# SOCIAL ENTREPRENEURSHIP READINESS

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## Introduction

Traditionally, innovation, ideas and opportunities have been strongly related to entrepreneurship. However, Mair and Noboa (2003) suggest that these are no longer associated exclusively with entrepreneurship. Social entrepreneurship, although still in its infancy stage, is becoming a more recognized and accepted solution for solving some of the world's most challenging problems.

The US financial crisis occurred in 2007/2008 and the subsequent global downturn from 2008 to 2012 was considered to be one of the most crippling since the Great Depression of the 1930s. While the longest-standing economic crisis is behind us, it is crucial that policy makers, businesses and individuals identify and strengthen driving forces that will propel economic growth in the future. In light of this, governments are compelled to create enabling environments through various reforms that will foster and promote innovation and more specifically, entrepreneurship as well as social entrepreneurship. While conventional entrepreneurship has the power to transform society and create job opportunities for different segments of the population, harnessing social entrepreneurship could be considered to be a better driver of regeneration and employment, especially in an emerging economy like South balkan countries (Herrington, Kew & Kew, 2014; Bosma & Harding, 2007). policy makers, academics and governments across the world have recognized that entrepreneurs and the small businesses they establish are critical for the advancement and upliftment of their communities. Increasingly, there is an acceptance and appreciation of small businesses (Herrington et al., 2014).

Efforts are being made to create an understanding and appreciation of entrepreneurship, including guiding and developing future entrepreneurs. The working-age population are particularly important in society and if equipped with the requisite skills and knowledge, they can play a pivotal role in societal development. Individuals engaged in entrepreneurship create financial independence, self- confidence, reduce the burden of the state in providing for the unemployed and improve the overall standard of society, thereby ensuring a more politically stable environment (Fatoki & Chindoga, 2011).

Much of the growth in the business sector as well as rapid development in the social arena can be attributed to entrepreneurship (Austin, Stevenson & Wei-Skillern, 2006).

Entrepreneurship with a social purpose has steadily been increasing and the combination of social and economic goals is a major driving force in transforming and developing countries (Austin et al., 2006; Littlewood & Holt, 2015). Social entrepreneurship as a phenomenon is not novel; thus, over the last decade it has attracted much attention, economically, socially and culturally. More-

over, it has emerged as an academic enquiry (Pless, 2012) after years of being marginalized on the borders of the non-profit sector (urban, 2008). universities and business schools across the globe are offering degrees and courses on social entrepreneurship and programmes on social enterprise (Kulothungan, 2009).

Social entrepreneurship is difficult to define, especially as any definition can depend on the context within which the term is being used. Nevertheless, more knowledge is emerging that examines the way in which social entrepreneurship emanates from various perspectives (Kulothungan, 2009). There is little academic understanding of what social entrepreneurs do and despite focus on individual traits and characteristics in entrepreneurship, advancement in understanding social entrepreneurship is taking place mostly through case studies of successful social entrepreneurs, which are researched and documented (Mair & Noboa, 2003; Light, 2005).

Social entrepreneurship provides innovative solutions to solve some of the most severe social challenges faced by the world. It is a response to meet humanity's most basic needs, by applying traditional business models (Ayob, Yap, Rashid, Sapuan & Zabid, 2013). The central driver for social entrepreneurship is not to enhance profits but to create systemic change through real value add (Austin et al.,2006). It is against this background that there is a real and urgent need for higher education institutes to prepare students sufficiently to change the world around them by trying to eliminate poverty, unemployment and other such social ills that plague communities (Ayob et al., 2013).

According to Kerryn Krige of the Gordon Institute of Business Science (2015) 'social entrepreneurship offers a potential shift in society and a unique way of addressing challenges'. It creates a focus of sustainability and accountability and makes use of lessons learned in business, with the diversity and complexity of social values, which create opportunities for change.

Identifying and harnessing potential young social entrepreneurs becomes critical in view of the situation in which many countries, especially developing countries find themselves today, socially and financially (Steenkamp, Van der Merwe & Athayde, 2011). It is critical that levels of social entrepreneurship activity be increased through improving the quantity and quality of potential social entrepreneurs and this can only happen if the amount of entrepreneurial thinking is increased. Universities and education institutions in Greece should develop and promote social entrepreneurship to support the National Development Plan (NDP), the purpose of which is to reduce significantly the unemployment levels in the country by 2020 (Valodia, 2013). A study by Viviers, Venter and Solomon (2012) concluded that students enrolled in social sciences were more likely to pursue social enterprises. The GEM reports consistently link education and training to entrepreneurial activity but the lack of these inhibits entrepreneurship. It can be assumed that education is a critical factor if social entrepreneurship activity in Balkan countires is to increase.

In addition to creating change agents, students with Social Entrepreneurial Intent (SEI) are also appropriate applicants for jobs with organisations that wish to become more socially responsible (Ayob et al., 2013). How social

entrepreneurship is perceived in society influences the level of social entrepreneurial activity. An important point of departure to understand the enabling factors that motivate or impede social entrepreneurship (Ernst, 2011).

Little research exists in the area of the underlying motivations of social entrepreneurship; however, various papers propose and unpack antecedents to social entrepreneurial intention. For example, Mair and Noboa (2003) suggest that social entrepreneurship is distinct from commercial entrepreneurship. Also, intentions are an important indicator of entrepreneurial behaviour. Mair and Noboa (2003) further developed a model to show the way in which intentions to start social ventures are founded. These authors focus on individual-based differences but do not discount the significance of situational factors in predicting behavioural intentions. Their model draws on Ajzen's (1991) Theory of Planned Behaviour (TPB), suggesting that intentions are a prerequisite for targeted behaviour (Garba, Kabir & Nolado, 2014).

Ayob et al. (2013) proposed a conceptual framework adapted from previous models by Shapero (1982) and Krueger & Brazeal (1994). The authors included empathy and social exposure as antecedents to perceived feasibility and perceived desirability that influence social entrepreneurial intention.

# 02 CHAPTER

# entrepreneurship and social entrepreneurship

The notion of social entrepreneurship (SE) is still in its early stages and much of its literature has been drawn from the traditional field of entrepreneurship. While there is a large amount of literature on Entrepreneurial readiness and intentions (EI), social EI is relatively under-researched. An understanding of the antecedents to social entrepreneurial intent (SEI) is important because intentions are planned and purposive behaviour and the extent of purpose is even more prominent in SE. A review of general entrepreneurship as well as literature pertinent to intentions and intention-based models will be outlined in this chapter. The chapter then examines SE literature with an emphasis on the antecedents of SEI.

## 2.2. Entrepreneurship - background and definitions

### 2.2.1 Entrepreneurship

In principal, there are three main elements that characterise entrepreneurship and SE alike; opportunities, enterprising individuals and resourcefulness.

Entrepreneurship as a phenomenon was first conceptualised many hundreds of years ago. However, more recent theories have focused on economic value, the nature of the entrepreneur and the entrepreneurship process (Austin et al., 2006).

Kao (1993, p.1) defines entrepreneurship as "the process of adding something new [creativity] and something different [innovation] for the purpose of creating wealth for the individual and adding value to society." Kao's (1993) definition is useful in explaining why social entrepreneurs, with a commitment to making a difference in society, can be found in various sectors, from non-profit, social enterprises operating as businesses to the profit space (Thompson, 2002). It was, Venkataraman (1997) who concluded that that entrepreneurship is a combination of rewarding opportunities and enterprising individuals.

The French economist, Jean-Baptiste Say, described an entrepreneur as someone with the ability to yield a greater value by moving economic resources from a low productivity area to a higher one (Martin & Osberg, 2007). Almost a century later, Joseph Schumpeter, the Austrian economist, further developed the idea of value creation which is arguably the single most significant aspect of entrepreneurship (Martin & Osberg, 2007). He identified a cer-

tain characteristic within an entrepreneur required to drive economic progress, without which economies would stagnate and eventually decay. Schumpeter considered the entrepreneur to be a change agent with the ability to identify commercial opportunities and organise ventures through which products or services can be sold. He argues that entrepreneurs innovate to the point of "creative destruction," ultimately rendering existing products or services obsolete (Martin & Osberg, 2007).

Entrepreneurship and SE are multidimensional processes sharing common features which include a combination of personal traits and characteristics required to identify and pursue opportunities, a context, resourcefulness and ultimately the outcome of value creation (Martin & Osberg, 2007).

### 2.2.2 Understanding social entrepreneurship

Social entrepreneurship is still emerging as a field of research, and is therefore fairly new to academia (Austin et al., 2006). Social entrepreneurship is gaining popularity as a topic of research and has only recently started attracting money, talent, interest and attention from researchers in developing and developed countries (Lepoutre, Justo & Terjesen, 2011) and within various sectors, including social, healthcare and education. Consequently, an array of activities are being described as SE. However, who the social entrepreneur is, and what he or she does, is less apparent (Dees, 2005; Martin & Osberg, 2007).

Despite the growing popularity of this field of research, with a focus on case studies and successful social entrepreneurs, progress on establishing the field as an institutional legitimacy (Lepoutre et al., 2011) has been hampered. There is uncertainty concerning the concept of SE; for example, what exactly is it, what are social entrepreneurs and what do they do? (Martin & Osberg, 2007). With the study of SE being in its infancy, the field faces definitional challenges (Roberts & Woods, 2005). People understand SE in different ways and the words used to define the concept depend on the researchers' disciplines and backgrounds. The interpretation of SE may vary across the globe, in terms of who social entrepreneurs are, their goals and their understanding of SE. The exercise of defining the construct is important because it establishes and clarifies boundaries and distinctions and creates meaning (Roberts & Woods, 2005).

Any understanding of SE requires an in-depth look at the multidimensional construct of its origin: entrepreneurship.

### 2.2.3 Defining social entrepreneurship

Mair and Noboa (2003) define SE as the "innovative use of resource combinations to pursue opportunities aiming at the creation of organizations and / or practices that yield sustainable social benefits."

Dees (1998) describe the concept of SE as a blend of innovation and passion to pursue a social mission within the business sphere. Innovation and opportunity have traditionally been associated with the concept of commercial entrepreneurship and the generation of economic value but gradually scholars are recognising that these are not solely the domain of traditional entrepreneurs

(Mair & Noboa, 2003).

The literature indicates that no clear conceptual definition of SE exists. Indeed, a definition of SE today is anything but clear (Martin & Osberg, 2007).

Social entrepreneurship and social entrepreneurs have existed throughout the ages. In his book, Bornstein (2004, p.3) suggests that St Francis of Assisi, who founded and established the Franciscan Order, would qualify as a social entrepreneur. Social entrepreneurs are responsible for the establishment of many institutions which, Dees (1998) argues, we take for granted today. Thompson (2002) describes SE as being the foundation of Victorian private hospitals. The difference today is that SE is a vocation and mainstream discipline of inquiry and research, which is not limited to the sophisticated western world and which is increasingly seen in the developing countries. Bornstein acknowledges that the rise of SE is a global phenomenon and the result of the "emergence of hundreds of recent citizen organisations" (Bornstein, 2004. p. 4).

The growth of new citizen organisations stems from the failure of non-governmental organisations and existing institutions in the public sector to deliver services and satisfy the basic needs of poor people, especially in developing countries (Seelos & Mair, 2004). These citizen organisations are growing in popularity because they are seemingly more appealing to socially-aware individuals who are sceptical of the public sector's ability to address pressing social problems (Dacin, Dacin &Tracey, 2011).

However, Cook, Dodds and Mitchell (2003) argue that the social entrepreneurship movement (SEM) is grounded on false propositions and that it cannot practically or realistically solve the social challenges of the world; this is because of a lack of understanding of the magnitude of the problems. These authors contend that one of the false premises of the SEM is its failure to recognise unemployment on a grand scale in macroeconomic terms and recognise that the number of new jobs that need to be created, far exceeds the capabilities of small local structures.

Fowler (2000) unpacks social entrepreneurship into three layers: a) profit seeking activities that produce social benefits; b) re-analysis of the non-profit organisation by way of diversification; and c) non-profit organisations looking to generate revenue in order to fulfil their social mission more effectively. At its most basic, SE is using resources efficiently and sustainably while combining these to create models that deliver social value (Seelos & Mair, 2004).

According to the literature, the emphasis in definitions of SE is on four key elements: the personal traits of the social entrepreneur; the context in which social entrepreneurs operate; the processes and resources they use and lastly, the mission of the social entrepreneur (Dacin et al., 2011).

Dacin et al. (2011) argue that any attempt to define SE by using characteristics and processes is open to debate and can never really be resolved. These authors argue that it is unlikely that definitive and recognisable features can be identified, and then shown to apply to all types of social entrepreneurs in all contexts. They believe however, that a mission-focused definition of practical

approaches to solving problems with social value creation has some merit in the field of sE.

The term 'social entrepreneurship' embraces a broad range of activities involving innovative individuals with a relentless passion to make a difference and pursue their vision (Bornstein, 2004). These individuals create business ventures with a social purpose seeking to generate profit and they cause philanthropic organisations to reinvent themselves with practical business principals. The large number of definitions used to describe sE reflect the fact that the field is emerging. The differences in wording and emphasis of the various definitions all reflect the multi- disciplinary nature of the concept (Mair, Robinson & Hockerts, 2006).

### 2.2.4 The difference between entrepreneurship and social entrepreneurship

Austin et al. (2006) separate commercial from social entrepreneurship. The increase in the number of non-profit organisations and the number of entrepreneurships with social missions or purposes explains to some extent the rise in the prevalence of SE over the last decade. This recent exponential growth (Pless, 2012) suggests that a comparison between commercial and social entrepreneurship is appropriate. Austin et al. apply four constructs to distinguish between the two.

1. **Market failure.** The theory of the emergence of organisations that create social value is based on the assumption of a market failure; for example where existing institutions have not been successful in meeting a social need, partly because most people requiring the services cannot afford them. Market failures will create different opportunities for different entrepreneurs (Austin et al., 2006).

2. **Mission.** In SE, the mission is to create social value that will benefit the public good. In contrast, the mission of traditional entrepreneurship is to seek profit and personal gain. Commercial entrepreneurs may create social change and benefit society through employment creation and providing new goods and innovative ways of delivering services. Thus, the mission is the ultimate differentiator between commercial entrepreneurship and SE (Austin et al., 2006). Mair and Noboa (2003) argue that social entrepreneurs are inspired in different ways and that the outcomes of their ventures seek to yield social and economic benefits.

3. **Resource mobilisation.** Social entrepreneurs do not necessarily have the same access to capital markets as commercial entrepreneurs. Social entrepreneurs are restricted to distributing surpluses generated by the non-profit organisation. From a financial point of view, compensating employees for their work in a non-profit organisation is more challenging than in commercial ones. Austin et al. (2006) propose that the two types of entrepreneurship can be distinguished in terms of their ways of managing individuals and economic resources.

4. **Performance measurement.** Measuring the performance of a social enterprise is a complicated task. Commercial entrepreneurs rely on measurable indicators such as financial results, market share and satis-

fied consumers. The nature of social entrepreneurship is multidimensional, non-quantifiable and includes a combination of complex and varied relationships that need to be managed by social entrepreneurs. The authors propose that being able to measure social impact will remain a fundamental differentiator between the two types of entrepreneurship (Austin et al., 2006).

Social entrepreneurship is characterized by these four elements but one of these, the social mission can be regarded as the most important; this is carried out through various legal forms. It has to reflect economic realities but at the same time, economic activity ought to generate social value (Austin et al., 2006).

### 2.2.5 The difference between social entrepreneurs and entrepreneurs

LaBarre, Fishman, Hammonds and Warner (2001) pointed out that social entrepreneurs are "ordinary people doing extraordinary things," yet little is known about them (Prabhu, 1999). In his book, Bornstein (2004) labels social entrepreneurs as transformative forces: people who are unyielding in their vision. He describes them as restless people who have great ideas with a profound effect on society.

To some, social entrepreneurs are business owners who integrate a social mission into their business strategy; to others they are the founders of non-profit organisations or they are the driving forces behind non-profit organisations establishing profit ventures (Dees, 1998). Although social entrepreneurs and entrepreneurs have qualities in common, certain characteristics distinguish social entrepreneurs from entrepreneurs. The basic reason for being a social entrepreneur is to deliver social value and make a difference. Venkataraman (1997) suggests that all entrepreneurship delivers social value but for entrepreneurs this is a secondary outcome or by-product. Entrepreneurs create jobs, contribute to the economy through paying taxes and creating new markets, products and services. They are driven by economic value creation. In contrast, social entrepreneurs identify opportunities to make a difference and a positive social impact on society at large, often under adverse conditions (Dees, 2005). Leadbeater (1997) describes social entrepreneurs as follows:

### People who can:

- *identify opportunities which they specifically understand;*
- *be creative [and] practical in their approach to solving the problem;*
- *build social capital and strong networks;*
- *find and acquire necessary resources;*
- *establish systems to manage the operation; and*
- *overcome challenges and manage inherent risk.*

Social entrepreneurs listen to and respond to the needs of a community and many of their ventures and ideas are effective when their initiatives link directly to people's needs. Thompson (2002) argues that this is not an indica-

tion that public services ignore or do not respond to the needs of a community at any level; rather it shows that social entrepreneurs are often closer to the problems and are in a better position to listen and respond accordingly. Social entrepreneurs often serve large markets with limited resources and as such have to be especially innovative (Bornstein, 2004).

### 2.2.6 Heroic characterisations

Dacin et al. (2011) contend that throughout the literature on social entrepreneurship, much attention is paid to individual social entrepreneurs, often characterising them as heroes. These authors suggest that this perception is problematic and underlines three biases evident in the literature: learning from failure, a focus on the individual and the mission of the individuals.

Light (2006) maintains that the emphasis on the success stories of individuals inhibits lessons from being learnt on entrepreneurial failure. it further overlooks the entrepreneurial activities of non-governmental organizations, collectives or teams of stakeholders.

Dacin et al. (2011) explain that there is an idealistic assumption that heroic social entrepreneurs are the solution to some of the greatest problems in the world today. Bornstein (2004) concludes that everyone has the ability "to change the world." A further assumption made by Roberts and Woods (2005) is that social entrepreneurs are more often than not altruistic in their pursuits (Dacin et al., 2011). Social entrepreneurs often place social values over economic ones, but at the same time try to pursue both social change and maximise economic value. By doing so they may intentionally or unintentionally destroy social goods. Muhammed Yunus publicly criticised organisations operating in the microfinance area who market and pursue economic value creation over social value creation (Dacin et al., 2011).

03 CHAPTER

## social entrepreneurship in Greece

### 3.1. Country overview

The terminology used to define the social enterprise sector varies in Greece. Consultations with in-country representatives suggest that the term 'social economy' may have more resonance than 'social enterprise'; particularly as the term social enterprise does not appear in any legislative or administrative documents.4 A preference for the use of the term 'social economy' may be due, in part, to the negative connotations associated with profit-making enterprises. Representatives from Greece note that traditionally the charitable sector is not associated with profit-making endeavours and so connecting a social purpose organisation with a profitable business plan has yet to be fully accepted in Greece.

The discussion on ways to recover from the economic crisis has also generated some interest in the role of social enterprise – see Table 3.1. The role of social enterprises in tackling the vast social and economic challenges facing Greece start to become a publicly discussed and debated topic, among NGOs and social entrepreneurs, public administrations and occasionally, the media. Having said this, the exchange of ideas, practices and reflections on social economy in general, and social enterprises in particular, is limited by the relative lack of active actors in these communities. There are only a small number of academics working on social enterprise and related concepts; as well as a few recently established social enterprise consultancies that are active in providing support services to social enterprises. The capacity on the side of the Government to design and manage support programmes for social enterprise is also limited.

Moreover, the wider public still tends to think of social enterprises as belonging to the non-profit or voluntary sector, or being focused on work integration for disadvantaged people. The numerous grass-roots civil society structures and citizens' informal initiatives (with numerous examples in the areas of social kitchens, health, education, media, democracy etc. (Garefi, Kalemaki, 2013) that have emerged as a result of the crisis, have come into attention in the debate rather more often than the traditional cooperatives and the social enterprises established on the basis of Law 4019/2011.

**Table 3.1**

Socio-economic developments in Greece The Greek economy was badly hit by the global economic crisis. Aside from a sharp fall in output, Greece was also faced with a sovereign debt crisis. The fiscal consolidation programme that followed, created further economic and social misery. Unemployment has risen sharply in recent years (Greece has the highest unemployment rate: 27,8 % in September 2013 among the EU countries), especially among the youth (youth unemployment rate was 59 per cent during the second quarter of 2013) and the at risk of poverty rate has climbed to 23.1 per cent in 2012. Generally, immigrants, the unemployed and lone parents feature among the core groups with a higher than average poverty risk. In parallel, demographic and family changes are taking place in Greece. The birth rate and fertility rate has dropped (1.34 children per woman in 2012); while life expectancy has increased, boosting the share of the elderly population. The drop in marriage rates and an increase in divorce rates is indicative of a significant shift in lifestyle patterns. As a result of the fiscal squeeze, health and personal social services (such as child care and social care for the elderly), as well as education, have suffered sharp funding cuts, which have affected both the quantity and quality of services provided. While the demographic and lifestyle patterns outlined above, have created new needs. Against this backdrop, it is expected that social cooperatives could play an important role in proving social care, and filling gaps in public provision. In this context, social enterprises are seen as a vehicle for: (a) job creation and (b) offering support to people belonging to vulnerable social groups (people with disabilities, unskilled persons, etc.). New forms of social enterprise are thus emerging from citizens' initiatives to help themselves and other vulnerable social groups or the "new" poor, resulting from the crisis. The broader picture of the social economy in Greece, however, is of a fragmented reality, with many different Ministries regulating different types of cooperatives. The above mentioned law, is one initiative linked to the Ministry of Employment.

Relative to the rest of Europe, which have been conducting dialogue on social innovation for up to 30 years, the social enterprise sector in Greece is emerging. Evidence suggests that organised forms have only been present here for the last decade, and development of the sector has particularly occurred over the past five years. This is thought to be in response to the severe budget cuts affecting many of Greece's core services following the economic

crisis. These funding cuts have led to a sharp increase in interest around social innovation and its potential to fill gaps in community service provision brought about by the cuts, such as addressing unemployment and promoting inclusion of vulnerable social groups.

In September 2011, a law for Social Economy and Social Entrepreneurship was passed by the Greek parliament. This was the first formal acknowledgment of social enterprise in the Greek economy, with three forms of social enterprise receiving legal status in Greece: women's agro-tourist cooperatives; cooperatives of limited liability for people with mental health problems; and social cooperative enterprises, the last of which was set up under the 2011 law.3 Following the introduction of the 2011 law, the Greek government has started to make efforts to promote the development of the social enterprise sector and public policy has focused on trying to create an eco-system for social enterprises to operate and thrive in.

To date, only a small number of actions have occurred; although the law was intended to provide SEs with opportunities for formal registration, support and access to finance, it has since been scrutinised amid reports that it creates more issues than it solves. For example, the strict categorisation of what constitutes a social enterprise and the many formalities and obligations that the law imposes, including the requirement to have a minimum of 5 members, has created barriers to SEs registering and receiving support. In addition, the strict approach originally considered necessary because of the funding opportunities to be given to social entrepreneurs, has since been deemed redundant. This is because the Social Economy Fund, the main source of finance promised in the law, has never been established.

## 3.2. Support for social enterprise

The amount of support available for social enterprises in Greece is limited but increasing gradually. Thus far, two public support schemes have been implemented: the Local Plans for Employment (TOPSA) and Local Actions Integration for Vulnerable Social Groups (TOPEKO). These initiatives were developed to promote job creation for disadvantaged and unemployed individuals through the provision of training and funding to aid them in setting up their own social cooperative enterprises.5 However, the cost-effectiveness of these initiatives and the extent of their impact have been widely debated.

Two international social enterprise support organisations have established themselves in Greece. IMPACT HUB Athens, set up by the international IMPACT HUB community, provides social entrepreneurs with a space to meet, work and hold events; promoting social enterprise and encouraging the development of networks and knowledge exchange. Similarly, Ashoka Greece has been working to foster a culture of networking, accelerated social innovation, and impact on local communities. For example, in association with the Robert Bosch Siftung and The Hellenic Initiative, Ashoka runs the New Solutions for Employment Initiative; showcasing how social enterprises in Greece are addressing critical issues and making an impact.

Despite these support organisations promoting the sector and enhancing awareness, it is virtually impossible for social enterprises in Greece to secure funding. The Government's Social Economy Fund has not been implemented and the social investment market has yet to take root in Greece. Mainstream businesses struggle to access finance following the economic crisis and as social enterprises are considered niche, novel and unreliable, they are privy to even fewer funding opportunities.

### 3.3. National policy framework

In recent years, the Greek government has started to make efforts to promote the development of social enterprise in Greece. This positive development has to a large extent been prompted by top down trends, thanks to encouragement from the European Commission but also from bottom up civil society initiatives that have emerged to address the exponentially increasing social needs as a result of the crisis.

Within the fragmented reality of the social economy in Greece, recent legislation adopted to support the development of the social economy has created a new legal form for social enterprises covering a broad range of purposes and activities, and added a new player and regulator, the Ministry of Employment (see section 2.1.2)., Following the adoption of the law on social economy and social entrepreneurship in 2011, public policy has tried to focus on creating an eco-system for social enterprises to operate and thrive in, but only a small number of actions have materialized so far (section 2.2 provides further information on this). Furthermore, the law has been criticized that it 'introduces a definition of Social Economy which is full of deficiencies and does not at all cover the expanse of Social Economy as is approached by dominant academic and political discourse in Europe and Canada. Additionally, it does not introduce any definition of Social Enterprise' (Nasioulas, Mavroeidis, 2013).

According to Law 4019/2011 the Ministry of Labour, Social Security and Welfare is "responsible for designing, coordinating, monitoring and evaluating all necessary policies and initiatives to develop and strengthen the social economy." It therefore launched two initiatives to develop a policy framework and action plan for the development of social enterprises.

■■ The European Commission and the Greek Ministry for Labour, Social Security and Welfare appointed a group of European and Greek experts to assist in the design and implementation of a comprehensive strategy and action plan to develop an ecosystem for nurturing the social economy and social entrepreneurship. In January 2013, the expert group recommended a package of twelve priority pilot actions, addressing social enterprises of any legal form, and flagged principles of support such as a bottom up approach, involvement and commitment of the social enterprise community and key stakeholders through working in partnership, focus on capacity building, starting with pilot actions to gain experience, commitment to systematic learning and improvement of practice, and organised learning from peers in other European countries. It recommended four areas of priory action:

- An enabling ecosystem for the Social Economy
- Direct financial support for starting and developing a social enterprise
- Access to finance to consolidate and scale social enterprises
- Good governance and public sector capacity building

■■ Following that, the responsible service of the Ministry (EYKEKO) proposed a Strategic Plan for the Development of Social Entrepreneurship published in March 2013. The plan presents a number of priority axes (Geormas, Graikioti, 2013) to support the development of social enterprises, but only in the legal form of a Koin.S.Ep., as outlined below:

- The creation of a supporting system for the development of social enterprises;
- The provision of the necessary start-up capital for social enterprises;
- The provision of financial aid in the short and long run of the social enterprises' operation;
- The abolition of any administrative and legal obstacles as well as the creation of a favourable environment for the development of social enterprises, by creating an integrated legal framework for public procurements for social enterprises;
- The promotion of mutual learning and capacity building of social entrepreneurs, national and regional administrations;
- The implementation of a campaign informing the society on Social Entrepreneurship as well as the creation of information platforms with the aim to motivate the community on the issue of Social Entrepreneurship with the ultimate purpose to generate local pacts between social enterprises and the private and public market;
- The implementation of transnational actions using in the best way the European and International expertise on the development of Social Entrepreneurship; and
- The creation of an observatory aiming at comprehensively mapping Social enterprises in Greece in order to identify good practices and collect reliable data on social entrepreneurship.

By mid-2014, none of the two plans had been implemented. However, the Ministry, in the second semester of 2013, made a service contract with the Network of Project Managers in Greece (EEDE) to establish a central technical support structure for the social enterprise eco-system (so-called central mechanism). Its tasks include development of training tools and programmes for entrepreneurs, mentoring guides for starting up and developing Koin.S.Ep., support in awareness raising campaigns and in the dissemination of relevant information and developing transnational cooperation.

### 3.4. Legal frameworks

In 1999, the Greek Government established a legal framework (Law 2716/99, article 12) that supported the creation of social cooperatives with limited liability for people with mental health problems (Kinonikos Sineterismos Periorismenis Efthinis" or Koi.S.P.E.). Koi.S.P.E. is an organisational form that encompasses the status of both an independent trading enterprise and an official

mental health unit. The law of 1999 regulates the ownership and employees of Koi.S.P.E.s as follows: at least 35 per cent of the employees must come from the target group of people with mental health problems; up to 45 per cent of employees can be mental health professionals, while up to another 20 per cent can be other individuals and sponsoring organizations. Koi.S.P.E.s can receive public property and are exempt from corporate taxes (except VAT). The law also states that those who work for a Koi.S.P.E. may earn a wage without losing their social benefits.

The first Koi.S.P.E. was established in November 2002 on the island of Leros involving mentally health patients from the Leros psychiatric hospital as well as individuals from the local community. The structure received unanimous acceptance and participation of the local community and authorities. Almost immediately after its establishment, it started its productive activities and was soon recognized as a good practice example of social and economic reintegration of persons with mental health disorders.

The next significant step in the evolution of social enterprises in Greece was the recent enactment of Law 4019/2011 on "Social Economy and Social Entrepreneurship". This law offers the possibility to groups of individuals to set up a social enterprise, as one of three types of social enterprises, described below:

■ Social Cooperative Enterprises for Inclusion (Koin.S.Ep. Entaxis): These enterprises focus on the social and economic inclusion of groups at risk (e.g. disabled persons, drug addicts or former drug addicts, young offenders etc.). Furthermore, at least 40% of the employees in these enterprises must come from social groups at risk.

■ Social Cooperative Enterprises for Social Care (Koin.S.Ep. Kinonikis Frontidas): These enterprises focus on the supply of social services for specific population groups such as elders, infants, kids and people with chronic diseases.

■ Social Cooperative Enterprises for Collective/Productive purposes (Koin.S.Ep. Silogikou & Paragogikou Skopou): These enterprises are active in the field of promoting local and collective interests, supporting employment, fostering social cohesion and local or regional development. They focus on the production of goods and the supply of services in the sectors of culture, environment, education, exploitation of local products, support of traditional occupations etc.

The law-making process lasted more than five years. The quality and impact of the social cooperative enterprises created has been subject of scientific and political debate.

A specific role in the implementation of Law 4019/2011 has been assigned to the Registry for Koin.S.Ep.s', which was established in 2012 under the responsibility of the Ministry of Labour. By mid-2014, around 530 Koin.S.Ep. were registered under Law 4019/2011, but only a smaller part of these are already operational and generating income.

Although this law only recognizes the two legal forms as potential beneficiaries of specific social enterprise support measures, it imposes a considerable number of formalities and obligations on social enterprises. Initially, the rationale of this administrative control mechanism was that social enterprises registered in the Social Entrepreneurship Registry would automatically be awarded direct access to special funding instruments and fiscal benefits. In this light, the level of control was considered necessary to avoid cases of abuse of this favourable legal treatment. However, the excessive bureaucracy has led to confusion and discouraged entrepreneurs from taking advantage of the legislation.

Furthermore, some provisions of the Law are still not fully implemented, such as the establishment of a Social Economy Fund, the publication of the Koin.S.Ep.s' implementation reports on the internet, or of an inter-ministerial committee for social reference contracts. The fiscal advantages available to social enterprises were also abolished as part of the across the board cuts of privileges under Greece's fiscal adjustment program.

## 3.5. Public support schemes targeting social enterprises

As outlined in the previous section, none of the publicly funded support schemes designed specifically for social enterprises, as recommended by the Expert Steering Committee or as foreseen in the Strategic Plan for the Development of Social Entrepreneurship, have been implemented so far.
The only public support schemes implemented so far that support the creation of social enterprises by previously unemployed persons are the TOPSA and TOPEKO initiatives, with a total budget of c. EUR 120 million. The two programmes aim to promote the employment through social cooperative enterprises (Koin.S.Ep s) and include training and funding for setting up social cooperative enterprises by the unemployed or those who come from disadvantaged groups.

However, the impact and cost-effectiveness of these two schemes are discussed controversially, According to the Partnership Agreement (NSRF) 2014-2020 with Greece8, which sets the strategy for the optimal use of European Structural and Investment Funds, social economy and social entrepreneurship support will be the responsibility of the Greek regions, and may be integrated in their regional strategic plans for promoting social inclusion and combating poverty and discrimination.

It is evident that the role of the ESF in supporting and promoting social enterprise in Greece will be crucial in the next programming period, since many of the support actions foreseen can only be implemented with EU co-funding. Aside from the support structures and services, EU funding has also offered opportunities to budding social enterprises to participate in transnational projects helping them develop their activities and networks with other social enterprises, both in Greece and abroad.

Moreover, only social cooperative enterprises (Koin.S.Ep.) are entitled to receive subsidies under active labour market support schemes, promoted by

the Greek Public Employment Service (OAED), as well as under the TOPSA and TOPEKO schemes mentioned above.

However, a serious obstacle for starting, developing and expanding a social enterprise is that Koi.S.P.E. and Koin.S.Ep. are not eligible for most of the mainstream start-up and SME support schemes under the Ministry of Development.

Thinking for supporting the start-up, further development and scaling up of social enterprises. it becomes apparent, that only a small number of the intended actions to nurture social enterprises have been realized so far, such as the development of a communication strategy and regional awareness raising activities. The vast majority of actions could be implemented under the regional programmes and may include incubators for pre-start up support of social enterprises, continuous training for social entrepreneurs, business development services, etc. The major remaining gaps are the lack of dedicated financial instruments for social enterprises, the absence of organisations representing the social enterprise community and its stakeholders, underdeveloped networking and partnership arrangements, a lack of platforms for learning for social enterprises to learn from one another and from abroad, lack of public initiatives for social entrepreneurship education, and the absence of suitable governance (coordination between Ministries. partnerships with stakeholders, monitoring and evaluation).

## 3.6. Social investment markets

### 3.6.1 The supply of finance

A social investment market is non-existent in Greece. There are no specialist financial intermediaries or instruments that cater to the specific needs of social enterprises. Supply of finance to enterprises has dried up during the economic crisis, meaning that access of mainstream SMEs to finance is extremely difficult nowadays, let alone for social enterprises.

■■ One potential source of finance could have been the cooperative banks operating in Greece. However, the sovereign debt crisis and the long lasting recession of the Greek economy have severely hit the entire Greek banking system which has drastically curtailed lending in the wider economy. The re-engineering of the Greek banking system has also initiated a reorganisation process within the Cooperative Banking sector. During this process, inevitably access to finance is limited, regardless of cooperative banks' willingness to extend credit to social economy actors. Therefore, the only financing possibilities currently available to social enterprises in Greece are project-based funding or securing financing from international sources, which social enterprises often do not have the capacity to pursue.

■■ A recent pilot initiative of cooperative banks and the European Federation of Ethical and Alternative Banks (FEBEA), supported by the European Commission, aims at establishing a public-private partnership to set up a new funding instrument for social enterprises.

### 3.6.2 The demand for finance

Social enterprises in Greece do have a demand for finance and would benefit from access both to mainstream financing from commercial banks, and even more from access to special instruments designed specifically for their needs.

In particular, the Koin.S.Ep.s interviewed specified that cash flow is less of a problem for the social enterprises interviewed. Their primary financial needs are for seed capital and for investment capital.

However, the experience of the social enterprises interviewed in the context of this study is that it is nearly impossible for social enterprises to secure seed financing and financing for investment capital in Greece. The Koin.S.Ep.s interviewed have approached both commercial and cooperative banks in Greece but found no interest for Greek banks to provide financing to them, neither to act as intermediaries between the Koin.S.Ep.s and financial institutions abroad.

Some Koin.S.Ep.s are currently exploring 'alternative' sources of finance such as crowd funding.

### 3.6.3 Market gaps/ deficiencies

On the basis of existing information from interviews, social enterprises have had great difficulty accessing finance from commercial banks and from cooperative banks. They finance themselves mainly from public grants or contracts, donations, or from their income generating activities. All the Greek interviewees, considered the lack of instruments specifically designed for social enterprises and the lack of opportunities to access sources of financing to be a key obstacle in their development.

## 3.7. Mapping of social enterprise in Greece

### 3.7.1 The spectrum of social enterprises in Greece

There are three institutionalised forms of social enterprise in Greece:

■■ Women's agro-tourist cooperatives, most of them already established since the 1980s, under Law 1541/1985;

■■ Cooperatives of Limited Liability" (Koi.S.P.E.) for people with mental health problems, established on the basis of Law 2716/1999; and

■■ Social Cooperative Enterprises, set up under Law 4019/2011 (Koin.S.Ep.).

Each of these legal forms is discussed below.

### 3.7.2. Women's (Agro-Tourist) Cooperatives

Historically, cooperatives in Greece are the most common form of social enterprise and are strongly connected to the development of local production activity, domestic economy and providing employment to women in rural areas where employment opportunities are limited or inexistent. Women's Agro-Tourist Cooperatives were supported in the early 1980s by the General Secretariat for Gender Equality of the Ministry of Development in order for the role of women in rural areas to be redefined. Other key driving forces were the Greek Ministry of Agriculture, the Agricultural Bank of Greece, and the Pan-Hellenic Confederation of Agricultural Cooperatives' Unions. The technical and financial assistance that these Institutions provided helped these cooperatives grow. The development of agro-tourism in Greece, was also driven by the European Commission which promoted and subsidised agro-tourism activities. In the 1990s, programs of the General Secretariat of Equality for the creation of support structures for the women's cooperatives became part of Community Initiatives such as NOW and LEADER I (1991), and provided not only for financial support but for technical assistance as well (including vocational training, assistance in the marketing of products etc).

Women's agro-tourist cooperatives constituted a pioneering initiative at the time, proposing a new way to meet social needs, upgrade the social status of women living in rural areas and offer new employment opportunities, generating income not only for the members themselves, but also for the local community, supporting local development. Agro-tourism was viewed as a way to secure complementary income for rural families, to improve their standard of living and, in the long run, as a way to counter rural-urban migration (Iakovidou, 1992). The main activities of the cooperatives were the production of home handicraft products, like, jams, conserves and traditional delights, processing of farm products, catering, as well as handicrafts like jewelry or even carpets.

Legal framework for agro-tourist cooperatives Agricultural Cooperatives are governed by Law 2169/1993 and its amendments: Law 2184/1994, Law 2538/1997 and Law 2810/2000. The primary purpose of Agricultural Cooperatives is the support of agricultural income, development of agricultural production and support of life in the countryside. Most of them were established as agricultural cooperatives with special ends according to the Law on Agricultural Cooperatives (L.1257/82 and especially L.1541/85), while others operate according to the legal regime governing the Urban Cooperatives (L.1667/86, as modified by Art. 27 of L.2166/93). In March 2000, the new Law on Cooperatives (L.2810/2000), which provides for the establishment and operation of the Agricultural Cooperatives, was laid down. The most recent law that regulates and governs agricultural cooperatives (L. 4015/2011) is not yet fully implemented, and sets a high barrier to starting and ruuning existing agro-tourist cooperatives. Law 921/1979 and Law 1541/1985 provided for the creation of the agricultural women's cooperatives as autonomous associations of persons, voluntarily formed aimed at the economic, social and cultural development and the promotion of their members with mutual help for all of them, through a business co-ownership and on the basis of democratic rules. The basic legislative provisions describing their features can be summed up as follows:

1. Voting through representatives, the majority system, and multiple voting was abolished
2. The 'one-person-one vote' principle was established
3. Agricultural cooperatives were allocated financial resources and public administration authorities In Article 19 of Law 1541/1985 it is described that: The balance of the business year results after the deduction of the expenses, damages, depreciation of fixed assets and interests of the compulsory and optional shares from the gross income of the cooperative.

The balance includes both surplus and profits. Any balance beyond the surplus resulting from the transactions with third parties shall be the net profits Profits are not distributed to the members but are transferred to the reserve, in order to expand the cooperative's activities and to continue on supplying services to the community. Before the deduction of the amounts provided for the optional shares, a percentage of 10 per cent shall be withheld from the surplus to form a statutory reserve fund (optionally). Any balance remaining shall be allocated for the development of the cooperative; refund to the members depending on their transactions with the cooperative; support of other activities approved by the members etc.

### 3.7.3. KLimited Liability Social Cooperatives (Koi.S.P.E.s)

Koi.S.P.E.s were created under Law 2716/99 on the 'Development and Modernisation of Mental Health Services' of the Ministry of Health. Koi.S.P.E. is an innovative cooperative action which promotes the partnership and equal participation of a) individuals with psycho-social problems, b) employees in psychiatric structures, and c) community institutions, people from marginalised groups, other disabilities, unemployed, etc. The function of the Koi.S.P.E. is based on cooperation and solidarity between these three components.

Koi.S.P.E. are a special form of cooperatives, since they are both productive and/or commercial units and at the same time Mental Health Units. The Mental Health Department of the Ministry of Health is responsible for overseeing all the Koi.S.P.E.s. Koi.S.P.E.s are entitled to various tax breaks and incentives:

■■■ Financial incentives e.g. members of the Koi.S.P.E.s that are mental health patients and thus receive sickness benefits can maintain their benefit eligibility while being members and employees of a Koi.S.P.E., hence they can receive their benefit in addition to their salary from Koi.S.P.E.;

■■■ Tax incentives e.g. exemption of from income, municipal and corporate taxes (except VAT).

■■■ Business incentives such as employment subsidies to employ mental health professionals without burdening the Koi.S.P.E., tripartite program contracts, favorable status regarding the procurement of projects and services by legal entities of public law and local authorities (No. 12 Presidential Decree PD 60/2007).

The basic aim of a Koi.S.P.E. should be social inclusion and employment and financial rehabilitation of people with mental illnesses.

According to Law 2716/99, a Koi.S.P.E.:

■■ ■ Is a private entity with limited liability of its members, it has a commercial nature and is a Mental Health Unit.

■■ ■ Has a social purpose. It is aimed at the socio - economic inclusion and occupational integration of persons with serious mental problems and contributes to their treatment and if possible to their economic independence

■■ ■ Ensures the democratic participation of members in the decision making process, administration - management as well as the distribution of profits

■■ ■ Contains the element of solidarity among members and between the mentally ill (both members and employees).

Unlike other types of cooperatives where membership is composed of only one type of stakeholder, Koi.S.P.E.s require wider stakeholder participation, consisting of three main categories: mental patients (at least 35 per cent of members); workers in mental health units (up to 35 percent of members) and individuals, municipalities, communities, other legal entities whether public or private (up to 20 per cent of members).

### 3.7.4. Social Cooperative Enterprises (Koin.S.Ep.)

The most recent legislative effort to create a social enterprise legal form in Greece is the Law 4019/2011 which foresees the legal form of Social Cooperative Enterprises. As already stated above, Koin.S.Ep. fall into the following three categories: 1) Work Integration 2) Social Care and 3) Koin.S.Ep. with a collective and productive purpose.

The criteria for establishing this type of social enterprise (categories 2 and 3) include: at least five people coming together to create the social cooperative enterprise, within a broad range of fields of economic activity allowed to them. They do not distribute any profits to their shareholders. Profits are distributed to employees and a reserve is maintained in order to create new employment positions. Legal entities can only be represented up to 1/3 of the shareholders. Participation of Local Authority Organizations and Public Law Entities is not allowed, except in the case of Koin.S.Ep. of integration.

### 3.8. Business models

### 3.8.1. Sources of income

Koin.S.Ep.
According to the (few) social enterprises interviewed, the main sources of income of operational social enterprises include (in order of importance):
• trading income,
• income from public contracting (both competitive tenders and direct contracting);
• EU programme funding for specific projects

• donations,
• contributions in kind.(e.g. furniture, materials, stationary etc)

Koi.S.P.E.s
The Koi.S.P.E. business model relies primarily on trading income, income from public contracting (both competitive tenders and direct contracting); public funding from the national government and EU programme for specific projects; donations, and contributions in kind.(e.g. furniture, materials, stationary etc).

After the establishment of the legal framework for Koi.S.P.E in 1999, the financial assistance provided by the European Union Structural Funds, including in particular the Community Initiatives HORIZON and EQUAL, have made a considerable contribution towards the gradual realization of psychiatric de-institutionalisation in Greece. Many community-based mental health care services were created with European support, the qualifications of mental health professionals have been systematically improved, rehabilitation programmes have helped to prepare a large number of psychiatric patients for social integration and pre-vocational training has also provided the necessary skills for later activities in the Koi.S.P.E.s. Moreover, Greece also received funding from the EQUAL programme (2000-2006) for the creation of a nation-wide technical support structure, which helped to raise awareness and skills development through business consultancy and organisational counselling, for newly-created Koi.S.P.E.s.
Women's (Agro-Tourist) Cooperatives

The business model of Women's (Agro-Tourist) Cooperatives is built on deriving income mainly from the sale of agricultural products and tourist services and to a lesser extent by their participation in LEADER projects and/or other EU funds

Social impact
Up to now, no public authority has requested the use of a Social Impact Measurement method or tool in the context of public support (Nasioulas, Mavroeidis, 2013).

Koin.S.Ep.s
According to the (few) social enterprises interviewed, a key aim for all of them is job creation, either for their members and/or for people from disadvantaged groups. All the interviewed enterprises have created jobs in this way.
The services Koin.S.Ep.s provide are seen to have a positive social impact in providing e.g. welfare services, environmental sensitisation services, etc.

Koi.S.P.E.s
Koi.S.P.E.s are thought to have a significant social impact in increasing the self worth of mental health patients by helping to integrate them into work, but also in helping the local society accept them.

However, according to a study conducted by Koi.S.P.E. Chios "Orion", (2011, p. 79) it is stated that in the first years of implementation of the law 2716/99, the Koi.S.P.E.s have been developed to a small degree, as there are large geographical areas of the country that do not have such structures. The bulk of

their businesses involve the provision of services, as the risk is lower. It is estimated though that these businesses aren't viable and, for most of them, the operating time is short.

It should be noted that both Koin.S.Ep.s and Koi.S.P.E.s are required to submit an Annual Report on their activities to the Registry Department of the Ministry of Labour. The template set for this report does not contain questions on social impact. Rather, it asks for financial information, balance sheet and budget for the following year. The aim of the annual reporting exercise therefore is not to demonstrate how the social mission was accomplished, but only to allow the Registry to ascertain that the organisational structures in question still comply with the criteria of Law 4019/2011.

## 3.8.2. Fields of activity

Current state of play - the fields of activity of social enterprises
The fields of activity of social enterprises in Greece are very varied

■■■ The three different types of Koin.S.Ep. have the following fields of activity:
• Social Integration Koin.S.Ep., operate mainly in the fields of offering training/ various forms of internships to help disadvantages workers enter the labour market and sheltered employment (where disadvantaged workers work for some hours per day with any or just symbolic remuneration)
• Social Care Koin.S.Ep., are by definition offering social care, such as care to the elderly.
• Koin.S.Ep. with a social and productive purpose operate in a very varied range of activities, including: work integration tailored for a variety of target groups and providing a range of services such as environmental protection, childcare, support for education and training, sports, music and cultural activities, nurturing culture and arts in general, strengthening democracy, civil rights and gender equality, and enable participation in the digital society, production and distribution of food and produce of good quality

■■■ Women's agricultural cooperatives are active in the field of employment opportunities for women, maintaining tradition and preventing the desertion of remote areas, producing food of good quality, fostering tourism

■■■ Koi.S.P.E.s operate in tourism, environment, agriculture, services, while fields of activity are catering, cleaning, recycling, trading of small gifts and local commodities, supporting services to people with disabilities, agricultural production (e.g. beekeeping) (Katsikarou, 2011).

## 3.8.3 Trends - how these have evolved over time and what are the emerging trends

According to researches, the key emerging trend in the fields of activity of social enterprises in Greece is the provision of social and care services, fulfilling needs that the state can't meet, or replacing state provision.

## 3.8.4 Target groups

Koin.S.Ep.
Generally speaking, the main target groups served by the Koin.S.Ep. social enterprises set up under the Law 2011 in Greece, include:

1. People with disabilities
2. Individuals residing in rural/ remote communities
3. Older people
4. Young people
5. Unemployed individuals
6. Other groups, such as parents, ex-substance abusers etc.

Koi.S.P.E.
Individuals with mental health issues are served by the Koi.S.P.E., which have a long and successful history of operation in Greece, prior to the legal framework introduced for the Koin.S.Ep. social enterprises in 2011.

## 3.9. Opportunities and barriers

Research gave rise to the following enabling and constraining factors in the creation, growth and development of social enterprises in Greece:
By far the greatest barrier faced by Greek social enterprises both in starting-up and in terms of being able to grow and scale up activities, is undoubtedly lack of access to finance. This is a problem for all SMEs in Greece, and much more so for social enterprises. All the social enterprises interviewed in Greece, considered this to be the main obstacle. Both conventional and cooperative banks have been hit by the financial crisis, and have drastically curtailed business lending in the wider economy, including for social enterprises. This implies that if it is difficult for conventional enterprises to secure finance, this becomes even more difficult or actually impossible for social enterprises. It is nearly impossible for social enterprises to secure financing in Greece, the only available possibilities are project-based funding, securing financing from abroad, or receiving students for work-practice from abroad. The only possibility for access to finance for starting up social enterprises was recently made available through two ESF funded schemes (TOPSA and TOPEKO), as described above.

Moreover, there is no level playing field for social enterprises regarding public support for starting, developing and expanding a social enterprise, because Koi.S.P.E. and Koin.S.Ep. are not eligible for mainstream start-up and SME support available under programmes promoted by the Ministry of Development.

The second most quoted obstacle is lack of a conducive ecosystem that helps social enterprises to start, evolve and develop: There are hardly any professional support services, such as incubators, mentoring or counselling services in relation to developing a business plan, accessing markets, ensuring quality, preparing for public contracts etc. Lack of informed accountants and lawyers that know the legal status of social enterprise and can work to their advantage is a current obstacle. Consultants from different backgrounds and with different levels of quality are currently attempting to fill this gap.

Lack of skills and capacity in how to start up and run a social enterprise (or a small business for that matter), is also an obstacle.

Lack of networking and contacts with other social enterprises both in Greece and abroad, has also been quoted by interviewees as a barrier. There is a need for assistance to social enterprises to organise themselves and exchange experience, come into contact with similar initiatives both at home and abroad.

Accessing markets was generally considered to be less of a barrier. However, in relation to access to public sector markets, the opportunities for social enterprises have diminished recently. The major local governance reform entitled 'Kalikratis' undertaken in 2011, includes a provision for local authorities to contract with social enterprises (see Article 100 of the reform) . However, the legislative provisions allowing local authorities and public bodies to procure services from social enterprises on the basis of "reserved contracts ('Programming agreements') have changed in 2014, making it difficult for social enterprises to make use of such opportunities.

Compared with the situation in other European countries, the social economy in Greece is still weak:

■■ The long recession has prevented strengthening its breeding ground, the civil society, and anchoring its values of trust and cooperation, solidarity and social justice, civil rights and inter-generational responsibility, transparency and shared responsibility widely in the Greek society

■■ Social economy organisations and enterprises cannot be identified easily, as the social economy community is not transparent and as the concept of social enterprise is still not well understood, different definitions are used and a variety of legal forms exist.

■■ Social economy organisations and enterprises have no voice, and no identity based on shared values; they have no capacity for influencing the political agenda, and no representation in the partnerships that govern the implementation of the European Structural and Investment Funds throughout the whole programme cycle, as stipulated in the European Code of Conduct on Partnership.

■■ Social economy organisations and enterprises have no face; there are hardly any accepted role models or good practice examples for social entrepreneurs, and their value to reshaping Greek society and economy is not widely recognised.

■■ NGOs, self-help initiatives, and social entrepreneurs are often grant-oriented and lack entrepreneurial spirit;

■■ Social enterprises are hardly connected with one another (outside Athens and Thessaloniki) in Greece, and practically not with their peers outside Greece, which impedes mutual learning, the development of professional capacity, and the exploitation of scaling opportunities

■■ Many social enterprises have no sustainable business model, and insufficient resources and capacities to develop and scale their operations and impact.

■■ There is no adequate mapping or monitoring of social enterprises and the development of their ecosystem.

The recent legislation (Law 4019/2011) providing for the status of social enterprises has raised their profile in the public, and may be considered to be an enabling factor. However, even if enabling legislation is in place, there still remain significant administrative barriers, that are dampening the possibilities of social enterprises to function and grow. In particular, administrative and financial authorities (including social security authorities, tax authorities, banks) are not well informed about the social enterprise legal forms. This creates mis-information and delays on a daily basis, and obstructs the functioning of social enterprises.

## 3.9. Concluding remarks

Social enterprise in Greece received a boost in recent years, thanks to the growing pressure on civil society initiatives to increase self-financing, lack of opportunities for many people to find a job, and last but not least, the legal framework introduced by Law no. 4019/2011, establishing the legal form of a social cooperative enterprise.

However, social enterprises are not (yet) part of the economic agenda for long-term structural change and economic development in Greece, and their potential for creating sustainable economic structures, strengthening social cohesion and driving (social) innovation is undervalued.

The role of social enterprises as change agents for a sustainable Greek economy is therefore currently limited, but it is expected that their social, economic and environmental impact can be multiplied through organised action to speed up and spread networking and learning, cooperating and clustering, financing and scaling up.

The current situation is therefore rather challenging for social enterprises, due to the lack of access to finance, and general public and mutual support for social entrepreneurship. However, the outlook can be said to be positive rather than negative, with activity on the side of social enterprises themselves, and with some actions planned on the side of public authorities such as the envisaged support schemes in the Regional ERDF/ESF Programmes. EU funding has played and will continue to play a key role in the development of social entrepreneurship in Greece. A lot is expected from the anticipated development of support structures especially at regional level, and the development of funding instruments in the next programming period. In the meantime, many of the established enterprises are surviving despite adversities and gaining experience in how to help themselves and other social enterprises to be established in future.

Social enterprise formats that pre-existed before 2011, such as the structures for the employment of mental health issues (Koi.S.P.E.) and women's agricultural cooperatives are generally well established and have also proven their value. The latter however, face serious problems under the new law on Agricultural cooperatives: A number of them are well established but most of them will find themselves in "dire straits" in the near future, if they are not adequately supported.

# 04 CHAPTER

## entrepreneurial readiness and intentions

As in the case of other emerging fields of enquiry, research into entrepreneurship has been biased quite extensively towards descriptive research, with a focus on practical considerations, as opposed to theoretical ones. As a result, there has been a plea to identify research projects that allow for theoretical underpinnings in entrepreneurship, and from a prospective approach, rather than examining findings in retrospect (Krueger, 2003). That writer (2003, p.106) confirms that there has been a shift in the focus of study away from 'budding' entrepreneurs to EI. Likewise, focus on "opportunity recognition" has shifted towards empirical findings through the use of theory. Also, earlier research focused more specifically on psychological traits but such attempts to identify profiles proved to be limiting because they failed to provide answers to what ultimately led to the creation of new firms (Davidsson, 1995).

Krueger et al. (2000) recognise that readiness and intentions are interesting for individuals who are concerned about new firm creation. Entrepreneurship is considered a state of mind that favours opportunities over threats while recognising that opportunities are regarded as an intentional process and thus EI warrants attention. The authors make the point that establishing a new business is not a random act, but rather a considered and conscious decision based on one's environment.

In order to understand the creation of new firms, the process leading up to the creation needs to be understood "from a cognition perspective." This requires a deeper understanding of the intent to make the first move in entrepreneurial activity (Krueger 2003, p.115). In the field of psychology, a good understanding of readiness and intentions has provided a good basis for promoting a better understanding of behaviour (Krueger, 2003).

Much effort has been made in academic studies of entrepreneurship to explain new firm formation, resulting in, significant contributions have been made towards understanding the early stages of the entrepreneurial process (Schlaegel & Koenig, 2013). It is important to investigate EI and look at why some people pursue entrepreneurial behaviour and others do not (Van Gelderen, 2006); this is because over the last few decades, the larger firms in the Western countries have shown that they cannot create the mass employment needed, because of political and socio-economic climates (Davidsson, 1995; Van Gelderen, 2006). It is for this reason that there has been a drive to promote entrepreneurship and small business because they have the potential to create jobs and propel economic growth. This reality has sparked academic interest in the field of entrepreneurship and more specifically, new venture creation (Davidsson, 1995).

Studying EI has enormous benefits that arise from comparing entrepreneurs to non-entrepreneurs. It is a big step to start a business and considerations that influence people to start firms can also be apparent in other psychologically related behaviour. This means that it is not possible for entrepreneurial behaviour to be accurately predicted using "distal variables" (Van Gelderen, 2006). The intention-based models provide theoretically tested and proven ways in which exogenous factors can influence entrepreneurial "attitudes, intentions and behaviour" (Krueger, Carsrud & Reilly, 2000, p. 316). The misconception of recognising determinants of entrepreneurial behaviour, such as individual characteristics, can be avoided through the use of intention-based models. in terms of stimulating the creation of new firms, it is more useful to understand the types of individuals that do or do not consider starting a new firm, rather than learning about individual characteristics of those individuals who have already started their own business. Gaining an understanding of Ei could provide useful information to help identify policy measures that could contribute towards turning potential entrepreneurs into actual business owners or founders (Van Gelderen, 2006).

One can presume that any decision to establish a new business would have been planned for a while and therefore would have been preceded by an intention to do so. in certain instances, an intention is only founded just before the decision but in other instances, the intention does not result in actual behaviour. Eis are presumed to predict, albeit poorly, an individual's propensity to establish his or her own ventures (Van Gelderen, 2006).

Bird (1988) suggests that readiness and intentions develop from an individual's personal needs, values, wants, habits and beliefs which all have their own specific antecedents.

Bird (1988) was one of the first authors to focus on the significance of readiness and intentions in entrepreneurship. Her model proposes that readiness and intentions originate rationally and intuitively, ultimately impacting on the individual's political, social and economic context and the individual's perceived past, capability and personality (Urban & Teise, 2015). Subsequent to research on EI by influential authors including Shapero (1975), Shapero and Sokol (1982) and Bird (1988), there has been a considerable increase in the number of studies with an emphasis on Ei (Schlaegal & Koenig, 2013). Research has focused primarily on the determinants of Ei through the use of various frameworks that explain how Ei differs from one individual to another. During the 1980s and 1990s, six main models were developed to investigate EI (Guerrero, Rialp & Urbano, 2008). Of these, the two main models that dominate the literature are the TPB (Ajzen, 1991) and the model of Shapero (1982). These models reflect an important consideration insofar as the latest EI model was published in 1995 (Guerrero et al., 2008).

All the models provide a solid theoretical base and propose that if new venture creation is to be encouraged, then it is critical to increase perceptions of desirability and feasibility (Krueger et al., 2000). Schlaegel and Koenig (2014) argue that research has focused predominantly on direct relationships between determinants while readiness and intentions, antecedents, beliefs and attitudes are relatively underexplored.
Concerns have been raised regarding the large number of alternative intention models, leading to questionable findings on the relationship between EI and determinants (Schlaegel & Koenig, 2013). Shook, Priem and McGee (2003) argue that the field is divided and lacks precision and that future research should consider integrating challenging models and by doing so, reduce the number of alternative intention models (Schlaegel & Koenig, 2013).

Bird (1988) and Lau et all (2012) acknowledged that readiness and intentions form the basis for understanding the process for establishing a new venture. She notes that although inspiration results in entrepreneurial ideas to develop new products or services, it is crucial to apply attention and intention if the ideas are to manifest. She further acknowledges that although behaviour could be unintended and unconscious, the intended and conscious act of a founding a firm is what is of interest (Bird, 1988). Krueger (1993) argued that the propensity to act, together with intention, are among the factors that are the driving forces behind new venture creation.

Krueger (2003) argues that the perception of opportunities combined with the intent to follow these up, result in entrepreneurial actions. Bird (1998) then explains that "intentionality is a state of mind," either pointing an individual's attention, experience and action in a specific direction or indicating a goal of gaining something. Readiness and intentions in entrepreneurship are oriented towards the establishment of an entirely new venture or instilling new values within existing organisations (Bird 1988). Guth and Tagiuri (1965) as cited in Bird (1988) found that the personal values of those in top management within existing organisations directly affect corporate strategy and that intuition is instrumental in practical planning and problem solving (Isenberg, 1984,). Hambrick and Mason (1984), as cited in the same article), found that the beliefs and perceptions of those in executive positions had a direct impact on the organisations they lead. This finding led Bird (1988) to believe that the impact of one's intentions will have a greater influence on establishing a new organisation.

Readiness and intentions can be considered in two main areas of research: personal traits and/or individual characteristics of the entrepreneur and contextual factors (Linan, Urbano & Guerrero 2011). Entrepreneurial models have been developed following the latter approach to explain the phenomenon of EI. The Theory of Planned Behaviour (Ajzen, 1991) and the Entrepreneurial Event Model (Shapero, 1982) are the main theory driver models.

The literature on research in the field of psychology has indicated that readiness and intentions are the single best predictor of planned behaviour. This applies particularly in cases where it is often difficult to observe behaviour or where intangible variables are involved. Entrepreneurship is planned behaviour because new venture creation is carefully planned and emerges over time; as such, models are best suited. Intentions are useful in understanding new venture creation as they provide a robust framework for understanding and prediction (Krueger et al., 2000).

Krueger (1993) argues that readiness and intentions signify the extent of commitment towards imminent behaviour. He defines EI as a commitment to the creation of a new venture. Readiness and intentions centre around a future plan of action and without intention, any action is unlikely to happen. Intention precedes action.

## 4.1. Entrepreneurship as intentional, planned behaviour

Intention models help to promote a better understanding and prediction of entrepreneurial behaviour, specifically because situational and individual predictors are unreliable (Krueger el al., 2000). A person's participation in entrepreneurial behaviour depends upon how favourably the person perceives the behaviour and how easy or difficult the behaviour might appear to be. There can also be a sense of social pressure to carry out that behaviour (Malebana & Swanepoel, 2015).

Krueger (2003, pp.119-120) highlights some advantages and disadvantages of intention models which have been summarised in the table below.

### Advantages and disadvantages of readiness and intention models

| ADVANTAGES | Disadvantages |
|---|---|
| • Readiness and intentions are the 'single best predictor of planned behaviour', and although not perfect, are empirically the most reliable. This class of models is built on the premise that any other factors influencing intentions are regarded as antecedents of attitude which influences behaviour. | • Over time, readiness and intentions can vary, presenting the opportunity to examine, further, changing intentions, which is a topic relatively underexplored in any field. This should be particularly beneficial in the field of entrepreneurship where the underpinnings of changing intentions could be explained. |
| • The models have proved to be robust and the meeting of minds is indicative of the soundness of the models. They serve as an influential cognitive framework. | • A debate exists over the 'direction of causality', especially since intention could be considered another attitude. |
| • The models are able to provide significant predictive explanations, not only in retrospect. This is due to readiness and intentions relying on situational and individual variables. | • Entrepreneurial decisions are not limited to the decision to establish a new venture: readiness and intentions could also relate to whether to grow the business or not and intent can vary in choice of distribution channels for example. This proposes that intentionality comes into effect well after the establishment, as well as before. |

Two models that have been widely recognised in this area and which are dominant in the social psychology field are Ajzen's Theory of Planned Behaviour and Shapero's model of entrepreneurial events. Both these have been adopted to understand new venture creation (Ayob et al., 2013).

Krueger el al. (2000) explain that it is critical to understand readiness and intentions before moving on to examine antecedents to readiness and intentions, other outside influences and the final outcome of new venture creation. This understanding provides the basis for identifying the intended behaviour. Entrepreneurial activity is intentionally planned behaviour, despite some common perceptions to the contrary; therefore the use of well-established and validated intention models provide an excellent way of understanding the antecedents of new business creation (Krueger el al., 2000).

## 4.2 Shapero's 'Entrepreneurial Event' Model (SEE)

Shapero's (1982) Entrepreneurial Event Model is a relatively early model in entrepreneurship literature and is similar to that of the TPB. It depicts how readiness and intentions are dependent on the elements of perceived desirability, probability of acting and perceived feasibility (Urban & Teise, 2015). Krueger et al. (2000) acknowledge that the model is specific to entrepreneurship; also, readiness and intentions to establish a new venture originate from perceived desirability and feasibility and the propensity to pursue opportunities.

The actual 'entrepreneurial event' (behaviour) requires a prominent and reliable opportunity and this is dependent on two very important antecedents: perceived desirability and perceived feasibility. This approach preceded that of the TPB by a number of years. The fact that two separate scholars, working independently in different fields of study, converge on very similar models signifies the importance and value of intention models (Krueger, 2003).

In this model, decisions to pursue a new business centre around three factors: displacement and the perceptions of desirability and feasibility, which ultimately lead to intentions (Ayob et al., 2013).

Shapero (1982) regards displacement as the spark that causes behavioural change. Displacement can either be negative (lack of job satisfaction) or positive (being rewarded). A decision is made by an individual after assessing the opportunity from the perspective of how desirable and feasible they consider the behaviour to be. This together with the propensity to act forms the intention (Ayob et al., 2013).

The element of perceived desirability is defined by Shapero as the extent to which an individual finds the prospect of establishing a new venture to be attractive (Krueger, 1993). Perceptions will differ from one person to the next, based on values, attitudes, social backgrounds, education and experience.

The factor of perceived feasibility can be described as the degree to which people believe in their ability to establish a new business. Shapero (1982)

maintains that the two concepts of desirability and feasibility are interrelated. The model requires entrepreneurship to be perceived as a credible career option; however, this is dependent on how individuals view it. Ayob et al. (2013) refer to the example of a student's perceptions of self-employment being positive; however if the student does not perceive this as being feasible, he or she is unlikely to follow that route, and vice versa.

This model proposes that perceived desirability and propensity to act describe more than half the variance in readiness and intentions towards entrepreneurship while perceived feasibility explains the most variance (Krueger et al., 2000). Shapero (1982) demonstrates how important perceptions are and also shows that critical life events, such as losing a job, impact on perceptions; these factors can be the impetus in increasing entrepreneurial activity (Krueger el al., 2000).

## 4.3 The theory of planned behaviour (TPB)

The TPB was developed further, nine years after the earlier model of the Theory of Reasoned Action (TRA) (Ajzen & Fishbein). The TRA was originally used in social psychology to explain intentions. Traditionally, in the field of social psychology, the focus was more on the failure of attitudes to predict behaviour accurately, and intention was a mediating variable. The TRA added a second (theory-based) attitude which portrayed how social norms impacted intentions (Krueger, 2003).

The TRA had limitations, however, in handling behaviours in instances where individuals had partial volitional control (Ajzen, 1991). Ajzen suggested that an additional third antecedent, perceived behaviour control be added; this would take into account the fact that it could prove difficult to shape strong intentions and carry out a certain behaviour if this is not within an individual's control (Krueger,1993).

The TPB (1991) remains the most-recognised model for behavioural intentions and it has been used extensively in the literature as a framework to understand and predict behavioural intentions in different contexts (Schlaegel & Koenig, 2013). As with the theory of reasoned action, the TPB is centred upon the intention to carry out a certain behaviour (Ajzen, 1991); it is assumed that people will intend to carry out a certain behaviour if they perceive the benefit to be positive and if they consider the relevant resources and opportunities to be available (Urban & Teise, 2015). Motivational factors influencing behaviour can be summarised as intentions are believed to summarise motivational factors that influence behaviour. Ajzen (1991) maintains that, for the most part, the more an individual intends to engage in a certain behaviour, the more likely that person will succeed in doing so.

Figure 2,1 represents the theory in diagram format but the potential effects of behaviour on the antecedents were omitted for ease of presentation (Ajzen, 1991). However, according to Krueger el al. (2000).

The TPB recognises three attitudinal antecedents in the intention for-

mation process (Krueger et al., 2000): attitude towards the behaviour (ATB), subjective social norms and the perception of behaviour control (PBC).

### a. Attitude towards behaviour (A TB)

The term ATB refers to an individual's intention to behave in a particular way. This measurement addresses how the individual perceives the strength of his or her motivation to do whatever needs to be done. The validity of the measurement of this attitude depends on the expectations and beliefs the individual has on the impact and outcomes the behaviour will have on his or her life. To arrive at the findings, one must observe the behaviour of members of a focus group, experts or a holdout sample. Two factors are measured for each subject: (1) what do they expect the outcome to be and (2) how high do they rate their chances of getting that outcome. A quick review of prior studies on Entrepreneurial readiness and intentions found several testable outcomes including personal wealth, autonomy and community benefits (Krueger et al., 2000).

### b. Subjective social norms

Social norms relate to perceived social pressure to carry out a certain behaviour (Malebana, 2014) and depend on the support that can be expected from others (Urban & Teise, 2015).

### c. Perceived behaviour control (PBC)

The term 'PBC' implies that one can personally control one's own behaviour. This term relates to self-efficacy which can be described as one's perceived ability to behave in a certain way (Krueger el al., 2000). Perceived behaviour control was a contribution added to the TPB to explain how non-motivational influences turn attitudes into actual behaviour (Ayob et al., 2013). Krueger el al. (2000) confirm that Bandura's concept of perceived self-efficacy coincides with PBC. Krueger et al. (2000) acknowledge that the two concepts overlap and Meyer et al. (1993) as cited in Krueger et al. (2000) acknowledge that self- efficacy links conceptually and empirically to attribution theory, which has been positively applied to new venture creation. However, Ajzen (2002) found that while PBC and self-efficacy are similar in nature, they are actually distinct constructs; nevertheless Ajzen maintained that self-efficacy is a more significant antecedent of intentions. A year later, the concept of behaviour control was clarified by Ajzen and the significance of including self-efficacy and controllability items into measures to improve behaviour predictions was highlighted. This study uses PBC to measure an individual's level of perceived self-efficacy and their ability to carry out a targeted behaviour (Ajzen, 1991). Van Gelderen (2006) claims that added variables such as role models, work experience, gender and personality traits, are influential in promoting
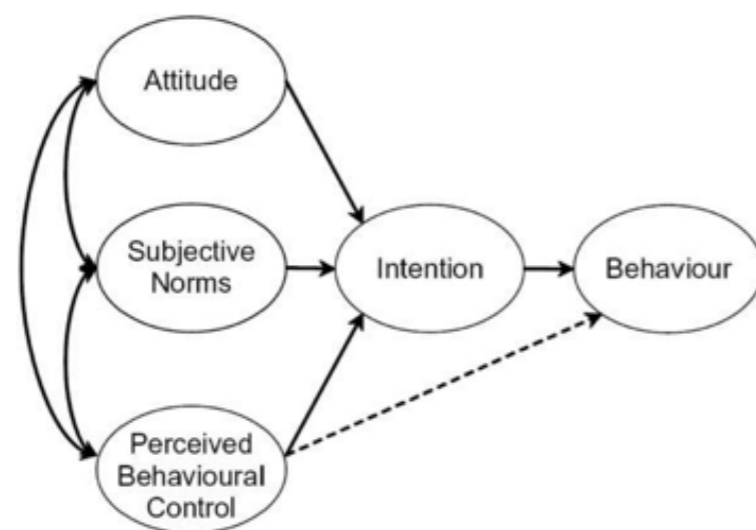
*Figure 4.1. : The theory of planned behaviour*
*Source: Ajzen, 1991.*

In summary: the TBP suggests that intention is a prerequisite for targeted entrepreneurial behaviour and if entrepreneurs have the necessary opportunities, resources and intention to pursue the behaviour, it is likely that they will be successful (Krueger, Kickul, Gundry, Verma & Wilson, 2009; Ayob et al., 2013).

## 4.4 Entrepreneurial potential model

This model integrates concepts from the Entrepreneurial Event Model developed by Shapero (1982) together with Ajzen's TPB (1991). Those models reflect the view that readiness and intentions of starting a new venture are greatly influenced by attitudes and beliefs. Favourable behaviour is based on one's personal perceptions of feasibility and desirability.

understanding. It is presumed, however, that the impact of these variables is mediated by the effect of the elements in the TPB on EI.

Of these two models, the entrepreneurial potential model is simplified and it links the perception of how desirable the attitude is towards the behaviour; it also links subjective norms and perceived feasibility to perceived behaviour control (PBC). Again, personal perceptions will vary from person to person while motivation is a critical element if expected goals are to be attained (Ayob et al. 2013).

The concept of self-efficacy has been integrated into perceived feasibility by Krueger and Brazeal (1994) as this is considered to be a major consideration in career selection.

Many writers support this view. (Betz and Hackett, 1981, 1983; Eccles, 1994; and Hackett and Betz, 1981 as cited in Wilson, Kickul and Marlino, 2007).

These writers all maintain that self-efficacy has been tied extensively to literature on career theory with the goal of trying to understand career preferences and career-oriented behaviour. Further research indicates that self-efficacy in academics has the greatest direct effect on career objectives. Kingon, Markham, Thomas & Debo (2002) make a connection between self-efficacy as a reliable predictor of career options, occupational interests, personal effectiveness and determination to see difficult tasks through.

These models have proven to be empirically robust (Krueger et al., 2000) and they overlap in two areas (Krueger & Brazeal, 1994). Thus, the construct of perceived desirability in the model by Shapero's (1982) is similar to PBC explained in the TPB, which in turn is similar to self-efficacy (Linan et al., 2011) and 'perceived venture desirability' is similar to the elements of ATB and subjective norms (Krueger & Brazeal, 1994) The models advocate that an individual's perceptions of desirability and feasibility should be increased if economic progress in the form of new venture creation is to be encouraged (Venter et al., 2008).

Overall, readiness and intentions in the direction of purposive behaviour are essential for explaining the antecedents, connections and outcomes of that behaviour (Krueger, 1993). Krueger (2007) (as cited in Linan et al., 2011) confirms that an investigation of the underlying deep beliefs of cognitive structures, entrepreneurial attitudes, intentions and actions provides better insights into understanding entrepreneurship.

## 4.5. Social Entrepreneurial readiness and intentions

Although there has been growth, globally, in social entrepreneurship (SE), not much is known about the underlying motivations and variables predicting social entrepreneurial behaviour (Hockerts, 2014). Research has embraced a behavioural approach when investigating SE, by shifting the emphasis to the individual (Urban, 2008).

Urban and Teise (2015) argue that individuals are the primary forces in understanding entrepreneurship although the entrepreneurship process has several elements. That process can only develop when individuals act and are prompted to pursue opportunities.

The intention of pursuing SE and establishing a social venture depends on the perceived feasibility and desirability of that task (Urban & Teise, 2015).

There are no measures available to assess the social impact of SE; in other words, how and when individuals become social entrepreneurs (Hockerts, 2015). Mair and Noboa (2003) were the first to conceptualise theoretical suggestions regarding the antecedents of SEI. These authors show how readiness and intentions to start a social venture are founded on four prominent antecedents (ordinarily known as predictors) of social entrepreneurial behaviour: empathy, moral judgement, social support and self-efficacy (Hockerts, 2014). Mair and Noboa (2003) then argue that these antecedents of SEI are mediated through perceived feasibility and perceived desirability. The au-

thors propose that empathy and moral judgement are instrumental in forming SEI.

The model is not intended to be all-encompassing but rather a focused one with an emphasis on certain variables that highlight the likely differences between commercial and social entrepreneurship (Ernst, 2011). Grounded in the principles of the TPB and drawing on the work of Krueger et al. (2000), the model associates hypothesised antecedents to the entrepreneurial event model (Shapero, 1982). Thus, the model proposes that self-efficacy and social support predict perceived feasibility while empathy and moral judgement predict perceived desirability (Hockerts, 2014). This study attempts to identify whether any relationship exists, by analysing the predictors of perceived feasibility and perceived desirability, and vice versa.

The model has since been refined by Tukamushaba, Orobia and George (2011) while the only endeavour to verify, empirically, the model of Mair and Noboa was made by Forster and Grichnik (2013); there, the focus was on volunteers in a corporate environment. Ernst (2011) conducted a more direct study of the antecedents of SE behaviour. In line with the TPB, specific survey items were developed to suggest those antecedents (Hockerts, 2014). Additional characteristics influencing SEI include personal context and the circumstances of the individual, including prior experience; these are important in triggering desirability to initiate social entrepreneurial activity (Urban & Teise, 2015). Positive prior experience and background increase self-belief which ultimately leads to increased levels of perceived ability to perform a certain behaviour.
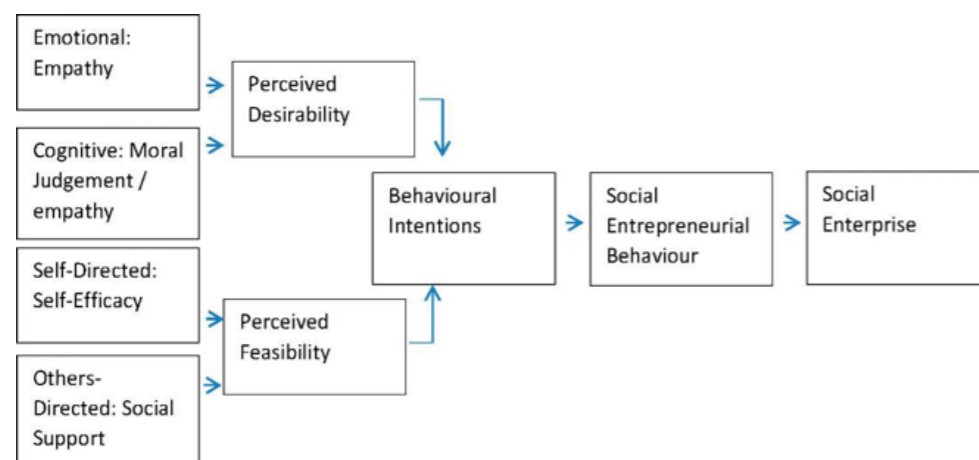


*Figure 4.2. : Model of social Entrepreneurial readiness and intentions*
*(Mair & Noboa, 2003 p. 8)*

### 4.6.1 Empathy as an antecedent of perceived desirability and feasibility

Researchers in the field of SE acknowledge that empathy is an important factor in SE behaviour. Even though empathy is a well-established construct in psychology literature (Hockerts, 2015), there is no consensus on a

single definition of empathy. Mair and Noboa (2003) define it as the "ability to intellectually recognise and emotionally share the emotions or feelings of others." Research differentiates between affective and cognitive empathy and scholars tend to agree that empathy is an affective response; in other words, the ability to adopt someone else's perspective or point of view. Empathy is considered to be a rudimentary requirement of social behaviour. Mair and Noboa (2003) also found that individuals who are empathetic will have a desire to help alleviate another person's suffering while research in SE shows that a feeling of wanting to help, motivates individuals to start a social venture. These authors argue that not all social entrepreneurs have high levels of empathy and so it is "necessary but not a sufficient condition in the SE process" (Mair & Noboa, 2003, p. 12) They then contend that a positive amount of empathy is required to prompt the perceived desirability to create a social venture (Mair & Noboa, 2003).

As outlined earlier in the chapter, there is an overlap between the concepts of perceived behavioural control (PBC) and self-efficacy. PBC relates to the perception of how easy or difficult it would be to complete a certain task or carry out certain behaviour (Tukamushaba et al., 2011). The TPB confirms that available resources and opportunities should, to some degree, indicate the probability of achieving a certain behaviour. Therefore, understanding an action should take the expected outcome (desirability) and self-efficacy (feasibility) into account (Tukamushaba et al., 2011). Urban & Teise (2015) found that there was a positive correlation towards intention.

### 4.6.2 Exposure as an antecedent of perceived desirability and feasibility

Exposure is an important antecedent to perceptions of desirability and feasibility. Basu and Virick (2008) categorise exposure into education, family and direct experience, all of which influence the formation of entrepreneurial intention.

Various authors (Bandura, 1986; Hollenbeck & Hall; 2004; Wilson et al., 2007) have shown that entrepreneurship and targeted education can increase one's level of self-efficacy. Noel (2002) indicated that there was a direct relationship between entrepreneurial education and entrepreneurship as a career choice; this finding is supported by Wilson et al. (2007) who argue that interest in entrepreneurship as a career is increased by means of entrepreneurship education. Social entrepreneurship education provides students with an understanding of social dynamics and through that education, they receive exposure to social entrepreneurship.

Krueger (1993) suggests that prior exposure could include, for example, exposure to family-run businesses; this would influence one's attitudes towards entrepreneurship. Direct exposure to successful family businesses is likely to have a positive influence on an individual's perceived feasibility and desirability to start a business (Basu & Virick, 2008).

Research by various authors has led to the acceptance of the view that entrepreneurship can be taught. This has led to an increase in the number of

entrepreneurial education and training programmes in developed and developing countries (Malebana & Swanepoel, 2014).

Research has shown that entrepreneurial activity in rural areas is significantly lower than in urban areas. This is mostly because of lack of skills, infrastructure and development as well as a lack of a large enough local market (Herrington et al., 2010). Fayolle (2004) acknowledged that entrepreneurial education can aid business start-ups through changing students' mind-sets and developing their entrepreneurial orientation.

Direct experience has been found by Ayob et al. (2013) to have a positive relationship to entrepreneurial intent formation.

### 4.6.2 Self-efficacy as an antecedent of perceived feasibility and desirability

The term 'self-efficacy' refers to the extent to which people believe that they have the capability to control their own destiny. Individuals with high self- efficacy do not believe that environment or external forces directly influence the way their life progresses. Bandura (1999) defines self-efficacy as the ability to arrange and execute courses of action to reach a desired type of performance. Self-efficacy is important because it can be developed through training. In entrepreneurship literature, self-efficacy has developed into entrepreneurial self- efficacy (ESE) which describes the extent to which an individual believes that he or she can start an entrepreneurial venture. In the SE context, individuals with greater self-efficacy are more inclined to create a social venture because they believe that they are capable of doing so (Mair & Noboa, 2003).

The concept of self-efficacy is used widely in the literature, and especially in career theory, to understand possibilities and preferences within perceived and stated careers. It is a consistent predicator of career options and interests.

A strong body of research exists that shows a strong association between ESE and entrepreneurial career preference. The research suggests that individuals with greater levels of self-efficacy are more inclined to have greater levels of EI and that they have the ability to form a social enterprise. According to Boyd and Vozikis (1994) people with greater self-efficacy are more likely to engage in entrepreneurial activities in the early stages of career development. Bandura (1986) suggests there are four main sources of confidence: mastery of experiences, modelling, social persuasion and judgements of our own physiological states. Learning by doing is a most basic determinant of our self- confidence and ability. The development of self-efficacy is positively influenced by education and training (Wilson et al., 2007). Research has shown that self- efficacy is a reliable predictor in an educational environment. Piperopoulos and Dimov (2015) acknowledge that the impact of entrepreneurial courses and training on entrepreneurial behaviour can influence, either positively or negatively, students' perceptions of whether they can do something.

### 4.6.3 Perceived desirability and feasibility

The perception of desirability comes from a personal predisposition towards ventures that are perceived to be more desirable than others. Simply put, the term 'desirability' relates to how appealing is it to an individual to generate an entrepreneurial event such as starting a venture. The term 'perceived feasibility' indicates the extent to which people believe they have the capability to start a new venture (Mair & Noboa, 2003).

Perceived desirability and feasibility are important antecedents of intentions and a fundamental test confirmed that desirability and intention undoubtedly predict feasibility and vice versa (Elfving, Brannback & Carsrud, 2009).

In earlier work, Shapero and Sokol (1982) described the perception of desirability and feasibility as significant components in the process leading to the formation of a firm. Shapero's model indicates that different individuals will have different perceptions of what is feasible and what they find desirable. Perceptions are influenced to a large extent by an individual's surroundings, both social and cultural. The inclusion of 'intention' by Krueger into Shapero's model established a connection to Ajzen's TPB. This theory suggests that beliefs influence attitudes which in turn influence and affect intentions. The model suggests that there is no direct link between an individual's characteristics and that person's intention to form a social venture; rather, these are indirectly influenced by perceptions of desirability and feasibility. Mair and Noboa further develop this notion in the context of SE. Their analysis has been limited to only a few variables and links because of the nature of the relationships and the multi-disciplinary nature of the phenomenon. Only the following three variables will be unpacked in more detail in this study: empathy, exposure and self-efficacy.

### 4.7. Proposed conceptual model

Ayob et al. (2013) adapted a conceptual framework from previous models developed by Shapero (1982) and Krueger and Brazeal (1994): these were the entrepreneurial event model and entrepreneurial potential model respectively. Their conceptual framework is used to determine the levels of SE intention among graduates in Malaysia. Those authors use the model to understand the factors that lead to intention formation. In their model, they include empathy and exposure as antecedents to perceived feasibility and desirability.
Perceived Desirability

In short, the model proposes that perceptions of desirability and feasibility influence readiness and intention to start a social enterprise. The perceptions are initiated by 'enabling' elements: self-efficacy, exposure and empathy (Mair & Noboa, 2009), managerial skills and creativity (Lau, 2012)

## 4.8. Conclusion

Social entrepreneurship (SE) is a fairly new academic field and so there has been little research to explain the phenomenon and the makeup of social entrepreneurs. As a subset of entrepreneurship and with an entirely different mission, SE is gaining popularity across the world and social entrepreneurs are considered to be the solution to some of the world's most challenging problems. Social entrepreneurship differs from traditional entrepreneurship in a number of ways but boundaries are being blurred especially as for-profit companies become more socially responsible (Roberts & Woods, 2005). The most distinguishing factors, however, are purpose and motivation. Social entrepreneurs are not driven by economic values but rather by social values and their whole reason for existing is to make a difference on a large scale. Defining SE is somewhat challenging and research has indicated that the field faces its own definitional conundrum (Light, 2005). Readiness and intentions are critical in the entrepreneurial process and various scholars have developed intention formation models. A theoretical conceptual model is derived, which identifies cognitive and enabling factors that influence perceived desirability and feasibility of establishing a social venture. Identifying and developing potential social entrepreneurs is important in countries plagued by unemployment, poverty and other social ills.

# 05 CHAPTER

## evaluating entrepreneurial readiness through creative thinking methods and techniques

### 5.1. Introduction

A number of tools can be used to evaluate social entrepreneurship readiness such as the ability of a person to use creative thinking methods and techniques which are necessary for any type of entrepreneurial activity.

The use of creative thinking is particularly important for the introduction and application of the idea for social entrepreneurs and consultants. It triggers new ideas, effective solutions to problems, stimulates curiosity and innovation. Creativity is the result of consistent learning, application of what has been learned, desire for consideration of a given situation from several points of view. The essence of methods and techniques used by business advisors for stimulating creative thinking is to build an environment where new ideas are attained, through appropriate approaches.

In terms of content, there is a variety of methods of activating creative thinking. Its field of manifestation is very extensive and therefore we will confine ourselves to the detailed consideration of only some of the methods that can easily be applied by business advisors in social entreprises.

Name of Activity: Methods and techniques of creative thinking

Activity for understanding / study

Text, links, graphs, The SCAMPER technique

### 5.2. The SCAMPER technique

The SCAMPER technique helps an individual to discover new perspectives thereby creating new ideas (Eberle, 1996). The new ideas will be a variation / innovation of previous thinking. SCAMPER is an acronym:

S - Substitute
C - Combine
A - Adapt
M - Magnify (alternative is modify)
P - Put to Other Uses
E - Eliminate (alternative is Minify)
R - Rearrange (alternative is Reverse)

Source: http://www.designorate.com/a-guide-to-the-scamper-technique-for-creative-thinking/

### 5.3. Six Thinking Hats

The concept of Six Thinking Hats (de Bono, 1985) allows ideas to expose gradually, each time bringing to the forefront what we want to concentrate on, thus arriving at a solution. The colors are applied one by one until a finished image is obtained. The advantage is that in this way the participants in the discussion can be "excluded" from their usual mental reflexes and try to look at the issue under discussion from different angles. Moreover, this technique allows for overcoming the attitude of opposition and creates conditions for constructiveness and creativity.
Roles of different hats:

Source: https://www.koozai.com/blog/content-marketing-seo/eight-awesome-creative-thinking-techniques-plus-tools/

The white hat presents the facts and information about the situation and the problem. This is objective knowledge, more description than explanation.

The red hat represents the emotional sensations of the problem or situation. It is a subjective experience, feelings and intuition.

The golden hat produces new ideas, suggestions and solutions. It is a symbol of open and creative thinking.

The yellow hat collects the positive aspects of the solution, advantages or future benefits. It also presents the positive motivation of the chosen solution.

The black hat collects all the negative aspects of the correct resolution or solution. Threats, inconveniences or bad consequences are described.

The blue hat is control over the whole process. It offers the consecutive steps during the meeting and afterwards. This hat allows participants to modify the process and focus the methods in the right direction.

### 5.4. Creative thing and IT

With the expanded development of information technology, online techniques and methods of creative thinking are becoming increasingly popular (Watanabe-Crockett, 2016). Such are:

#### Oflow

Oflow is one of the many applications designed to help generate the best ideas. It makes use of over 150 different messages and tips to help the mind get inspired and working. Oflow can help set up daily reminders of creativity, keep notes and work out good ideas.

#### Steller

Steller is an application which allows us to create image based pictures for online sharing. Users have the ability to create different stories by utilizing photos, videos and images (Perez, 2014).This application is part of the social media and is very special in its creative format.

#### Brainstormer

This is a unique and beautifully designed application. It provides online tools for writing randomly generated ideas and projects of all kinds. It consists of three different wheels (plot, subject and setting/style) where the user try to create a scenario according to the given results in each category after a random spin. With an enormous variety of combinations this tool manages to stimulate creative thinking and production of new ideas.

Other techniques and tools are (Brown & Kusiak, 2007; Dickman, 2014):

- Lateral thinking
- Mind Mapping
- Random Word Generation
- Picture Association
- Change Perspective
- Get Up and Go Out
- Random Input
- Reversal
- Methods of Analysis
- Negative brainstorming
- Storyboarding
- Metaphorical thinking
- Brain shifter

### 5.5. Useful creative thinking tips

There are ten Steps to Boosting Your Creativity
1. Read, listen or view the creations of creative people.
2. Brainstorm regularly, whether you do it alone or in group settings.
3. Always carry a notebook and a pen in case a great idea pops into your head.
4. If you're stuck on a problem, open up a dictionary and select a random word and then randomly combine words in order to help your mind move into new unexplored directions.
5. Make sure you define your problem since this will make it much easier to come up with ideas and solutions.
6. Take a walk or a shower.
7. If you are looking for relaxation, consider taking a walk, listening to relaxing music or observing natural beauty (e.g., ocean, sea, mountain or trees) while contemplating. If you want to activate your creative thinking consider reading books, solving puzzles and engaging in creative activities that stimulate your mind. Create your own entertainment.

8. Do something new every day that you have not done yet (e.g. eat new food, dress differently, drive a different route to work, take a different mode of transportation, and introduce yourself to a stranger).
9. Read, read, read.
10. Exercise your brain by doodling, writing, solving puzzles, debating or doing anything that allows you to form new mental connections.

Source: https://stocklogos.com/topic/creative-thinking-methods-and-techniques

Creative thinking - how to get out of the box and generate ideas

Digital Discoveries- Brainstormer

## 5.6. Creative thinking activities

Name of Activity: Use of SCAMPER

Activity for application

Choose between: Good practices, case study, decision making scenario

You can have as many activities as needed per chapter. Try to think how you could use SCAMPER technique to help one of your clients to develop new services. Try to develop a list of questions that you could use.

Name of Activity: Methods for research and analysis of information

Activity for application

Choose between: Good practices, case study, decision making scenario
You can have as many activities as needed per subunit

Methods of research of information which can be applied in the training and development of social entrepreneurs can be divided primarily into qualitative and quantitative ones (Bloor, 1978, Dey, 1993). In qualitative methods, the researchers are often direct participants in the experiments themselves, while in quantitative terms they are always side observers. In the quantitative study, the intervention of the researcher can harm the objectivity of the results, while in qualitative terms it is precisely the desired effect! Therefore, qualitative research is always subjective, unlike the quantitative ones where no subjective factor should exist. Quantitative research experiments are strictly standardized (in order for results to be comparable), while on the contrary - in qualitative such, often standardization is virtually absent. Their specific characteristics are as follows:

I. Qualitative methods:
• Explore specific properties of a representative sample of the surveyed objects;
• Detect hidden, internal dependencies between the objects surveyed;
• Reveal causative links for the phenomena studied;

• Define the parameters for applying subsequent quantitative methods of investigation.

II. Quantitative methods:
• Fix the common, repetitive properties of the objects surveyed;
• Classify general facts about the objects surveyed;
• Compare already fixed facts about the objectssurveyed;
• Analyze, synthesize and summarize results which are considered valid for all surveyed objects.

Looking at the characteristics, we can conclude that qualitative research has much more pronounced heuristics and faster reflection, and therefore more effective research. A great part of the qualitative methods render positive results precisely on the basis of non-standard approaches to solving the assigned tasks.

With regards to the methods for analyzing information, the most common method is the Document Analysis. This method is applied in two basic forms:

Traditional (classic, quality) method: At its core lies the mechanism of insight into the content and meaning of the text. Traditional document analysis aims to record facts, events, phenomena, and implies the use of various mental operations to interpret documented data from a specific, chosen by the researcher point of view.

Formulated (quantitative) method - content analysis: Its essence lies in finding such signs and features of the document which reflect the essential aspects of its content.

This method is applied:
• when a high degree of accuracy is required; in the presence of extensive and unsystematic material;
• when the textual material cannot be processed without summary assessment.

The concept of communication is the basis of the content analysis as a method, as it explores the communicative process itself and its products. The content analysis uses its own methodology to study the information on the basis of which conclusions are drawn about the content of the information.

For more learning:

Pashakhanlou, A. H. (2017). "Fully integrated content analysis in international relations", International Relations, Vol 31 (4), pp. 447–465

A beginner's guide to action research Analysing qualitative data

Qualitative Research Methods & Methodology

Name of Activity: Creative environment – how to create and organize stimulating work environment

Activity for understanding / study

Text, links

Creative incentives are methods based on three basic principles:

• Improvement of the creative skills of the staff by optimizing organizational processes
• Creation of a suitable environment for the exchange of ideas
• Presenting concrete ideas for innovation(Heerwagen, 1998).

In pursuance of these principles, the next steps are followed:
**Step 1.** Upgrading of individual skills, potential, motivation and experience
Every person has different knowledge and experience. Based on our personal experience and knowledge, we get to know the world around us in a different way. The view is strictly individual and unique for everyone. If we perceive the views of different people, then we can form a truly unique gallery of ideas.

**Step 2.** Increase of self-esteem and confidence in the team
The high level of confidence and self-esteem in the workplace is at the heart of creativity. The individuals who have high auto-evaluation are not shy to express their own opinions and ideas. In this sense, high self-esteem leads to the generation of new ideas.

**Step 3.** Increase of motivation at work /provision of services
Motivated and supported employees or clients have more potential to build on their existing knowledge and to offer innovative solutions and ideas.

**Step 4.** Activation of personal emotions and own motivation
The creative thinking person differs from the ordinary person inbeing fully involved in what he/ she does.

**Step 5.** Encouraging of teamwork and the exchange of ideas
Generating and developing innovative ideas and solutions is much easier and more applicable in a well-organized team. This is due to the presence of multiple viewpoints and perspectives.

**Step 6.** Making use of the benefits of the physical environment and resources
The upgrading of collective creativity is possible only when the necessary knowledge and information base is available to all members of the team.

**Step 7.** Preparation of a specific topic and creation of the opportunity to generate new ideas
In this step, it is possible to develop an innovative idea which to become an actual product, process, technology, market method, etc.

**Step 8.** Generating ideas by using the brainstorming method

A good approach is to run the so-called sessions for generating ideas using the brainstorming method. It is also desirable to apply new methods and approaches in conducting group activities.

**Step 9.** Time for rest and relaxation
When solving a problem, it is important to look at different points of view. Rest and relaxation are extremely important for both individual and group sessions.

**Step 10.** Generating an innovative idea and make it real
The choice and pursuit of an idea from the many ideas generated is an essential part of the creative process. The chosen idea must be evaluated and proposed for implementation in the organization

For more learning:

Creating a Fun Workplace… 13 Ways to Have Fun at Work!

Workplace Strategies that Enhance Performance, Health and Wellness

Creating a creative environment for brainstorming

Name of Activity: Idea organization – methodology for synthesizing and operationalization of creative ideas

Activity for understanding / study

Creativity is a challenge for success in every field. Everyone has creative potential, but not everyone uses it. The reason is that most people do not use their imagination and unconventional thinking to solve problems (Ray, 2005).
In order to find the non-standard solution it is necessary to analyze the problem. After perceiving it, all possible and impossible ideas and alternatives, even those that seem inappropriate and crazy, must be considered and recorded. After a short break /at least 3 hours, better –a full day/, it is advisable to consider the alternatives again by comparing the options and thento look for the best solution.

If one finds that these solutions of the problem are inappropriate, then one should define it in an alternative way. By creating a new problem, the original one can be solved. The reformulation of the problem must happen as many times as necessary to reach a solution. This broadens the choice of ideas. Even more so, the problem may turn much smaller and new solutions can be much easier to implement.

Name of Activity: Review of "Creative thinking methods and techniques"

Activity for review

Write a summary or design a table or diagram.

1 review activity per subunit   The widespread use of creative thinking is particularly important for the introduction and application of the idea for social entrepreneurship. Methods of research of information which can be applied in the training and development of social entrepreneurs can be divided primarily into qualitative and quantitative ones. In terms of content, the methods of activating creative thinking are quite varied - SCAMPER, Six Thinking Hats, Online Tools for Creativity Prompts. The content analysis uses its own methodology to study the information on the basis of which conclusions are drawn about the content of the information. The essence of methods and techniques for stimulating creative thinking is to build an environment where new ideas are attained, and through appropriate approaches and means, a desire for an active response is stimulated.

## 5.7. Self-Assessment

Write 6 questions of your choice.

Choose from:
**True**
**False**

N.B: Always make sure to mark the correct answer in yellow

### Question 1
The SCAMPER technique helps in generating  ideas for new products or  services by encouraging thinking about how the existing ones could be  improved

**α) True**                                **β) False**

### Question 2
The golden hat produces new ideas, suggestions and solutions. It is a symbol of open and creative thinking

**α) True**                                **β) False**

### Question 3
If established that the solutions found to the problem are inappropriate, then it can be overlooked. By creating a new problem, the original one cannot be solved

**α) True**                                **β) False**

### Question 4
Individuals with high self-esteem are not shy to express their own opinions and ideas. In this sense, high self-esteem does not lead to the generation of new ideas.

**α) True**                                **β) False**

### Question 5
In qualitative methods, the researchers are often direct participants in the very experiments, while in quantitative terms they are always side observers

**α) True**                                **β) False**

## 5.8. Entrepreneurial thinking tools

Sub Unit 1 Title: Entrepreneurial thinking tools

Motivation

"Entrepreneurial thinking is just part of what makes entrepreneurs entrepreneurial."

Baskerville Peter at forbes

Are there any tools that can be applicable to social entrepreneurs to become more entrepreneurial?

Name of Activity: Entrepreneurial thinking definition and meaning

Activity for understanding / study

Text, links, graphs,  According to Krueger (2007) entrepreneurial thinking is about attitude and beliefs; it is about having an entrepreneurial expert mindset. It focuses in deep beliefs that foster behaviour positively related to entrepreneurial outcome.

Entrepreneurial thinking enables people in recognizing opportunities in the market place, take advantage of innovations or shifts in technology, and find the way and time to capitalize on them.

According to Fleischmann (2015) entrepreneurial thinking is characterized by hopeful, melioristic, holistic-connective, social and ethical, utopian, heyristic and dialectical thinking;  is action and team oriented; enables leadership; forces against alienation;  enables connective problem solving.

Entrepreneurial thinking is a skill that can be learned and can be applied to all kind of businesses, including social enterprises. There are some major factors that could foster entrepreneurial thinking (Dewald, 2014) such as:

• Culture: thinking  out of the box and, accepting risk, tolerance to new ideas
• Engagement of all in creative thinking
• Ability to take action at small scale

Learn more

Three factors that foster entrepreneurial thinking

6 Ways to Think More Entrepreneurially

11 paradoxes of entrepreneurial thinking: Why entrepreneurship can hardly be taught

Name of Activity: Tools for improving entrepreneurial thinking

Activity for understanding / study

Text, links, graphs,

Design thinking can be used as a tool for improving entrepreneurial thinking, it can provide a framework for creating new visions and ideas and might improve the skills of entrepreneurs and help them find suitable ideas  for them (Hnatek, 2015). Design thinking methodology can be applied to improve existing ideas or to create solutions that meet needs in new ways (Chou, 2018). The process of design thinking includes inspiration, ideation and implementation and can be applicable in the case of social enterprises.

Design thinking is an approach to innovation and can be applied to solve many problems. It can result in deeper insigh of unmet needs and can support desirability, viability and feasibility.

The following stages are proposed for the case of designing attempts in social entrepreneurship through design thinking approach (Brown, 2016)

• Asking   good questions
• Getting  close to the lives of those that are going to be served, understanding  their actual needs
• Building to think and launching to learn, learning about the viability of new ideas and evolving then towards fitter solutions
• Seeing  the entire business system as a design opportunity, where the surrounding of services or producs such as distribution, marketing and support services can offer potential for innovation

Learn more

Applying design thinking method to social entrepreneurship project

Entrepreneurial thinking as a key factor of family business success

Why Social Innovators Need Design Thinking

Name of Activity: Creating comprehensive documentation and procedures

Activity for understanding / study

Text, links, graphs,

Albert Einstein used to say "If you can't explain it simply, you don't understand it well enough".

Besides meeting regulatory requirements, comprehensive documentation and process documentation can be very useful in a number of areas, such as sharing knowledge, promoting clarity, encouraging enhancement, facilitating review, and demonstrating competence (Shah, 2013).

The following links provide useful information about documentation requirements, writing principles and process documentation.

Process documentation

Five Principles to Good Documentation Writing (Good Documentation Series)

Importance of Documentation during the Start-Up Phase

Benefits of diligent documentation

Name of Activity: Evaluation and development of business ideas

Activity for understanding / study
Text, links, graphs,

Ideation usually results in number of ideas. The identification of the most promising idea can be succeeded through the reduction of ideas following an evaluation and selection process.

Idea screening based on dimensions such as the ideas' strength and the fit with the organization could reduce a number of ideas into the most promising ones (The Canadian Social Enterprise Guide, 2010). The matrix below could serve this purpose.

Source: http://vibrantcanada.ca/files/social_enterprise_guide.pdf, p.52

Then the selected ideas should be evaluated in more detail. Traditionally, evaluating and selecting the best business idea can be done conducting a feasibility analysis (Alter, 2005) using several qualitative methods (Ideagyzer, nd) such as checklists, scoring models, criteria evaluation matrix as well as qualitative methods (Weston et al, 1986) (Return on investment, internal rate of return, net present value, and payback).  In the case of evaluating ideas for social enterprises, feasibility analysis should be adapted in order to capture the two dimensions of social enterprises orientation, market and social.

Ideas should be evaluated and rated taking under consideration criteria like (Illinois Community Action Development Corporation, nd)  :

• Strategic criteria:  alignment with the social enterprise mission and goal
• Operational criteria: fit with social enterprises assets, strengths and capabil-

ities, implementation requirements, dedication and passion
- Marketing criteria: evidence that customer will choose services or products from the social enterprise over the alternatives, community support and acceptance potential, size of market/opportunity
- Financial criteria: indications that revenues will cover costs, access to capital, financial feasibility, financial opportunities
- Social impact criteria: meet the needs of target group, measurable and defined impact, potential social capital
- Potential risks

These groups of criteria can be divided in several sub criteria according the environment and the characteristics of social enterprises.

Examples of such criteria /subcriteria can be found in the following links: The Canadian Social Enterprise Guide 2nd Edition (p. 54-56)

Social Enterprise toolkit (p.15 & 17)

Social Enterprise for Northern Ontario CoStarter for Change. Application Tool Kit.

Name of Activity: Use of Criteria evaluation matrix

Activity for application

Choose between: Good practices, case study, decision making scenario

You can have as many activities as needed per subunit A group of 3 young people represent a social cooperative active in the field or recycling (paper and plastic). They come to your office with some ideas they have to expand their activities providing services of repairing or recycling home appliances.
Try to think criteria that you would lie on in order to help them evaluate their ideas

Then try to construct an evaluation matrix in order to support the evaluation process.

Name of Activity: Review of "Entrepreneurial thinking tools"

Activity for review

Write a summary or design a table or diagram.

1 review activity per subunit   Business advisors through the application of entrepreneurial thinking tools and business idea evaluation can support social entrepreneurs to improve their existing business as well as develop and select new creative ideas. The key to successful entrepreneurial thinking is to learn to use design thinking methods to create services or products that adds value to potential customers. Documenting findings and proposed procedures is an additional asset for social advisors in the communication process and provision of services to social entrepreneurs.

Write 4 questions of your choice.

Choose from:
**True**
**False**

N.B: Always make sure to mark the correct answer in yellow

## Question 1

Entrepreneurial thinking is a method of business planning

**α) True**                    **β) False**

## Question 2

Design thinking can be applied only in order to  generate new ideas

**α) True**                    **β) False**

## Question 3

The factors for evaluating business ideas in social enterprises are the same with traditional enterprises

**α) True**                    **β) False**

## Question 4

Evaluation of business ideas can be based only on qualitative methods

**α) True**                    **β) False**

## Question 5

Operational criteria of social enterpirses' idea evaluation have to do with the assets,  and financial capabilities of social enterpirises

**α) True**                    **β) False**

## 3.9. Monitoring and controlling tools

Sub Unit 1 Title: Monitoring and Controlling Tools

Motivation: Once a social enterprise is up, it is running and delivers its products or services, has to prove the value it provides and the impact of its activities. This kind of proof will inspire people inside the organization, and convince stakeholders and possible funders or investors. Tools coming from the quality management field and tools specially developed or adapted in social enterprise field are of great significance since they control the whole process and estimate whether the objectives and the performance standards and goals of a social entity are met (Project Management Body of Knowledge, 2013).

Name of Activity: Quality assurance tools

Activity for understanding / study

Text, links, graphs, presentation, narration, video, reflection exercise (question, quiz, case study)

You can have as many activities as needed per subunit     Quality leads to satisfaction of all stakeholders. The main objective of quality assurance it that the undertaken initiatives meet the needs that they are originally created to meet (McClintock, 2016). The quality assurance  process consist of three major steps:

1. Plan quality management: identification of requirements and standards of project and outcomes
2. Perform quality assurance: auditing the requirements and results to ensure that appropriate standards have been used
3. Control quality: monitoring and recording the results of quality activities to access performance and recommend necessary improvements

Various tools and techniques can be employed at the above mentioned phases of quality assurance process such as:

Planning  Performing  Controlling
• Cost benefit analysis
• Cost of quality
• Brainstorming
• Force field analysis
• Nominal group technique
• Cause and effects diagrams
• Flowcharts
• Check sheets
• Pareto diagrams
• Histograms
• Scatter diagrams
• Design of experiments
• Affinity diagrams
• Process decision program charts
• Interrelationship diagraphs
• Tree diagrams
• Prioritization matrices
• Activity network diagrams
• Matrix diagrams
• Cause and effects diagrams
• Flowcharts
• Check sheets
• Pareto diagrams
• Histograms
• Control Charts
• Scatter diagrams
• Benchmarking
• Design of experiments
• Statistical sampling

     Record keeping is also very essential for quality assurance purposes supporting tracing and providing evidence of conformity. Therefore, organiza-

tions implementing quality assurance procedures must provide efficient and accurate record keeping, readily identifiable and retrievable.

For more learning

Tools and Techniques Useful in Quality Planning, Assurance, and Control

Quality Management and Control Tools

## 5.10. Tools social entrepreneur should Know

Name of Activity: Social enterprises performance and impact evaluation methodologies and tools

Activity for understanding / study

Text, links, graphs, presentation, narration, video, reflection exercise (question, quiz, case study)

You can have as many activities as needed per subunit

     The measurement of social enterprises' performance is based on the achievement of a double or even triple "bottom line", combining social and environmental aims with trading in the market (Dart, 2004). Organizations of the third sector such as social enterprises are increasingly required to have formal standards and measures of their performance (Millar & Hall, 2012).  They have to demonstrate their social, economic and environmental values for the following reasons (The Canadian Social Enterprise Guide, 2010):
• To confirm that they are on the right track
• To adjust and improve their planning
• To improve their day to day operations
• To build and gain support from the external environment
• To contribute to the field of social entrepreneurship
• To be prepared for changing demands

     To serve this purpose a range of performance measurement methodologies and tools have been introduced and utilized by social enterprises. The most known of them are the following (Florman & Klinger-Vidra, 2016; So et al, 2015):

General assessment methodologies and tools

Name  Areas of focus

Social return on investment (SROI)    Economic, social and environmental

Social Rating   Social and ethical financial

Social impact assessment (SIA)        Economic, social and environmental

G4 Guidelines  Economic, social and environmental

Human impact + (HIP) Scorecard      Human, social environmental, economic

Principles for responsible investment (PRI)   Environmental, social and corporate governance

GIIRS/B Rating System  Social and environmental

Impact Reporting and Investment Standards (IRIS) Metrics   Social, environmental and financial


Specific assessment methodologies and tools

Name  Areas of focus

Social value metrics   Economic, social and environmental

Leadership in energy and environmental design (LEED) certification  Environment

Balanced Scorecard  Financial, customer, business process, learning and growth

Trucost  Environment

Accelerator / Compass investment sustainability assessment  Economic, social and environmental

Dalberg approach  Social and financial

Ecological Footprint   Environment

Progress out of poverty index (PPI)   Poverty

Development Outcome Tracking System (DOTS)     Development


An interesting new approach is currently under development "The External Rate of return". It is about an inclusive, transparent platform for measuring the overall impact of business activities upon the economy and society in general.

For more information use the following links

The External Rate of Return: an inclusive, transparent platform for measuring the overall impact of business activities upon the economy and society in general

A critical evaluation of social impact assessment methodologies and a call to measure economic and social impact holistically through the External Rate of Return

How can a performance measuring system of a social enterprise be developed?

In order to develop a measuring system, a set of fundamental issues should be met (The Canadian Social Enterprise Guide, 2010) such as:
- Deside what should be measured
- Develop a  tracking system that can be used for gathering information
- Use the gathered information for decision making and demonstrating the value and  performance to stakeholders

The following graph provides in a comprehensive way the issues that should be taken into consideration for the development of a performance measuring system. Source: The Canadian Social Enterprise Guide, 2010, p.93

Learn more about the kind of information that should be gathered or the possible scopes of their demonstration in The Canadian Social Enterprise Guide, p.93-96.

- The Demonstrating Value Workbook
- Tracking your Business Performance
- Financial Intelligence for Social Enterprises
- Organizational Sustainability Assessment Tool
- Impact Mapping Worksheet
- Financial Ratio Analysis

Another interesting tool that could support the development strategy of performance measuring is the "The Social Blueprint Toolkit" (Calderon, 2014).

Learn more

Measuring the "impact" in impact investing, MBA 2015 Harvard Business School

A critical evaluation of social impact assessment methodologies and a call to measure economic and social impact holistically through the External Rate of Return platform

Double Bottom Line Project Report: Assessing Social Impact In Double Bottom

Line Ventures

Monitoring and Evaluation in the Social Sector

IRIS Metrics

Evaluation Services

Social Business Evaluation Process

Measuring, Evaluation and Social Impact Assessment

Name of Activity: Performance measurement

Activity for application

Choose between: Good practices, case study, decision making scenario

You can have as many activities as needed per subunit    You are in the process to support one of your clients, a social enterprise active in the field of social care for elderly people, to develop a system for performance and impact measuring. Try to think what kind of criteria and indicators you should propose for this purpose.

Name of Activity: Review

Activity for review

Write a summary or design a table or diagram.

1 review activity per subunit   the assessment and measuring the performance of social enterprises is a rather complicated task. Part of this difficulty is laying on the fact that social entities have to demonstrate constantly their social, economical and environmental values. Furthermore the variations of their activities force the assessment procedure to take an equally varied approach.

Assessment activity

Write 6 questions of your choice.
Choose from:
* **True/False**
* **Multiple choice**
* **Matching Exercise**
* **Self Assessment**

N.B: Always make sure to mark the correct answer in yellow

## Question 1

The quality assurance process consist of the following steps

**a.Plannning, Implementation, Reporting**

**b. Planning, Performing, Controling**

**c. Planning, Controling, Reporting**

## Question 2

All quality assessment tools can be used in all the steps of quality assurance

**α) True                    β) False**

## Question 3

Social enterprise performance measurement can be based only in measuring economic performance

**α) True                    β) False**

## Question 4

The demonstration of social enterprises value and performance is necessary for the following reasons (choose what best)
* **To confirm that they are on the right track**
* **To start planning**
* **To improve their day to day operations**
* **To build and gain support from the external environment**
* **To contribute to the field of social enterepreneurship**

## Question 5

Social return on investment can be used only to measure social impact

**α) True                    β) False**

## Question 6

The first step in order to develop a performance measuring system is to think about the sources to gather the necessary information

**α) True                    β) False**

## 5.11. Reporting impact and performance methods and tools

Reporting impact and performance is a crucial procedure when it comes to show the value of a social entreprise.  Business advisors should be able to choose and suggest among a variety of tools and methods to report performance and impact  that correspond to a number of different contexts such as type of social entity, particular needs etc.
Attention should be given, on one hand, on how the findings of a social entity's impact and performance assessment should be reported and communicated to different stakeholders. On the other hand, reasons that impose the reporting and communication procedure must be listed, such as making improvements, checking the consistency of the social entity's delivered products and/ or services, find out deviations etc.

Name of Activity: Creating comprehensive reports, charts and presentations

Activity for understanding / study

Text, links, graphs,  Comprehensive reports are official reports aiming to analyze and evaluate the information gathered for a lot of kind of purposes. The amount of research required for the development of the content of each report depends entirely on its purposes and its intended use.

There are a number of different extensive reports that business advisors can use to present the performance and impact of organizations. The most commonly used are:

* Periodic reports (monthly, annual)
* Routine management reports
* Compliance reports

- Committee or board reports
- Performance reports

In the case of social enterprises social metrics reports, benchmarking reports, impact reports and reports that enhance internal and external communications of their value and results achieved are needed (The Canadian Social Enterprise Guide, 2010)

The following links provide useful templates and/or paradigms of such reports and guidelines for their development:
- Brief Social enterprise Report template
- Interactive Example - Summary and Fundraising Tool
- Interactive Example - Performance Relative to Goals
- Quarterly KPI Report Template for a Social Enterprise
- Example Social Impact Report

When reporting the performance or the impact of social enterprises the requirements of supervising authorities (i.e. Ministry of Labor and Social Security, Secretariat of Social Economy), should also be taken into consideration.
For example
In case of Greece…
It should be mentioned that reporting Impact and Performance prerequisites from business advisors to possess key knowledge and skills. More specific, Business advisors should be familiarized with working with large data sets and turning them into well-structured and understandable information that is suitable for the preparation of reports and references. Basic data and information analyzes are done through self-service business Intelligence tools. These tools allow the transformation of unstructured data into detailed reports and reviews and the development of detailed interactive visualizations. To achieve this, business advisors should:
- know basic statistical analysis;
- be able to work with large arrays of data;
- know different ways of collecting, transforming, clearing, analyzing and shaping data;
- be able to create predefined datasheets and rules for their automatic update, geographic positioning of data;
- be able to work with open data.

Learn more

Types of business reports in business communication

The following tips could be useful in preparing and writing reports:

1. *Confirm What the Client Wants* This initial step is very important. We need to see what the social enterprise is expecting. It is important to think specifically about the end result (usually the final report). What issues should be addressed? What direction / guidance is expected to deliver? What exactly will it contain? How to present the results obtained?
2. *Determine What Type of Report Is Required* There are various types of business reports. Some of them have common characteristics while oth-

ers may be completely different. From the outset, it should be determined what type of final report is to be prepared.
3. *Conduct the Initial Research* The initial step is to find out what kind of report is required in the given time. –Then next step is to proceed with the design of the research. The development of questionnaires, as well as, the interview of key stakeholders consists of basic components of this procedure. It is suggested to collect and verify information from various sources. This raises the credibility of the results reflected in the report.
4. *Write the Table of Contents First* In order to develop a successful business report, it is necessary before writing the actual report, to prepare its detailed content. This leads to consistency in the process of drafting the report.
5. *Do Any Additional Research* Once the content of the report has been elaborated in detail, there may be a need for further investigation. If you decide that further investigation and gathering of additional information are required, then, it should be done before writing the report. In this way, you avoid to interrupt the writing process in order to gather new or more data.
6. *Create the main frame of the report* You first need to create a skeleton report. This means that before writing any of the texts, enter all the content you've already developed in MS Word title by title, including the subheadings as well. At this stage, the document is essentially a consistent series of titles and subtitles with a blank space between them. Then MS-Word automatically generates a Table of Content. You are then ready to fill in the blank spaces the relevant texts and sub-items in the body of the text document.
7. *Write the Report By Filling In The Blanks* Once the report frame is in place, as described in the previous step, the writing of the actual report is almost like filling the preforms. Just start over and run sequentially through headlines and subtitles one by one until you reach the end. All preparation must be a relatively clear process.
8. *Creating of charts and presentation* In the report, you can include many different types of graphs for data and graphics. These include core graphs, line graphs, core charts, scatter charts, stock charts, surface charts, donut charts, bubble charts, and radar charts.

You can make charts in PowerPoint or Excel. If you have a lot of chart data, create your chart in the Excel form and then copy it into your presentation. This is also the best way if your data changes regularly and you want your chart to always reflect the latest changes. In this case, when you copy the chart, save it to the original Excel file.

Sourse: http://www.writinghelp-central.com/business-reports.html

Learn more about reporting principles in "Reporting Principles. Taking Public Performance Reporting to a New Level" pp. 15-48

Creating effective presentations is an important skill that business advisors shouls also develop. Power Point has become one of the most popular tools for creating effective presentations (Harrington,2010).

Ten steps for creating effective presentations are the following:

1. Create a template that does not contain distracting items. The aim is to achieve simplicity and legibility. Avoid scattering elements that can take note of important issues.
2. Make sure your template encourages attention and good perception. Choose color combinations that make it easy for your audience to read and grab your slides. If your audience is unable to read and perceive your slides, then your message is compromised.
3. Select the appropriate font. Choose a font that is easy to read. Select standard fonts and limit them down to two.
4. Include high quality photos, images or diagrams that enhance your oral message. Research shows that communication is enhanced when an oral message is combined with a powerful screen image.
5. Use phrases or abbreviated sentences instead of complete sentences. Perhaps, with the exception of short direct quotes, have whole sentences in your oral presentation.
6. Use bullet points sparingly. The most effective slides are often those with the least text
7. Eliminate the use of headings or titles unless they communicate the main message. Headings should not be used to introduce or identify the topic of the slide, though they may be useful to call attention to the main finding in a chart or graph.
8. Use animation, slide transitions, audio, and video sparingly. And if used, do so only to reinforce a key concept
9. Highlight the most important information in tables and graphs. If needed, use builds to present data. There are many resources about how to create effective tables and graphs
10. Be passionate about your topic. Regardless of how well designed your slides are, the success of failure of your presentation will hinge on how effective you engage your audience.

Source:

Depending on the objectives, following the above methodology, business advisors can  create comprehensive reports, graphs and presentations in consulting social enterprises.

For more learning

Generic Snapshot Template for Microsoft Word and Excel

Creative Survey Reports in PowerPoint

Small guide to giving presentations

Watch the following video

Persuasive Presentation: How to Make Graphs More Powerful

Name of Activity: Communication of achievements (press communication, online social networks, formal and informal meetings)

Activity for understanding / study

Text, links, graphs scenario

How do we achieve effective communication and promote achievements?

Effective communication occurs when the entire message is sent and fully received and understood by an audience. Good communication is about getting the right message to the target social group. This enables each social group to have the opportunity to engage in a productive discussion about the message. (Guidance on developing communications to promote your service,2013), Effective Communications: Raising the profile of your archive service.)

The stages of communication

Source:

Organizations when communicating their achievements should keep in mind the basic principles of business communication:
• Efficiency and speed: It is important to respond as soon as possible
• Truth and validity: All information submitted must be valid, documented and based on facts.
• Reliability and confidentiality: continuous and secure operation of the correspondence is presumed
• Conciseness and clarityimplies that it should beconcisely and clearly, precisely and unequivocally pointed out in a letter/e-mail what one wants, decides, etc.

Organizations can use internal and external communication not only to communicate the achievements of their consultancy work, but also to urge other people to follow the same principles when communicating their achievements to their clients respectively.

Internal communication is information exchange within the organization and it can be established via various channels: personal contact, telephone, e-mail, intranet (the website accessible only by employees), staff meetings, and online tools for information exchange (Google Calendar, and Google Drive).

In external communication the information exchange goes both within the organization and outside of it. Every organization communicates with the outside world on a daily basis. External communication can be formal and informal.   Regardless of how it is established – via a letter, e-mail, web, telephone or some other way – the efficient external communication is the first step in creating the appropriate image. Carefully created letters, reports, presentations or web pages, send the outside world an important message about the work and quality of the business advisor.

To reach a larger audience, organizations can effectively use commu-

nication through traditional media (radio, television, newspapers, etc.) as well as new ways of communicating (text messages, the Internet, blogs, social networks).

In internal and external communication, organizations can effectively use two types of communication:Internal and external communication Availabe at:

Oral Communication

Business

| | Meetings | Workshops | Presentations | Video conferences |
|---|---|---|---|---|
| Imparts information effectively | V | V | V | V |
| Can support a complex message | V | V | V | V |

Written Communication

Press communication    online social networks    Email

Newsletter    Blogs    Surveys

| | | | | | | |
|---|---|---|---|---|---|---|
| Imparts information effectively | V | V | V | V | V | V |
| Can support a complex message | V | V | V | V | V | V |

For more learning:

Effective Communications: Raising the profile of your archive service

Internal and external communication

Name of Activity: Review

Activity for review

Write a summary or design a table or diagram.

1 review activity per subunit   Reports can be used for providing reviews of social enterprise performance and impact. There are a lot of kind of reports according their purposes and use. Reporting of performance or impact has no meaning if it is not communicated to all stakeholders inside and outside orga-

nizations. Social enterprises achievements can be disseminated using various communication methods.

Assessment activity

Write 6 questions of your choice.

Choose from:
- **True/False**
- **Multiple choice**
- **Matching Exercise**
- **Self Assessment**

N.B: Always make sure to mark the correct answer in yellow

### Question 1

An "Effective" report must be: clearly written, contains appropriate tables and graphs; provides incisive and correct interpretations of findings; includes wise and feasible recommendations.

*α) True*                    *β) False*

### Question 2

What would made a presentation better? (choose all that applies):
- **The talk contained effective examples and illustrations.**
- **The visual aids used key words rather than sentences.**
- **The talk was designed in a logical way from beginning to middle and end.**
- **All the above**

### Question 3

Reporting of social enterprises achievement should correspond only to supervising authorities requirements

*α) True*                    *β) False*

### Interconnection activity

[Write here the script of the case study or draw the mind map]

----------------------------------------------------------------------
----------------------------------------------------------------------
----------------------------------------------------------------------
----------------------------------------------------------------------
----------------------------------------------------------------------
----------------------------------------------------------------------
----------------------------------------------------------------------

**Final activity**

[Write 1 or 2 questions for real-life application] You have just taken over a new client, a Social Enterprise which is dealing with recycling of used household appliances. Try to answer to the following questions:

- *What factors should be measured in order to determine about your clients performance?*

- *What kind of tools would you propose for assessing performance?*

- *What indicators could you use in order to measure the impact?*

- *What kind of communications channels would you suggest for the communication of social enterprise achievement to the internal environment?*

- *How would you stimulate your clients in order to develop new products/ services?*

- *How would you advice them in order to choose among different ideas?*

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EU PROJECT

# INTERREGIOAL SOCIAL ENTEPRISE EMPOWERMENT – I-SEE

October 2018

**Interreg**
**Greece-Bulgaria**
**I-SEE**
European Regional Development Fund

EUROPEAN UNION

**Συνεργασία**
Ενεργών Πολιτών

**Interreg**
**Greece-Bulgaria**

SOCIAL ENTREPRENEURSHIP
READINESS MEASUREMENT
INSTRUMENT

# CONTENTS

## Readiness Dimensions:

## 1. General information:
### Demographic profile

Please tick (√) the appropriate answer for you to the following questions.

**Gender**
- ☐ Male
- ☐ Female

**Ethnic group**
- ☐ Greek
- ☐ Bulgarian
- ☐ Turkish
- ☐ Other
- ☐ Specify: -------------------------------------------------

**Age**
- ☐ 31-45
- ☐ 46-55
- ☐ 56-65
- ☐ Over 66

**Civil Status**
**I leave mainly in a:**
- ☐ Capital City
- ☐ City
- ☐ Village

**Education**
- ☐ Primary school- 9 YEARS OF EDUCATION
- ☐ High School
- ☐ Technological Education
- ☐ University
- ☐ Post Graduate Degree

**Work Status**
- ☐ Employed as -------------------------------------------
- ☐ Unemployed – Years -------------------------------
- ☐ Last job position: -----------------------------------

**Indicate the university degree / diploma obtained or are in the process of obtaining**

(eg: Bachelor's degree in economics, psychology etc. or Master's Degree in Law etc.)

-------------------------------------------------------------------------------

-------------------------------------------------------------------------------

-------------------------------------------------------------------------------

**Indicate if you had special training in entrepreneurship in**
- ☐ High School
- ☐ University
- ☐ Other -----------------------------------------------

**Indicate if you have the types of professional Experience as**
- ☐ Entrepreneur Years: ------------------------------
- ☐ A Manager Years: ---------------------------------
- ☐ Public Sector Employee Years -----------------

## 2. Empathic Readiness

Please read the sentences and tick the right number which reflects your personality.

| Statements | Strongly Agree (1) | Agree (2) | Neutral (3) | Disagree (4) | Strongly Disagree (5) |
|---|---|---|---|---|---|
| 1. It makes me sad to see a lonely stranger in a group | | | | | |
| 2. I often find public displays of affection annoying | | | | | |
| 3. I am annoyed by unhappy people who are just sorry for themselves | | | | | |
| 4. I tend to get emotionally involved with a friend's problems | | | | | |
| 5. I tend to lose control when I am bringing bad news to people | | | | | |
| 6. The people around me have a great influence on my moods | | | | | |
| 7. I would rather be a social worker | | | | | |
| 8. than work in a job training centre | | | | | |
| 9. Seeing people cry upsets me | | | | | |
| 10. I get very angry when I see someone being ill-treated | | | | | |

| Statements | Strongly Agree (1) | Agree (2) | Neutral (3) | Disagree (4) | Strongly Disagree (5) |
|---|---|---|---|---|---|
| 11. I am able to remain calm even though those around me worry | | | | | |
| 12. I am able to make decisions without being influenced by people's feelings | | | | | |
| 13. I cannot continue to feel OK if people around me are depressed | | | | | |
| 14. It is hard for me to see how some things upset people so much | | | | | |
| 15. It upsets me to see helpless old | | | | | |
| 16. people | | | | | |
| 17. I become more irritated than sympathetic when I see someone's tears | | | | | |

## 3. Desirability of Control (Self Efficacy)

For each of the statements listed below, please indicate the response that best represents you on the scale of 1- strongly agree to 5 - strongly disagree

| Statements | Strongly Agree (1) | Agree (2) | Neutral (3) | Disagree (4) | Strongly Disagree (5) |
|---|---|---|---|---|---|
| 1. I would prefer to be a leader rather than a follower | | | | | |
| 2. I enjoy being able to influence the actions of others | | | | | |
| 3. I would rather prefer someone else took over the leadership role | | | | | |
| 4. when I'm involved in a group project I consider myself to be generally more capable of handling situations than others are | | | | | |
| 5. I'd rather run my own business and make my own mistakes than listen to someone else's orders | | | | | |
| 6. When it comes to orders, I would rather give them than received them | | | | | |

| Statements | Strongly Agree (1) | Agree (2) | Neutral (3) | Disagree (4) | Strongly Disagree (5) |
|---|---|---|---|---|---|
| 7. When I see a problem, I prefer to do something about it rather than sit by and let it continue | | | | | |
| 8. I wish I could push many of life's daily decisions off on someone else | | | | | |
| 9. There are many situations in which I would prefer only one choice rather than having to make a decision | | | | | |
| 10. I like to wait and see if someone else is going to solve a problem so that I don't have to be bothered by it | | | | | |
| 11. I prefer a job where I have a lot of control over what I do and when I do it | | | | | |
| 12. I try to avoid situations where someone else tells me what to do | | | | | |
| 13. I am careful to check everything on an automobile before leaving on a long trip | | | | | |
| 14. Others usually know what is best for me | | | | | |
| 15. I enjoy making my own decisions | | | | | |
| 16. I enjoy having control over my own destiny | | | | | |
| 17. I like to get an idea of what a job is all about before I begin | | | | | |

| Statements | Strongly Agree (1) | Agree (2) | Neutral (3) | Disagree (4) | Strongly Disagree (5) |
|---|---|---|---|---|---|
| 18. When driving, I try to avoid putting myself in a situation where I could be hurt by someone else's mistake | | | | | |
| 19. I prefer to avoid situations where someone else has to tell me what it is I should be doing | | | | | |

## 4. Perceived desirability

Think of the following factors if you had to start your own social business: Please indicate below the answer that best represents your response. If you actually started your own social business, how would you feel?

### 1. I will love doing it
("1 - love'' - ''5 - hate'')

|  | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Love: | | | | | |
| Hate: | | | | | |

### 2. How tense would you be?
("1 - very tense'' - ''5 - not tense at all'')

|  | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Very tense: | | | | | |
| Not tense at all: | | | | | |

### 3. How enthusiastic would you be?
(''1 very enthusiastic'' - ''5 - not enthusiastic at all'')

|  | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Very enthusiastic: | | | | | |
| Not enthu- siastic at all | | | | | |

## 5. Perceived Feasibility

If you actually started your own social business, how would you feel? Please indicate the response that best represents your answer to the following questions.

| | Very Difficult (1) | Difficult (2) | Neutral (3) | Easy (4) | Very Easy (5) |
|---|---|---|---|---|---|
| 1. How difficult do you think it would be? | | | | | |
| | Very certain of success (1) | Certain of success (2) | Neutral (3) | Certain of failure (4) | Very certain of failure (5) |
| 2. How certain of success are you? | | | | | |
| | Very over-worked (1) | Over-worked (2) | Neutral (3) | Not over-worked (4) | Not over-worked at all (5) |
| 3. How overworked would you be? | | | | | |
| | Know every-thing (1) | Know a little (2) | Neutral (3) | Don't know much (4) | Know nothing (5) |
| 4. Do you know enough to start a social business? | | | | | |
| | Very sure (1) | Sure (2) | Neutral (3) | Unsure (4) | Very unsure (5) |
| 5. How sure are you of yourself? | | | | | |

## 6. Social Entrepreneurial Intent

Indicate how much you agree or disagree with a statement by placing a ticking in the block corresponding to your answer.

| | Strongly Agree (1) | Agree (2) | Neither Agree nor Disagree (3) | Disagree (4) | Strongly Disagree (5) |
|---|---|---|---|---|---|
| 1. I am ready to do anything to be an social entrepreneur | | | | | |
| 2. My professional goal is to be an social entrepreneur enterprise | | | | | |
| 3. I am determined to create a social entrepreneurial venture in the future | | | | | |
| 4. I do not have doubts about ever starting my own social enterprise in the future | | | | | |
| 5. I have very seriously thought of starting a social enterprise in the future | | | | | |
| 6. I have a strong intention to start a social enterprise in the future | | | | | |

|  | Strongly Agree (1) | Agree (2) | Neither Agree nor Disagree (3) | Disagree (4) | Strongly Disagree (5) |
|---|---|---|---|---|---|
| 7. My qualification has contributed positively towards my interest in starting a social enterprise |  |  |  |  |  |
| 8. I had a strong intention to start my own social enterprise before I started with my qualification |  |  |  |  |  |

## 7. Social Entrepreneurial Exposure

Please indicate whether you have any kind of the following exposure to a social business.

|  | Yes (1) | No (2) |
|---|---|---|
| 1. Did your parents ever have a social business? |  |  |
| 2. Did anyone else they know start a social business? |  |  |
| 3. Did they ever work for a small or new social company? |  |  |
| 4. Did they themselves start a social business? |  |  |

## 8.  Managerial skills

Evaluate the level you believe that you dispose for the following managerial skills by ticking the appropriate box. Use the scale from 1 to 5 as indicated below.

|  | Very high level (1) | Good level (2) | Average (3) | Low level (4) | Very low level (5) |
|---|---|---|---|---|---|
| 1. Chairing meetings | | | | | |
| 2. Delegating power and responsibility | | | | | |
| 3. Decision-making | | | | | |
| 4. Team work | | | | | |
| 5. Negotiation Skills | | | | | |
| 6. Conflict management | | | | | |
| 7. Time management | | | | | |
| 8. Performance management | | | | | |
| 9. Commercial contacts evaluation | | | | | |
| 10. Stress management | | | | | |
| 11. Production cost management | | | | | |

|  | Very high level (1) | Good level (2) | Average (3) | Low level (4) | Very low level (5) |
|---|---|---|---|---|---|
| 12. People skills | | | | | |
| 13. Information keeping and retrieving | | | | | |
| 14. Change management | | | | | |
| 15. Organization skills | | | | | |
| 16. Problem solving skills | | | | | |
| 17. Communication skills | | | | | |

## 9. External Environment of a social enterprise

Having in mind the external environment of o a social company evaluates the following chrematistics of this environment in your country. Tick the right box from 1 to 5 starting from 1 if you agree to 5 if you disagree.

| | Agree (1) | Partially Agree (2) | Neither Nor (3) | Partially Disagree (4) | Disagree (5) |
|---|---|---|---|---|---|
| 1. High tax rates | | | | | |
| 2. Inefficiency of the judiciary | | | | | |
| 3. Difficulties in finding appropriate business partners | | | | | |
| 4. High level of corruption | | | | | |
| 5. Lack of incentives from local authorities | | | | | |
| 6. Political instability in the domestic market | | | | | |
| 7. High inflation rate | | | | | |
| 8. Problems with the collection of receivables | | | | | |
| 9. Inadequate workforce on market | | | | | |
| 10. Inadequate legislation | | | | | |

| | Agree (1) | Partially Agree (2) | Neither Nor (3) | Partially Disagree (4) | Disagree (5) |
|---|---|---|---|---|---|
| 11. Problematic Implementation of the legislation | | | | | |
| 12. High energy price | | | | | |
| 13. Lack of information on how to run a social company | | | | | |
| 14. Inadequate bank support | | | | | |
| 15. High level of prices of telecommunication services | | | | | |
| 16. Difficulties in the hire / lease of business premises | | | | | |
| 17. High transportation costs | | | | | |
| 18. Difficulties in fulfillment of the necessary quality standards | | | | | |
| 19. Failure to fulfill contractual obligations | | | | | |
| 20. Complicated administrative procedures | | | | | |
| 21. Lack of adequate infrastructure | | | | | |

## 10. Gender Differences in Social Entrepreneurship

a. Given the following reasons to become Social Entrepreneur evaluate their importance based on how you estimate and experienced gender differences. Tick the right box from 1 to 5 starting from 1 as not important till 5 as very important to evaluate the reasons for men and women.

| Reasons | Men 1.....5 | | | | | Women 1.....5 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Self-actualization | | | | | | | | | | |
| To achieve socially targeted goals | | | | | | | | | | |
| Desire to make money | | | | | | | | | | |
| Desire t o be their own boss | | | | | | | | | | |
| Dislike of authority | | | | | | | | | | |
| Flexibility in work hours | | | | | | | | | | |
| Pass on t o children | | | | | | | | | | |
| Status of a business owner | | | | | | | | | | |
| Facing unemployment | | | | | | | | | | |

b. Given the following traits which describe a Social Entrepreneur personality define the degree that men and women dispose as social entrepreneurs. Tick the right box from 1 to 5 starting from 1 as at a low level till 5 as at a high level.

| Traits | Men 1.....5 | | | | | Women 1.....5 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Independent | | | | | | | | | | |
| Show initiative | | | | | | | | | | |
| Enthusiastic | | | | | | | | | | |
| Committed | | | | | | | | | | |
| Loves to manage | | | | | | | | | | |
| Energetic | | | | | | | | | | |
| Realistic | | | | | | | | | | |
| Involved | | | | | | | | | | |
| Optimistic | | | | | | | | | | |
| Loves challenge | | | | | | | | | | |
| Creative | | | | | | | | | | |
| Need control | | | | | | | | | | |
| A dreamer | | | | | | | | | | |
| Risk taker | | | | | | | | | | |
| Loves to share | | | | | | | | | | |

**How soon are you likely to launch your social enterprise or venture that strives to advance positive social change?**

☐  1 Year (1)
☐  2 Years (2)
☐  3 Years (3)
☐  4 Years + (4)

**THANK YOU VERY MUCH**
FOR YOUR PARTICIPATION
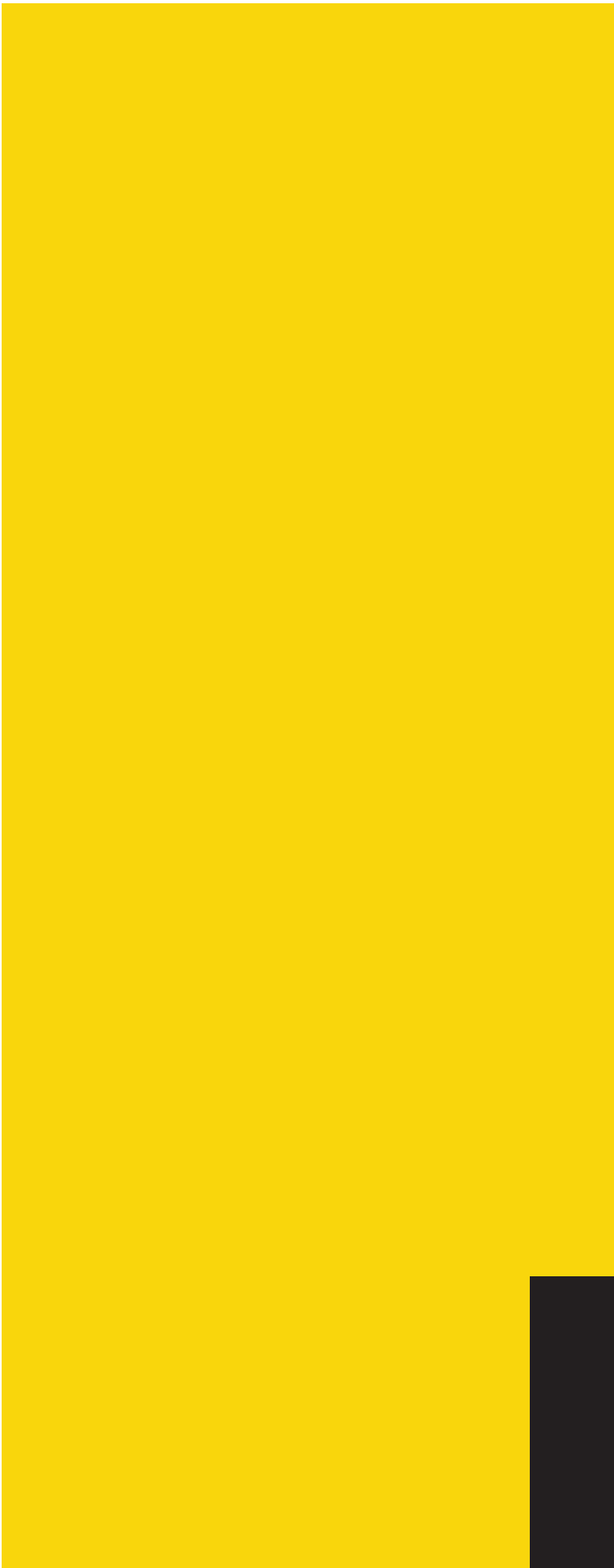
# F(x)

## ENTREPRENEURIAL READINESS INDICATOR

**Interreg**
**Greece-Bulgaria**
**I-SEE**
European Regional Development Fund

EUROPEAN UNION

**Συνεργασία**
Ενεργών Πολιτών

**Interreg**
**Greece-Bulgaria**

# F(x)= a1y1 + a2y2 + ….a8y8 /

- F(x): Readiness Indicator
- a1 + a2 + …. a8 = 1

Note: a1=0.16
　　　a2=0.05
　　　a3=0.08
　　　a4=0.1
　　　a5=0.2
　　　a6=0.15
　　　a7=0.16
　　　a8=0.1

- Y1 to y8 are:

### 1. Empathic Readiness
*Note:* All answers from 1 to 17 must change as follows 1=5, 2=4, 3=3, 4=2, 5=1 then have the summation of the 17 answers to the questions and then divided by 17 so as to have a number between 1 to 5.

### 2. Desirability of Control
*Note:* All answers from 1 to 19 must be added and then divided by 19 so as to have a number between1 to 5.

### 3. Perceived Desirability
*Note:* All answers from 1 to 3 must change as follows 1=5, 2=4, 3=3, 4=2, 5=1 then have the summation of the 3 answers to the questions and then divided by 3 so as to have a number between 1 to 5.

### 4. Perceived Feasibility
*Note:* All answers from 1 to 3 must change as follows 1=5, 2=4, 3=3, 4=2, 5=1 then have the summation of the 5 answers to the questions and then divided by 5 so as to have a number between 1 to 5.

### 5. Social Entrepreneurial Intent
*Note:* All answers from 1 to 8 must change as follows 1=5, 2=4, 3=3, 4=2, 5=1 then have the summation of the 8 answers to the questions and then divided by 8 so as to have a number from 1 to 5.

### 6. Social Entrepreneurial Exposure
*Note:* The percentage of YES is multiplied by 5
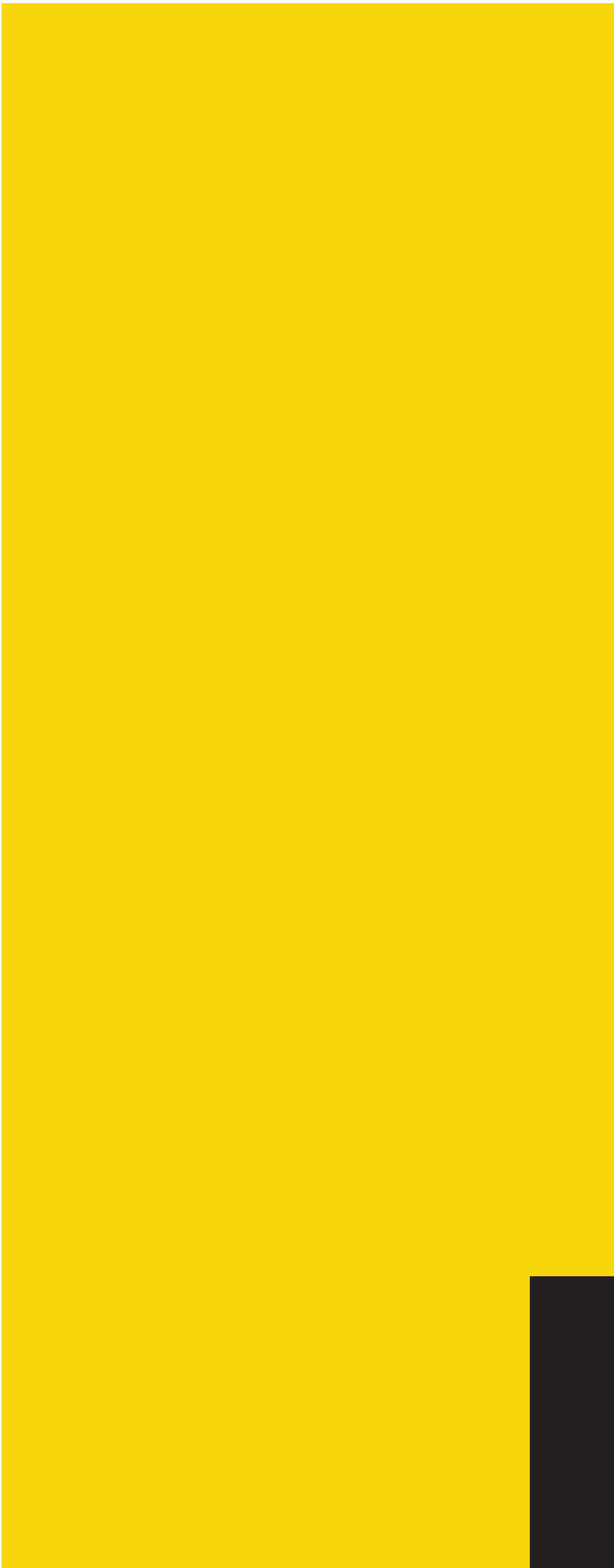
### 7. Managerial Skills
*Note:* The summation of the 17 answers to the questions is divided by 17 so as to have a number between 1 to 5

### 8. External environment of a social enterprise
*Note:* The summation of the 21 answers to the questions is divided by 21 so as to have a number between 1 to 5

*With Demographics as intervening variables*

# IDEA EVALUATION

**Interreg**

**Greece-Bulgaria**

**I-SEE**

European Regional Development Fund

EUROPEAN UNION

**Συνεργασία**
Ενεργών Πολιτών

**Interreg**

**Greece-Bulgaria**

# IDEA EVALUATION

## Social Impact

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Presence of a Demonstrated Need and Identifiable Group of Beneficiaries | | | | | |
| Measured and Defined Impact | | | | | |
| Large Number of Beneficiaries | | | | | |

## Implementation/Survival

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Acceptance by the Community and Involvement of the Beneficiaries | | | | | |
| Sound Financials and Reliable Source of Funding | | | | | |
| Appropriate Level of Embeddedness | | | | | |
| Organized Structure with Well-Defined Responsibilities | | | | | |
| Relevant Work Experience | | | | | |

## Implementation/Survival

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Emphasis on Learning and Improvement | | | | | |
| Long-term cooperation with other organizations | | | | | |
| Drive to Expand and Grow | | | | | |

**Calculation:** *Sum of the score of each row (each row gets a unique score)*