism) and pension & insurance funds (shareholder activism)
- Individual investors – High net worth investors, angel investors and individual savers
- Venture philanthropy – Program-related investment and social venture philanthropist acting as investors in social enterprises
- Crowd funding – Just giving

Once a social enterprise has been established, there must be a degree of innovation and impactful government policies in place for scale to occur. Governmental policies is the most current and most relevant research pertaining to institutional influences (Thompson et al., 2000). The environment in which organisations participate in are influenced by laws, which ultimately influence their social success (Sharir and Lerner, 2006). The following policies and strategies suggested by the interviewees and from the literature are presented next;

- Investing in communities should be made attractive by implementing tax relief initiatives like other investment schemes
- Tax credits should be given for social impact – corporation tax relief should be claimed back when companies partner with the social sector, like the tax reliefs that companies claim on research and development (Ashton, 2011)
- Subsidise social enterprises – lowering operating costs can have a positive impact on spreading the social value created

- Establish social entrepreneurship graduate programs - The unemployment rates of graduates in South Africa is increasing. Employing graduates to help the community enterprise sector grow can be a solution to unemployment (Ashton, 2011)

In addition to the institutional influences that allow for scale, drivers of scale based on SCALERS model should also be considered and possibly implemented. Lobbying can be related to government policies, which is an institutional influence identified by the social entrepreneurs. The notion is for social entrepreneurs to influence government policy makers into conceptualising and implementing policies that make the environment more conducive to social entrepreneurial activities. Alliance building can also be linked to government policies as this will allow for social entrepreneurs to partner with the right suppliers through subsidies. Volunteerism which relates to staffing is a major element of social enterprises (Choi and Majumdar, 2014). Many social entrepreneurs look to volunteers for support (Dees et al., 2009). This is consistent with the findings of this study. Volunteers lower salary and wage expenses - in addition to this, volunteers bring fresh ideas to the business (Sagawa and Segal, 2007).

If all the above are present, with all things being equal, then social ventures are more likely to scale – resulting in economic growth and in addition, social issues such as food security will be addressed.

6.5 Conclusion

The purpose of this chapter was to discuss the key findings of the empirical study and use these to answer the research questions. The nature of the research questions resulted in the subsequent consideration of other facets discovered in the interviewing process. This was achieved through recognising and analysing notable aspects surrounding the main issues

investigated in the interview process. The essence of the research findings is captured in the conceptual framework presented.

In summary, it is suggested that social entrepreneurs who can innovative, and who are operating in an environment governed by policies aimed at supporting social enterprises, will be more likely to scale.

The following chapter concludes the dissertation with insightful comments on the study's objectives, the limitations of the research and the implication of the findings from this research have on policymakers, social entrepreneurs, and academic literature on social entrepreneurship, institutional influence and scale.

7. Chapter seven - conclusion

7.1 Introduction

The findings presented in the previous chapters depicts a complex image of SE; the perceptions of social entrepreneurs on scale, various institutional barriers/drivers to scale and SE in relation to food security. A summary of the findings of this research is presented in this chapter by; reflecting on the study's objectives as well as discussing the implications of this study to policymakers, social entrepreneurs and academic literature on SE, institutional influence and scale. Recommendations for future research in the field of social entrepreneurship with specific focus on scale are made to make contributions to the literature.

7.2 Summary of literature

The field of social entrepreneurship is gaining prominence as social entrepreneurship demonstrates the ability to drive innovation and solve complex societal problems (Zeyen et al., 2013). Banks (1972), according to Nicholls (2006) introduced the term social entrepreneur when he posited that management practices could be shaped by utopian values and could solve social problems. Many organisations such as Ashoka, the Schwab Foundation and the Scholl Foundation have positioned themselves as leaders in social entrepreneurship facilitation (Dacin, Dacin and Tracey, 2011).

There are varied reasons behind the growing popularity of social entrepreneurship. The inherent interest and appeal of entrepreneurship, together with the imperative to drive social change with lasting transformative benefit to society are some of the reasons for interest in social entrepreneurship (Martin and Osberg, 2007).

Social entrepreneurship has developed into a research and practice area over the past three decades (Choi and Majumdar, 2014). Despite these developments, there is no consensus among researchers on what social entrepreneurship means, with many conflicting definitions of what it is. Grimes (2010) defines social entrepreneurship as the process of employing market-based methods to solve social problems. Social entrepreneurship also refers to non-profit organisations that seek new funding strategies through business activities (Boschee and McClurg, 2003); is the creation of businesses to serve the poor (Seelos and Mair, 2005); and the use of social innovations to solve social problems and bring about social change, regardless of whether the motive is commercial or not (Martin and Osberg, 2007). Hockerts and Wüstenhagen (2010) defines social entrepreneurship as the discovery and sustainable exploitation of opportunities to create social and environmental benefits.

According to the institutional theory, organisations operate in an environment of values, beliefs, norms and assumptions that guide and restrict their actions over time (Barley and Tolbert 1997). These values, beliefs, norms and assumptions are formed as a result of the existence of institutions. Institutions are defined as social structures that provide orientations to organisations and individuals, yet at the same time restrict and control them (Scott 2008). Institutional theory is used in social entrepreneurship research from two perspectives. The first approach, which is derived from early institutional theory studies (e.g. Meyer, Scott and Deal 1981, Zucker 1989) assumed that organisations and individuals adapt to institutions around them (Battilana, 2006). Organisational legitimacy issues, institutional isomorphic pressures, political pressures, structural pressures and moral pressures influence the establishment of social enterprises (Sud, Van Sandt and Baugous 2009).

Institutional isomorphism talks to the constraining process where one unit of a population has to resemble other units that face the same set of environmental conditions, in order to access resources and customers, gain political power and institutional legitimacy, as well as social and

economic fitness (Di Maggio and Powell 1983). Di Maggio and Powell (1983) classify these isomorphic influences as coercive influences (political or social pressures), mimetic or culture cognitive influences (imitation of best practices) and normative pressures (rationalisation through professional structures). These three pressures have been tested and found to exist in the context of social entrepreneurs. The second perspective talks about institutional entrepreneurship, which is how the social enterprise can influence change in long established institutions (Mair and Marti 2006). It positions the social entrepreneur as an agent of change, creating a paradox where social entrepreneurs seek to change the very same institutions that influence their actions, intentions and rationality (Holm 1995).

According to Dees et al., (2004) the challenge of how to successfully scale social impact efficiently and effectively is one of the major problems for social entrepreneurship practioners and researchers. Bloom and Smith (2010) suggest social entrepreneurs aspire to conceptualise and develop businesses that provide solutions to solve social problems and then scale these businesses so that more communities can benefit from the social impact created.

The field of social entrepreneurship has dedicated relatively little theoretical and empirical work to the study of scaling of social impact (Grant and Crutchfield, 2007). Bloom and Smith (2010) suggest Dialectical Perspective the theoretical work has been geared towards the development of practitioner frameworks. The empirical research in the field has also been limited, specifically with regards to understanding the drivers of successful scaling of social entrepreneurial organisations (Sharir and Lerner, 2006). The majority of these empirical studies have utilised comparative case study approaches (Alvord et al., 2004; Grant and Crutchfield).

According to Bloom and Chatterji (2009), the emerging work of the SCALERS model is an exception to the limited theoretical work. The SCALERS model, identifies seven different possible drivers of scaling social impact (Bloom and Smith, 2010) – it is based on case studies

and past research on scaling. It is also constructed from theoretical notions from marketing, organisation behaviour and strategic management (Bloom and Smith, 2010). These drivers of social impact are: Staffing, Communicating, Alliance-building, Lobbying, Earnings-generation, Replicating and Stimulating market forces, and form the acronym, SCALERS (Bloom and Chatterji, 2009).

According to Webster (2014), the ability of a system to successfully manage an increasing volume of work without a decrease in performance levels is referred to as scalability. Scalability of an organisation involves four concepts; change capacity, customer value proposition, market analysis and business attribute analysis (Kumar, 2010).

The trade-offs of scalability versus increasing capacity is what change capacity evaluates (Mair and Schoen, 2007). Kumar (2010) refers to capacity of this nature in stating that high performance entities rely on high-performance people. Dudnik (2010) suggests customer value proposition (CVP) is extremely important as it is an indication of how the organisation is adding value while driving return business. A change in CVP can result in declining branding and a decrease in customer base (Kumar, 2010). According to Lumpkin et al., (2013), business attribute analysis reflects the need for the entity to gain an awareness of just what differentiates it from the competition.

According to Clay (2002) and Heidhues et al., (2004), in the last thirty years, concepts of food security have developed gradually to reflect changes in official policy legislation. In the 1970s, food security was defined in terms of food supply (Napoli, 2010). This definition was based on the price stability and the availability of basic food items at the national and international level (World Food Conference, 1974). Since the 1970s, the definition has been revised several times to include human rights, ethical as well as household and individual level elements (Napoli, 2010). Food security - and malnutrition is a major underlying cause of death of South Africa's

children under the age of five (Stats SA, 2015). One in five children are deprived of the nutrients that are critical to optimal development (Stats SA, 2015) – this is a reflection of the SA food industry, and particular – a failure to leverage off of social entrepreneurship to address societal and economic concerns (Landman, 2004). Despite the magnitude of the role that social entrepreneurs can play in this industry, legislation surrounding the empowerment of social enterprises is limited (Landman, 2004). Total income in nominal terms generated by the food industry is increasing year on year (Stats SA, 2015). In addition, positive annual growth rates were recorded for food sales over the past five years (Stats SA, 2015) – which make it a lucrative industry for social entrepreneurs. Institutional influences could influence the scalability of social enterprise, which not only can result in the growth or stagnation of the food industry, but can also have a significant social impact.

7.3 Summary of findings

The study concluded that innovation and governmental policies are important factors that can inhibit or promote scale. It should be noted that these institutional influences were identified as the most impactful barriers/drivers to scale. In addition, using SCALERS model as a reference, the empirical study identified lobbying, alliance building, and staffing as drivers to scale. Lobbying and alliance building are closely related to government policies, as it relates to the collaboration of social enterprises in order to influence policymakers. In addition, staffing relates to the use of volunteers to bring new innovative solutions to the business – these drivers of scale reinforce the identified institutional influences as critical to scale.

7.4 Implications of findings

This study has significant stakeholder and policy implications for social enterprises and the food industry. The results highlighted in this dissertation can be utilised as a template for reviewing the concerns relating to the scale of social enterprises by evaluating and managing the barriers as perceived by social entrepreneurs.

The intention of this dissertation is that it will highlight and capture the social entrepreneurs' concerns regarding scale, as well as the rate at which the government can move towards achieving its goals of food security by redirecting its focus to SE practices. Stakeholders such as policy makers, food suppliers and regulators can possibly begin to acknowledge the social entrepreneurs' knowledge and insights about the issues facing SE practices in South Africa and use their recommendations to address food security matters.

7.4.1 Reflection on the study's objectives

The study made the following contributions which have direct implications on addressing barriers to scale of social enterprises:

1. The investigation identified the perceptions of social entrepreneurs' barriers to scale that hinder attempts at addressing issues relating to food security,
2. It garnered a fundamental understanding of how social entrepreneurs defined SE, scale and food security,
3. Identified differences between the interpretations of these concepts, which in turn influence the manner in which the social entrepreneurs perceived and respond to the perceived barriers to scale,

4. Presented its findings, based on the literature and research from the empirical study; ways of addressing the different barriers that hinder the scale of social enterprise.

The identification and classification of the influences of scale discussed was the first step in identifying the scale issues surrounding social enterprises. The primary research revealed that the interviewed social entrepreneurs held positive attitudes towards the notion of SE to solve the problems surrounding food security in South Africa. This was despite a general sense that they have limited control and influence over the barriers to scale.

By reviewing the identified influences of scale as well as acknowledging the social entrepreneurs' recommendations on how to deal with these based on their experience in the industry, policy makers and interested parties can begin the process of addressing issues that hinder the scale of social enterprises. The government can establish policies and programs that stimulate scale of social enterprises.

7.4.2 Implications for social entrepreneurs

This study highlighted many perceived influences to scale. The nature of these perceived influences reported called for different responses in addressing them. At a business level, the social entrepreneurs have limited control in the way formal institutional influences can be managed, however, they have more control over the informal institutional influences. Attempts to address the formal institutions can be made by effective lobbying. Informal influences can be managed by adopting an innovative business culture and by increasing one's knowledge through education. A strong workforce can accelerate innovation – volunteers coming into the business can bring fresh ideas or approaches to scale. A database of volunteers can be kept and "innovative volunteers" can be reached out to occasionally in order to get them to volunteer their services again.

Social entrepreneurs can use this dissertation as a guideline to achieving scale.

7.4.3 Implications for policy makers

Dey (2006) suggests that when social entrepreneurs engage with their environment in creative ways, they are most efficient. It is therefore critical that we enhance our comprehension of this phenomenon by further investigating the relationship between the environment, the organisation and the social entrepreneur (Mair and Marti, 2009).

- **Legal and regulatory frameworks**

Mendell (2010) suggests developing regulatory and legal frameworks is critical, as this will build investor confidence. However, it is worth noting that over-regulating will have a negative impact on the growth of the social sector (Daniele, Johnson and Zandonai, 2009). There are various laws that have been implemented in multiple countries which have regulated social enterprises and can be useful in South Africa (du Toit, 2011). The following policies and strategies are suggested;

i. Policies

Governmental policies are the latest and most relevant research relating to institutional influences (Thompson et al., 2000). For example, a study conducted by Sharir and Lerner (2006) indicates that the environment in which organisations participate in are influenced by laws and policies, which influence their success (Shaw and Carter, 2008). The following policies and strategies suggested by the interviewees and from the literature are presented;

- Investing in communities should be made attractive by implementing tax relief initiatives similar to other investment schemes
- Tax credits should be given for social impact – corporation tax relief should be claimed back when companies partner with the social sector, similar to the tax reliefs that companies claim on research and development (Ashton, 2011)
- Subsidise social enterprises – lowering operating costs can have a positive impact on spreading the social value created
- Establish social entrepreneurship graduate programs - The unemployment rates of graduates in South Africa is increasing. Employing graduates to help the community enterprise sector grow can be a solution to unemployment (Ashton, 2011)

ii. Finance

Providing sustainable finance for social enterprises is critical to their success (Mendell, 2010). As with commercial businesses, social businesses require capital at all stages of their life cycle (Nyssens, 2012). However sourcing funds for social enterprises is challenging, as traditional banking systems do not understand the social enterprise business model and do not want to risk lending to these businesses (Nyssens, 2012). A stable and fair financial marketplace is required for social businesses to be successful (Mendell and Nogales, 2009). The financial market place should consist of various avenues and tools to access funding such as; crowd funding, business angels etc. With regards to policies, financial institutions and governments should establish innovative agreements between each other, which allow for social as well as financial returns (Mendell and Nogales, 2009). Access to capital for social businesses can also be achieved through tools such as credit guarantees (Mendell and Nogales, 2009).

The following can be used for South African based social entrepreneurs to fund their social enterprise (Mendell and Nogales, 2009);

- Institutional investors – Donor-advised funds (donor activism) and pension & insurance funds (shareholder activism)
- Individual investors – High net worth investors, angel investors and individual savers
- Venture philanthropy – Program-related investment and social venture philanthropist acting as investors in social enterprises
- Crowd funding – Just giving

iii. Market access

The market should be more accessible to social businesses (Terjesen, Vinnicombe and Freeman, 2007). This can be achieved through establishing an equal playing field (this includes social businesses getting access to the same support measures that commercial entrepreneurs get), educating social entrepreneurs on how to formulate successful and practical strategies that will allow access to the market, and making procurement policies more open to the social sector (Noya and Clarence, 2007). Procurement laws in some European countries give government authorities the ability to include social clauses and the *European Commission's Buying Social: A Guide to taking account of Social Considerations in Public Procurement* is a valuable instrument to acquire insight on how public procurement can assist reaching social goals (Terjese et al., 2011). The South African government could create a similar tool to develop market access to social enterprises.

Governments can use this study as an insight into the notion of social enterprise in South Africa. Social entrepreneurship can be used to address food security issues. Government can leverage off this by working with social entrepreneurs and the relevant stakeholders to implement

relevant policies and programs. The focus should not only be on subsidies as mentioned by the social entrepreneurs interviewed, but also on developing mentorship programs and partnerships with suitable stakeholders.

7.4.4 Implications for academic literature

Social entrepreneurship literature remains scarce despite its growing popularity and importance (Zeyen et al., 2013). Researchers hold varied opinions on the legitimacy and future of social entrepreneurship as a research domain (Dacin et al., 2011). Dey (2006) describes the discourse around social entrepreneurship as like a fashionable trend. The research on social entrepreneurship is dominated by definitional debates with a bias towards conceptual over empirical research (Short, Moss and Lumpkin 2009).

In addressing the discourse on the definition of social entrepreneurship, a definition based on current literature and the findings of this empirical study was proposed;

Social entrepreneurship is a form of entrepreneurship whereby the entrepreneur involved is a social orientated individual who conceptualises and implements innovate means to address complex societal issues by creating social value and spreading it, whilst simultaneously running a profitable business

The field of social entrepreneurship has dedicated relatively little theoretical and empirical work to the study of scaling of social impact (Grant and Crutchfield, 2007). Bloom and Smith (2010) suggest the majority of the theoretical work has been geared towards the development of practitioner frameworks. The empirical research in the field has also been limited, specifically with regards to understanding the drivers of successful scaling of social entrepreneurial organisations (Sharir and Lerner, 2005). The majority of these empirical studies have utilised comparative case study approaches (Alvord et al., 2004; Grant and

Crutchfield). The empirical findings of this research look to contribute to filling this void. The empirical study resulted in the creation of a useful framework – a "roadmap" that gives social entrepreneurs and all relevant stakeholders an overview of the elements that will result in the creation of social enterprises as well as the scale of them.

7.5 Limitations

A shortage of research on the perceptions of institutional influences on the scale of social enterprise posed as a limitation of this study. A review of the literature on food security in South Africa is equally scarce as far as the relation to SE is concerned. Related research papers on scale of social enterprises and the engagement with multiple stakeholders were used to compare and validate this study's findings. The lack of extensive research into the perceptions of the social entrepreneurs as key stakeholders, and their perceptions towards scale was both a limitation and an opportunity to fill the void.

Limitations on the research design include;

The main limitation of using a qualitative approach is that the findings cannot be extended to wider populations with the same degree of certainty that quantitative analyses can. This is because the findings of the research are not tested to discover whether they are statistically significant or due to chance.

Another limitation is that research quality was heavily dependent on the individual skills of the researcher and more easily influenced by the researcher's personal biases and idiosyncrasies. Rigor was more difficult to maintain, assess, and demonstrate.

Another limitation is that qualitative research is sometimes not as well understood and accepted as quantitative research within the scientific community. The volume of data also makes

analysis and interpretation time consuming. The researcher's presence during data gathering, which was unavoidable, may have influenced the participant's responses.

7.6 Recommendations for future research

The recommendations made here are based on the research findings, the experiences and impressions gained while conducting the research as well as from the limitations encountered in the process. The following recommendations are made for any future research on the scaling of social enterprises.

7.6.1 Food security

Clay (2002) suggests poverty can be lessened through the jobs created by the agriculture sector. According to du Toit (2011), further studies on agriculture and food security in South Africa need to be conducted as there is discourse about whether the jobs created by the agricultural sector have a positive impact on food security. This discourse is due to the sustainability of these jobs as they are seasonal (du Toit, 2011). The role of agriculture towards food security reduction has not been fully addressed in the literature (Baiphethi and Jacobs, 2009). Further investigation is required to determine the role agriculture can play in addressing food insecurity (du Toit, 2011)

7.6.2 Scale and social entrepreneurship

In future studies on scale, there should be a focus on SCALERS model, and in particular the paradigms for measure development (Bloom and Smith, 2010). It suggested that greater sample sizes that are cross-sectional and longitudinal give rise to more accurate measures for SCALERS model. Situational contingencies of the SCALERS model are also an area that

should be focused on in future studies (Bloom and steven, 2010). Future studies should consider scaling individually and collectively in relation to the SCALERS capabilities. In addition, future research should be aimed at developing new measures of the SCALERS model as construct validation (Bloom and Smith, 2010).

Another important issue for future research in social entrepreneurship literature is the development and use of appropriate samples (Short, 2009). This study used a qualitative approach and therefore a relatively small sample. Future research can be more quantitative driven with larger samples. In addition, future research should not only focus on successful social businesses, but also businesses that have failed (Bloom and Smith, 2010). Reynolds (2000) suggests commercial entrepreneurship literature has a considerable amount of research on failed commercial ventures, including event history analysis and the subsequent strategies mitigating failure. Similar studies should be conducted for the field of social entrepreneurship (Reynolds, 2000). The above-mentioned approaches and others will enhance the understanding of scale and social entrepreneurship.

7.6.3 Support for future research

According to Noya (2009), a collaboration between governments and social entrepreneurship researchers will yield more practical outcomes. This collaboration would enable a continuous analysis of the needs of social entrepreneurs, resulting in the subsequent integration of these social ventures into national and sub national economic and social policy (Dey, 2006). Focus areas of this research can include measuring and monitoring of social impact (Dey, 2006). It is also suggested that a mutual learning platform for all stakeholders would be beneficial (Noya, 2009).

7.7 Conclusion

The contributions made by social entrepreneurs in the South African food industry are instrumental in addressing issues surrounding food security. Not only are social entrepreneurs tackling issues relating to social inequalities and injustices, they are also creating employment not only for themselves but for the communities in which they work. A possible solution to addressing South Africa's unemployment and food security problems lies not only with the government, but with entrepreneurs, and social entrepreneurs.

Using institutional theory as a lens, this research aimed to develop a conceptual framework that can be utilised by social entrepreneurs, as well as relevant stakeholders to promote the scale of individual social enterprises, particularly in the South African food industry, by developing a "roadmap" to scaling. In addition to the above, the focus was on food security in the South African food industry. It is intended that the conceptual framework can indirectly address the broader societal issues surrounding food security.

The above was achieved through a qualitative study. Perceptions of institutional influence on scale as well as start-ups, and drivers of scale were identified through conducting a literature review. A conceptual framework was then established from these constructs. The next step involved conducting semi-structured interviews with 14 social entrepreneurs in the food industry to validate the constructs, and identify the relationships between the constructs. The data was then analysed using the Interpretative Phenomenological approach. The result of the qualitative research is a conceptual research framework, with certain hypotheses.

The empirical study identified social innovation as well as the implementation of impactful governmental policies as the most critical institutional influencers of scale. In addition, using SCALERS model as a reference, the empirical study identified lobbying, alliance building, and staffing as drivers to scale. It is noted that that lobbying and alliance building can be linked to

government policies as it relates to the collaboration of social enterprises in order to influence policymakers, in addition, staffing relates to the use of volunteers to bring new innovative solutions to the business – these drivers of scale (based on SCALERS model) reinforce the identified institutional influences as critical to scale. If all the above are present, with all things being equal, then social ventures are more likely to scale – resulting in economic growth and in addition, social issues such as food security will be addressed.

From a social entrepreneurship perspective, this study made a substantial contribution in shifting the social entrepreneurship research focus from conceptual, definition biased research towards empirical research that strengthened theoretical research on social entrepreneurship.

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Annexure A: Participation information sheet



Dear Sir/Madam

My name is Lee Larbi and I am a Masters student in Management at Wits University. As part of my studies I have to undertake a research project, and I am investigating the perceptions of institutional influence on the scalability of social enterprise. The aim of this research project is to to develop a framework that can be utilised to describe social entrepreneurship practices within a South African context – and in particular, the perceptions of institutional influence on scalability of social enterprise in the SA food industry. In addition to the above, the focus will be on food security.

As part of this project I would like to invite you to take part in an interview. This activity will involve answering 20 questions relating to social entrepreneur's perceptions of institutional influence, scale, food security and social entrepreneurship in South Africa and will take around 45 minutes. With your permission, I would also like to record the interview using a digital device.

You will not receive any direct benefits from participating in this study, and there are no disadvantages or penalties for not participating. You may withdraw at any time or not answer

any question if you do not want to. The interview will be completely confidential and anonymous as I will not be asking for your name or any identifying information, and the information you give to me will be held securely and not disclosed to anyone else. If you experience any distress or discomfort, we will stop the interview or resume another time. If you need some support or counselling services, these are available free of charge at XXXX (optional).

If you have any questions afterwards, feel free to contact me. This study will be written up as a research report. If you wish to receive a summary of this report, I will be happy to send it to you.

Yours sincerely,

Lee Larbi

Protocol number: H16/08/16

Researcher: Lee Larbi, lee.larbi@students.wits.ac.za

Supervisor: Dr Robert Venter, Robert.venter@wits.ac.za +27 11 717 8090

Annexure B: Consent form

Title**: Perceptions of Institutional Influence on Scalability of Social Enterprise: A Study of Social Entrepreneurial Practise in the South African Food Industry**

I …….. agree to participate in this research project. The research has been explained to me and I understand what my participation will involve.

I agree that my participation will remain anonymous YES NO (please tick)

☐ ☐

I agree that the researcher may use anonymous quotes

in his research report YES NO

☐ ☐

I agree that the interview may be audio recorded YES NO

☐ ☐

…… (signature)

…… (name of participant)

…… (date)

Annexure C: Interview guide

Place of interview _____ **Date of interview**_____ **Interviewee No.**_____

Personal Profile

Name:_____

Sex: _____

Introduction

- Thank you for the opportunity to interview
- Read and discuss consent form
- Establish timeframe for interview
- Go over biographic questions

BACKGROUND:

Kindly describe the nature of business.

Kindly define social entrepreneurship.

How old are you and how many years social entrepreneurial experience do you have?

What prompted the decision to become a social entrepreneur?

What is your educational background?

What is your employment (if any) background?

SECTION A – Institutional Influences

***Brief explanation of institutional influences in layman terms**

1. To what extent does the government provide social services in your community i.e. health, cultural, leisure and welfare? Can this be measured on a scale of 1 to 10?
2. Describe (if and) barriers to access to finance?
3. To what extent did access to finance play a role in the establishment of your social enterprise?
4. Are there any governmental factors that influence the establishment and/or scale of your business? Please elaborate.
5. In what ways do you think government can assist in you achieving your social mission?
6. Prior to become a social entrepreneur, were you involved in any form of social activities? If so kindly elaborate.
7. How important would you say being socially alert is when deciding whether to engage in social entrepreneurship? Can this be measured on a scale of 1 to 10?
8. To what extent did your knowledge, skills and background play a role in the establishment of your social enterprise?
9. Describe your appetite for risk taking and perception of your entrepreneurial skills?
10. Describe how government and the media portray social entrepreneurs?
11. To what extent to societal norms play a role in the establishment of your business?
12. Describe your involvement with social sector prior to starting this social enterprise?

13. Describe the various innovativeness tools or strategies to achieve your social mission?

SECTION B – Scale

14. Do you foresee any future growth of your business? And if so describe what would facilitate this growth
15. Describe any barriers to scale
16. Describe any strategies to increase scale of your business
17. Describe your business change capacity
18. Describe your customer value proposition
19. Which of the above identified influences would you say are of paramount importance to the scale of your business and why?
20. Which of the identified influences which you indicate are barriers to scale and why?

SECTION C – Challenges and Practises

21. Would you consider social enterprises as legitimate businesses? Please explain
22. How can the social enterprise-environment relationships be managed to enhance legitimacy?
23. Describe the South Africa social entrepreneurship landscape
24. Please highlight any policy and legislative challenges that social entrepreneurs in South Africa are facing. What is the impact of these challenges?
25. What internal business constrains are social ventures facing in South Africa?

26. What resource constraints (financial and non-financial) are social entrepreneurs facing? Which resources amongst these do you consider most critical?
27. Describe the pressures that you receive from other organisations; pressures derived from contract law, financial reporting requirements? What are the impacts of such pressures?

Annexure D: Clearance Certificate

Research Office

HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)
R14/49 Larbi

CLEARANCE CERTIFICATE	**PROTOCOL NUMBER: H16/08/16**
PROJECT TITLE	Perceptions of institutional influence on scalability of social enterprise: A study of social entrepreneurial practise in the South African food industry
INVESTIGATOR(S)	Mr L Larbi
SCHOOL/DEPARTMENT	Economics and Business Science/
DATE CONSIDERED	19 August 2016
DECISION OF THE COMMITTEE	Approved
EXPIRY DATE	18 September 2019

DATE 19 September 2016 **CHAIRPERSON** J-Knight
(Professor J Knight)

cc: Supervisor : Dr R Venter

DECLARATION OF INVESTIGATOR(S)

To be completed in duplicate and **ONE COPY** returned to the Secretary at Room 10004, 10th Floor, Senate House, University.

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee. **I agree to completion of a yearly progress report.**

Signature

20/09/2016
Date

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES