What about efficiency? Exploring perceptions of current social enterprise support provision in Scotland

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ABSTRACT

While policies in support of social and commercial entrepreneurship are widely used to foster economic growth and increase prosperity, little is known about the effectiveness of various interventions. Despite the diversity of approaches, some places remain more conducive to developing entrepreneurship than others. Scotland is an interesting context in which to study entrepreneurial support and particularly business support to social enterprises. Despite the wealth of support available in this country, practitioners still face numerous challenges at various stages of entrepreneurial development. Drawing on the analysis of qualitative data emerging from a study exploring social enterprise practitioners’ views on business support provision, and considering pre-start-up, start-up and established stages of social enterprise development, this paper shows that, currently, support is poorly-coordinated, inadequate and sometimes repetitive. Our study reveals conflict between service providers and a mismatch between social enterprise policy aspirations and practical implementation. We conclude that the implementation of social enterprise policies lacks a holistic approach and is based on ad-hoc support, making it inefficient and wasteful. Finally, we highlight that the amount of business support provided does not equate to effectiveness and call for ongoing scrutiny and monitoring of policy implementation.

1. Introduction

Some places may be more conducive to entrepreneurship than others, generally because of the combination of social, political, economic and cultural factors that support the development and growth of innovative start-ups and encourage risk-taking attitudes (Spigel, 2017). This can be said for both commercial and social entrepreneurship (Steinerowski et al., 2008). Unlike commercial entrepreneurship, however, social entrepreneurship is a fairly new, but rapidly growing phenomenon which infuses practice, academic enquiry and policy development (Bacq and Janssen, 2011). The focal point of this growing field are social enterprises – market engagement organisations that privilege meeting social needs over profit maximisation and mobilise disadvantaged communities to produce socially useful goods and services (Amin, 2009; Millar et al., 2013). Due to this characteristic, many organisations branded as social enterprises have been depicted as key players in a mixed economy offering innovative solutions to numerous societal problems (Nicholls and Teasdale, 2017).

Among the many developing and developed countries in which social entrepreneurship is prominent (Hall et al., 2012; Miller et al., 2012; Steiner et al., 2019), Scotland has been praised for having one of the most supportive policy environments for social enterprises (Roy et al., 2015). The Scottish Government (2015, p. 35) sees the sector as vital in achieving its long-term goal of creating “a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth”. Although a social enterprise model might be “inappropriate” for some social economy organisations, “forcing charities to make money” and become more business-orientated (Farmer et al., 2008, p. 458), Scottish Government (2016) presents social enterprises as “key to the future of public service reform and delivery in Scotland”, empowering local communities, tackling poverty and inequality, and developing innovative solutions to the challenges facing Scottish citizens.

The social enterprise community in Scotland is described as ‘thriving’ in Scotland’s Economic Strategy (Scottish Government, 2015). This reflects Scottish Government’s commitment to cement Scotland’s reputation as the world-leader for starting and growing a social enterprise (Scottish Government, 2016). Scotland’s Social Enterprise Strategy 2016–2026 (Scottish Government, 2016) assigned £1.2 million to ‘early interventions’ and £5.2 million to support and strengthen existing...
organisations. There are funding mechanisms ranging from dedicated agencies that develop social enterprise start-ups, to funds that support the implementation of business ideas (Mazzei and Roy, 2017; Vanderhoven et al., 2020). The support includes extended infrastructure that consists of well-developed institutions, networks, agencies and associations that facilitate the activities of social enterprises. A range of national policy interventions and political leadership have increased the recognition of social enterprise as a valuable actor in the regional economy. Hence, many local authorities have developed local social enterprise strategies - these, however, vary in terms of potential value offered to local social enterprises.

Despite the policy attention given to growing social enterprises, concerns regarding the support structure are still present, particularly in relation to the disjunction between policy rhetoric and delivery. Due to their varied contexts and operations, social enterprises face diverse challenges (Steiner and Teasdale, 2018). Predominantly small in size, social enterprises often tackle complex and seemingly intractable social problems which require multifaceted solutions, and whilst creating both economic and social value, they operate in a competitive funding environment. It is not surprising then that recent studies in Scotland (Social Value Lab, 2017, 2019) identified unsatisfied support needs expressed by those responsible for running social enterprises. More than a third of respondents suggested that their organisations would benefit from training in measuring social impact, researching new opportunities, collaborating with others, developing their workforce, marketing strategy, and new products or services. In addition, less than 70 per cent of Scottish social enterprises were found to be financially sustainable, leaving nearly a third of the organisations in a vulnerable position and with an uncertain future (ibid.). The social enterprise environment is complicated and, at times, frustrating. In the Scottish context, aside from a few studies (see, for example, Roy et al., 2016; Mazzei and Roy, 2017; Henderson et al., 2019; Vanderhoven et al., 2020), the voice of those involved in delivering social enterprise (whether founders, managers, employees and/or volunteers) is seldom heard, particularly in relation to the provision of business support. The aim of this paper is to assess the effectiveness of current business support provision in Scotland by reflecting upon the perceptions of those who practice social enterprise. While the paper focuses specifically on the Scottish context, the findings of this study can be applied more widely to a variety of other contexts.

The question we attempt to answer in this paper is: How do practitioners assess the quality of the support available to them? To answer this question, we use primary data deriving from a qualitative study called Enhancing Social Enterprises’ Competitiveness Through Improved Business Support Policies. Our inquiry focuses on the experience of diverse stakeholders in Scottish social enterprises. Importantly, although the term support is often associated with the formal assistance provided by government or publicly funded sources, in this paper we adopt a broader understanding of this term, encompassing both tangible (e.g. financial capital) and intangible (e.g. mentoring) resources (Hanlon and Saunders, 2007). Findings from our investigation are used to provide social enterprise policy support recommendations and, ultimately, enhance the future development and sustainability of Scottish social enterprises.

This paper begins with a discussion around the diversity of policy approaches to entrepreneurial support and scholarly debates on their effectiveness. The literature reveals that knowledge regarding the effectiveness of business support practices for social enterprises is limited. The paper then presents the Scottish context, and describes our research approach, including an overview of the study underpinning this paper. Finally, drawing on analysis of our qualitative data, the paper reveals a patchy social enterprise support structure, and a mismatch between policy intentions and practitioners’ perception of available support. In concluding our paper, we argue that a large amount of business support does not equate to effectiveness and we provide some recommendations for future research and policy.

2. Entrepreneurial support: policies and their effectiveness

Entrepreneurship is promoted by governments across the world to foster economic growth based on employment generation and increased prosperity (Williams, 2013). However, there is considerable diversity in governmental approaches to enterprise policy (Stevenson and Lundstrom, 2007). Differing approaches tend to reflect varying policy objectives. For example, if the aim of the government is to develop new firms (e.g. Italy), policies tend to focus on reducing time and costs for new business start-ups (ibid). Indeed, whether governments’ focus lies in creating new firms or sustaining those already existing is a dilemma frequently debated in entrepreneurial policy studies (see Arshed et al., 2016).

The UK is believed to take a holistic approach to enterprise policy (Stevenson and Lundstrom, 2007), inclusive of assisting start-ups and supporting established firms to grow, including Small and Medium Enterprises and entrepreneurship policies (Arshed et al., 2016). This holistic approach involves tackling the start-up needs of specific target groups, such as disabled people, women, ethnic minorities and young people. This resonates with much of the social enterprise policy in the UK, where the needs of specific groups have been addressed through the means of social enterprise (Mazzei and Roy, 2017). With a similar trajectory to that of commercial enterprise policies, and in addition to financial and start-up incentives, social enterprise development policies in the UK have shifted towards ‘softer’ methods of support in the form of advice, consultancy, information and training offered through agencies such as Business Link (Greene and Patel, 2013).

Assumed to be self-financing through trading activities, social enterprises are attractive to policymakers and sometimes even perceived as a “panacea to failure in market and state mechanisms” (Parkinson and Howorth, 2008, p.292). Since the late 1990s, social enterprises have increasingly been utilised as a way to deliver a variety of public services (Calo et al., 2019). A plethora of initiatives supporting the development and sustainability of social enterprise have been put in place, particularly in Scotland, where the devolved government has invested heavily in such organisations (Vanderhoven et al., 2020). The Scottish Government has a long-standing commitment to developing social enterprises and sees the sector as vital to achieving its long-term goal of “creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth”.

While policies in support of (social) entrepreneurship are widespread, little is known about the effectiveness of various interventions (Downe et al., 2012). Indeed, there is little tangible evidence that enterprise policies have resulted in increased business start-up rates or improved the contribution of growing firms to employment and economic growth (Arshed et al., 2016). Some scholars have argued that state interventions in any entrepreneurial policy are ineffective, in so far that it is questionable as to whether they actually stimulate growth – both in economic terms and the numbers of firms (Pickernell et al., 2015). Atherton and Smallbone (2013) suggest that entrepreneurial policy ‘effectiveness’ depends on the context in which policies are developed. Effective policy must reflect the institutional make-up of localities and their capacity. Yet, this issue is rarely recognised and the use of empirical evidence to evaluate and contextualise the implementation of entrepreneurial policies is considered to be a relatively new phenomenon (Van Cauwenberge et al., 2013). Thematic evaluations are encouraged by some scholars (Turok, 1997) as a way to explore the detail of policy implementations, mostly the specific reasons as to why some policies work and some fail, as well as issues that cross-cut different regions.

Some studies attribute the ineffectiveness of enterprise policy to the way in which it is formulated (Arshed et al., 2016), and others to the way

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1. https://www2.gov.scot/topics/archive/About-Archive/scotlandperforms/purposes
in which it is implemented (Niska and Vesala, 2013). Yet others argue that policy is, in the end, what professionals and practitioners do in the field (Dunleavy, 1981). The disjunction between social enterprise policy and the realities faced by those involved in implementation on the ground reflects the complexities of specific contexts. Previous studies (Millar et al., 2019) have highlighted the need to understand the perspectives of practitioners as collaborative partners for innovation and improvisation within the policy process (Laws and Hajer, 2006). This is based upon an understanding of policymaking as a process of organisational interpretations and translations by networks of diverse policy actors (Ball et al., 2011). However, little is known about the challenges of policy implementation and the experiences of those involved in such processes.

3. The landscape of social enterprise support in Scotland

Considering that the context in which organisations operate matters (Bacq and Janssen, 2011), we briefly introduce the social enterprise environment of our study location. The development of social enterprises in Scotland is monitored through the Social Enterprise Census (Social Value Lab, 2015, 2017, 2019) – a national survey that gathers longitudinal information on trends in the number, financial value and socio-economic activities of social enterprises – to inform future policy decisions. The Census indicates that there are more than 6,000 social enterprises in Scotland and that their number increased by 8 per cent between 2015 and 2017 and another 7.5 per cent in the following two years, suggesting a steady growth of the sector. Social enterprises are active across all economic sectors and cover the whole geography of Scotland. The sector contributes more than £2.3bn GVA to the Scottish economy and, in a labour market of approximately 3.48 million people, provides more than 88,000 FTE jobs (Social Value Lab, 2019), often to members of groups that are marginalised within the labour market.

In Scotland, a range of interventions, both financial and legislative, have focused on providing business support to social enterprises and individual social entrepreneurs. The business support available ranges from general business development - publicly funded support available to all businesses and accessible to social enterprises - to specialist provision targeting social enterprises. Among the agencies tasked with providing business support is Business Gateway, a publicly funded body that provides services to people starting or growing their business. In partnership with Scottish Enterprise and Highlands & Islands Enterprise, two public organisations responsible for socio-economic development in Scotland, Business Gateway is delivered by local authorities in-house or, in some cases, contracted to external organisations. Business Gateway provision tends not to distinguish between social enterprise and commercial business, however, in some locations, that differentiation is acknowledged and different support structures are in place. For example, in Fife, the local authority has a Service Level Agreement with a social enterprise that delivers business support to other social enterprises. In North Ayrshire, on the other hand, the local authority has a dedicated social enterprise network manager and a development officer to provide support to local social enterprises and grow the sector.

Among an extensive range of specialist support services available to social enterprises in Scotland is Just Enterprise; a programme delivered by a consortium of ten social enterprise support agencies funded by the Scottish Government. Most local authority areas have a Social Enterprise Network that provides networking opportunities as well as a Third Sector Interface providing third sector support services. A number of other regional organisations, such as the Highlands and Islands Social Enterprise Zone, provide additional support to social enterprises and the wider social enterprise community. On the surface, the social enterprise support structures in Scotland seem comprehensive. However, the quality, efficiency and relevance of this support have not been investigated in detail. Despite an intricate and extensive network of organisations and agencies dedicated to providing business advice and solutions to social enterprises, 1,037 out of 5,600 respondents to the Social Enterprise Census (Social Value Lab, 2017) indicated that their organisations needed help in organisational development (i.e. workforce, leadership, marketing, business planning and practices); access to finance (i.e. tendering for public sector contracts, collaborative working, loans and new business ventures); and impact measurement. In the context of limited public finances, it is important to question the efficiency of the current support structure and delve into social enterprise stakeholders’ perspectives on current support provision. Particularly, it is crucial to question the efficiency of significant investment in a complex group of agencies, networks and institutions providing business and organisational support to social enterprises.

4. Research approach

4.1. Study background

The research underpinning this paper was part of an INTERREG EUROPE project called Enhancing Social Enterprises’ Competitiveness Through Improved Business Support Policies – RaiSE brought together seven European regions (Austria, Italy, Hungary, Spain, Ireland, Scotland, and Sweden) to enhance the competitiveness of social enterprises. The aim was to facilitate mutual learning between the seven regions in order to improve their respective business support policies for social enterprises and develop a regional action plan during the first phase of the programme. The Action Plans had to include context specific policy instruments to deliver new and enhanced services, such as better training or new funding policies. They also had to engage various stakeholders in policy development and implementation in order to reflect the needs of the sector. These Action Plans were then implemented and monitored during the second phase of the programme (2 years).

In Scotland, RaiSE aimed to: (i) understand whether social enterprise practitioners were aware of support provision; and (ii) gather views regarding the quality of this provision. The need for this investigation was triggered by findings from the Social Enterprise Census 2017 (Social Value Lab, 2017, 2019), which identified 22 areas of support relevant to the social enterprise sector (Appendix 1 Tabel 2).

4.2. Methods

To explore practitioners’ perceptions of the current provision of social enterprise support and to identify potential gaps in the support structure, we adopted a mixed-method study approach (Fetters et al., 2013) using interviews and a focus group as our main data collection techniques. To develop knowledge about the field under investigation and gather views from social enterprise stakeholders, we adopted a purposive, maximum variation sampling process (Mason, 2002) aimed at reflecting the plurality of social enterprise forms and experiences (Mazzei, 2016). We carried out thirty-six in-depth, semi-structured interviews with thirteen social enterprise leaders (i.e. entrepreneurs and managers), eleven business advisers, six social enterprise network coordinators, five Third Sector Interface staff and one Economic Development Local Authority Officer. Coverage of geographically diverse locations was ensured by including respondents from northern (Scottish Highlands and Islands), central and southern Scotland.

The interviews explored perceptions of social enterprise support as suggested by the Scottish Social Enterprise Census including aspects of

2 https://www.bgateway.com
3 https://justenterprise.org
4 http://www.hisiez.co.uk/about-us.html
5 For more information about the RaiSE programme, please visit: https://www.interreg-europe.eu/raise
access, responsiveness, consistency and quality of support provided. The interviews lasted between 30 and 60 min, and were recorded, transcribed and analysed in two cycles of analysis in the computer-assisted qualitative data analysis software QSR NVivo. Thematic coding driven by the domains of inquiry was used for the first cycle, to identify awareness and perceptions of business support and strategies for improvement of the current provision (King and Brooks, 2018). During the second cycle of analysis, pattern coding was employed to group similar concepts concerning varied business support areas into codes such as organisational and financial opportunity development, impact measurement and solutions to existing challenges.

Emerging findings were presented and discussed during a focus group conducted with six social enterprise experts (i.e. founders and managers of established local social enterprises). The focus group was conducted with six social enterprise experts (i.e. founders and managers of established local social enterprises). The focus group was used as a tool to validate and add to the findings from the interviews and helped to stimulate an informed discussion about bridging potential gaps between needs and supply (Stewart and Shamdasani, 2014). Data deriving from the focus group were transcribed and analysed using the same techniques as our interview data analysis. Through a process of triangulation (Brannen, 2005) between interviews and focus group, we were able to fully explore and provide a comprehensive explanation of the themes emerging from our research.

The research participants were informed prior to the interviews about the adherence to privacy regulations in the process of gathering, sorting and using the data and were informed about the anonymization of their views. Also, participants were advised of their right to refuse to answer any of the interview questions and to withdraw at any time throughout the research process. The research was undertaken in full compliance with the University’s regulations and was approved by its Ethical Committee.

4.3. Theoretical underpinning

To analyse our data and present our findings, we use underpinnings of the Business Life Cycle Theory (Fig. 1).

The Business Life Cycle Theory and its S-curve model of entrepreneurship recognise that enterprises go through various phases of a business life (Lu and Beamish, 2004; Overall and Wise, 2015). Infancy relates to a pre-start-up phase, i.e. the development and introduction of a business; expansion refers to a start-up phase, during which an enterprise grows and gains access to a wide range of customers and relevant stakeholders. Finally, maturity is associated with well-established enterprises that, to expand, need to introduce innovation, diversify their products and/or expand operations into new markets. Considering the different needs of enterprise ventures in different developmental stages, the theory is useful in analysing aspects of social enterprise support across pre-start up, start-up and established phases (see Table 1).

4.4. Findings

Overall, all participants agreed that there is a ‘lot of support available’ (Interface/Network Coordinator) in Scotland at both national and local levels. Indeed, some social enterprise leaders were ‘amazed that there was so much available’ (Social Enterprise – North). However, the interviews with providers and practitioners also highlighted the disparities between ‘supply and demand’ of support at different stages of social enterprise development. In particular, two key themes emerged from the analysis: the quality of provision - reflecting the varied support infrastructures and their adaptability to the needs of social enterprises. Another set of challenges related to specific gaps in current provision – regarding support offered to different types of social enterprises at different stages of their development. In this section, and following recommendations to use thematic evaluations when exploring policy implementation and why some policies fail (Turok, 1997), we present our findings in light of these two key themes.

4.5. Quality of current business support provision

4.5.1. Regional variation and patchiness of support

There is a perception that social enterprises in urban areas have more choice of support compared to their rural counterparts. Interviewees pointed to geographic variation in the perceived quality of provision, reflecting on diversified levels of advice and resources within the support system. Regional and local variations in the type of support and the depth of expertise were compared to ‘a postcode lottery’ (Social Enterprise – North) and viewed as being fragmented and, sometimes, duplicated. Lack of resources and the limited number of advisers with restricted time to dedicate to social enterprises were perceived as causes of patchiness in the quality of social enterprise support: ‘I wouldn’t say they’re [the quality of support services] consistently high or consistently poor, I think it really fluctuates’ (Social Enterprise – Central). Respondents referred to general guidance delivered via, for example, workshops, with insufficient tailored peer mentoring. This comment was more prevalent among pre-start-up and start-up social enterprises. Accessing financial and specialist support, for example in developing grant applications, was perceived as important but missing from the current system: ‘funding is a big issue and there’s not much funding to go around. Funding has been cut from different organisations so that’s a gap. There’s gaps in terms of the support people can give you to help you to apply for funding’ (Social Enterprise – Central).

4.5.2. Mismatch between national and local support structures

The connection and alignment between national programmes and local actors across Scotland could be improved. National social enterprise support programmes tend not to recognise the local actors already involved in the areas and communication between national and local business support providers seldom occurs. ‘We’re keen to have the

Table 1

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<th>Perceived SE support challenges</th>
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<td>Pre-start-up</td>
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<td>Quality of current business support provision</td>
<td>-Mismatch between national and local support structures-Regional variation and patchiness of support-Complex support structure-Need for a comprehensive social enterprise support compendium</td>
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<td>Gaps in current provision</td>
<td>-Transition towards Networking and peer support</td>
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Fig. 1. S-Curve Business Life Cycle.
national organisations coming in but it’s like they parachute in and then just disappear, or they work with organisations that either we don’t know about (Business Support Adviser). Some interviewees have also lamented that national programmes of support tend to be ‘short and sharp interventions’, ‘driven by policy rather than need’ (Social Enterprise - North). Local business support providers noted that the national programmes are frequently generic and not tailored to local needs:

‘in terms of some of the national support […] So they’ll put on tender writing courses or financial planning and they’ll do them in different geographies across the country. That’s just the training that’s offered. Sometimes those courses are put on maybe without much dialogue with the local organisations to actually find out what the local needs are. […] So it will be some business support over a few days for a discrete piece of work and that’s great and it’s appreciated absolutely. But sometimes organisations, especially new organisations that don’t have a lot of business experience, they really need somebody on hand more than that. It’s almost like you need the business mentor.’ (Interface/Network coordinator).

There was therefore a feeling that national programmes tend to be too prescriptive and insufficiently sensitive to the specific local contexts in which they have to be implemented.

4.6. Unchanged and unadaptable services

Some interviewees, particularly managers of established social enterprises, felt that the business support offer remains unchanged - based on the national programmes criteria - and it fails to recognise the changing socio-economic needs of the social enterprise community: ‘I’ve attended quite a few of these seminars in the past but I don’t feel I need to attend anymore because they just seem to be pitched at the same level all the time, whereas actually, I suppose there is kind of a gap on that developmental aspect’ (Social Enterprise – North). For some well-established social enterprises ready to develop further, the main challenges in provision centre on the stringent eligibility criteria that some national support agencies adopt to identify and support growing businesses: ‘policy and priority is geared towards high level of support, for organisations that have high turnover and internationally developed markets, not for growing social enterprises’ (Social Enterprise - Central).

4.7. Complex support structure

Our data highlights complexity in the current provision of support and that, in some areas, the support is ‘messy and disjointed’ (Social Enterprise - South). Despite the presence of numerous support agencies, many organisations - particularly those classified as micro/small enterprises (pre and start-ups) or that have fewer contacts and resources than larger firms - find it difficult to navigate a complex support network:

‘There is a whole economy out there of services that are set up to help other services. For somebody like myself, I have to be able to find out who it is that can offer a service. So, there might be two people offering the same service but who is going to be best for me. So not only does that take a lot of my time it just means there’s a lot of people out there offering a service’ (Social Enterprise - South).

Trying to identify the ‘best’ offer from existing support agencies and the pathways of support among a huge range of different activities can be challenging. From the perspective of practitioners, the more ‘networked’ and embedded in their local context an organisation is, the more likely it is to identify the appropriate support:

‘so you’ve got Business Gateway, you’ve CEIS, you’ve got the third sector interface, all these people doing fairly similar things, supposedly to help us but in the end, the help that I require I tend to get through networking because when I’ve actually directly gone to these people I’ve either got what I wanted or I haven’t, but a lot of times it’s been I haven’t got what I wanted in the way that I’ve needed it. So you just go and ask somebody else who’s within your networking who’s come across as similar’ (Social Enterprise - South).

Indeed, support through networking and peer support appeared to be more effective in enabling some social enterprise to develop, albeit these was reliant on local generic and established expertise.

4.8. Need for a comprehensive social enterprise compendium

While general business support appears easily accessible by social enterprise leaders, specialised provision is more difficult to attain. Currently, there is no general social enterprise website detailing all the agencies, consultants, and their specialisms⁶. Such tabulation would mean any organisation could easily identify who delivers what: ‘There needs to be a very clear pathway where people coming in at whatever point on the pathway it’s very clear where they’re signposted to so that they’re not being sent a myriad of information’ (Interface/Network Coordinator).

Most participants, particularly those in the early stages of enterprise development, highlighted the importance of finding information about possible consultants, their skills, their capabilities, and their quality. While there are numerous providers in the Scottish ecosystem of social enterprise support, it is difficult for inexperienced social enterprise practitioners to identify the most apt agency to contact:

‘With regards to the database side of things, it just means that anyone in Scotland typing into Google social enterprise this thing would come up first, and within it you’d be able to look at your regional support, you’d be able to check what national support is available, what national funding, what regional support, what regional funding, you would have each organisation listed and what they can offer on that part of the journey’ (Business Support Adviser).

It could therefore be argued that the complexities of the support structure impacted negatively on the ability of less established social enterprises to identify what suitable support was needed.

4.9. Gaps in current provision

Social enterprise stakeholders identified a number of gaps in current social enterprise support service provision.

4.10. Transition towards social enterprise

Firstly, gaps in pre-start-up support were identified, whether in terms of stimulating community engagement in finding enterprising solutions to the issues affecting their local areas or in terms of supporting third sector organisations to become financially sustainable by adopting a social enterprise model: ‘The gaps are around the charity sector becoming a social enterprise … and particularly around the perception of what social enterprise is for our board members and directors, many of whom are service users who are long term volunteers in the community who have joined because of the charitable aims, but struggle to understand the more sustainable aims of a social enterprise in that we’re not grant dependent and we’re looking at generating our own income’ (Social Enterprise - Central). The discussions carried out with social enterprise leaders and support providers identified a need to expand the support for non-profit board members to support more entrepreneurial solutions. It has also been noted that smaller, community based organisations would benefit from more peer support.

⁶ At the moment, local social enterprise directories list organisations, but there is not a comprehensive database detailing all the agencies, consultants, and other support providers with their specialisms.
4.11. Networking and peer support

In some of the areas where Social Enterprise Networks are under-resourced or non-existent, networking has been identified as a need. Thus, a networking platform and social enterprise networking events have been suggested to improve business support, particularly at the pre and start-up stages of development. For example, a peer mentoring programme, case studies, and feedback about business support providers could be used to develop social enterprise practitioners. These tools could reduce the geographical isolation faced by some social enterprises and increase knowledge exchange:

‘In our area those community practices would be really valuable because people are already isolated. They’re isolated by geography, they’re isolated by the nature of the work they do which requires a high level of energy and commitment and personal investment. Having other practitioners that you can go to and problem-solve with and learn from increases the chance that your enterprise will survive and you will make fewer mistakes’ (Interface/Network Coordinator).

Respondents suggested that mentoring could provide a platform to discuss how to transition from a non-profit third sector organisation to a social enterprise and attendant issues relating to taxation, human resources, and managing grant applications. Peer mentoring programmes, case studies and feedback about business support providers could be used to develop a community of practice: ‘there is a lack of capacity of board members […] leadership courses are out there for chief executives, for up and coming managers, but […] leadership training or support for board members is a real gap’ (Social Enterprise – Central).

4.12. Start-up support issues

Suggested support for start-ups included more mentoring, guiding and peer support to facilitate the development of a social enterprise business site as well as acknowledgement of the personal commitments required when setting up and running a business: ‘In terms of training, bespoke advice; we’re not finding that there’s a lot of people who are there to be able to provide that one-to-one sort of stuff. It’s very much going in and delivering a plan or a strategy rather than to actually set up the organisation to run because they don’t understand where the risks are or what they need to learn as a social entrepreneur or a social enterprise’ (Business Support Adviser).

Interviewed practitioners also felt that the existing support is inappropriate, disconnected from reality and irrelevant to the practice of running a social enterprise: ‘The people that are able to mentor do not have the skills to understand the community, and how you can create a social enterprise from a community and charitable organisation… they obviously have the skills in other areas, but they didn’t quite appreciate the kind of day to day challenges of that’ (Social Enterprise - South). Indeed, a lack of understanding regarding the challenges social enterprises face and the impact that such an undertaking has on people’s lives was described as a major issue within support provision: ‘they [support providers] don’t understand the impact it [running a social enterprise] has on … your private life as well’ (Social Enterprise - South).

Finally, concerning start-up support, a major gap in current provision is that of microfinance. Small loans supporting high risk investment in small social enterprises are difficult to find:

‘An ever-presening problem is micro-finance. Social enterprise needs £2,000 or £3,000 of a loan, that is the most difficult loan on the planet to get. If a corrupt blue chip corporate needs £500 million or something, they will get it. It is exceptionally difficult to get small loans for social enterprises who only need £2,000 to turn premises into a workable business and they cannot get it’ (Social Enterprise - Central).

The lack of accessible funding for start-ups is therefore problematic.

5. Coordinated support for established social enterprises

A group of interviewees suggested that there is a gap in support provision for well-established social enterprises that wish to grow and expand. For example, some organisations find it challenging to access specialist support from development agencies and compete with mainstream businesses:

‘We have historically struggled to engage with Scottish Enterprise [a regional public development organisation] because of their policy and their priorities … to get a really high level of support you need to be interested in international and European markets and you need to have a turnover of beyond £500,000, there’s a huge amount of resource within Scottish Enterprise that … most social enterprises can’t access’ (Social Enterprise - Central). A need for one-to-one support was identified: ‘support sometimes has to be bespoke. It has to be very much focused on that one individual, that one organisation. Generic training can often work, but quite often people need that one-to-one support’ (Social Enterprise - South).

Tools to share information about social enterprises have been highlighted by participants as useful for increasing coordination and synergy in the support system. Respondents argued that a formalised referral process with a database that shows a social enterprise’s support history including training, mentoring, and developmental needs would be helpful. Such a registry would help both business support providers and social enterprise organisations to find a more effective referral path, avoid duplication and increase synergies and knowledge exchange. Monitoring of social enterprise support and needs could facilitate more collaborative ways of working between national and local providers, increasing communication about training or mentoring in specific areas and, consequently, enabling organisations to access relevant support.

6. Discussion

Understanding the opinions of social enterprise stakeholders has long been advocated as a way to ensure policy evaluations reflect local relevance and, therefore, help to critique the relationship between policy and its application (Ron et al., 2012). Previous studies highlighted the disjuncture between policy expectations and practical implementation (see for example Mazzei and Roy, 2017; Millar et al., 2019), particularly in contexts where the support policies are overtly in favour of creating a market and stimulating opportunities for entrepreneurial development (Vanderhoven et al., 2020). Despite the wealth of national social enterprise policies and programmes in Scotland, our findings remind us of the importance of questioning the effectiveness of interventions aimed at developing (social) entrepreneurship (Arshed et al., 2016).

Previous research has identified the mismatch between policy and practice in Scotland (Macaulay et al., 2018; Steiner et al., 2019). Our study participants acknowledged that Scotland benefits from a rich system of business support for social enterprises, which resonates with the identified holistic approach to enterprise development (Stevenson and Lundström, 2007). However, despite the wealth of programmes and agencies tasked with the provision of this support, its variety can be a challenge for some social enterprise practitioners. Many respondents highlighted difficulties in navigating the complex system of support. The challenges in current support provision can be clustered into three categories that relate to different developmental stages of social enterprises (Lu and Beamish, 2004; Overall and Wise, 2015; Arshed et al., 2016). Patchy quality and gaps in support provision mostly affects organisations in their pre-start-up and start-up phase and, in particular, those who lack the experience and knowledge necessary to navigate the system of support. More established social enterprises are also affected by some of the inadequacies in the support structure. One of the challenges is to enable organisations at different stages in their development to
identify the appropriate service provider (see Table 1).

Despite the attempts to develop social enterprise in Scotland (Scottish Government, 2016), gaps in early support were identified by many research participants, particularly in terms of enabling non-profit third sector organisations to become social enterprises. As communities are increasingly invited to participate in the generation of entrepreneurial solutions to local problems (Kelly et al., 2019), a better understanding of the issues pertaining to the set up and running of a social enterprise should be considered. The emphasis on developing an enterprising third sector (Scottish Government, 2016) and the expectation to be financially self-reliant has long been at the centre of academic debates (see for example Teasdale, 2012; Mazzei, 2017). Indeed, knowledge and skills within communities need to be enhanced if there is to be a move to a more enterprising model of community organisation. Our respondents also expressed concerns in relation to regional and geographical variations in support affecting both pre-start-up and start-up groups. For example, reference was made to rural disadvantage and limited access to support. It was also highlighted that the current national provision was delivered with little consideration of the existing local fabric (Fiorentino, 2018), weakening the effectiveness of entrepreneurial support strategies.

At start-up level, support was defined as the need for more mentoring, guidance and peer support, both in relation to basic business activities such as human resource management and accounting as well as better understanding of the personal commitment required to run a successful business. Consultants who have never run a social enterprise or a business, but who deliver training programmes, were criticised by practitioners for lacking ‘real life’ experience. The fragmentation of business advisory services and the lack of a united process (Mole, 2016), with some advisers lacking ‘the right knowledge’ (Turok and Raco, 2000), was presented as harming the sector. This issue was also identified by those running already well-established social enterprises who needed more tailored support.

A number of interviewees who took part in our study felt that those wishing to grow and expand found it difficult to access specialist business support. Some of the existing restrictions related to stringent support criteria adopted to identify ‘growing businesses’, which prevented more established social enterprises from accessing mainstream business support. Private and specialist business advice is often too costly for social enterprises, depriving them of potential development opportunities. Whilst it is recognised that one-to-one tailored support can be time-consuming and expensive, it would enable advisers to develop solutions targeted at specific organisations embedded in a specific context. Indeed, this kind of support would apply only to those well-established social enterprises, of which there are significantly fewer than those in early development stages (Social Value Lab, 2017, 2019). Hence, the old saying ‘quality over quantity’ still applies, particularly when considering the needs of established social enterprises. Our analysis suggests that the type and availability/amount of social enterprise support should consider the development stage of a social enterprise (Fig. 2).

We see that support for existing non-profit third sector organisations and community groups wanting to become a social enterprise is largely neglected – consequently, as needs are vast, more service provision delivering basic support is needed (Fig. 2). This basic support relates to general knowledge about what a social enterprise is, how to run one, and linking relevant community groups to learn from each other. Evidence deriving from our study indicates that the support provided to social enterprise start-ups – both geographically and among the various institutions involved – is disjointed. Respondents referred to ‘more meaningful’ support from experts in the field and those with experience of how to run a social enterprise. Finally, the system of tailored and specialist support for established social enterprises was criticised for being ineffective. To bring social and economic benefits, those willing to expand and grow their well-established social enterprises should be able to access specialised support that considers the context in which an enterprise is embedded.

The literature on business support suggests that inter-organisational collaborations promote efficiency in the provision of services to business founders (Cromie and Birle, 1994). However, presented evidence shows that different service providers are not aware of, or intentionally ignore, each other’s work. While the pipeline of national and regional support attempts to target business needs, the current support is not integrated, and sometimes repetitive. We witnessed a lack of coordination, duplication of work and conflict among service providers. As such, the experience of our respondents reveals a mismatch between social enterprise policy aspirations and the practical implementation of these policies. This finding correlates with Niska and Vesala’s (2013) observations that the ineffectiveness of enterprise policy derives from the way in which it is implemented. This, therefore, points to a need for more consistent social enterprise support provision in Scotland, with support networks being well-coordinated to ensure their relevance and avoid duplication.

7. Conclusions

By exploring practitioners’ and professionals’ views on social enterprise support provision in Scotland, this paper contributes to an understanding of social enterprise policy and to wider debates about enterprise policies, their implementation and effectiveness. Some scholars recognise that particular contexts are more conducive than others to implementing effective entrepreneurial policies (Atherton and Smallbone, 2013). However, there is still little evidence as to why some policies supporting entrepreneurship work and others fail (see Turok 1997), as well as the challenges faced in the policy implementation phase. Addressing this point, the results of our investigation highlight the challenges faced by social enterprise practitioners, suggesting a disjuncture between policy and practice and highlighting that policies are not adequately implemented.

We observe that the quality of provision depends on the type of social enterprise seeking to access support – whether it is a start-up or more established – and the location of the social enterprise. The gaps in service provision affect both organisations that are new to the social enterprise community or have fewer contacts and resources, as well as those that are already developed and seeking to access specialised support. For the former, a lack of service coordination and geographical variance in service quality represent a challenge; while for the latter, the relevance to specific organisational needs and the adaptability of the
existing support services to rapid developments in the field is questioned, with some services becoming irrelevant or out-of-date. These aspects question the capability of social enterprise support professionals to recognise contextual complexities, such as institutional ecologies and their capacities (Atherton and Smallbone, 2013).

While we recognise the relevance of context in influencing entrepreneurial operation and potential (Baç and Janssen, 2011; Steiner and Atterton, 2015) as well as policy ‘effectiveness’, we argue that some general conclusions may be drawn from our (Scottish) analysis. Indeed, once again, tension between policy and practice in the field of social enterprise is evident (Parkinson and Howorth, 2008). The wealth of programmes supported by the government are not meeting the expectations of social enterprise practitioners. The ‘quality over quantity’ argument also applies to the challenges posed by fragmented implementation of social enterprise support. Indeed, it seems that the implementation of social enterprise policies is based on an ad-hoc approach and, as such, is inefficient and wasteful. To ensure the effectiveness of social enterprise policies, not only in Scotland but also in other countries promoting social entrepreneurship, policymakers need to be willing to consider the development stage of a social enterprise, and that support networks should be well-coordinated to ensure their relevance and avoid duplication. This is particularly relevant in the context of reduced public budgets and policy documents that indicate that social enterprises can and will co-produce services with the state (Markantoni et al., 2019). As such, ongoing scrutiny and monitoring of policy implementation is needed to narrow the gap between policy intentions and practice in entrepreneurial development. Moreover, to deliver important community services and facilitate support co-production, the government needs to continue providing relevant support to other third sector organisations, including those that do not undertake enterprise activities.

CRediT authorship contribution statement

Micaela Mazzei: Conceptualization, Methodology, Data curation, Writing - original draft. Artur Steiner: Conceptualization, Methodology, Writing - review & editing.

Appendix

See Table 2.

References


Table 2
Framework of forms of support.

<table>
<thead>
<tr>
<th>Form of Support</th>
<th>% Reporting They Might Benefit From Help</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measuring Social Impact</td>
<td>44%</td>
<td>456.3</td>
</tr>
<tr>
<td>Researching New Opportunities</td>
<td>39%</td>
<td>404.4</td>
</tr>
<tr>
<td>Collaborating With Others to Succeed</td>
<td>39%</td>
<td>404.4</td>
</tr>
<tr>
<td>Developing Your Workforce</td>
<td>39%</td>
<td>404.4</td>
</tr>
<tr>
<td>Developing Your Marketing Strategy</td>
<td>39%</td>
<td>404.4</td>
</tr>
<tr>
<td>Developing New Products or Services</td>
<td>35%</td>
<td>363.0</td>
</tr>
<tr>
<td>Improving Your Business Practices</td>
<td>33%</td>
<td>342.2</td>
</tr>
<tr>
<td>Developing Digital Capabilities</td>
<td>33%</td>
<td>342.2</td>
</tr>
<tr>
<td>Attracting New and Young Talent</td>
<td>33%</td>
<td>342.2</td>
</tr>
<tr>
<td>Preparing a Business Plan for Growth</td>
<td>32%</td>
<td>331.8</td>
</tr>
<tr>
<td>Planning for Business Change and Succession</td>
<td>30%</td>
<td>311.1</td>
</tr>
<tr>
<td>Developing Leadership Capabilities</td>
<td>28%</td>
<td>290.4</td>
</tr>
<tr>
<td>Tendering for Public Sector Contracts</td>
<td>23%</td>
<td>238.5</td>
</tr>
<tr>
<td>Learning New Business Skills</td>
<td>22%</td>
<td>228.1</td>
</tr>
<tr>
<td>Finding Property Solutions</td>
<td>19%</td>
<td>197.0</td>
</tr>
<tr>
<td>Finding a Business Mentor</td>
<td>19%</td>
<td>197.0</td>
</tr>
<tr>
<td>Improving Environmental Sustainability</td>
<td>14%</td>
<td>145.2</td>
</tr>
<tr>
<td>Managing Your Intellectual Property</td>
<td>12%</td>
<td>124.4</td>
</tr>
<tr>
<td>Starting up a New Business Venture</td>
<td>10%</td>
<td>103.7</td>
</tr>
<tr>
<td>Attracting Repayable/Loan Finance</td>
<td>8%</td>
<td>83.0</td>
</tr>
<tr>
<td>Recovering from Business Difficulties</td>
<td>8%</td>
<td>83.0</td>
</tr>
<tr>
<td>Doing Business in International Markets</td>
<td>6%</td>
<td>62.2</td>
</tr>
</tbody>
</table>

http://www.cjmaccountancy.co.uk/blog/2016-12-21-ten-year-national-social-enterprise-strategy


