Mapping social enterprise:
do social enterprise actors draw straight lines or circles?

Exploring how key actors active in social enterprise make sense of their location, ethos, practices and opportunities through drawings and models.


Pam Seanor, University of Huddersfield*
Mike Bull, Manchester Metropolitan University
Dr Rory Ridley-Duff, Sheffield Hallam University

* Please send correspondence to:
Huddersfield University Business School
University of Huddersfield HD1 3DH
E-mail: p.seanor@hud.ac.uk
Biographies

Pam Seanor has 20 years experience of working in the third sector. She has worked in co-operatives, developing community and regeneration projects in a development trust and with a variety of community groups whilst in a voluntary action organisation. This paper has been researched as part of her PhD on social enterprise networks, which is supported by the Huddersfield University School of Business.

Mike Bull is a Research Fellow at the Centre for Enterprise, Manchester Metropolitan University Business School (MMUBS) and Unit Leader for a new unit on SE starting September 2007 at MMUBS. Mike began his research on social enterprise in 2004 with the development of the Balance tool. He has a Masters of Research from MMUBS, a Postgraduate Diploma in Management from Leicester University and is currently working (Incredibly slowly!) towards his PhD.

Dr Rory Ridley-Duff is a Senior Lecturer in Human Resources Management/Organisation Behaviour at Sheffield Hallam University. Prior to his research/lecturing career, he was elected General Manager after 10 years as a director of one of London’s best-known worker co-operatives. In 2005, he completed doctoral research on the impact of gender relations on corporate governance practices. With several book and international journal publications due this year, Rory is set to contribute to knowledge on the way family, corporate and social interests affect organisation development.
Introduction

A great deal has been made of the success and growth of social enterprise. The imagery in the social enterprise literature reflects this emphasis upon growth; Dees (1998) describes social enterprise as ‘the rising tide of commercialization of non-profit organisations’ (as cited in Emerson & Bonini, 2004:36). Some empirical evidence also appears to support this image of growth and commercialisation. The Government’s Annual Small Business Survey 2005 mapped 55,000 social enterprises in the United Kingdom (SBS 2005).

However, it is acknowledged that these numbers may not accurately represent organisations in the field (Haigh 2005; Lincoln 2006). At best this data provides only a partial view of the development of social enterprise; it could indicate either a dynamic, growing sector or simply a confusing picture hidden from view, a view which is reflected in debates within the literature on the confused identity of social enterprise (Borzaga & Solari 2001; Curtis 2006; Defourny 2001; Ridley-Duff 2007a). Recently, a different perspective on social enterprise has come into focus:

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

(Stevenson in Westall & Chalkley 2007)

This paper attempts to shift the lens away from numbers and considers something else going on behind this picture, namely that the ‘take-up of social enterprise model ... is patchy and fails to reflect the enthusiasm with which it is discussed’. We attempt to make sense of the foundations upon which the concept of social enterprise and entrepreneurship is ‘drawn’ - quite literally. Therefore attention is given to the models and diagrams that are used to conceptualise and analyse social enterprise. The focus is upon if and how actors in organisations make sense of these models in both their strategic and day-to-day planning. Visual data is a relatively unused methodology (Meyer 1991), yet provides the researcher with alternative data methods that can supplement qualitative methodologies to frame complex situations. Actors drew lines, circles and squiggles onto models and diagrams to illustrate the contexts they perceive themselves to be working within. By drawing upon this data, we hope to gain a richer picture and understanding of social enterprise.
Views and language of social enterprise

It is stating nothing new to note that there is a wealth of definitions of the concepts of social enterprise and social entrepreneurship (for fuller discussions please refer to Alter 2004; Defourny 2006; Mair & Marti 2004; Nicholls 2006; Pearce 2003; Ridley-Duff 2007a). Much of the discourse in the literature voices concerns regarding the definition of social entrepreneurship. Some call for narrowing of the concept (Pearce 2003), whilst others seek to broaden the definition and discuss unquestioned assumptions (Light 2006; Ridley-Duff 2007c). Yet amongst this variety common characteristics are perceived that outline the distinctive nature of social enterprise and social entrepreneurship.

Social enterprises are seen as socially driven organisations with specific social, environmental and economic objectives. They are being promoted as the solution to many of society’s failures (Nicholls 2006; Westall & Chalkley 2007). These organisations are considered separate from others in the social economy as they are seen to be attempting to utilize business-like skills in order to create profits from their activities in order to re-invest surpluses back into their social missions. In addition, some academics and practitioners identify social entrepreneurship as a model rooted in social ownership and non-profit distributing principles (Defourny & Nyssens 2006; Nyssens 2006; Pearce 2003; Westall & Chalkley 2007).

These characteristics and models illustrate how concepts and assumptions behind social enterprise and social entrepreneurship are discussed by practitioners and academics working in the field. In defining and mapping social entrepreneurship and social enterprise, academics and practitioners are constructing and identifying the boundaries of where they will direct their attentions. For example, the Government appears to be promoting social enterprise as delivering ‘business solutions for public good’ (OTS 2007). Whereas, others are seeking innovative solutions to address societal failures (Evers 2001; Nicholls 2006). This underlies a distinction in the literature between those seeing social entrepreneurship as a new answer to financial and organisational problems verses those asking far reaching questions and looking for ‘pattern-breaking’ social change.

Government policy and programmes as well as the academic literature suggest there are agreed foundations upon which to develop the sector. Yet, as highlighted by Westall and Chalkley (2007:27) social enterprise, together with the third sector, is ‘not just about goods and services, but also about political and social co-ordination’. Social enterprise is
not simply a product; it is a process. Stevenson’s comment (cited in Westall & Chalkley 2007) that the social enterprise model is not being taken up may serve to highlight that practices at community and local authority levels may not yet be firmly grounded, and that practitioners are reluctant to accept these theoretical constructs.

Defourny and Nyssens (2006:7) suggest that rather than using strict measures to determine what is and is not a social enterprise, ‘ideal types’ can act as a compass to navigate diversity in the sector. The approach taken in this paper is rather like Defourny and Nyssens’ compass, in that a reflexive approach is used to locate and develop the concepts that *practitioners* use to understand social enterprise. We review the visual models that have been used to frame the concept of social enterprise (Alter 2004; Dees 1998; Dees & Anderson 2006; Nicholls 2006; Pearce 2003; Ridley-Duff 2007c; Seanor & Meaton 2007).

The social enterprise spectrum exemplifies the pursuit of the double bottom line (Dees 1998; Dees and Anderson 2006). The spectrum is a linear depiction of a continuum of options and opportunities that social enterprise actors face. These organisations are seen as ‘hybrids’ choosing from a range of options utilizing various business-models. At one end of the spectrum are ‘purely philanthropic’ goals opposed to those that are ‘purely commercial’.

![Figure 1: Social enterprise hybrid spectrum (Dees, 1998)](image)

Dees and Anderson (2006:54) suggest that there is no dichotomy in meeting these two opposing goals but rather that ‘reality is more like a continuum with many shades of grey’. This view appears to present the different way of thinking at the core of social enterprise. It is, nonetheless, an assumption that we will come back to in discussion.
Figure 2 is an adaptation of the linear continuum that views social and economic goals as held in equilibrium (Alter 2004).

![Sustainability Spectrum](image)

**Figure 2: Sustainability Spectrum (Alter 2004:8)**

Alter (2004) proposes that the typology of dual value creation, or of ‘blended value’, is a more holistic notion than the concept of the double or the triple bottom line. The classification is similar to that of the spectrum in that traditional non-profit and traditional for-profit encapsulates the boundaries of Alter’s framework. Within this perspective both non-profit organisations with income generating activities and social enterprises are situated on the side of social sustainability. Alter makes a conceptual distinction between these two. In practice, it is proving difficult to draw such a clear differentiation here in the UK (Westall & Chalkley 2007). Government has set policies relevant to both social enterprise and the voluntary community sector but organisations report ambiguity regarding their identities and ethos (Seanor & Merton 2007; Wallace 2005).

An alternative typology is found in conceptual cross-sectoral models. Social enterprise within the United Kingdom is seen to overlap with other sectors: statutory public providers, mainstream business and voluntary. As such, some authors argue that it is not a distinct sector. Figure 3 illustrates one view of this landscape whereby the overlaps of the three sectors constitute the conceptual location of social enterprise activity. Pharoah, Scott and Fisher (2004) identify the overlapping areas as the locus of social enterprises, whereas Leadbeater (1997) views this as the sector of social entrepreneurs. Seanor and Meaton (2007) independently concurred with Pharoah et al. and traced the intellectual heritage back to Billis’s (1993) ambiguity model. This has been evolved into a typology of social enterprises based on the characteristics of each hybrid (Ridley-Duff 2007c). Whereas Ridley-Duff argues that each hybrid can be regarded as a different form of social enterprise (with an ideal type at the cross-over point of all three sectors) Nicholls (2006) limits ‘social enterprise’ to the point where all three sectors overlap.
Figure 3: A cross-sectoral view of social enterprise

The advantage of placing social enterprise within a ‘lumpy’ landscape (Aiken 2006) is that the cross-sectoral model promotes an understanding not only of likely trading activity but also the ambiguity, origins, ethos and characteristics of social enterprise activity (Billis 1993; Curtis 2006; Leadbeater 1997; Pharoah et al. 2004; Ridley-Duff 2007c; Seanor & Meaton 2007). These models explain the concurrent emergence of both ‘heroic’ social entrepreneurial models at the same time as multi-stakeholder approaches. Westall and Chalkley (2007:32) acknowledge that ‘it is not always easy to differentiate the ‘voluntary sector from social enterprise’. While their model echoes the cross-sectoral approach, it also returns to the concept of a single social enterprise sector (Figure 4).

Figure 4: approach showing social enterprise and VCS in third sector (Westall & Chalkley 2007)

Dart (2004) describes social enterprise as a ‘blurring’ between the non-profit and profit sectors. This however ignores the public sector and regeneration and social service delivery that is a focus for social enterprise development in the United Kingdom. This may
in part be explained by Kerlin’s (2006) analysis comparing social enterprise in the United States and Europe. She notes that the term means different things stemming from the national context and influences driving development. Though concepts of social entrepreneurship and social enterprise are discussed ‘on both sides of the Atlantic’ (Nyssens 2006:313), within much of this literature, especially that from the States, an emphasis is placed upon social enterprise goals being linked to the social entrepreneur’s individual characteristics rather than the effects of a collective identity within a wider environment (Spear 2007; Westall & Chalkley 2007). Moreover, the development of social enterprise and social entrepreneurship within the UK is influenced by both US and European models (Nyssens 2006a). However, throughout the literature academics and practitioners rarely acknowledge or refer to one another’s work resulting in two disparate discourses. A contribution of this paper, therefore, is to bridge the one-sided unclear pictures that result from the divide.

Kerlin (2006:249) points out a key difference, that the ‘concept of a social economy is not used [in the United States] and non-profit social enterprises are often discussed as operating in the market economy.’ In the UK, the concept of social enterprise is gradually coming to be seen as comprised of ideas from different international settings (Westall & Chalkley 2007; Nyssens 2006; Ridley-Duff 2007c). Ridley-Duff identifies two social enterprise hybrids that are favoured in Anglo-American cultures (non-profits and public-private partnerships) and two that draw more on European influences (‘more than profit’ trading companies and multi-stakeholder co-operatives). This highlights that the ‘blurring’ is dependant on national, global and contextual perspectives. Though attempting to represent the full diversity of the ‘social enterprise’ phenomenon, the models and diagrams appear confusing and unrepresentative to those locked into one idiosyncratic perspective.

**Critical perspective on social enterprise concepts and models**

We agree that ‘social entrepreneurship and enterprise approaches and achievements have been unbalanced, with the aspirational and prescriptive notions running ahead of grounded analysis’ (ARNOVA 2006). One such supposition of the social enterprise literature is in advocating that there is little or no tension for organisations in meeting social and economic goals (Evers 2001). Fowler (2000) uses the notion of synergy within the context of surplus generating activities in social enterprise; he sees the ultimate surplus generating market opportunity as either complementary or integrated to the social benefits. Thus organisations are seen to be able to simultaneously create the double bottom line with
neither objective dominating or draining the other.

There is a portrayal that organisations are aiming towards the economic end of the spectrum (Dart 2005; Dees et al. 2001; Hardy 2004). This pattern is reflected by Hardy (2004:39) noting that government agencies and independent organisations laud social enterprise for ‘its effective delivery of public services and for making not-for-profit organisations more financially self-reliant’. As such, the spectrum serves to frame much of the discourse in the literature focused on a drive toward efficiency (Dart 2004; Paton 2003) and explains why managerialism was injected into the veins of the public sector in the 1980’s (Terry 1998). Somewhat surprisingly much of the dialogue of those seeking new patterns for social change is seen to comfortably fit within this typology (Bornstein 2004; Drayton 2005; Emerson 2004). Dart (2004:414), however, comments that those ‘in the social enterprise movement, and particularly those who self-identify as social entrepreneurs, commonly focus on a more narrow operational definition of social enterprise that is framed more specifically in business and revenue generation terms.’ He therefore questions the innovation in these approaches. Dart’s comment reflects the focus on financial frameworks and income generation to serve a social purpose. However, this viewpoint is being challenged by those who argue that the models used for social enterprise development are all too often underpinned by a strategic and ‘rational’ emphasis that subordinates social objectives to financial imperatives and business-like approaches (Arthur et al. 2006; Curtis 2006; Light 2006; Pharoah et al. 2004). Arthur et al. (2006:1) states:

‘Ten or so years ago it would have seemed like an oxymoron to amalgamate the terms social and enterprise. Since that time the concept has rapidly passed from obscurity to the status of orthodoxy.’

This divide is historically influenced by the origins of social enterprise. There are ethical and political divides as well as a political ‘softening’ that merges the economic and social (Bull 2006). Arthur et al. (2006:2) continue to outline the hazards of legitimising a narrative that assumes business success in a market will lead to social aims taking care of themselves. This leap of faith is problematic. It characterises social enterprise as a way of ‘doing’ business much the same as private businesses. Pharoah et al. (2004:68) assert that ‘there needs to be recognition…not just of how to support the processes of economic sustainability, but of how to support the process of social sustainability in organisations.’ Efficiency over effectiveness is being queried. By emphasizing business over social there are concerns that the various aims of social enterprises may not be attended to and social
missions may ‘drift’ (Anheier 2000; Evers 2001; Foster & Bradach 2005; Georke 2003; Mendel 2003). More than this, radical social change may be lost from the political landscape. At the moment, the dominant argument is that social enterprises need to become competitive businesses. This predominance within the literature may unbalance the model. Rather than simply hone in on the criteria, we may actually be loosing sight of the deep commitment people have to the social aims of their organisation and the role this plays in their success.

Also ignored in much of the social enterprise literature are the concerns of private enterprise and their role in changing practices throughout the economy. There appears to be the simplistic notion that private enterprises are profit driven at all costs and comparisons regard these businesses as clearly labelled and neatly defined. However, a look at this landscape shows that it is less than simple – from fledgling entrepreneurs, struggling inventors, the creative industries of high technology lovers, through fashion designers, lifestyle businesses, family businesses and rural enterprises, onto ‘corporate social responsibility’, ISO1400, Balanced Score Card and EFQM quality models, private business is not always about profit. With many corporate collapses, there are renewed anxieties about philosophy of profit-maximisation even within the private sector (Monks & Minow 2004).

For example, when The Social Costs of Private Enterprise was originally published in 1950, Kapp’s concerns were that conventional economic theory failed to take adequate, if any, account of the social and environmental costs of private enterprise:

‘As far as the basic philosophy of neoclassical theory is concerned there is little evidence that social costs (and social returns) have found the full recognition which they deserve. The implicit identification of entrepreneurial costs and returns with total costs and total benefits has continued to govern the methodological approaches of one generation of economists after another’ (Kapp 1971:8)

However, since then private business has begun to get a handle on the issue. Discourse of the ‘triple bottom line’ or ‘sustainability’ is neither solely nor unreservedly the language of the third sector. Savitz and Weber (2006) suggest the terms have been around since the 1980’s with the growing awareness that economies had to find ways of growing without sacrificing the environment for future generations. They further suggest that in today’s competitive world the ‘sustainability sweet spot’ is achieved through accountability to the
economic, environmental and social success for any well run company. Therefore, as
discourse is bleeding across from private business to the third sector (Dart 2004; Emerson
2004), it is relevant to reflect on how this affects the situations that social enterprises
face. We need to be mindful of the knowledge developing in other fields.

Research design: using visual data to illustrate social enterprise

Views of what qualifies as valuable knowledge (epistemology) and our perspectives on the
nature of reality (ontology) feed into our beliefs and assumptions to shape our
perspectives on the world (Deshpande 1983). These funnel our methodological choices in
research design (Collis & Hussey 2003; Gill & Johnson 2002). Therefore, our considerations
for methodology are shaped by our particular beliefs in the status of knowledge of social
phenomena. This paper seeks to make sense of complex situations, not count or measure
how often occurrences happen. Research that seeks to describe situations without regard
for pre-formed theories and generalisations are methodologically interpretive.

This paper is grounded in three pieces of qualitative research; all refute the view that
reality is objective. Instead it is seen as a socially accepted construction (Berger &
Luckman 1966). Seanor's is ongoing, involving over 37 face-to-face interviews, conducted
between November 2005 and March 2007 in which participants generated drawings of
social enterprise models to supplement and enrich interview discussions. The social
enterprise spectrum and the cross-sectoral models were explored with regard to how key
actors reflect and make sense of their experiences. Evidence from this study is supported
by, and compared to, findings from an 18-month critical ethnography into an employee
buyout (Ridley-Duff 2005) and an ESF funded research project developing diagnostic tools
for management practices in social enterprise (Bull 2006).

The paper attempts to understand how actors in social enterprise networks make sense of
their worlds. Weick (1995) states that how meaning has been ‘authored’ is a process by
which definitions are created, and that this process illustrates how each author makes
sense of complex and uncertain situations. By considering how actors construct and reflect
upon their experiences (Stiles 2004:128) we can tap ‘embedded phenomena’ that is
‘integral to understanding organizations and deciding which strategies are likely to
succeed’. Stiles believed that participants’ constructs are visual as well as verbal.

Meyer (1991) suggests that visual data offers a rich source of information whereby
encoding and interpretation is undertaken by both actor and researcher towards
developing a mutual understanding and language. This is constructed within the particular setting and context of the moment. Critical questions about the use and generation of drawings were reflected upon. One question that arose was ‘why were we generating drawings with interviewees?’ and ‘for whose purpose were the data to be used?’ The use of non-text-based data is not a clearly established methodology (Mason 1996) though one that Stiles (2004:127) proposes holds value by stating ‘...images can be as valuable as words or numbers in exploring organisational constructs’. Meyer (1991:220) urges researchers to exploit the power of graphics and drawings, arguing ‘informants often possess more copious and meaningful information than they can communicate verbally.’

The researchers value the differences in how actors view problems arising in their communities and organisations and their possible solutions. No attempt is made to state one way of viewing situations or problems is better than any other, but we do evaluate the usefulness of different approaches to the actors. This is crucial; in identifying and valuing each actor’s different ideas, we are promoting different approaches to finding solutions. We were interested in exploring this approach ontologically, utilising images, so that the research focuses upon the problem solving and identity of the participants. Key questions of paper include: Do theoretical models assist with the practical problems organisations face? How do actors frame social enterprise? Do practitioners think about their organisational development processes inductively or deductively? Do they draw in straight lines or circles? Hence, actors’ freehand drawings are explored at length.

In reflecting upon the process of organisational change and learning, it is important to note where the boundaries of social enterprise are being drawn as these are the perimeters around which academics and practitioners perceive the problems they aim to solve. In short, do practitioners in social enterprises identify more with ‘linear’ theories evolved from deductive thinking or with ‘recursive' theories evolved from inductive thinking?

When discussing Seanor’s findings with colleagues researching other social enterprises in the field, three key themes were found to resonate. These themes, which emerged from actor’s drawings, are discussed in the following section. What is of note is that there is an element of chronology in the drawing and the themes. The first two themes (Seanor’s and Bull’s) relate to social enterprise development here in the UK; the emphasis (in Seanor’s) was on mature organisations within the VCS evolving into social enterprise organisations. The third theme (Ridley-Duff) illustrates an established social enterprise model in the Basque region of Spain and how this was modified when transferred back to the UK.
One important point to highlight, in taking a heuristic approach in exploring identity, boundaries and patterns in social enterprise, was that not all actors found visual models of use. Some simply refused to pick up a pencil to mark a model. These actors preferred using words rather than drawing pictures or models.

Findings: Illustrating how actors see and understand social enterprise

In explorations of problem setting and problem solving, the visual data illustrate the underlying ways that actors see and understand social enterprise in the field. In this section, we trace three emergent findings and relate them to the issues that were highlighted in the section on critical perspectives. These findings are empirically grounded in the drawings from actors.

Finding 1: There are tensions in meeting both social and economic goals

Finding 2: There are perceived opportunities, threats and resistance to the pursuit of economic goals

Finding 3: There is debate about the roles of individual social entrepreneurs versus collective entrepreneurship

Finding 1: There are tensions in meeting both social and economic goals

As was discussed in the literature there is a disjuncture between those that suggest that no tension exists (Evers 2001, Emerson 2004) and others who question the perfect mix between social and economic aims (e.g. Arthur et al. 2006; Curtis 2006; Pearce 2003; Pharoah et al. 2004).

The first set of drawings were made during Bull’s (2006) study. There were discussions around a simple diagram representing the continuum from ‘social’ at one end to the ‘enterprise’ at the other.

```
Social    Enterprise
```

Actors were asked to indicate where they saw their organisations - as more social, or more enterprising - or somewhere in the middle.
In Bull’s study, to the author’s surprise, the continuum provoked much discussion. There was a mix of engagement from an immediate large ‘X’ at either end (more often than not at the enterprise end) to quite a hostile and aggressive response. This eventually led to lines and circles being drawn as opposed to a straightforward ‘X marks the spot’ approach.

In Seanor’s ongoing study, actors were asked if they had seen the conceptual models based upon the social enterprise spectrum of options. They were also asked if they found them of use in discussing the ethos of their organisations as well as the knowledge and skills needed to operate. Perhaps not surprisingly, the majority of actors had never seen the conceptual models. When asked to locate their organisation on the continuum, many positioned themselves nearer the social end. Only one actor clearly marked their organisation as located in the economic half of the spectrum. This is a substantial difference to Bull’s findings. In Bull’s study, conducted wholly with practitioners, there was a spread across the whole continuum:

![Drawing 1: Range of social enterprise hybrids between social and enterprise purposes](image)

One of the interesting perceptions noted by the author was the size of the ‘X’ depended on their positive commitment to (or confidence in) their position along the continuum. There was almost an embarrassment from some as to their position. Interestingly, one (see above) was content to picture themselves as a smiling face at the social end of the spectrum. It was unclear whether participants felt they were not enterprising enough for themselves, not enterprising enough for their funders, or simply admitting there was a mismatch between their private and public aspirations.

As Bull’s data built with further interviews a pattern became clear. Although the representation of the continuum from social to enterprise allowed many to indicate their current situations, many actors felt that they needed to expand and provide more of an explanation for their marking. They began to add arrows to show their direction and future path, overwhelmingly pointing towards the ‘enterprise’ end. Only one actor indicated the
direction of change was in need of moving towards the more social end of the spectrum. This lone arrow appears against the stream.

Drawing 2: Perceived direction of change within each social enterprise

The critical perspective voiced by Pharoah et al. (2004) was reflected in the case studies of Seanor, where actors did not find the continuum to be a useful tool for representing their goals and concerns. In both studies, the majority of actors were hesitant to place a mark on the line. In Seanor’s study there was no overwhelming ‘x marks the spot’ location for the treasure to be discovered on this social enterprise map. Rather than being able to locate themselves by placing a mark in a single position along the social enterprise continuum, they identified a range of positions that they move between on the spectrum.

In Drawing 3, we see that one of the actors explains how they wear different hats to present alternative personae to various stakeholders. They indicated that they present the ‘enterprise’ end when meeting with people outside the organisation, but within the organisation the reality is the ‘social’ end.

Drawing 3: Wearing hats for different stakeholders.

Light (2006) suggests that organisations may experience an ‘ebb and flow’ movement or process between market and mission driven aims. He states that time and environmental influences may change the quality of these characteristics. Like Dees, Boschee (2006: 359) also praises ‘the emerging tide of social entrepreneurs that is changing the face of England’s voluntary and community sector.’ In using the ‘rising tide’ metaphor of social enterprise, both Dees and Boschee focus upon the advancement of waters. Instead these may be dynamic relationships, which fluctuate and are more likened to the tide coming ‘in and out’. When considered in this way, both the ‘flotsam’ and ‘jetsam’ of social enterprise may be considered; what an organisation values and hopes to keep as well as that it intends to throw back to the sea.
In Seanor’s study the continuum was also adapted from Dees’ concept of mission (social) and market (enterprise). Drawing 4 supports Light’s notion of ebb and flow where one actor illustrates their experience as fluctuating within the social enterprise spectrum.

Where do you see your organisation?

Where would you place yourself on this spectrum?
Are you
mission driven

market driven

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

**Drawing 4: Social enterprise spectrum ebb and flow**

This actor describes ‘good times’ as periods they are more secure in their funding, able to actively pursue their social aims. Counter-intuitive to the literature, in ‘bad times’ they concentrate upon economic goals, pull back from networking activities and the promotion of social aims. This ‘ebb and flow’ is also reflected in Drawing 5.

**Drawing 5: back and forth movement between goals**

The actors drew that they aim to move beyond the mid-point on the spectrum to become more financially secure but do not depict this as a straight linear movement. Instead, they have experienced a series of backward and forward movements between their social (s) and economic (£) goals.

A central theme in the discourse of the social enterprise literature is the presupposition that organisations desire to become more efficient. Organisations are seen as moving in a ‘McDonaldiziation’ production-like process toward the commercial end of the spectrum (Dart 2005; Dees et al. 2001; Hardy 2004). Alter (2004) offers another voice stating that
the purpose of non-profits and social enterprise are their social missions. As a consequence, ‘organizations rarely evolve or transform in type along the full spectrum’ (2004:7). These organisations may be seeking to diversify their resource base rather than become self-sustaining. She links mission-orientation to income-generation and notes ‘organizations using social enterprise to diversify income are more apt to practise mission-centered models’ (Alter 2006: 208). Drawing 6 illustrates how Alter’s conceptual model of balance finds expression how two actors drew the development of their organisation:

![Balance in a social enterprise](image)

**Drawing 6: Balance in a social enterprise**

They acknowledged their organisation’s need to become more financially secure, but stressed that they had no intention of moving to the economic end of the spectrum. They felt the Balance model better represented the plans for their social enterprise than Dees’ continuum. Yet by placing themselves on the economic section of Alter’s model, they would be classified as ‘a socially responsible business’ rather than as a social enterprise.

The lines and circles the actors drew, without prompt, moved beyond linear representations. We regarded this as a second stage of thinking. The most striking of these was an arrow drawn from the enterprise back to the social (Drawing 7).

![Recursively linking the enterprise back to the social.](image)

**Drawing 7: Recursively linking the enterprise back to the social.**
This drawing represents a move away from the notion that the sector is moving towards the business model per se. The actors’ explanations were unanimous in suggesting their practices were becoming more business-like. There were various reasons for this, however. It was variously explained as a need to appeal to the financiers (funders or contractors), to accommodate the trend towards branding ‘social enterprises’ or simply as a strategy that would support the pursuit of social objectives. In some cases, they did not want to prioritise ‘enterprise’ and were resentful or defensive of their values being eroded. They were cautious of managerialism and aware of the shifting sands and tides of government policy. ‘Enterprise’ was perceived as undermining the trust, morality and social nature of the services they were providing.

Drawing 8 further illustrates a significant shift away from linear thinking. The actor did not find the linear model representative of their experience and refused to place a mark upon the line. Instead he drew two circles showing overlapping social and economic worlds.

**Drawing 8: A circular alternative to the social enterprise spectrum**

The circular drawing in Seanor’s study was unexpected and changed the nature of the interviews. The blending of two worlds invited a return to the literature, and it was at this point that Billis’s (1993) ambiguity model and cross-sectoral models (Leadbeater 1997; Pharoah et al. 2004) were discovered. In future interviews, the cross-sectoral models were introduced and discussed, prompting other dimensions of social enterprise thinking to emerge. From this, we discovered the way opportunities and threats were being perceived.
Finding 2: There are perceived opportunities, threats and resistance to the pursuit of economic goals

Similar to the continuum framework, the majority of the respondents had not previously seen a cross-sectoral model. However when shown and discussed, many actors found this model to be of more value, and to hold more relevance in thinking about possible future options. Many actors emphasised that their focus for social enterprise activity was located at the overlap between the public and voluntary sectors. Some organisations emphasised activity between the private and voluntary sectors.

![Drawing 7: viewing a social enterprise opportunity](image)

Drawing 7 illustrates the view of two actors interviewed from one organisation. Their organisation is a registered charity and contracts with statutory providers to sell social services; however, both clearly drew their organisation as being a circle within the voluntary sector. They saw the future of social enterprise, not as the contracting they currently undertake, but rather in developing a training and support programme to sell to the private sector.
Drawing 8: viewing social enterprise as a private sector threat

An actor from another organisation (Drawing 8) drew the three worlds model to emphasise the perceived threat from the private sector. She identified the location of social enterprise activity as in contracts between the voluntary community sector and local authorities (compare Westall & Chalkley 2007). The picture resembles a battle plan advance on the field or an amoeba engulfing another cell. The actor perceives a huge threat from the private sector and articulated a need to defend against the private sector taking contracts that might be better delivered by the third sector. This drawing reflects comments from other actors in the case study who discussed resistance and defending their ways of working. These actors described defending their social aims not just from the private sector but also from the social enterprise movement promoting ‘competitive business’ to them. Social enterprise may be a ‘way of thinking’ but some actors intended to move ‘chameleon-like’ between sectors rather than adopt a ‘business-like’ identity.

Finding 3: There is debate about individual versus collective entrepreneurship
The drawings below show how actors link governance and the democratic aspects to social enterprise models. Actors’ drawings provided very rich imagery for considering how they understand this phenomenon, and how they wrestle with the nature of social enterprise. More than a single social entrepreneurial perspective exists. Drawing 9 from Seanor’s study shows the drawing made by an actor in the UK in an attempt to better illustrate their experiences and ideas for actions. This actor, like others, did not find the spectrum useful.
Drawing 9: Grid representation showing governance as lacking in social enterprise spectrum

First she drew a grid to represent where she felt social enterprise was located. Note the Y-axis denotes ‘private’ and ‘social’ benefit. The X-axis brings into focus the governance and the community-owned aspect of the third sector and depicts ‘committee’ versus ‘private’ controlled organisations. Of particular note is the fact that the actor positioned co-operatives and clubs, voluntary community sector (VCS) and social enterprise in different quadrants. Although seen to have a social benefit, she questions whether social enterprise (SE) might not differ significantly from the VCS in being privately rather than democratically controlled by the board.

This actor drew a second drawing (Drawing 10) in an attempt to further clarify thinking on this issue of control. Here a sectoral model is used to locate social enterprise (SE) as perhaps being in the overlapping area between the private sector and the voluntary community sector (VCS).

Drawing 10: Sectoral drawing showing importance of governance in UK
It is the mode of governance more than business models that underlie her perspective of social enterprise. What has been found from these drawings appears to link to more established views of actors in Europe.

Taken together, the development of understandings from the UK substantially echo the work of Turnbull (1994) at Mondragon in Spain. As social enterprises mature, they start to replace linear thinking with circular, holistic and recursive thinking. The three worlds are not only recognised, they are incorporated within the organisation through governance models that devolve power and build bridges between different stakeholder groups. This is explored further in the last set of drawings.

In 2003, field visits were undertaken to the Spanish Mondragon co-operatives to assist a UK business that wanted to introduce member-ownership and control. Practitioners in Mondragon gave a series of talks to a group of UK academics and practitioners on the governance models used in both commercial and social organisations. Interestingly, the same governance model - albeit with different stakeholder groups represented - was adopted regardless of sector. In this case, the researcher (Ridley-Duff as ethnographer) is the actor transcribing drawings made by other participants during talks and seminars. Materials provided by participants were also used to develop models that were presented at academic conferences throughout Europe.

Drawing 11 shows the generic model discussed. In industrial settings, a General Assembly of all members (i.e. workers) is the sovereign body. In retail and banking, the General Assembly comprises both workers and customers. In educational settings, the General Assembly comprised students (in higher education)/parents (in pre-university education), workers (support and academic staff) and ‘supporting organisations’ (local government and private businesses). While the stakeholders varied, the governance model was consistent with the exception of small organisations with fewer than 100 members.
Drawing 11: Representation of Mondragon Governance to UK Academics / Practitioners
A General Assembly (Gen Ass) appears at the top of the model in Drawing 11. It is perceived as a body with control over the Governing Council (Gov Council) and MD/Executive. A Social Council (Social Gov) is placed between the governing and executive groups. In written notes at the bottom, the function/role of the Social Council (SC) is elaborated. Firstly, it is elected by ‘Work Teams’ with the role to ‘informate’ and ‘advise’ the Managing Director and President. As the notes show, the Social Council is understood by the actors to have social control rights over managers. This was further clarified in seminars that Social Councils are empowered to challenge the behaviour of managers who are ‘too authoritarian’ (see Ridley-Duff 2007b: 124). This concurs with other researchers who concluded that the culture is more egalitarian than the norm in business and characterised by discursive debate to resolve low-level conflicts (see Whyte & Whyte 1991; Cheney 1999). On note is the way the social council is conceptualised as a governing body outside the management structures that appoint and supervise operational management.

The nature of the model, therefore, owes less to linear thinking that may first be apparent. Members elect two bodies from within their own membership. As the right hand diagram shows, members in General Assembly elect and participate in the Governing Council (i.e. ‘enterprise’ governance). Members in their operational roles elect and participate in the Social Council (i.e. ‘social’ governance). These interact and monitor the activities of executives (i.e. ‘business’ activity). In terms of Alter’s sustainability model (Alter 2004), this is a constitutional settlement that recognises, and deliberately creates a tension, between economic and social management.

When this model was brought back to the UK (see Ridley-Duff 2004), changes were made. The alternative ways of thinking are clearly evident in the visual representations developed for presentation at UK board meetings, and later used to educate middle-managers and all-employee groups. Drawing 12 shows a hand-drawn picture (on the left) from a meeting in which a company director briefed company managers in December 2003. This was then presented more formally (by the same director) to all employees at a company-wide consultation in February 2004 (shown on the right).
Drawing 12: Representation of Governance to UK Managers/Employees (Custom Products)
Of particular note is the way the General Assembly (GA) has moved from the top to the bottom of the diagram. The recursive tensions between Social and Governing Councils in the Mondragon model - part of a tri-partite distributed power structure (Turnbull 1994, 1995) - is replaced by linear relationships, with information moving ‘up and down’ a more traditional hierarchy to an ‘Operating Board’ headed by the founding entrepreneur (and his successor). The ‘Policy and Information’ group (the closest equivalent to the ‘Social Council’ concept in Mondragon) was comprised entirely of managers appointed by directors/executives. The power-relations between individuals were inseparable from the operational line management arrangements in the company. This body ‘consulted’ or ‘informed’ Action Group Meetings (AGMs) during policy development and this stands in contrast to Mondragon where departmental members elect Social Council members and power-relations are based on peer-group dynamics.

Despite the General Assembly being perceived as a substantial democratic advance, subsuming ‘Policy & Information’ into operational management, reveals the continued dominance of rationalist (linear) economic thinking (see Smith 1776; Friedman 1962; Rawls 1999). The model still depends on a ‘leading’ entrepreneur. The recursive models favoured in Mondragon owe a debt to grassroots democratic organisation and Maoist thought (see Morrison 1991; Oakeshott 1991; Turnbull 1994, 1995). The collectivist connections continue to produce independent social and economic governing bodies. In the UK, this is subverted to betray the control rights of the founding entrepreneur and continued commitment to neo-managerialist thought (Terry 1998). The question remains, therefore, whether the outer appearance of similarity (on paper both organisations now have General Assemblies and Governing Councils) obscures their underlying social philosophy.

Nowhere is this more apparent than in the visual data. This accurately conveys the aspirations within each organisation, and which sub-groups are ‘on top’. At Mondragon, the visual model illustrates how social policy/control issues have been conceived and designed into the governance system as independent from enterprise governance. Moreover they are recursively linked to operational management (managers supervise workers through operational line-management relationships - workers monitor management behaviour through social councils). When transported into a UK company, however, the idea that social management (and particularly democratic control) has equal status to operational (economic) management is at best a pretension. Visually (and therefore conceptually)

---

1 In Mondragon, the founders of the first industrial business raised money by canvassing members of their own community (following in the traditions established a decade earlier when they successful canvassed support to establish a school). In the UK context, only two founders put in money and the company followed a conventional entrepreneurial model for the first 15 years of trading.
social policy and information is located as subordinate, under the control of operational managers. While this is obscured in verbal representation (for example, by talking up the ‘social responsibilities’ of the Governing Council) it is harder to obscure in the visual data.

**Implications: the journey so far in seeing and understanding social enterprise**

In this paper, we have summarised the journey each of the authors, as academic researchers, have undertaken over the last three to five years. The paper also shares the thoughts and developments of the actors that were interviewed. Each of us started independently with the linear model of options for social enterprise development and converged upon the cross-sectoral model as better representing all our thinking. What this paper concludes is that continuum models and diagrams inadequately represent the complexity of practitioners’ ideas and actions within their communities. How people make sense of their location within a sector, their ethos and opportunities cannot be expressed as an ‘x’ on a line. The complexity comes from a perception that there are three worlds of social organisation (public service, private enterprise and voluntary action) that variously compete and co-operate with each other to achieve specific ends.

What we found in our studies is that practitioners largely ignore concepts and models presented in academic/policy papers. However, when used, they stimulate fruitful debate, not least because they stimulate participants to articulate their own understandings using visual representations and show how actors view the interaction and competition between different ‘worlds’ of social organisation and the locus of social enterprise within it. By using drawings and diagrams the authors and actors were able to break through some of the barriers surrounding the concepts of social enterprise that are obscured in textual data and discussion. There were three key findings that emerged from the studies.

Firstly, tensions definitely exist between the social and economic domains and goals. Many practitioners will only entertain dominant economic thinking where it supports social goals, overcomes barriers to funding, or enables survival. There are a multiplicity of attitudes ranging from: enthusiasm and acceptance of the business model; a middle ground where there is an ebb and flow between the social and the economic; a radical view of ‘enterprise’ as the ‘dark side’ to be raided on a smash and grab basis or avoided all together. Not all practitioners perceive that there is a need to pursue a business model to meet financial objectives or obtain necessary funding. We therefore conclude that there are numerous income streams ranging from grant aid to contracts and partnerships within these social enterprises.
Our second finding is that when utilising the cross-sectoral model of social enterprise, practitioners perceived opportunities, threats and resistance to the pursuit of economic goals. Actors used this model to express a variety of concerns towards social enterprise development. These included concerns that were broader and more complex than potential contracting and procurement strategies and included ambiguity of identity and threats to the delivery of social enterprise services. In some cases, the social enterprise model is perceived as a way of raising funds through market trading that will deliver social services or fund social action. The flip side of this, however, is a perception that ‘social enterprise’ offers a model to the private sector that enables it to compete against community organisations for contracts. In this guise, social enterprise is perceived as a hostile movement capable of eroding the capacity and influence of the third sector. This finding explains some of the resistance observed.

Our third finding is that practitioners in well-established social enterprises have developed sophisticated ways of understanding the link between democratic governance and the capacity of their organisations to sustain social action and deliver benefits. Where liberal economic thinking influences debate, this is seen as eroding these democratic models with the result that social priorities are subordinated to operational imperatives. It is, however, by no means clear that liberal economic thinking is making any major advance into the social enterprise sector beyond the world of politicians, business support services, and social entrepreneurs already won over to individualistic notions of entrepreneurship.

At the practitioner level, and even amongst some support workers, there is conscious adaptation and resistance. In mature models, the habitual use of pluralist models of governance and deeply embedded commitment to democratic control effectively inhibits managerialist tendencies and counters liberal economic thinking. A conscious focus on ‘balance’ rather than authority, combined with organisation members setting boundaries to limit the extent they will move toward the ‘enterprise’ end of Dees’ spectrum (Dees 1998), means that social outcomes are still pursued through economic means (rather than vice versa). This balance of priorities remains important on the ground.

In our conclusions, therefore, we question Dart’s (2005:412) contention that:

‘social enterprise is likely to continue its evolution away from forms that focus on broad frame-breaking and innovation to an operational definition more narrowly focused on a market-based solution and business-like models because
of the broader validity of pro-market ideological notions in the wider social environment.’

While Dart’s statement captures the changes taking place at the level of national government (and business) discourse, it does not reflect the ethos and resistance amongst practitioners of social enterprise. A focus upon commercialisation of social enterprises can alienate social entrepreneurs as well as enthuse (Seanor & Meaton, 2007) so the long-term impacts remain unclear. In some cases, practitioners are learning to play a sophisticated game to obtain continued funding without necessarily changing their ethos.

Though heralded as the way forward for public service delivery and regeneration programmes, there is a concern at the rate of take-up of the social enterprise model. Those in the voluntary community sector who are beginning to contract to deliver services and for whom finding appropriate models would appear particularly relevant show hesitancy, if not outright resistance, to the ideas being put forward. Actors in organisations making sense of social enterprise using US-based business models and values would seemingly benefit from alternative models that reflect upon the steps or processes they have taken to get to where they are. Additionally, any model ignoring the role and influence of the public sector, does not offer a perspective that accounts for its continuing influence. Conceptual models that recognise the influence of public sector thinking upon the social enterprise landscape are much needed, and this paper provides empirical evidence to support recent theoretical developments in this area.

One question that we sought to address was ‘do theoretical models help with the practical problems experienced by actors in the field?’ We found that actors think in both straight lines and circles. However, in our studies, actors increasingly drew and thought in circular recursive ways, with the result that they directed us to (and found more useful) the cross-sectoral models that explain social enterprise. The actors all acknowledged the Anglo-American penchant for managerialism and commercialisation. However, the European model of collectivism appears to sit more comfortably with their experiences than the model of the ‘heroic’ individual social entrepreneur. The research suggests that the collectivist models explored here may continue to be useful to the sector. They complement existing conceptual models and not only help to identify key influences upon social enterprise development, but also the rich understandings that underpin long-term sustainability.
In concluding, the paper does more that contribute to discourses on social entrepreneurship. It draws upon the insights of actors to better illustrate and understand the processes of social enterprise development. This has been particularly important aspect of the research; finding how actors in the field are seeing and understanding the concept of social enterprise is a key to envisaging and devising contextually appropriate solutions that are sustainable. In highlighting that one model may not work for all social enterprises, it must also be recognised that for some actors, no (visual) models work at all.

At the outset, we reported Stevenson's view (cited in Westall and Chalkley 2007) that ‘take-up of the social enterprise model across local and national government is patchy’. This paper offers another perspective. For theorists and practitioners seeking ‘the social enterprise model’ within a continuum between mission and market, it may well appear that the take up is 'patchy'. However, for those recognising that social enterprise is a heterogeneous movement located at cross-over points between three distinctly different sectors, it is policy and theory development that remains 'patchy', rather than the social enterprises themselves.
References


Morrison, R. (1991), We Build the Road as We Travel. Gabriola Island: New Society Publishers.


