**Bournemouth University**

# "Strategic Entrepreneurship for Resources and Innovation:

# The Case of Voluntary and Community Organisations in the South-West of England"

## Emre Arslan

**A thesis submitted in partial fulfilment of the requirements of Bournemouth University for the degree of Doctor of Philosophy**

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## BOURNEMOUTH UNIVERSITY

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# Abstract

This study concerns the application of strategic entrepreneurship as a vehicle for supporting operational capacity of the Voluntary and Community Sector (VCS) in the South-West of England. Ten years ago, the VCS was cash rich, regulation was improving, fundraising had come of age and the doors to public services were open. Although, the needs of people are increasing, government and local authorities' grants are now not as plentiful. Therefore, the organisations started to generate new ideas to compete for governmental grants allied to fundraising and creating new strategies to support the funds effectively. This support refers to enhancing current and future operational financial, human, operational and other resources as well as organisational innovation that could potentially boost the sector.

This study contributes to the application of strategic entrepreneurship into the VCS as there has been a dearth of studies conducted in this area. Consequently, this study has sought to fill the gap, both theoretically and empirically, in relation to the application of strategic entrepreneurship into the sector in the South-West of England.

Methodologically, a qualitative research approach is implemented using semi-structured interviews for the collection of primary data for this study. The semi-structured interviews have been conducted with 30 selected owners and top management teams of charities, foundations and associations which are regarded as mainstream Voluntary and Community Organisations (VCOs), social enterprises and members of statutory bodies. This creates conditions for a single case study that will be able to, both explore and more importantly explain, the circumstances surrounding the application of strategic entrepreneurship within the VCS in the South-West of England.

The findings and discussion of the study reveal that three conceptual frameworks need to be adapted for mainstream VCOs and social enterprises due to legislative constraints and operational boundaries created by the organisational limitations imposed on the VCS. The first framework shows the potential risk to mainstream VCOs independence resulting from the imposition of strategies by the authorities. The second provides an alternative outcome when social enterprises introduce a degree of independence by the creation of and implementation of business-like organisational structure and strategies. The third, as a result of this study, adopts an amalgamation of the former two to identify the key six aspects of strategic entrepreneurship namely risk, organisational learning, strategic opportunity,

generation of ideas, resource and innovation.  This identifies and demonstrates the importance of the capability of both social enterprises and mainstream VCOs in establishing their own strategies together with utilising networking, collaboration and partnerships. It is found that the interaction of these aspects shows the significance of networking in strategic entrepreneurship in the VCS.

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# Dedication

With love and appreciation
I dedicate this thesis to my family

# Declaration

I declare that this thesis contains no material that has been accepted for the award of any other degree or diploma in any institution or university. The thesis is based on my original work except for quotations and citations which have been acknowledged accordingly. I also declare that this thesis has not been previously or simultaneously submitted, either partially or wholly, for any other qualification at any university or institution.

Emre Arslan

October 2020

# Acronyms and Abbreviations

**CVS:** Council for Voluntary Service

**DTI:** Department of Trade and Industry

**GDPR:** General Data Protection Regulation

**IoD:** Indices of Deprivation

**IMD:** Indices of Multiple Deprivations

**NCVO:** National Council for Voluntary Organisations

**NHS:** National Health Service

**UK:** United Kingdom

**VCA:** Voluntary and Community Action

**VCGs:** Voluntary and Community Groups

**VCOs:** Voluntary and Community Organisations

**VCS:** Voluntary and Community Sector

**VCSer**: Voluntary and Community Service

# Chapter One

# Introduction

## 1.0 Overview of the Chapter

This thesis addresses the concept of strategic entrepreneurship as a tool for the survival and the creation of wealth in Voluntary and Community Organisations (VCOs) within the Voluntary and Community Sector (VCS) in the South-West of England. This involves the application of the strategic entrepreneurship for mainstream VCOs such as charities, foundations and associations that entitled to operate under the "Charity Act" and social enterprises entitled to act under the "Social Value Act". These are identified in the literature review chapter.

This research focuses on the aspects of exploring strategic opportunities, risks, organisational learning, and the generation of ideas in order to establish a new path through the effective use of resources and innovative initiatives. Therefore, this research focuses on of these six aspects within the concept of strategic entrepreneurship.

In today's competitive environment, businesses and organisations try to explore opportunities for strategic change. To be strategic can create advantageous conditions for VCOs in the future. Risk is generally present and considered as inherent in every environment. Albeit, organisational learning can guide the creation, retention and transfer of knowledge in order to mitigate the risk from the past experiences. Consequently, this can lead both business organisations and VCOs to generate ideas which include innovation and concept development with the objective of introducing these initiatives into use. However, every aspect can be achieved through effective use of the resources, not only for organisations to survive but also to constantly seek and achieve new ideas as well as promoting innovation.

This chapter also introduces research gaps, aims and objectives that are supported by the research questions, together with the justification for the research and its contribution to the knowledge and practice. Finally, the chapter explains the research methodology adopted and the organisation of the thesis. Since this research focuses on the VCOs in South-West of England, to provide context, this region is discussed for these organisations. The structure of the thesis is listed at the final section of this chapter.

## 1.1 Voluntary and Community Sector

The VCS or civic sector is also called the third sector, community sector or non-profit sector, in contrast to the public and private sectors. VCS is the performance of social activity conducted by local organisations that are non-governmental and not-for-profit (HM Treasury 2002).

VCOs engage with significant spectrum of activity from homelessness, faith and education to medical research. These organisations achieve their aims through an extensive range of activities such as providing and delivery of services, direct support and advice to the central or local authorities. Although, there is no reliable source of calculating the size of the VCOs, it is estimated that there are approximately 165,000 charities throughout the U.K. and 80 percent of these are considered as small organisations with an annual income of less than £100,000 and almost half have less than £10,000 (Reach Volunteering 2017).

The aims of VCOs are to fulfil a specific social purpose, whereas the main aim of private organisations is to make profit for shareholders. Some aspects of the way VCOs work can become similar to other sectors.

The diversity of its organisations and the variety of activity make the VCS challenging to define (Kendall 2012). However, there is a consensus from the various scholars (Kendall and Knapp 1995; Dees 1998; Abdy and Barclay 2001; Dart 2004; Spear 2008; Chell et al. 2010; Manville and Broad 2013; Windrum 2014; Dey and Teasdale 2016) on what a VCO is, how they can be formed and what their role is in order to support social value and the social environment. As this study comprises the VCS in the South-West of England, the researcher uses the definition of the British Government. Two elements are important in this definition. First of all, the concept of being organisationally similar to a business or being **business-like** differentiates social enterprises from traditional (such as grant-dependent) organisations. Secondly, the objectives are primarily social, such as charities, foundations and associations (traditional organisations or it is named as mainstream VCOs in this study). Social enterprises combine self-sufficiency and market-based efficiency with the philanthropic goals of mainstream VCOs (Dey and Teasdale 2013). Although these organisations are considered to be under the umbrella of the VCS, the British Government also distinguishes social enterprises and mainstream VCOs under two different acts, such as the **Social Value Act,** which is the basis of social enterprises, and the **Charity Act,** which is the basis of mainstream VCOs, such as charities, foundations and associations. As a result, the research

follows this definition throughout the study. The definition and charateristics of mainstream VCOs and social enterprises are further discussed in Chapter Three (See: Literature Review II – The Voluntary and Community Sector in the UK.).

## 1.2 Background of the Research

VCS in the U.K has seen a constant increase from 1980 until 2010. The VCS in the U.K. was becoming cash rich, regulation had been improving, fundraising had come of age and the doors to public services were being increasingly opened up. In the early 1990s, the VCS experienced significant development of governmental contracting policy for public services that allows the creation of partnerships and collaboration with VCOs which increased the importance of finding niche strategies to gain more public support as well as to collaborate with private and public sectors (National Council for Voluntary Organisations (NCVO) 2015). The development of governmental policies about VCS allowed new opportunities for collaboration with local councils as well as private and public sectors (Saxton 1996). At the same time, the challenges to be addressed have been increasing.

The 2007 economic crisis brought worldwide financial instability, regional as well as local crises in particular, balancing increasing fundraising costs with higher targets, managing the transition from grants to contracts and dealing with the changing relationship with government (NCVO 2015). As a result, the VCS were also one of the sectors that was significantly affected. Although, the needs of people continued to increase, government funds and grants from local authorities failed to keep pace after 2010. Through the years, the income of VCS has been decreasing gradually as a result of a reduction in central government, local authority and private donor contribution. This has increase competitiveness for funding between VCS.

It cannot be easy to survive and fulfil their environment's need even for the VCOs without funds and grants. Consequently, the VCOs have started to explore opportunities through developing alternative strategies, generating new ideas through innovation to compete for governmental grants, fundraising, tendering and contract processes from public or private funders to effectively support the social issues in areas where the VCOs are operating. In addition, this support also refers to the effective use of the resources of VCOs and enhancing current and future operational, financial, human and other assets which could potentially

boost these VCOs. Therefore, this can be achieved through applying entrepreneurial initiatives.

Entrepreneurship can be considered as initiatives that are run by an individual or group of people who are willing to take the risks on either establishing or growing their existing product or service to create a social and economic impact (Drucker 2014). The firms and other organisations are in continuous change and engage in entrepreneurial initiatives, as a result of harsh competition in the current environment (Kantur 2016). Hence, implementing the best strategies that support organisations in today's environment is paramount. As a result, developing strategies and applying entrepreneurial initiatives becomes inevitable for VCS due to increasing competition and the harshness of the competitive environment. Hence, this has strengthened the need for entrepreneurial activities with a strategic perspective to be more creative and collaborative within the working environment and reaching out to address the social needs and the new policy world of increasing competitiveness for public, private and VCS organisations (Saxton 1996).

It has been observed that most of the VCOs in the UK are pursuing strategies that respond to strategic opportunities that are identified in order to create wealth (Dey and Teasdale 2016). Therefore, VCOs are seeking to become more and more structured and endeavour to develop strategies, to cope with the receipt of less funding, whilst improving social activities and delivery of social services, to survive in an increasingly competitive environment.  It is hoped that through developing these strategies and innovations, they can become both more effective and competitive even though competition has not, hitherto, been explored and associated with the VCS. Although there are still stakeholders who disagree that they are in competition and this is undesirable due to the nature of the sector, finding niche strategies can increase the importance of VCOs restructuring their charitable claims as well as social impact (Abdy and Barclay 2001).

### 1.2.1 The Context of South-West of England

The VCOs in the South-West of England seems to have the capacity to develop strategies with entrepreneurial initiatives for exploring the above aspects in a manner that could support local wellbeing. To give an example, Indices of Deprivation (2019) that is published by the UK Ministry of Housing, Communities and Local Government on relative deprivation in small areas of the South-West region points to some areas of Bournemouth, specifically

Central Boscombe, are considered to be the most deprived in the South-West of England (ranks 528 out of 32844 within the 1% most deprived areas in England) in terms of health and 14th most deprived area (ranks 4798 within the 20% most deprived in England) in terms of education, training and skills. Therefore, the majority of VCOs are positioned in these areas of the South-West region to provide strategic solutions with entrepreneurial initiatives to meet the needs of the local environment including the authorities. In addition to current health inequalities across the Borough of Bournemouth, the proportion of people aged 65 and over in the U.K. is projected to rise from 16% to 23% by 2033 as life expectancy increases, also the proportions of young people leaving school early and not continuing with an advanced education after age of 16 are increasing (Apostolakis and Arslan 2018).

Consequently, the issues above that are identified in Indices of Deprivation as well as the potential of VCOs in South-West of England to address the problems are the main concerns that need solutions. According to the researcher, applying strategic entrepreneurship could provide solutions in creating organisations that are fit-for-purpose; for example, in treating preventable illness and improving education around the area and helping vulnerable people to join the economic environment. This now involves using limited resources effectively and innovative initiatives relating to products, service delivery, increasing awareness of social problems in order to create wealth within the social environment. As a result, this emphasises the need to apply strategic entrepreneurship into VCOs so that they can contribute to become more efficient and robust.

### 1.2.2 The Term of Strategic Entrepreneurship

The research field of strategic management and entrepreneurship has evolved substantially (Casadeus-Masanell and Ricart 2010). On one side of the coin, the term entrepreneurship is concerned with understanding how future products and services and can be managed to ensure that these products come into existence. On the other side of the coin, strategic management is identified as the achievement of the objectives such as obtaining place, profit and competitive advantage (Venkataraman and Sarasvathy 2000).

Consequently, the scholars (Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Hagen et al. 2005; Luke and Verreyne 2006; Wickham 2006; Ireland and Webb 2007; Kuratko 2009; Gelrad and Ghazi 2014; Dogan 2015; Kantur 2016), of strategic entrepreneurship describe it as the integration of strategic management and entrepreneurship which takes entrepreneurial

actions and applies a strategic perspective or taking strategic action with an entrepreneurial mind-set. In other words, it is recognised as the determinations of a firm "*to combine effective opportunity-seeking behaviour and effective advantage-seeking behaviour*" (Mazzei 2018, p.658).

Therefore, from the perspectives of the scholars, strategic entrepreneurship is stated as a firm-level concept and only applied in highly established organisations and profitable companies (McGrath and MacMilan 2000; Morris et al. 2008; Ireland et al. 2009). However, this argument is debatable from the perspective of the researcher, because VCOs can also apply strategic directives to increase their profitability. As a result, the application of the strategic entrepreneurship requires activities that promote opportunity recognition and resource allocation in favour of wealth creation that leads to competitive advantage (Tsai and Lei 2016).

## 1.3 The Gap in the Literature

Research on the matter has shown that entrepreneurship (Drucker 1985; Badelt 1997; Alvarez 2005; Acs and Szerb 2009; Brem 2011; Chang and Wang 2013; Ab Rahman and Ramli 2014), strategy (Mintzberg 1973: Mitzber 1987; Mintzberg 1994; Baker and Pollock 2007; Dhliwayo 2014) and strategic management (Barringer and Bluedorn 1999; Bogdan 2014) have been researched as separate subjects. Additionally, social entrepreneurship studies at the VCS level including social enterprises have been conducted by (Thompson 2002; Zahra et al. 2009; Dees 2007; Defourny and Nyssens 2006; Chell et al. 2010; Dey 2014), including the effect of innovation of social entrepreneurship (Chew and Lyon 2012; Windrum 2014), and resources and capabilities (Liu and Ko 2014) from a social entrepreneurship perspective measuring the achievement of maximum efficiency of VCOs in the social and well-being environment (Thoits and Hewitt 2001).

Furthermore, there are various researchers (Venkataraman and Sarasvathy 2000; Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Luke and Verreyne 2006; Wickham 2006; Schendel and Hitt 2007; Ketchen et al. 2007; Kuratko and Audretsch 2009; Dogan 2015; Kantur 2016; Mazzei 2018) who have addressed the study of the integration of the core principles of strategic management and entrepreneurship combining aspects of both subjects to create strategic entrepreneurship together with its application in the commercial business environment as well as firm-level organisations in the achievement of wealth creation and competitive advantage.

As discussed above, there are ongoing research processes relating to strategic entrepreneurship at firm-level to achieve competitive advantage. Moreover, the research on the application of strategic entrepreneurship in public organisations (Luke and Verreyne 2006; Klein et al. 2010; Klein et al. 2012) and family businesses (Webb et al. 2010; Lumpkin et al 2011) have also been conducted by scholars. However, strategic entrepreneurship literature is relatively understudied in the VCS context which identifies limitations in current research and identifies new areas of study from the perspective of the researcher.

As a result, as discussed above, the existing literature on strategic entrepreneurship largely focuses on the private sectors including family businesses and public sectors. However, there is a lack of knowledge on the application of the strategic entrepreneurship concept in relation to VCS. Therefore, this research attempts to fill this gap by focusing on the core aspects of this concept including risk, organisational learning, resources, innovative strategic opportunities and the generation of ideas in the context of VCS in the South-West region.

## 1.4 Aim and Statement of the Research

Based on the gap above, the research is concerned with the application of strategic entrepreneurship to support effective use of resources and innovative attributes of the VCOs in the context of South West of England by integrating the core principles of entrepreneurial process with a strategy focus.

More specifically, the research is concerned with how strategic entrepreneurship can contribute in this context of the VCS in order to use all aspects of current and future resources and innovative attributes more efficiently to become self-sufficient and respond to the needs of its environment. Currently, VCOs are pursuing the application of strategic entrepreneurship and engaging in both opportunity-seeking activities required by entrepreneurship and advantage-seeking activities required by their strategic focus (Ketchen et al. 2007). Both opportunity-seeking and advantage-seeking activities can have a common perspective to expand resources and innovative prospects for organisations in the VCS environment.

This research addresses a significant contemporary issue in organisational strategy as it explores its role in the VCOs strategy process by examining how the stakeholders in these organisations can identify strategic opportunities and achieve better performance. This research aims to give an overview relating to different factors of strategy and entrepreneurial

culture in order to create opportunities in the context adherence to current theory and policy concepts.

### 1.4.1 Research Objectives

With relation to the stated aim of applying the core principles of strategic entrepreneurship, the objectives of this research can be summarised as identifying, interpreting and explaining these principles in a real-life setting and conditions that can enrich the research area. The importance of strategic entrepreneurship lies in its exploratory and explanatory character which could justify its effective application within VCOs in the South West of England. The application could signify policy and organisational development and performance. On the basis of the aim and statement in the previous section, the following objectives are established:

**Objective 1:** To examine how the application of strategic entrepreneurship can enhance the use of resources for organisational benefit.

**Objective 2:** To investigate how the application of strategic entrepreneurship can enhance the use of innovative ideas, practices and techniques.

**Objective 3:** To develop a conceptual framework based on the empirical findings that could justify the effective application of strategic entrepreneurship within the VCS in the South-West of England.

**Objective 4:** To provide insights for the effective application of strategic entrepreneurship to contribute to the development of wealth creation for the VCOs in the South-West of England.

To achieve the aim and objectives of the research, the following research questions are developed after reviewing the Literature I (Chapter 2) and Literature II (Chapter 3) as well as the methodology of the research adopted  (Single case study and semi–structured interview methods recommend the use of *"how", "why"* and *"what"* types of research questions).

### 1.4.2 Research Questions

The objectives stated in the previous section will be linked to the following research questions which will be used as guidelines to help achieve the research aim. Hence, the research questions are based on the application of strategic entrepreneurship in a VCS context.

The first objective is to examine how the application of strategic entrepreneurship can enhance the use of resources for organisational benefit.

**a)** What is the importance of resources in formulating strategies that correlate with entrepreneurial activities?

**b)** What are the current and potential resources and capabilities of VCOs of the South-West of England and how can they be measured?

The second objective is to investigate how the application of strategic entrepreneurship can enhance the use of innovative ideas, practices and techniques.

**a)** What is the importance of innovative attributes in formulating strategies that correlate with entrepreneurial activities?

**b)** How can innovation attributes be defined and identified for VCOs?

The third objective is to develop a conceptual framework based on the empirical findings that could justify the effective application of strategic entrepreneurship within the VCS in the South-West of England.

**a)** How can the core principles of strategic entrepreneurship in relation to VCOs be effectively researched?

**b)** What are the benefits of creating a framework based upon strategic entrepreneurship for the VCOs of the South West of England?

The fourth objective is to provide insights for the effective application of strategic entrepreneurship to contribute to the development of wealth creation and lead to conditions of competitive advantage for the VCOs in the South-West of England.

**a)** How can enhanced resources, after the application of strategic entrepreneurship, provide for wealth creation in the VCS environment?

**b)** How can enhanced innovation attributes following the application of strategic entrepreneurship provide further opportunities for wealth creation in VCS?

**1.5 Justification for the Research**

As previously pointed out in this chapter, there is a variety of research on corporate, public (Luke and Verreyne 2006; Klein et al. 2010; Klein et al. 2012), family business (Webb et al. 2010; Lumpkin et al 2011) and firm-level strategic entrepreneurship (Ireland et al. 2001).

However, there is little in VCS literature on the subject. Therefore, this research fills this gap by contributing to knowledge in this area. A number of researchers have examined the impact of social entrepreneurship in the VCS context (Thompson 2002; Zahra et al. 2009; Dees 2007; Defourny and Nyssens 2006; Chell et al. 2010; Dey 2014), but strategic entrepreneurship has received scant attention.

There are various elements of research that has been conducted on aspects of risk, innovation and resource within strategic entrepreneurship at firm and public organisation levels (Venkataraman and Sarasvathy 2000; Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Luke and Verreyne 2006; Wickham 2006; Schendel and Hitt 2007; Ketchen et al. 2007; Kuratko and Audretsch 2009; Dogan 2015; Kantur 2016; Mazzei 2018). However, this thesis attempts to fill this gap by focusing on the impact of these in the context of mainstream VCOs and social enterprises in South-West region. The exploration and exploitation of opportunities have been discussed on both the subject of entrepreneurship (Drucker 1985; Badelt 1997; Alvarez 2005; Acs and Szerb 2009; Brem 2011; Chang and Wang 2013; Ab Rahman and Ramli 2014), and strategy or strategic management (Mintzberg 1973: Mitzber 1987; Mintzberg 1994; Barringer and Bluedorn 1999; Baker and Pollock 2007; Dhliwayo 2014; Bogdan 2014). However, no research has been conducted on how the strategic opportunities can be created in VCS context. Moreover, by exploring the generation of ideas in VCS through the application of strategic entrepreneurship, this research fills a gap in the literature as no such studies have been previously conducted.

As discussed in the first section of the chapter, the research focuses on the above aspects (risk, strategic opportunity, organisational learning, generation of ideas, resources and innovation) of strategic entrepreneurship as a concept (Lynch 2015) within mainstream VCOs (charities, foundations, associations that are considered under *"Charity Act"*) and social enterprises (that are considered under *"Social Value Act"*).

## 1.6 Research Methodology

This research investigates a contemporary phenomenon of strategic entrepreneurship in depth and within. The research utilises qualitative methodology consisting of an inductive approach. Furthermore, due to its exploratory nature, one-to-one semi-structured interviews are conducted for the collection of primary data. The research also collects secondary data using current and historical literature relating to strategic entrepreneurship together with the

experiences of VCOs in other regions of the U.K that could be utilised to support the strategic activities with an entrepreneurial focus of the VCOs in South-West of England.

The primary data will be collected until data saturation is reached. Data saturation is discussed in the methodology chapter (See: Section 4.2.2.4 – Data Saturation). This is achieved through interviews with members of top management teams, line managers or the owners of either mainstream VCOs or social enterprises in the South-West region.

The aim of using semi-structured interviews is to explore themes relating to aspects of strategic entrepreneurship to establish a framework in practical terms for its application into the day-to-day activities of the VCS. In addition, the semi-structured interviews will create information for **thematic analysis**. The ultimate aim is to create conditions for a **single case study** that will explore but, most importantly explain, the possible impact of strategic entrepreneurship on the VCOs in South West of England. It is carried out through interviews with selected stakeholders such as statutory organisations, voluntary and community groups and social enterprises that operate within the VCS and are involved in or represent the entrepreneurial process.

Taking into account that the integration of core principles of strategy and entrepreneurship seems currently limited, this research will explore methods of addressing this limitation, both theoretically and empirically, in the VCS in South-West of England. This will enable the identification of potential operational and organisational effectiveness within the VCS in both the mid and long-term.

This will be followed by researching complementary information, which added to the primary research data will create links to involve actively stakeholders, in the construction and development of the project. These collaborative dynamics will also enable the identification of other entities that had not been mapped in the initial research to assess the level of involvement of the various key actors and enable the creation, from the researcher's standpoint, of frameworks capable of amendment when the involvement of stakeholders is introduced.

**1.7 Structure of the Thesis**

The chapters of *"Strategic Entrepreneurship for Resources and Innovation: The Case of the Voluntary Sector in South-West of England"* are organised by the researcher as follows:

Chapter 1: Introduction

The first chapter introduces the study with the background of the research, key definitions of the key terms and concepts as well as identification of research gaps, research aims, and objectives including research questions.

Chapter 2: Literature Review I – (Theory Chapter)

The second chapter examines the literature concerning the theoretical aspects of the thesis. The literature is organised under five sections excluding subsections: **(a)** the notion of strategic entrepreneurship including subsections of entrepreneurship and strategic management, historical background, main definitions and key authors of both subject domains, **(b)** the field of strategic entrepreneurship including historical background and key authors to contextualise the thesis, **(c)** the key aspects which arise from the context of strategic entrepreneurship, **(d)** development of an initial conceptual framework based on literature, **(e)** the differences between strategic entrepreneurship and social entrepreneurship.

Chapter 3: Literature Review II – (Policy Chapter)

The third chapter identifies the literature concerning policy matters relating to the thesis. The literature review II chapter is organised under four sections excluding subsections: **(a)** an overview of the voluntary and community sector (VCS) in the U.K, **(b)** the political and economic environment of the VCS from 1980s to the current period, **(c)** the practices of strategic entrepreneurship aspects in the VCS in the U.K., **(d)** South-West Region of England.

Chapter 4: Research Methodology

The fourth chapter presents the methodological design and research process followed in the thesis. This chapter examines the research philosophy, research strategy, case study design

including how and why the single case study is chosen. The semi-interview method, data collection and data analysis techniques, limitations of the data collection process, ethical considerations as well as the validity and reliability of the research.

Chapter 5: Research Analysis and Findings

The fifth chapter presents the findings of the thematic analysis. In the thematic analysis, themes, similarities and differences across the mainstream VCOs and social enterprises in a single case are examined. The case of VCOs in the South-West of England are analysed based on the research objectives and research questions.

Chapter 6: Research Discussion

The sixth chapter discusses the findings of the research in the light of the literature review I and II chapters. At the end of the chapter, three conceptual frameworks are developed based on the findings.

Chapter 7: Conclusion

The final chapter concludes the thesis with a summary of the findings and recommendations. The contribution of the research to theory and practice as well as policy recommendations is presented. In addition, the limitation of the research and areas for further research are discussed.

# Chapter Two

# Literature Review I

## 2.0 Overview of the Chapter

The literature review chapter provides a discussion of the theoretical background and the key concepts of the research. It is important to do this to emphasise the gaps in the research, demonstrating an understanding of the field, summarising and evaluating the past researches, and emphasising the gaps in existing knowledge. In this chapter, the researcher aimed to achieve the following: **(a)** identify and discuss the key definitions and concepts, and the theoretical backgrounds of the concepts within the particular research area; **(b)** clarify general understanding through giving a historical background on how these theories and concepts emerged in the current literature; **(c)** to determine a structure (such as literature review mapping and a conceptual framework) that assists the researcher and the reader in contextualising the research; **(d)** improve on new contributions in the particular research area with the support of a new conceptual framework; and **(e)** give an overall idea about how the Voluntary and Community Sector (VCS) emerged, and its historical background, and the characteristics of the mainstream Voluntary and Community Organisations (VCOs) as well as the social enterprises detailed in Literature Review II.

The literature review chapter is divided into two parts as theory (Literature Review I) and policy (Literature Review II), in order to understand strategic entrepreneurship and VCS better. In the theory part, the key terms and research fields are represented by creating structural literature review mapping of the strategic entrepreneurship process in Figure (1). The aim of the mapping is to give clear understanding and a guideline in order to explain the complexity of this particular research in a more manageable way for both the researcher and the readers. The literature review is started by explaining the historical background and the key definitions of the strategy and entrepreneurship fields, and then it will be followed by the general understanding and the key contribution of the combination of both strategic management and entrepreneurship fields in order to form the strategic entrepreneurship.

The aspects of strategic entrepreneurship, defined by various scholars and the use of those aspects in the VCS, are discussed in order to achieve the research aims and objectives set out in the introduction chapter (Chapter 1).

In the policy chapter (Chapter 3), the historical and general background of the VCS as a whole context, the mainstream VCOs and social enterprises in the UK as well as in the South-West of England, are all detailed in the policy part of the literature review. One of the main reasons for giving information about the policy part is to represent the rise and fall of the VCS. This includes particular business practices that the organisation applied denoting the potential capability of the sector and representing the possibility of the application of strategic entrepreneurship into the context.

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│  2.1 Entrepreneurship   │        │ 2.2 Strategic Management│
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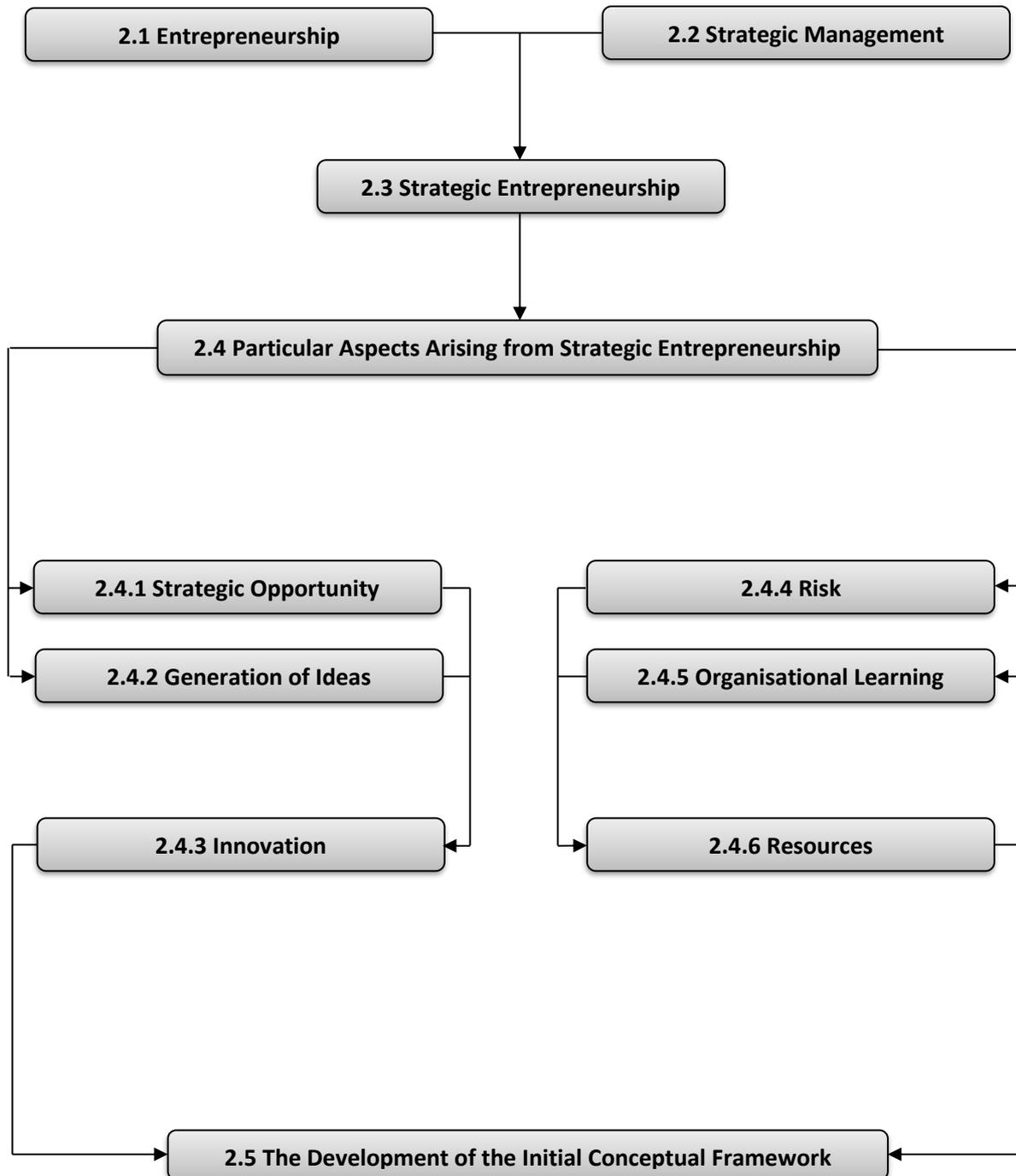
**Figure 1:** Literature Review Mapping of Strategic Entrepreneurship Process (Source: Author)

## 2.1 The Entrepreneurship Field

The field of entrepreneurship is one of the main fields of strategic entrepreneurship that is happening due to the representation of what entrepreneurship is. This study aims to explore who the entrepreneurs are and how entrepreneurs explore, exploit opportunities and configure resources that guide the exploitation. As a result, the section below represents the origins, definitions, and evolution of each of the entrepreneurship and strategic management fields, in order to address how the combination of each of these fields can be useful for strategic entrepreneurship.

As a context, entrepreneurship is defined as the identification, evaluation and exploitation of opportunities (Shane 2012). In particular, entrepreneurship can be described as a discovery of individuals, and the utilisation of opportunities, to introduce new processes, new services and new ways of organising those processes and services (Shane and Venkataraman 2000). Although there are various definitions in the different fields of entrepreneurship, Aldrich and Cliff (2003) claimed that the definitions, as described above, became the agreed definitions for the entire term of entrepreneurship.

The main element of entrepreneurship can start from emerging new entrepreneurial opportunities. Therefore, Venkataraman (1997, p.120) suggests that the fundamental question in entrepreneurial opportunities is the following:

"*Seeks to understand how opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom, and with what consequences*".

In light of the question set by Venkataraman (1997) about the entrepreneurial opportunities above, the term of entrepreneurship provides various research questions for various fields, and the scholars are initially concerned with three sets of questions: **(a)** why, when and how opportunities are able to come into existence; **(b)** why, when and how those opportunities have not been explored or exploited; and **(c)** why, when and how various modes of action have been used in order to exploit those opportunities by the entrepreneurs (Shane and Venkataraman 2000). The exploration and exploitation of opportunities are further discussed in section 2.1.1 (The Theories of Entrepreneurial in order to Chase Opportunities).

The organisations that embrace the entrepreneurial processes are typically proactive, risk-taking and innovative (Naldi et al. 2007); however, traditional organisations are less innovative, risk-averse and implement the idea of wait and see, and the position of an organisation in this process can be discussed as its entrepreneurial intensity (Barringer and Bluedorn 1999). In addition to this, Appendix A selected the various definitions of entrepreneurship, which represents the various scholarly definitions of entrepreneurship and the evolution of the term of entrepreneurship throughout the years. Each definition looks at the different perspectives of entrepreneurship, such as risk assuming, economic productivity, and opportunity discovery, besides the study of entrepreneurship in its organisational level (Breslin 2008).

### 2.1.1 The Theories of Entrepreneurship in order to Chase Opportunities

As the field of entrepreneurship has emerged and developed, scholars have started to shift from just describing the term of entrepreneurship to theory development. Therefore, these developments have tended to rely on classical or novel contributions, or they have been testing the theories that have been previously developed in other fields (such as theories of strategic management) by the scholars in these fields (Alvarez and Barney 2008). Accordingly, the current entrepreneurship theories have centred on the opportunities and/or identification of the new opportunity (Alvarez 2005). Based on this fact, three theories have emerged which take opportunity as the main aspect of the entrepreneurship. Those theories are named as **(a)** the theory of creative destruction, **(b)** discovery theory and **(c)** creation theory.

**The Theory of Creative Destruction**

Schumpeter defined entrepreneurship as the theory of "creative destruction" *where "Entrepreneurs creatively destruct the existing social order and bring about revolutionary changes"* (Nightingale 2015, p. 5). According to this view, entrepreneurs constantly change or destroy existing products and the method of production or service into new ways by adding innovation.

Schumpeter (1936, 1950) viewed this process favourably because innovation improves the overall economic activity into a new level of productivity by transforming the product or process utility (Barringer and Bluedorn 1999; Bruyat and Julien 2001). According to Schumpeter, creative destruction can be described as the following:

*"The process of industrial mutation that incessantly revolutionises the economic structure from within, incessantly destroying the old one, incessantly creating a new one"* (Tülüce and Yurtkur 2015, p.721).

It is pointed out that an entrepreneur, as an innovator, creates and chases opportunities by developing a new product, a production process or a marketing strategy. Therefore, an entrepreneurship occurs when an entrepreneur makes the estimation that a set of resources are not being utilised (Lahti 2008). However, it is believed that theory of creative destruction can be utilised in firm-level profit sector as VCS do not possess that capacity (Gliedt and Parker 2007).

**Discovery Theory**

The second view in the theory of entrepreneurship can be considered as a discovery (discovery theory) of opportunities that already existed in the marketplace (Shane 2003; Alvarez and Barney 2007). Once the opportunities are identified, the structure, strategy and procedure of the organisation influence and create a new path to explore and exploit the new opportunities.

New opportunities are waiting to be searched and identified in the organisational environment; therefore, entrepreneurship can play an important role for finding and exploiting the external environment through the discovery theory (Hitt et al. 2001; Foss and Lyngsie 2011). Alvarez and Barney (2008) and Alvarez et al. (2013) believe that the opportunities are generated by exogenous shocks to an industry or market, as objective or real phenomena in the manner of the lost luggage in a train station just waiting to be explored and exploited.

It is believed that opportunities exist, objectively, prior to entrepreneurial action, and entrepreneurs can discover and exploit these opportunities within the discovery theory (Martin and Wilson 2016).

**Creation Theory**

Entrepreneurial actions are one of the most significant organisational behaviours that are combined with current resources in order to find new ways and switch into new markets or gain new market space, as well as increase their potential customers (Hagen et al. 2005) in order to create wealth for the society by bringing durable, significant and sustainable change

(Demil et al. 2015). Creativity is generally considered as bringing something new, valuable, and recognisable, and as the nature of the term suggests, entrepreneurship can result in something new and with human creativity (Martin and Wilson 2016). Therefore, creativity can be described as the *"soul of entrepreneurship"* (Morris and Kuratko 2002, p.104).

The creation theory is another theoretical alternative view about the entrepreneurship concept that shows that new opportunities are developed by entrepreneurs by investigating and creating a new demand that has not previously existed (Alvarez and Barney 2007). According to Hart (2003, p.5), entrepreneurship is "*the process of starting and continuing to develop new organisations and businesses*". This can also demonstrate the importance of resources and capabilities during the entrepreneurial actions. As Alvarez and Barney (2008) explain, there is no lost luggage in a train station in order for it to be explored or exploited; therefore, in this view, the opportunities may not be in existence until they were created.

Based on the definitions of the theories above, both theories (discovery and creation theories) identify that opportunities exist when there is an imperfection in an industry or market. However, these two theories vary in the origins of imperfection. For instance, in the discovery theory, imperfections are assumed to arise from a gap in technological changes, market expectation, customer needs and other attributes within a market and industry that exists (Alvarez and Barney 2007). On the other hand, the theory of creative destruction focuses on making imperfection irrelevant and transforming the economic activity with innovation when there is an entrepreneurial opportunity. The researcher is aware that there are various types of theories in the field of entrepreneurship excluding the three theories above; however, these theories can be more applicable with the combination of strategic management in terms of having entrepreneurial opportunities as the junction for the field.

As a result, based on the explanations above, various definitions and theories have been adopted in the field of entrepreneurship over the years. Consequently, three features have seen a significant interest in the field of entrepreneurship: **(a)** the notion of opportunities and innovativeness; **(b)** the notion of entrepreneurs; and **(c)** the notion of risk taking or assuming and decision making, often with the current resources and capabilities of the organisation or with the heuristics of entrepreneurs (Shane and Venkataraman 2000: Alvarez 2005, p.1-2).

**2.1.2 The Origins of Entrepreneurship**

The term entrepreneurship stands for "*the act of being an entrepreneur*", and the root of entrepreneurship came from the French word "*entreprendre*" that means "*chasing opportunities, meeting demands and needs*". On the other hand, the notion of entrepreneurship, as a word, has been derived from the Latin root "*intare*" and English root "*enter (introduction)*" and "*pre (first)*" meaning "*entrepreneur*", which is the one who starts and initiates first (Dogan 2015, p.1289). The meaning of entrepreneurship was first used in 17th century French military terminology to signify people who undertook guiding the long military journeys. Nevertheless, entrepreneurship, as a management term, was first introduced by the French economist Richard Cantillon in his "*Essai sur la Nature du Commerce en Général (Essay on the Nature of Trade in General)*" (Brewer 1992, p.1) at the beginning of 18th century in order to define "*the person who buys and manufactures the production inputs and services today in order to sell at a cost not yet determined*" (Iraz 2005, p.149 cited by Dogan 2015).

According to Cantillon, the key element of the entrepreneurship term settles within risk assuming. Therefore, the initial link between entrepreneurship and risk taking under certain conditions was identified by Cantillon (Kraus et al. 2011). After the introduction to the management field, Jean Baptiste Say specified that the entrepreneurship moves economic resources from an area of lower productivity into an area of higher productivity. The understanding of entrepreneurship progress contribution in the economy has been achieved largely by Joseph A. Schumpeter. Schumpeter (1934) implemented different approaches in the study of entrepreneurship by displaying the role of innovation and proactive behaviour. According to the Schumpeterian point of view, entrepreneurs are not only the innovators but also the coordinators of production in the economy.

In addition, entrepreneurship can occur within five conditions of newness: **(a)** opening a new market; **(b)** introduction of a new good or service; **(c)** establishing a new organisation or reorganisation of the industry; **(d)** introduction of a new production method; and **(e)** exploration of new sources of materials (Schumpeter 1936; Bull and Willard 1993; Schumpeter 1911 cited by Toma et al. 2014). As a consequence, the Schumpeterian view believes that the process of entrepreneurship forms one of the key factors in the economic development of a region or a country (Toma et al. 2014).

### 2.1.3 The Definition of Entrepreneurs

Richard Cantillon in 17th Century used the term and claimed entrepreneurs to be "*someone who exercises business judgment in the face of uncertainty*" (Bull and Willard 1993, p.185). In another perspective, Drucker (1985) defined entrepreneurs as innovators who improve or increase existing resources with a new value-producing capacity. Furthermore, Kirzner (1985) considered the entrepreneurs as a people who perceive new opportunities, in order to fill the gap of profit opportunities, filling unsatisfied needs as well as improving inefficiencies. Entrepreneurs can be both independent business people in an exchange economy, in order to fulfil the function of the business, and dependent members of a company (Bull and Willard 1993; Covin and Miles 1999; Bruyat and Julien 2001).

Consequently, entrepreneurs, organisational resources and capabilities can be important aspects when making decisions (Drucker 2014). According to Choi and Shepherd (2004), building organisational resources and capabilities before decision making, in order to enter the market and exploit the opportunity means that the entrepreneurs can wait until the right time for reducing uncertainties. However, Shane and Venkataraman (2000); Wickham (2006); and Lynch (2015) argue that the need of strategy, in order to assists entrepreneurship by defining organisational heuristics, appear to be vital for an entrepreneur in order to analyse a situation and make decisions. Therefore, there is a drift towards strategy in the way that entrepreneurship is defined. Heuristics is a rule of decision based on the experience (Holcomb et al. 2009). It is also stated that:

"*Entrepreneurs are often able to articulate, quite succinctly, the heuristics they use. These frequently take the form of punchy aphorisms. They are rarely specific. Rather they are general statements, rules of thumb that reveal the entrepreneur's attitudes and approaches*" (Wickham 2006, p.365).

It has been advocated that paying attention to their own oral histories of entrepreneurs as an approach to understanding entrepreneurship, which is a meaningful way of closing the gap, has come from recognising the heuristics that the entrepreneurs use, and that entrepreneurs generally show their strategy of ventures in the form of heuristics (Busenitz 1999; Wickham 2006).

**2.2 The Field of Strategic Management: The Origins and Definitions of Strategy**

Strategic management is another field that involves managing people, relationships and resources in order to make strategic entrepreneurship happen at the organisational level. In this section, the terms are defined in order to identify the effects of strategy in the field of strategic management.

In a wider sense, the meaning of strategy goes back to the combination of two ancient Greek words "*stratos and ago (Strategos)*", which can be translated as an army, or general, or as a more synthesised meaning "*the art of the general*" (Bogdan 2014, p.1101). According to the Oxford Dictionaries (2016), strategy is a word that goes back to the early 19th century French word stratégie. Strategy as a term contained the idea of objectives in order to be accomplished, or as action plans in order to be implemented in different situations, depending on the behaviour of the competitor. Since the time of Pericles (450 BC), the idea of strategy was already considered as management and organisational skills (Mainardes et al. 2014). Nevertheless, it fully entered the management world only after the Second World War, in that it is significantly developed, and it needed path, guidance and rules to be followed by an entire process (Edward et al. 2001).

As discussed above, the idea of strategy has been linked and discussed in different stages and actions throughout history. Strategy, as a concept, has inspired both the academic and organisational environment over the last 50 years. Nevertheless, the term strategy has various meanings with a difference in complexity and scale; therefore, it can be hard to define strategy through a single definition (Dess and Lumpkin 2002).

**2.1.1 The Definitions of Strategy**

Each scholar has formulated their own definitions related to strategy. Porter (1985) and Barney (1986) define strategy as a term in order to acquire a superior performance by using competitive forces or aiming for competitive advantage.

*"Strategy is a set of offensive or defensive actions to create a defensible position in an industry, to cope successfully with competitive forces and thus get a higher return on investment"* (Porter 1985, p.34).

As a consequence, the term of strategy in the organisational environment can be explained as a route for the organisations or individuals in order to achieve their aims and objectives

(Grant 2013). Besides, Mintzberg (1987) describes the term strategy as a set of directions and clarification for the organisation to provide consistency and guidance in response to the environment (Bogdan 2014). According to Fahey (1989), strategy implements the effective use of resources and capabilities of the organisation to build and sustain the competitive advantage. Besides this, the researcher in Appendix B represents the selected key definitions and contributions of the term strategy in its organisational context.

As a result, asking, "*where and how is the organisation competing*" can describe the main characteristic of the strategy that an organisation is following. In addition to this, asking "*where*" has multiple dimensions, which links to the industry: **(a)** in that the organisation is situated; **(b)** the products and supplies; **(c)** the target customer groups; **(d)** the target market (including the country or cities in which an organisation operates); and **(e)** the scope of activities that an organisation undertakes. These dimensions can be achieved by establishing objectives and determining how an organisation will achieve those objectives. Therefore, those objectives will relate to the "*vision*" and "*mission*" of an organisation on how they will pursue their strategy in the future (Grant and Jordan 2015, p.13).

### 2.1.2 Evolution of Strategic Management

Through the development of strategy in an organisational environment, the complexity was increased, the pace of environmental changes is accelerated, and organisations have begun to deploy a larger capacity in order to be planning, generating or managing strategies to respond to the challenges of their sector, and achieving their objectives in short, medium and long-term plans (Dess and Lumpkin 2002: Mainardes et al. 2014). Therefore, those short, medium and long-term plans have initially triggered the concept of strategic thinking and strategic planning.

Although, strategic planning and strategic thinking are not the same concept, they are often interacting with each other. Correspondingly, strategic thinking encourages strategic planning among the owners of the organisation (Mintzberg 1994). Through the strategic thinking, the formulation of short, medium and long-term plans of opportunities and threats in the environment, through an organisation's strengths and weaknesses, can be the result of strategic planning, which also includes identifying the mission, specifying objectives, setting guidelines and developing strategies of the organisation (Kuratko and Audretsch 2009: Hitt et al. 2012). However, the significance on strategic planning was decline due to the fall of certain predictions, formalisation and detachment (Minzberg 1994).

The result was a change in importance towards strategic management from strategic planning, where the emphasis was less on the growth paths of the organisations than on their positioning in the markets when compared to the competitors, in order to maximise the potential profits of the organisation. This change from organisational planning to strategy making has become a term of strategic management, which aimed to concentrate on competition as the main characteristic of the organisational environment, as well as competitive advantage as the initial aim of strategy (Grant and Jordan 2015).

The importance on strategic management has shown the direct relation with organisational performance. The field of strategic management research in the academic environment originated and evolved from the 1960s (Kraus et al. 2011). According to Kraus and Kauranen (2009, p.39), the first seminal publications in the field of strategic management goes back to Chandler (1962) and Ansoff (1965) in "*Strategy and Structure*" and "*Corporate Strategy*", respectively. Particularly, Mintzberg (1994) argued specifically that the book of Ansoff (1965), "*Strategy and Structure*", has identified a certain pitfall of strategic planning, and it has prepared an initial contribution for the field of strategic management. Porter (1980) placed an emphasis on the application of industrial organisation economics in order to analyse the profits and profitability of the industry through strategic management. After Michael Porter's emphasis, other researches have been done in the field of strategic management, such as **(a)** distribution of profits, particularly the impact of market share and experience upon profits and costs; and **(b)** resources and capabilities as the major source of formulating strategy in order to achieve a competitive advantage (Grant and Jordan 2015).

### 2.1.3 The Definitions of Strategic Management

As mentioned previously, the term strategy is the approach that generally includes setting aims, determining actions to achieve those aims, and mobilising resources in order to implement the actions. Although, it is generally hard to know whether an organisation is chasing the best or appropriate strategy, it can be possible to decrease the possibility of a wrong strategy that has been chosen by the organisations (Barney and Hesterly 2012). Dogan (2015) states that the strategy concept in management is not only the way to reach the organisational purpose but it is also a combination of dynamic, result-oriented and long-term decisions determined to reach an aim by examining the activities of the competitors. Furthermore, the foundation of strategic management has been defined as the following:

*"The basis of strategic management is the notion that strategy creates an alignment between an organisation's internal strengths and weaknesses on the one hand and its external opportunities and threats on the other hand"* (Andrews, 1987 cited by Kraus and Kauranen 2009).

In terms of understanding the differences between organisational performances, strategic management examines the efforts of organisations to develop competitive advantage, as a determinant of their ability (Ireland et al. 2003). For the organisation, the best way to do this is to choose the strategy carefully and follow the process of strategic management. This can be a combination of actions, decisions, and an analysis that an organisation undertakes in order to achieve a competitive advantage that contains a formulation and implementation of the key initiatives and aims taken by the top management of the organisation for the owner, based on the assessment of the internal and external environments and consideration of the resources in which the organisation competes (Dess and Lumpkin 2002; Barney and Hesterly 2012).

Moreover, Kuratko and Audretsch (2009) encapsulate that strategic management is not only writing a plan, or developing a strategy, but it is also a way of thinking. First of all, strategic thinking involves more of an external than internal focus, which involves a continuous exploration for new sources of competitive advantage that can also lead to wealth creation. Secondly, strategic management requires an ability to envisage all of the resources and capabilities of the organisation in the way of how those resources and capabilities can be solely combined in order to create new sources of wealth. Finally, strategic management suggests discipline for the identification of the position or path and assuring that the organisation can stay focused on the target while being flexible in the tactical approaches employed.

As a result, the common perspectives for the fields of strategic management and entrepreneurship are divided as **(a)** identification of influences on organisational performance including environment, strategy and the sources of competitive advantage for the strategic management field; and **(b)** emphasis on the process that leads to wealth creation, both in independent organisations and individuals for the entrepreneurship field (Cooper et al. 2000; Gelard and Ghazi (2014).

**2.3 The Theoretical Background of Strategic Entrepreneurship**

The historical, theoretical backgrounds and definitions of entrepreneurship, as well as strategic management fields and their combination, are an important first step in order to become more familiar with strategic entrepreneurship. This combination, under certain conditions, arises due to the need of a more robust strategic perspective in actions and planning for entrepreneurship, and the need of new resources for exploiting opportunities with the help of strategic directives (Kraus et al. 2011).

In the combination for the fields of strategic management and entrepreneurship, their dynamic processes are concerned with organisational performance as well as organisational behaviour. Strategic management encourages organisations to explore and exploit the opportunities in order to achieve a competitive advantage. Besides, entrepreneurship links competitive advantage within process and product innovation (Ireland et al. 2001). Furthermore, Porter (1985) argues that strategy strives for wealth creation that leads to competitive advantage with cost leadership, differentiation, cost focus, and differentiation focus. This argument creates competitive advantage as the common theme for strategic management as well as in the entrepreneurship fields. According to Ireland and Webb (2007), strategic entrepreneurship considers the actions that an organisation undertakes, in order to exploit new innovations that result from the efforts of an organisation to explore opportunities.

As discussed in the above sections, strategic management and entrepreneurship fields are independent constructs, and their combination creates wealth and helps the organisations in order to sustain and gain resources and advantage over competing organisations (Schendel and Hitt 2007), although strategic entrepreneurship is still considered a fragile field. Consequently, the combination of the strategic management and entrepreneurship **(strategic entrepreneurship)** research fields can show an attempt to fill the gaps with biases in two closely related research fields (Foss and Lyngsie 2011).

Although, there is a lack of consensus in the definition of strategic entrepreneurship, and there is difficulty identifying the aspects of the combination between the strategic management and entrepreneurship fields (Meyer et al. 2002), Venkataraman and Sarasvathy (2001, p.3) believe that strategic management and entrepreneurship are the "*two sides of the same coin*", by using a metaphor related to Shakespeare's Romeo and Juliet. It has been said that strategic management without entrepreneurship is like a balcony without Romeo in order

to show the interdependent and complementary nature of the two fields. Therefore, various scholars have begun to identify the combination between these fields (Venkataraman and Sarasvathy 2001; Hitt et al. 2001).

Entrepreneurship is linked with actions for generating newness, and strategic management is linked with the short, medium and long-term development of the organisation and the stream of newness, generated through the strategic entrepreneurship, which can result from a balance of actions that situates itself in the heart of an organisation in order to explore and exploit current and future opportunities (Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003). Furthermore, the orientation of strategic management with entrepreneurial actions are emphasised by strategic entrepreneurship (Hitt et al. 2012). Therefore, neither strategic management nor entrepreneurship is sufficient on its own, as both areas are essential in order to create wealth (McGrath and MacMillan 2000).

As a result, entrepreneurship can be referred to as the exploration and exploitation of opportunities, strategic management can be understood as the use of these opportunities in order to achieve competitive advantage. Therefore, opportunity-seeking activities that come from entrepreneurship can also be considered as strategic behaviour with the aim of wealth creation (Kraus et al. 2011).

## 2.3.1 The Relationship between Strategic Management and Entrepreneurship Research Fields

There are three perspectives proposed on the relationship between the strategic management and entrepreneurship fields: **(a)** strategic management is dominant over entrepreneurship (Baker and Pollock 2007); **(b)** strategic management is a subset of entrepreneurship (Browne and Harms 2003 cited by van Rensburg 2013); and **(c)** strategic management integrates with entrepreneurship (van Rensburg 2013). On the other hand, Andriuşčenka (2003) referred to strategic entrepreneurship as the successor of strategic management, in order to fill the gaps where strategic management is unable to respond.

Within the three perspectives, the intersection perspective believes that there are overlapping research areas between the strategic management and entrepreneurship fields and the combination should be created through the core advantages (combination of advantage-seeking behaviours and opportunity-seeking respectively) of each of the ideas that links to wealth creation (van Rensburg 2013: Ab Rahman and Ramli 2014). Schindehutte and Morris

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(2009, p.271) call this overlapping part, the notion of a "*fertile middle space*" with different varieties, which allows for movement between both fields. Nevertheless, it is argued that strategic entrepreneurship is not a new area in order to be colonised by both research fields (strategic management and entrepreneurship). As a result, the combination of strategic management and entrepreneurship are mutually supportive and often complementary (Ireland et al. 2003).

Specifically, strategic entrepreneurship can be defined as an entrepreneurial activity with a strategic perspective that can be regarded as entrepreneurial strategy making, and also strategic entrepreneurship shows the significance of how to manage entrepreneurial activities and resources in order to obtain a competitive advantage as well (Tantau 2008). As such, there are different potential explanations and definitions from various scholars about strategic entrepreneurship. To begin with, Baker and Pollock (2007) define strategic entrepreneurship as the takeover less developed entrepreneurship concept by a more developed strategic management concept. Furthermore, Ireland and Webb (2007) define it as a concept used to represent the efforts of the organisations to exploit current advantages, and discovering the new innovation attributes that will be the base for new competitive advantages as well as wealth creation for the future.
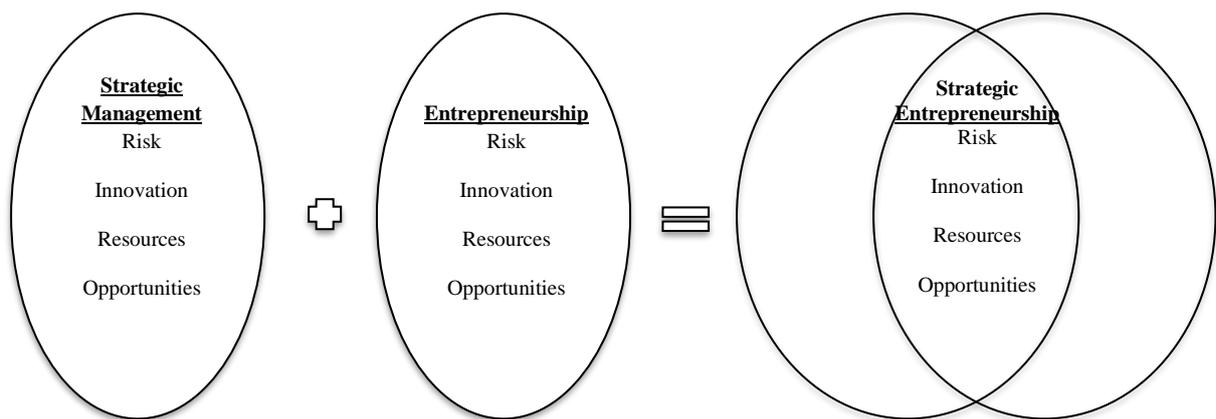


**Figure 2:** Common Aspects of both Entrepreneurship and Strategic Management Fields (Source: Author)

Based on the explanation above, the key aspects, such as innovation, risk, resources and capabilities as well as the opportunity-seeking activities that are discussed in the field of entrepreneurship, are also found as the key aspects in strategic management. For instance, deployment and integration of resources and capabilities is linked by Mintzberg (1973; 1984) and also innovation is linked from the view of Schumpeter (1934; 1936), as building on resources were identified and emphasised as important in both fields (Kraus and Kauranen 2009). Due to these four aspects, it can be also be the basis of strategic management. Consequently, this can create a combination of entrepreneurship and strategic management fields that are viable by creating their common area.

## 2.3.2 The Roots of Strategic Entrepreneurship

The roots of strategic entrepreneurship lie in the fields of entrepreneurship and innovation by Schumpeter (1934), and in strategic management by Mintzberg (1973) who introduced the notion of entrepreneurial strategy, and finally from Drucker (1985) there is the notion of strategy and innovation for entrepreneurs. The concept of an entrepreneurial strategic posture within an organisation strategic decision with an entrepreneurial focus is presented by Covin and Slevin (1989). Subsequently, Lumpkin and Dess (1996) extended strategic entrepreneurship by introducing an entrepreneurial construct that is identified as an organisational tendency to involve proactive, innovative and risk assuming or accepting strategies (Luke and Verreyne 2006; Gelard and Ghazi 2014). The roots and early linkages for the fields of entrepreneurship and strategy from the various scholars have been listed in Table (1) as a yearly order:

| Author/s | Early Linkages between Strategy and Entrepreneurship |
|---|---|
| • **Mintzberg (1973)** | The notion of entrepreneurial strategy has been introduced. |
| • **Schendel and Hofer (1979)** | The entrepreneurial choice as the centre of the strategy concept has been discussed. |
| • **Bulgeman (1983)** | Interrelations between the fields of strategic management and entrepreneurship in the large businesses have been argued. |
| • **Pinchott (1985)** | The term "intrapreneurship" has been identified. The term intrapreneurship means the entrepreneurs who can take active responsibilities (such as innovative and risk taking) in the large organisations. |
| • **Covin and Slevin (1989)** | The "entrepreneurial strategic posture" concept has been identified in order to examine the business |

| | |
|---|---|
| | competitive orientation. |
| • **Guth and Ginsberg (1990)** | The first corporate entrepreneurship typology as a strategy for large organisations has been introduced. |
| • **Stevenson and Jarillo (1990)** | Establishment of clear links between the fields of entrepreneurship and business management have been argued. |
| • **Chittipeddi and Wallett (1991)** | It has been argued that the organisational future will be entrepreneurial. The leadership, strategies and structure will reflect the entrepreneurial thinking with flexibility, and innovativeness. |
| • **Day (1992)** | The linkages between the fields of strategic management, entrepreneurship, general management and possible interrelations between those fields have been examined. |
| • **Sandberg (1992)** | The cross-fertilisation opportunities between the fields of strategic management and entrepreneurship have been investigated. (According to the investigation six productive areas have been posited, such as innovation, new business creation, opportunity seeking, risk assumption, top management teams and strategic decisions, which can be used in group processes.) |
| • **Lumpkin and Dess (1996)** | The work of Covin and Slevin (1989) has been expanded and the notion of the "entrepreneurial orientation construct" has been created based on entrepreneurial strategic posture. |
| • **Barringer and Bluedorn (1999)** | The relationship between entrepreneurial intensity and strategic management practices has been studied. |
| • **Meyer and Heppard (2000)** | The first scholarly book has been written addressing the interface between strategy and entrepreneurship to disclose the components of an organisation. |
| • **Venkataraman and Sarasvathy (2000)** | The relationships between strategy and entrepreneurship have been discussed and the effects of entrepreneurial opportunities in strategic decisions have been identified. |

**Table 1:** Early works from scholars that identify the link between entrepreneurship and strategy (Source: Van Rensburg 2013, p: 16-17)

The further scholarly contribution in strategic entrepreneurship was to establish a conceptual framework in order to make a combination for the fields of strategic management and entrepreneurship possible and amending the initial frameworks in order to be applied on the organisational context. In addition to this Appendix C also represents the early works from scholars that identify the link between entrepreneurship and strategy. The scholarly

contributions for establishing frameworks are also discussed and represented in Table (2) in the next section.

### 2.3.3 Initial Frameworks of Strategic Entrepreneurship Emerged

A strategy can be a route to understanding where the organisation decides to go and how it plans to achieve this by following the correct routes, and the entrepreneurship can be a light that is able to predict the circumstances, such as uncertainty and risk.

"*When entrepreneurship is introduced to strategy, the possibilities regarding where the organisation can go, how fast and how it gets there are greatly enhanced. Not only can entrepreneurship serve as the dominant logic but also can play [a] significant role in the organisation's strategy*" (Kuratko and Audretsch 2009, p.5).

The first scholarly contributions for the frameworks of strategic entrepreneurship are listed below in Table (2):

| Author/s | The Initial Frameworks of Strategic Entrepreneurship |
|---|---|
| • **Eisenhardt and Martin (2000)** | The first initial six aspects for a combination of SE have been identified. |
| • **Ireland et al. (2001)**<br>Ireland, Hitt, Camp and Sexton | The initial framework of SE that leads to wealth creation has been created. |
| • **Hitt et al. (2001)**<br>Hitt, Ireland, Camp and Sexton | The first initial framework of SE has been revised. |
| • **Ireland et al. (2003)**<br>Ireland, Hitt and Sirmon | Further re-construction has been achieved by identifying entrepreneurial dimensions. |
| • **Ireland and Webb (2007)** | The streams of innovation in SE have been identified for the organisations in order to exploit current competitive advantages while exploring for future opportunities. |
| • **Ketchen et al. (2007)**<br>Ketchen, Ireland and Snow | The new framework has been argued for SE and there is integration for the term of collaborative innovation in order to create wealth. |
| • **Kraus and Kauranen (2009)** | The combination of both research fields has been discussed based on an aggregation of the existing literature in the fields of strategic management and entrepreneurship. |
| • **Agarwal et al. (2010)**<br>Agarwal, Audretsh and Sarkar | Identification of knowledge spillovers and a new framework of SE have been amended by adding knowledge spillovers. |
| • **Lynch (2015)** | Entrepreneurial strategy has been argued and identified a new aspect of SE. |
| • **Simsek et al. (2017)** | (Meta-) framing strategic entrepreneurship |

| | |
|---|---|
| Simsek, Heavey and Fox | was introduced. |
| • **Wright and Hitt (2017)** | Development and current process from previous scholars throughout the year of strategic entrepreneurship was listed. |
| • **Mazzei (2018)** | Content, process, context and outcomes of strategic entrepreneurship were argued. |

**Table 2:** The initial frameworks of strategic entrepreneurship and the contributions over the years (Source: Author)

The initial identification of aspects of strategic entrepreneurship was achieved by Eisenhardt and Martin (2000). Besides, the initial conceptual framework of strategic entrepreneurship was first introduced by Ireland et al. (2001) in the special issue of the Strategic Entrepreneurship Journal. In addition, this framework consists of six key aspects, such as innovation, networks, internationalisation, organisational learning, growth and top management teams and governance (Eisenhardt and Martin 2000; Hitt et al. 2001; Hagen et al. 2005; Luke and Verreyne 2006; Tantau 2008; Kyrgidou and Hughes 2010; Dogan 2015).

The aim of the special issue was to inspire, cultivate and publish core aspects that combine the perspective of both the strategic management and entrepreneurship research fields (Hitt et al. 2001; Wright and Hitt 2017). As a result, the combination of strategic management and entrepreneurship fields is believed to achieve the highest wealth creation as an outcome of the framework (Ireland et al. 2001; Agarwal et al. 2010). Particularly, the initial framework emphasised that

a) **Innovation** can be represented by creation and the implementation of new ideas,

b) **Networks** can be referred to as shown by providing access to resources,

c) **Internalisation** can be identified as expanding or adopting swiftly,

d) **Organisational learning** can be knowledge transferring and resources development,

e) **Growth** can be referred to as change and stimulation success,

f) **Top management teams and governance** can be identified as selecting and implementing accurate strategies.

Hitt et al. (2001) further revised the framework with the aspects on external networks, and alliances, resources, organisational learning, innovation and internationalisation (Kyrgidou and Hughes 2010). This has been subsequently improved by Ireland et al. (2003) by

identifying developed aspects, such as the entrepreneurial mind-set, entrepreneurial leadership and entrepreneurial culture, managing resources strategically and applying creativity and developing innovation in order to achieve wealth creation as the outcome of the new framework (Ireland et al. 2003; Kyrgidou and Hughes 2010; Luke et al. 2011). Appendix D shows the comparison of strategic entrepreneurship aspects, demonstrates the relationship, and then shows how each scholar contributed to the aspects for the creation of a strategic entrepreneurship framework.

The revised framework from various scholars emerged that comprised resources, opportunity, external networks and alliances, evaluation growth, flexibility, change and acceptance of risk. Even though each model has similarities with the initial framework, the new aspects from various scholars have strengthened this view and given equal balance about the combination for both the strategy and entrepreneurship fields. This can represent the importance of the application of strategic entrepreneurship, and it still catches scholarly attention and the area is still under consideration from various scholars.

As mentioned in the previous sections (particularly, when defining entrepreneurship and strategic management fields), opportunities are situated at the centre of both the entrepreneurship and strategic management fields and focus on exploiting the opportunities and adapting to change. The organisations can chase strategic entrepreneurship and they are involved in both advantage-seeking activities required by strategy and opportunity-seeking activities required by entrepreneurship (Ireland et al. 2003). Consequently, advantage-seeking and opportunity-seeking activities are the reflections of the basic characteristics of strategic entrepreneurship, and, therefore, both characteristics can represent the combination of strategic management and entrepreneurship (Kraus and Kauranen 2009).

In the strategic entrepreneurship concept, organisations may reach the highest wealth creation by achieving the higher performance for individuals, organisations and society (Foss and Lyngsie 2011; Hitt et al. 2001; Genc 2012). According to Karadal (2013, p.35 cited by Dogan 2015) the question of "*How can organisations succeed creating and maintaining competition advantage while determining the new opportunities and trying to utilise them?*" places this into the junction of strategic management and entrepreneurship.

Based on the question above, the answer would be that the organisations can maintain a competitive advantage by creating or discovering the entrepreneurial opportunities based on the demand in the industry or market that has not been discovered before. It can then adjust

the vision, mission and strategy of the organisation in order to fill the gap and respond to that demand. Consequently, strategic entrepreneurship can be related to the opportunity and advantage-seeking behaviours and to the benefits that result in wealth creation for individuals, organisations and society.

Although the organisations explore new opportunities that can create wealth creation that leads from competitive advantage, those niches can easily evolve, change or vanish in an organisational environment (Hitt and Ireland 2000). Thus, strategic entrepreneurship can provide support for exploring new opportunities and new ways to respond to the demand of the stakeholders and customers, as well as the environment. Otherwise, the organisation might face the duplication of the idea from the other organisations without being able to use, successfully, a chosen strategy that creates wealth. Therefore, the actions related to both entrepreneurship and strategy are necessary, and these two elements need to work together, because both fields may not be individually sufficient in order to promote these outcomes. For this reason, the combination of entrepreneurship and strategic management are one of the initial notions of strategic entrepreneurship. However, the argument is that the organisations that are willing to create wealth on a regular basis may not depend entirely on the activities related with either strategy or entrepreneurship because the implementation of a chosen strategy will allow the organisation to extract value from current aspects (Ketchen et al. 2007). As such, these actions can encourage any type of organisation for their wealth creation, and innovative attributes can be the basis of effectiveness to satisfy the expectations, while structural and process innovations can be the basis of efficiency as the organisation uses its resources wisely (Hitt et al. 2011).

### 2.3.4 Advantages and Criticism over the Initial Frameworks for Strategic Entrepreneurship

One of the biggest advantages of the initial frameworks above was to explore and create new aspects with advances from that organisation, and society benefits through new value proportions that better serve the demands of the society (Schendel and Hitt 2007). However, according to various scholars (Lumpkin and Dess 1996; Kyrgidou and Hughes 2010; Luke et al. 2011), these initial frameworks of strategic entrepreneurship can be criticised for their construct and applicability in practice. Therefore, understanding these criticisms can be useful for amending the establishment of the conceptual framework for the research, as well

as to construct it effectively from theory to be applicable in practice. As a result, five significant criticisms have emerged.

Firstly, although strategic entrepreneurship is being discussed by various scholars over the years (Tülüce and Yurtkur 2015), the "where" and "how" of strategic management, and its entrepreneurship fields in order to achieve strategic entrepreneurship, can still be considered a fresh area. There is a consensus on the opportunities, resources, risk and innovation from the various scholars (Eisenhardt and Martin 2000; Hitt et al. 2001; Hagen et al. 2005; Luke and Verreyne 2006; Tantau 2008; Kyrgidou and Hughes 2010; Dogan 2015; Simsek et al 2017; Mazzei 2018), even though the identification of other aspects is under development. Consequently, there is a lack of consensus amongst scholars on the identification and interrelation of further aspects on strategic entrepreneurship, as well as on the strategic management and entrepreneurship fields.

Secondly, as discussed above, the scholars identified strategic entrepreneurship as the combination of strategic management and entrepreneurship fields (Ireland et al. 2001; Hitt et al 2001; Ireland et al. 2003; Ireland and Webb 2007; Kyrgidou and Hughes 2010). However, according to Luke et al. (2011), a small number of studies about the former have been conducted from theory to application in practice. Therefore, strategic entrepreneurship studies have essentially remained theoretical, and some aspects have brought some inconsistencies in the various frameworks due to their developmental nature.

The two aspects, such as **networks** and **internationalisation**, can seem questionable and inconsistent, and, therefore, it cannot be easy to consider that these two aspects are a fundamental element for the entrepreneurs, even though it can be an important element for organisational strategy (Luke et al. 2011). Consequently, independence and autonomy are preferred by several entrepreneurs (Lumpkin and Dess 1996), in order to develop an idea or product on their own rather than through external collaboration,

Eventually, it was observed that there was a strong emphasis on strategic management by overlooking aspects that are central to the entrepreneurship field. A further criticism of previous models can be identified as the failure to account for factors that guide the organisations to act strategically as well as entrepreneurially. An identification of what triggers the strategic entrepreneurship process, in terms of the parallel existence of a strategic and entrepreneurial act, is not discussed explicitly (Kyrgidou and Hughes 2010),

Finally, there is also concern regarding the relationship between the strategic entrepreneurship and how the wealth can be created and lead to a competitive advantage (Luke et al. 2011).

## 2.4 Particular Aspects Arising for Strategic Entrepreneurship

The identification of the aspects of strategic entrepreneurship is a significant component of this research. This research follows the footsteps of the aspects that were identified by Lynch (2015). The initial aspects of strategic entrepreneurship have been identified (see Section 2.3.4 – Advantages and Criticism over the Initial Frameworks for Strategic Entrepreneurship) and the conceptual frameworks have been established by various researchers (Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Ireland and Webb 2007; Kraus and Kauranen 2009). These conceptual frameworks are considered as the notion of strategic entrepreneurship by various scholars such as Kraus and Kauranen (2009), Dogan (2015) and Mazzei (2018). However, in a previous section those conceptual frameworks are criticised by Lumpkin and Dess (1996), Kyrgidou and Hughes (2010) and Luke et al. (2011) for their construct and applicability in practice. According to the researcher, the applicability of these strategic entrepreneurship frameworks in the VCS can be questionable, particularly, due to the nature of VCOs.

As discussed previously (See: Section 2.1.3 - The Definition of Entrepreneurs), entrepreneurs are individuals and groups of people who possess the resources and capabilities and who are willing to undertake the risk of either establishing a new venture or improving existing ventures in order to create a social and economic impact. Therefore, entrepreneurs identified special demands on strategies which are not covered by the main strategic entrepreneurship frameworks. Scholars in both entrepreneurship and strategic management subjects emphasised four core aspects, i.e., **resources**, **innovation**, **risk** and **opportunities**; whereas, the main strategic entrepreneurship scholars (Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Ireland and Webb 2007; Kraus and Kauranen 2009) added **organisational learning** as the fifth aspect in order to create and grasp the knowledge transfer within organisational venture. In addition to this, Lynch (2015) combined the previous five aspects and identified a sixth aspect that is entitled the **generation of ideas,** which implements  an entrepreneurial activity as well as  establishes the constant transfer knowledge that connects organisational learning with the aspect of opportunities as **strategic opportunities** (using strategic opportunity as the new name  can be useful, particularly for VCOs, as they need to identify

opportunities strategically due to their limited capacity and resources compared to mainstream business ventures).

Due to the decline in traditional methods used in an organisational environment and the changıng rules and regulations, organisational ventures (including the VCS) have been seeking new strategies that include entrepreneurial activities (Wolverton 2003). Although the dynamics of the VCS are different than the mainstream organisational environment (public and private organisations), some similarities related to policies and processes exist between both of the sectors. For example, both mainstream businesses and the VCS are seeking business solutions. These similarities could influence the mainstream VCOs and social enterprises to compete not only in making a profit but also in promoting themselves, in order to achieve more fundraising and to increase their organisational resources and innovative attributes (Austin et al. 2006).

Consequently, various VCOs could attempt to expand their set of needs; nevertheless, they can depend on providing services through contracts, grants, and funding as well as fundraising. This can encourage VCOs in the South-West region to apply strategic entrepreneurship and form a new organisational model through these activities including creating financial and operational relationships that pursue their strategic missions (Zahra et al. 2009).

Albeit there are similarities in seeking business solutions and social needs, the previous conceptual frameworks (Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Ireland and Webb 2007; Kraus and Kauranen 2009) may not completely fit into the VCS due to the nature of the sector, i.e., size and shape of the organisations, and the lack of a particular business model in some VCOs. The same frameworks are suitable for organisations in the mainstream business environment. However, Lynch (2015) contended that resources, innovation, risk, strategic opportunities, organisational learning and generation of ideas could allow for an effective application of strategic entrepreneurship in order to gain a substantial competitive position not only for the private and public sectors but also in the VCS. It could also enable the VCOs to secure their survival and even to create wealth. As a result, Lynch's (2015) aspects, i.e., resources, innovation, risk, strategic opportunities, organisational learning and generation of ideas could be considered as a conceptual framework that is possible to apply in the VCS.

As mentioned in the Introduction chapter (See: Chapter 1, Section 1.0 - Overview of the Chapter), these aspects are strategic opportunities, and a generation of ideas that leads the process of innovation and risk, and organisational learning that leads the process of resources. Each aspect has close interrelation and direct relation for the application of strategic entrepreneurship. Those interrelations and relations are explained further in order to develop an initial conceptual framework.

In the following section, the aspects of strategic entrepreneurship are defined and discussed in the context in which the creation of wealth in the VCS in the South West of England may happen.

### 2.4.1 Implementation of a Strategic Opportunity

The term of opportunity is defined as the situations in which new goods and services, new experiences, new markets, raw material, as well as organisational methods, are presented through the formation of the means (input), the ends (output) or the relationship of the means and the ends (Eckhardt and Shane 2003). Therefore, the end can be the outcome of an innovative process that the organisation will use. In addition, Alvarez et al. (2013) argue that the opportunities arise as a result of a gap, error or imperfection. However, it is not clear how these gaps or imperfections are formed.

In addition to this, when the organisations or the decision makers decide to exploit opportunities, they transfer information in order to clarify what the opportunity is and how the organisation is to pursue it (Eckhardt and Shane 2003). Furthermore, the decision makers or individuals decide whether they are capable of it and decide how to fill the gap based on the opportunity, the experience of the organisation and their sufficiency in resources and capabilities (Hagen et al. 2005).

The important point can be that the question of whether opportunities are always successful and bring positive outcomes for an organisation is raised (Companys and McMullen 2007). The argument behind it is whether opportunities are always successful, and there would not be a risk in any outcomes (Ireland and Webb 2009). Moreover, Shane (2012) identifies the opportunities as circumstances in which it is possible to recombine resources in a way that generates an income. In addition, the organisational ideas are the interpretations of decision makers on the identification of recombining resources in a way that permits an exploration of that opportunity. As a result, the outcome would be negative or positive. The organisation can

make an impact in its environment and increase their reputation when the result is positive. On the contrary, it can be exactly the opposite when the result is negative (Hagen et al. 2005).

The relationship between the means and ends can be the interrelation between these three potential aspects that Venkataraman and Sarasvathy (2000) brought forward. These aspects can be **(a)** opportunity recognition, **(b)** opportunity discovery and, **(c)** opportunity creation.

| **Opportunity Recognition** | Supply and demand exist obviously, and the opportunity of bringing them together needs to be recognised and then the match-up between supply and demand has to be implemented either through an existing or new organisation. |
|---|---|
| **Opportunity Discovery** | One side exists in an obvious manner and the other side either does not exist or is so latent as to be virtually non-existent for most people. For instance, when the demand exists the supply does not or the other way around. The non-existent side has to be discovered before the match-up can be implemented. In other words, when the demand exists, supply has to be discovered. |
| **Opportunity Creation** | One or both have to be created and several economic inventions in marketing, financing and management have to be made for the opportunity to come to existence when either supply or demand does not exist. |

**Table 3:** Typology of Entrepreneurial Opportunity (Source: Venkataraman and Sarasvathy 2000, pg. 8-9)

Previously, the opportunities are introduced in the entrepreneurship field (Webb et al. 2010; Foss and Lyngsie 2011; Kraus et al. 2011; Kansikas et al. 2012). However, the effects of

strategic opportunities when applying strategic entrepreneurship into the VCS are not discussed to any further extent.

The decision makers and the teams might need to have special skills similar to the skills of the entrepreneurs that can lead the organisation to identify the strategic opportunities. These skills are listed as **(a)** some specific skill and experience that can be the sources of a strategic opportunity, **(b)** being able to observe reactions in order to manoeuvre the organisation where the strategic opportunities arises without becoming over-enthusiastic in order to misrepresent the key risks and benefits or outcomes, **(c)** conceptualising the key elements to improve the organisational proposition, and **(d)** the capability to transfer the experiences to members as well as to the organisation itself (Lynch 2015).

Based on the experiences in the VCOs, the researcher believes that the organisations regularly need to focus on identification of strategies, reshaping or building capabilities, obtaining unique techniques and accumulation of intellectual properties. All of that can bring strategic opportunities for both mainstream VCOs and social enterprises to be used in the process of innovation.

### 2.4.2 Generation of Ideas

The aspect of the generation of ideas can be used to exploit when or whether there is a strategic opportunity that is identified by the organisations. These aspects can lead to the achievement of innovative attributes.

It is important that the strategic and entrepreneurial processes begin with the various ranges of ideas. The main part in this aspect is that the processes start with a whole range of ideas. However, these ideas are reduced by the criteria of the organisations (Lynch 2015) before it becomes a delivery of a service or product that is launched by the VCOs.

As discussed in the previous section, the generation of ideas aspect can be linked and achieved by the identification of a strategic opportunity and the need of the environment and surrounding areas where the VCOs are located. In addition to this, both mainstream VCOs and social enterprises can have their own way in order to create new opportunities that can fulfil the need, and close the gap where there is not enough help and a high level of vulnerability, and by achieving the necessary funding and fundraising.

Therefore, these VCOs can observe the difficulties, generate new ideas, and make an offer in order to deliver services where there is a lack of support from public services for the vulnerable people in the particular local areas. As a result, the aspect of the generation of ideas when applying strategic entrepreneurship needs to be various, open and not restricted (Lynch 2015). This argument can be applied within the VCS.

### 2.4.3 Innovation as a Process of Strategic Entrepreneurship

It is also important that strategic entrepreneurship guides the businesses and organisations to maintain a level of innovation in order to create wealth. One of the most famous innovation definitions is given by Joseph Schumpeter (1934) as the forces of creative destruction, and according to the Schumpeterian view, all kinds of innovations can include some newness levels that can be concerned with originality (Brem 2011). According to Schumpeter (1939, p.102), "*carrying out innovations is the only function which is fundamental in history*", and he also defined innovation not only as economic change but also as a change of environment and also stressed the role of entrepreneurship in innovation. The next section will discuss the definitions of innovation and how innovation can be effectively used to create wealth.

### 2.4.3.1 The Definition of Innovation

Innovation is defined as tangible entities which can be used in different circumstances by different people (Ford 1996; Brem 2011). Another definition of innovation can be a successful creative ideas implementation, or as a process which can provide growth and give a degree of novelty to the organisations, customers, or their suppliers via the development of new products, services or even solutions (Woodman et al. 1993; McFadzean et al. 2005; Brem 2011). However, innovation cannot only be considered as novelty, it can be both creation and discovery and can have utilisation aspects (Deakins and Freel 2009).

According to Porter (1990), innovation is the process that uses new technologies, knowledge and creates new products and also improves products. Similarly "*new learning, such as innovations, are products of an organisation's capability to generate new applications from existing knowledge*" (Kogut and Zander 1992, p.391). Therefore, knowledge can be seen as the distribution of knowledge, and production, and, importantly, an application of knowledge is fundamental in innovation. Hisrich and Kearney (2014) defines that innovation is not only opening a new market but it is also finding and developing new ways to serve the current markets or its own social environment. It is also highlighting that the innovation process

starts with an idea, continues with the development of the idea and finishes with the enhancement and improvement of processes, services and technological advancement, as part of an organisational innovativeness that reflects on learning about these contributions or helps to develop new processes, ideas and or even new technologies. These innovative organisations have a strong relationship with research and development.

Innovation can be the application of new ideas or designs to the processes, products or other aspects of the activities of the organisations that lead to wealth creation (Kuratko and Hodgetts 2007). This can be explained in a broad way in order to achieve higher wealth creation for the organisations and also be beneficial for consumers as well as other organisations. As a parallel of the description above, innovation is defined below:

"*Innovation is the implementation of any new or significantly improved product (goods or services), operational processes (methods of production and service delivery), any new marketing methods (packaging, sales and distribution methods), or new organizational or managerial methods or processes in business practices, workplace organization or external relations*" (Gronum et al. 2012, p.259).

Salavou and Lioukas (2003) argue that innovation can be regarded as a process or an output of an idea. It is also the exploitation and development of a new idea or invention and is referred to as the temporal sequences of events that arise as the interaction of people with others to implement or develop their idea of innovation within an organisational context. Substantial evidence exists that the process of innovation and resulting innovation as outputs are significant factors of organisational performance, indicating that innovators outperform non-innovating organisations (Gronum et al. 2012).

As discussed by various scholars (Drucker 1985; Mintzberg 1994; Ireland et al. 2001; Drucker 2014), innovation situates itself within the entrepreneurship and strategic management fields. As a consequence, innovation can be one of the most significant components of the strategy within the organisational level and there is a strong interrelationship within the entrepreneurship field (Hitt et al. 2001) and this makes innovation an initial entrepreneurial activity (Drucker 1985). Therefore, these main dimensions of the relationship between strategy (innovation and innovation) and entrepreneurship place a strong emphasis on the significance of the innovation (Lumpkin and Dess 1996).

**2.4.3.2 Evaluation of Innovation within the VCOs**

As discussed above, various definitions have been developed to define innovation. However, this resulted in an increase in the diversity of views gaining more ambiguity for the term over what actually creates an innovative activity, and also creates some confusion about the discipline itself. These confusions arise from the fact that various definitions present different concepts that can decrease the attention from the main components of innovation and make it difficult to apply (McFadzean et al. 2005). However, there is a consensus that innovation can create unique, inimitable capabilities and skills from every organisation to grow (Hall and Wagner 2012). As a result, the figure (3) below can respond to this by creating unique, inimitable capabilities and skills for the organisations. Therefore, this can be applied to the VCS in the South-West region context.
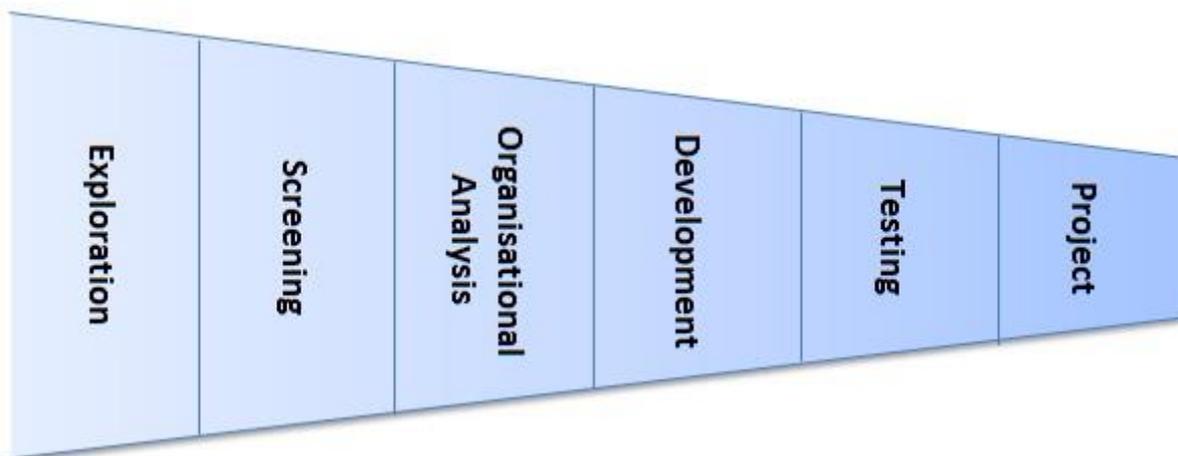


**Figure 3:** Evaluation of Innovation within the VCOs (Source: Lynch 2015: p.568)

There is a need to have various ideas for supporting innovation. The stages of the evaluation of the ideas would lead to their real-life application and it seems that VCOs fits into the context. It is not more than a road map on how entrepreneurial activities can be presented in a way which reflects real-life outcomes and strategic purposes. These parts are as follows (Lynch 2015; Apostolakis and Arslan 2016; Apostolakis and Arslan 2018):

**Exploration:** Exploration process begins with the generating of various different ideas by an organisation as well as by VCOs. The exploration process can be linked to the generation of ideas stage. In this process, an organisation that has explored and exploited a strategic opportunity can move onto the next stage.

**Screening:** The second stage of the process can be weeding out the wilder ideas that always occur in the generation of ideas session (Lynch 2015). The successful ideas that have passed the screening stage will move into the organisational analysis stage.

**Organisational Analysis:** This stage can be a review of all the remaining ideas against the objectives of the organisation. Some good ideas that are not able to generate an adequate income for firm-level organisations, as well as the VCS, are eliminated.

**Development:** The remaining ideas are then developed into experimental products or services. Some ideas may fail in the development stage due to the impossibility of being able to realise them in practice (Lynch 2015).

**Testing:** The product or services, which were developed in the previous stage, will be tested inside the organisation, which are benefited by customers in firm-level organisations, local or central authorities or the environment where the VCOs are operating in.

**Project:** In the final stage, the idea that gained its attractiveness from the organisation is used as a strategy, product or service by a firm-level organisation as well as by the VCOs.

A successful innovation relies on the integration of knowledge and efforts to combine and mobilise an extensive set of diverse competences rather than the market or technological capabilities (Sammarra and Biggerio 2008). Innovation is credited with defining how entrepreneurial rents are a return for innovation and these rents can help the growth (Anderson and Li 2014). Therefore, Kim and Huarng (2011) argue that innovation is important due to the significance for renewal and organisational adaptation, in addition to wealth creation.

Innovativeness or innovation in every organisation is dependent, and constructed criteria are used to determine the activities. The model, which is indicated above, can give clear guidance in innovative attributes, while applying strategic entrepreneurship within the firm-level and VCOs, and also helps to understand how these attributes can help the organisations to shape innovation processes (Chew and Lyon 2012). In the VCOs level, the relationship between different actors, such as funders, decision makers, staff and the internal and external stakeholders, help to guide or understand innovation processes. As a result, the aspect of innovation can play a significant role in order to make strategic entrepreneurship happen for VCOs.

**2.4.4 Risk**

Risk, risk assuming and risk taking are some of the essential characteristics in entrepreneurial activities and strategic decision making. Consequently, the term risk can also be identified as one of the main aspects in strategic entrepreneurship. As a general definition, risk as a term can be defined as a possibility of financial loss (Oxford English Dictionary 2016). However, risk cannot only be considered as a possibility of financial loss. Risk can be differentiated for various reasons. Furthermore, amongst scholars, risk can be a term with various meanings and can be differentiated from uncertainty (Schendel and Hitt 2007).

Risk is inherent in every strategic decision as well as entrepreneurial actions (Schendel and Hitt 2007; Wright and Hitt 2017). According to Kuratko and Audretsch (2009), each decision and action may bring a higher level of risk when first decided by the organisations, which is also discussed in the following sections. On some occasions, it cannot be easy to estimate what the future can bring to the organisations and lack of clarity can lead to uncertainty when the organisation is about to make decisions, and when the probability or possibility is not known by the organisations then the uncertainty turns into risk (Wickham 2006).

The risk contains measurable inputs and outputs, which are linked with known probability distributions of the organisational actions and outcomes; however, uncertainty can be involved when the outcomes are not fully defined or not clear after the process (Lynch 2015). Therefore, risk can occasionally occur when the decision makers cannot estimate the outcome. In addition to this, the propensity of decision makers in order to take risks is connected to risk perception. The decision makers, such as directors, managers or individuals who are in charge in the organisations as internal as well as external stakeholders, form some beliefs for the outcome in the future while estimating the riskiness of the decision, or the perceived risk of the situation can come from the experience of the decision maker (Macko and Tyszka 2009).

Risk can increase where the organisations, entrepreneurs or decision makers explore the opportunities that can link to unforeseeable outcomes, such as the wrong estimation of an opportunity or when the opportunity may not exist. For this reason, most of the decision makers generally avoid taking risky decisions; however, entrepreneurs take the risk from off the hands of the decision makers. From the perception of entrepreneurs, taking risk might be rewarded in the future as a return by the price that customers agreed or are willing to pay, or

it can create wealth for the organisation where the entrepreneur is involved (Wickham 2006). Therefore, the organisations and/or entrepreneurs need to have the sustaining momentum for learning for their organisation to survive and adapt in order to mitigate the risk (Senge 2014).

The researcher believes that on some occasions, the uncertainty can be high for the VCS, specifically mainstream VCOs, such as small-medium size charities or foundations and social enterprises. Therefore, the high level of uncertainty can create the high level of risk (Zahra et al. 2008). Particularly in VCOs, the risk can be considered as a significant aspect in order to make decisions. Risky decisions can result in losing the advantage of funds, grants or a contract from the reduced pool of budgets (Zahra et al. 2009). On the other hand, due to the nature of social enterprises, where they are bringing business solutions in order to achieve social goals, they can have their process for mitigating the risk. As a result, the risk in the VCS can arise from various reasons. Those reasons can be explained as

**(a) Uncertainty:** Uncertainty can lead to risk (Kitchenham and Linkman 1997). As mentioned in the introduction, the political changes in the environment can lead to political uncertainty. In the context of the VCS, it is believed that changing governmental rules and regulations that reduced the budgets has brought uncertainty in the VCS (Power et al. 2009). This uncertainty can be the result, as it increases the perception of risk and pushes the VCOs to desist from making decisions. The risk in the VCS is further discussed in the policy part in the literature review chapter.

**(b) Cost:** Increasing costs of products or delivery of services, and, therefore, the lack of funding and fundraising affects both mainstream VCOs and social enterprises in order to respond to the vulnerability and the demand from the local environment (Hooper and Stobart 2003). The cost of delivering services and fundraising can be linked to risk.

**(c) Time:** Time can be another risk for delivering services for every organisation, particularly VCOs. Some organisations occasionally estimate short-term outcomes and the other organisations can expect mid and long-term outcomes due to uncertainties (Kitchenham and Linkman 1997) through time constraints. However, the central and local authorities can expect a different time schedule for certain duties or delivery of services from VCOs. Consequently, time can be a concern to set a precise strategy for VCOs in order to achieve effective results.

**(d) Lack of Knowledge:** Another risk that arises for VCOs is where the organisations have lack of knowledge or expertise on certain production or service delivery (Williams 2004). This can have a direct relationship upon another aspect of strategic entrepreneurship, Organisational Learning, in order to identify what the organisation is capable of; otherwise, giving a wrong decision where the organisation has little knowledge may result in a bad reputation for the organisation.

**(e) Reputation:** As in every business environment, reputation can be a highly significant feature for VCOs. The decision makers, and top management teams in firm-level organisations, as well as in the VCOs, can be able to make arrangements on how to avoid their reputation being affected by risky decisions (Power et al. 2009). However, this can be inevitable when the organisations are directly involved in competition with a decreased pool of funding and resources. VCOs have started to be involved in high competition situations in order to achieve the limited amount of funding in order to increase their reputation. Some VCOs still avoid making risky decisions due to their reputation, and they believe that reputation has a direct relation on their ability to achieve funding or making contracts in order to deliver social services or production.

**(f) Unclear Outcomes:** As mentioned above, unforeseeable outcomes can be the basis of uncertainty and risk (Drehmann and Nikolaou 2013). Therefore, due to the lack of enough funding and resources, some VCOs are not able to risk their limited funding and resources.

Exploring correct strategies and making strategic decisions in every organisation, as well as particularly for VCOs in terms of avoiding making risky decisions and managing risk to keep it to a very minor level, is a significant component for the application of strategic entrepreneurship. Therefore, those VCOs emphasise activities in order to mitigate the uncertainty that leads to risk. As a result, organisational learning can guide the organisations to mitigate a certain amount of risks for what the VCO is capable for and what they have achieved from the previous experiences while learning through experiencing.

### 2.4.5 Organisational Learning

As discussed in the previous section, risk can be the probability of failure and there can be chances of failure within every organisation. In addition to this, risk would be the resulting failure with a lack of organisational knowledge.

Organisational learning within a strategic entrepreneurship can be a useful way to anticipate that increasing organisational knowledge will be a basis for the identification of a strategic opportunity and reducing risk. Hitt and Ireland (2000) believe that knowledge can be generated through organisational learning. This is learning what the organisations are capable of, and understanding how new capabilities assist organisations in order to survive, adapt and be effective in competition, as well as successful progress (Autio et al. 2000). As a consequence, learning new knowledge can be essential to help organisations to adapt to their environment (Hitt et al. 2001).

Lynch (2015) states that the underpinning assumption is that most entrepreneurs, decision makers, top management teams are involved in some type of learning with regards to the possible strategic opportunities. Therefore, learning can assist the organisation in finding newness (Newman 2000), and, therefore, the process of the organisational learning can also be an approach that can help them perceive organisational dynamics, and result in them having an entrepreneurial activity that is constantly happening for generating new ideas. As a result, the concept of the organisational learning has a relationship between the generation of ideas, strategic opportunity and innovation in strategic entrepreneurship.

This interaction might occur with higher knowledge, which can be gained through learning within an organisation. For instance, Therin (2003) states that there is no difference between organisational learning and innovation; on the contrary, organisational learning can make a positive impact to innovation. If an organisation is good at gaining new knowledge and combining this knowledge with existing knowledge, this can mean that the organisation is good at creating innovations, both in product and in process.

*"...learning means integrating new knowledge or mixing existing knowledge in different ways, learning leads to newness, and thus to innovation. Innovation will be the by-product of an organisational learning. An organisational learning is an innovative organisation"* Therin (2003, p.9).

As a consequence, the firm-level organisations, as well as VCOs, can foresee the capabilities based on the previous experiences; they can identify strategic opportunities and generate new ideas through these opportunities with their capacity.

The term organisational learning was first contributed by Peter Senge (1990) in his book named "*The Fifth Discipline*", and also defined and also contributed to from the various

scholars (Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Kansikas et al. 2012; Yilmaz and Görmüş 2012; van Rensburg 2013). Consequently, organisational learning is defined as an approach given to the organisations in order to help their members understand how their organisations can transform themselves constantly (Pedler et al. 1997). Lynch (2015) argues that gaining experience through the organisational learning is essential for the development of the strategic opportunity. In addition to this, the concept of organisational learning can assist and support the firm-level organisations to remain competitive in the organisational environment (O'Keeffe 2002). Learning the organisation process can be applied to VCOs so they can become up to date, mitigating the risks and learning while experiencing.
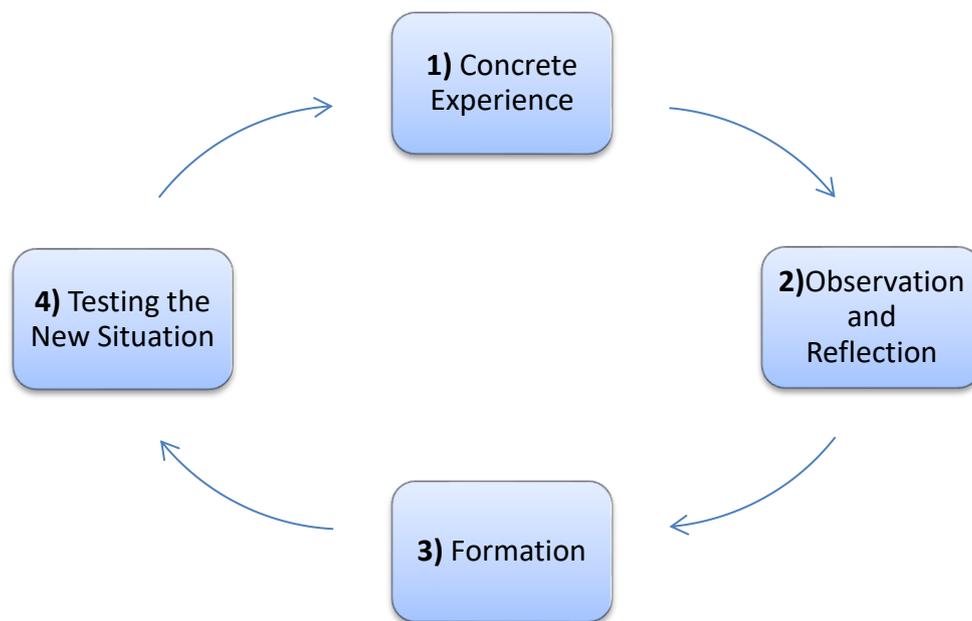


**Figure 4:** The Cycle of Organisational Learning (Source: Lynch 2015, p.563 and adapted from: Kolb and Fry 1975)

The above figure (4) is an adaptation of the organisational learning into David A. Kolb's "*Cycle of Experiential Learning*" analysis into the process of organisational learning that represents learning the capability of the organisation through experiencing. This can also be seen as a cycle of actions through experiencing for organisations including VCOs, which can have the strategic entrepreneurship as the common link. Each number above represents different steps in the cycle. These steps of the cycle are further explained below:

1. **Concrete experience:** The first step of the cycle is called the concrete experience. Kolb (2014) considers this step as the involvement into the existing experience. Specifically, in

this research, concrete experience can be the understanding that the decision makers or individuals of firms and organisations have been involved, and teams, including decision makers and stakeholders, are assigned and followed up the task when they are involved in a similar experience and reacting in the same circumstances, which are the further steps in the cycle.

2. **Observation and Reflection:** The second step in the cycle of the organisational learning can be named as observation and reflection. The experience, discussed by the decision makers, teams or the individuals who are actively involved in that specific experience, is observed and reflected upon (Kolb and Kolb 2005). At this step, plenty of questions can be asked for the benefit of the observation, and the communication channels are opened to the other members of the organisation.

3. **Formation:** In this process, it is considered whether general principles can be formed from the previous processes. For instance, the decision makers, top management team or individuals discuss whether the new opportunities possess a real potential for organisations (Lynch 2015) and form themselves for the new purpose.

4. **Testing the New Situation:** Through the new formation, the decision makers, top management team or individuals can focus on and finalise the responses of the organisations to the new circumstances and there is further development of the new opportunity.

As a result, the cycle of the organisational learning occurs through organisational routines that are modified or repeated, and it is organised by plans that the organisation can process, adjust and interpret the experience that they are involved. In addition to this, routines can contain the ideologies, cultures, conventions and strategies of the organisation that describe the way in which these activities are undertaken (Newman 2000). Experiencing can result in gaining knowledge for the organisation's understanding in order to respond in different circumstances. It can be linked to a generation of new ideas and the exploration of strategic opportunities while experiencing. This method of thinking can be useful when assessing and measuring the performance of an organisation as a whole, as well as each of the various steps when they are in process. These experiences can be gained through the capacity of resources and capabilities of firm-level and VCOs.

**2.4.6 Resources as a Process of Strategic Entrepreneurship**

The effective application of strategic entrepreneurship into the VCS in the South-West of England needs the organisations to identify their own resources and capabilities. The identification of the current resources and capabilities and effective use of those resources and capabilities are also other key processes for strategic management and entrepreneurship fields, as well as strategic entrepreneurship. Resources can be defined as the supply or stock of material, staff, money and other assets which the organisation possess in order to function effectively. In addition, capability can be the quality of employees, members, teams or stakeholders being capable of certain abilities (Oxford English Dictionary 2016). The next section discusses the definitions of resources and capabilities as well as how resources can be effectively used to create wealth.

**2.4.6.1 The Definition of Resources and Capabilities**

Resources can be divided as tangible, intangible resources and capabilities (Amit and Shoemaker 1993; Barney 1991). The tangible resources are classified as moveable, and intangible resources are immoveable (Barney 2001). The capabilities can be knowledge, skills, experiences or reputation of the employees and stakeholders or the reputation of the firms or organisations (Wernerfelt 1984; Barney 1986; Barney 1991). Barney and Hesterly (2012) believe that the resources comprise services of the organisations as tangible resources, and their reputation among the participants, clients and their teamwork as an intangible resource. Consequently, the identification of resources is to understand the potential failure or success of an organisation, and also examining the intangible and tangible resources of the organisation which an organisation accesses or uses to implement and conceive strategies (Barney 1991; Hitt et al. 2002).

Intangible resources have three important features that can differentiate them from tangible resources. First of all, intangible resources do not deteriorate or deplete (Cohen 2005); on the contrary, the skills of an individual can develop with use (Chadwick and Dabu 2009). Secondly, intangible resources are expected to bring benefits for an undefined timeframe. On the other hand, tangible resources have expected depreciation (Cohen 2005). Finally, intangible resources are immaterial which is inaccessible to the senses. Immateriality makes intangible resources hard to exchange, as they often may not be detached from their owner (Marr and Roos 2005).

On the other hand, in intangible resources, efficient markets and commodities do not exist due to their immateriality (Barney 1986; Cohen 2005). Therefore, immateriality can bring two significant implications. First of all, the organisations improve intangible resources via complex social and organisational processes (Molloy et al. 2011). These processes are path dependent and idiosyncratic, which means they yield heterogeneity in stocks of organisational resources (Barney 1991). Secondly, this heterogeneity persists because intangible resources may not be efficiently and readily traded (Barney 1986).

Capabilities are a subgroup of an organisation's resources and are defined as the intangible and tangible resources that enable an organisation to take full advantage of the other resources it controls (Barney et al. 2011). Makadok (2001) defines capabilities as a special type of resource; specifically, an organisationally embedded non-transferable organisational resource whose purpose is to improve the effective use of the resources that are controlled by the organisation. That is, capabilities alone do not enable an organisation to implement and conceive its strategies, but they enable an organisation to use other resources to implement and conceive such strategies. The basic examples of capabilities may comprise an organisation's teamwork and cooperation among its participants' skills (Barney and Hesterly 2012).

Capabilities refer to co-ordination and deploy the capacity of the organisation from different resources using organisational processes to affect a desired end. Capabilities are information-based, essentially an intangible process which is organisation specific and improved over time through multifaceted relations between the organisational resources which can hypothetically be assumed as intermediate goods and created by the organisation to provide a developed efficiency of organisational resources, as well as strategic flexibility and protection for the product or the service delivery for the organisation (Kostopoulos et al. 2002). Collis (1994) provides an illustration by explaining its significance:

*"…An organisation that has the superior capability to develop structures that better innovate products will, in due course, surpass the organisation that has the best product innovation capability today…"* (Collis 1994, p.148).

There are two main characteristics that can differentiate the capability and resource. The first characteristic that differentiates from the feature is that capability is specific for each organisation that is linked in the organisational processes. However, resources cannot be

differentiated by each organisation. The specific character of capabilities implies whether the organisation is entirely dissolved, then the capabilities of the organisation can also dissolve. However, the resources of the organisation can survive with the new owner. The second main feature that differentiates the capability from the resource is that the main purpose of the capability is to improve the productivity and efficiency of the resources that the organisation owns to achieve its targets (Amit and Shoemaker 1993; Makadok, 2001).

Identification of resources is a very strong and powerful tool for generating strategy, mitigating the risks through the identification of strategic opportunity and organisational learning (Barney et al. 2001; Gunasekaran et al. 2011).

### 2.4.6.2 Resources Orchestration Process

As discussed above, the resources and capabilities are the basic units that are identified as the assets of the organisation (Maijoor and Witteloostuijn 1996). Resources and capabilities demonstrate the performance of every organisation and give an idea to the organisation to achieve higher performance and creating wealth (Barney 1991). Therefore, it can be one of the significant tools for strategic management and entrepreneurship fields as well as strategic entrepreneurship. It is emphasised that the new options of strategy, which naturally appear from the viewpoint of resources, are to explore the usefulness of evaluating organisations (Wernerfelt 1995).

The strategic entrepreneurship perspective shows the need to focus on how organisations create change by exploring opportunities in the external environment while exploiting those opportunities to create wealth at the same time (Hitt et al. 2001; Hitt et al. 2011; Baert 2016). The attitudes, abilities as well as the aims are significant fundamentals of resources being entrepreneurial (Acs and Szerb 2009). Moreover, it is the unique resources of an organisation which are different from its competitors that are contributed (Alvarez and Busenitz 2001). The characteristics of resources on organisational performance show the significance on firms based on decades of empirical work (Crook et al. 2008). Therefore, although the Resource-based View (RBV) on organisational performance was robustly tested as core logic from various scholars (Barney 1986; Barney 1991; Barney and Zajac 1994; Barney 2001; Barney et al. 2001; Barney and Hesterly 2012), it requires deeper explanation on the potential for explaining differential amongst the outcomes of the organisations (Sirmon et al. 2011).

Strategic entrepreneurship perspective pinponts the significance of the resource orchestration process to support exploration and exploitation of opportunities and effective use of resources. Through merely looking at the resources, an organisation provides an incomplete understanding of performance (Baert et al. 2016). Therefore, the resource orchestration process emphasises the role of mobilising and leveraging the resources in every organisation to achieve strategic objectives (Hansen et al. 2004; Sirmon et al. 2011), as shown in figure (5) below:

```
┌──────────────┐      ┌──────────────┐      ┌──────────────┐
│              │      │              │      │              │
│  Structuring │ ───► │   Bundling   │ ───► │  Leveraging  │
│              │      │              │      │              │
└──────────────┘      └──────────────┘      └──────────────┘
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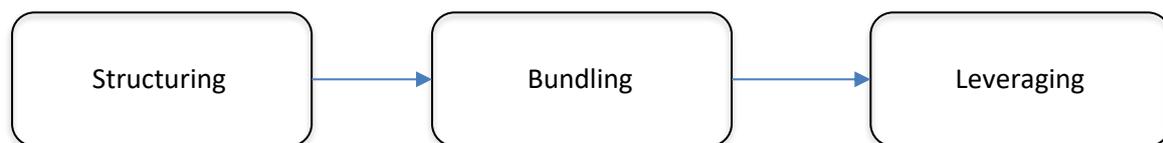
**Figure 5:** Resource Orchestration Process (Source: Sirmon et al. 2011)

With reference to figure (5) above, Sirmon et al. (2011) discusses the resource orchestration process below:

**Structuring:** It involves acquiring, accumulating, and diverting resources to form an organisation's resource portfolio.

**Bundling:** It refers to integrating resources to form capabilities which are stabilising or minor incremental improvements to existing capabilities; enriching that extends current capabilities; and pioneering which creates new capabilities.

**Leveraging:** It involves processes to exploit the organisation's capabilities and take advantage of specific market opportunities. This includes mobilising that provides a plan or vision for the capabilities needed to form requisite capability configurations; Coordinating that involves integrating capability configurations; and finally deploying where a resource advantage, market opportunity, or entrepreneurial strategy are used to exploit the capability configurations formed.

VCOs suffer from liabilities and sizes that result from their limited level of resources and potential inefficiencies in using their resources. Therefore, every VCO cannot possess the effective strategy to increase their resources. Having said that, the entrepreneurial process supports the creation of opportunities in which the effective use of resources could make

generating the new ideas viable. In other words, this is the pursuit of organisational learning which may come through the exploitation of opportunities, as per the analysis above through its core competition. As a result, the resource orchestration process focuses on the process of the organisations to explore and exploit opportunities (Baert 2016). Due to the liabilities of VCS, this process can guide the VCOs to support effective use of their resources.

**2.5 The Development of the Initial Conceptual Framework for Application of Strategic Entrepreneurship into the VCS in South-West of England**

It is being witnessed that an increasing number of scholars are committed to applying strategic entrepreneurship from theory to practice, although there are some concerns with regards to the application of strategic entrepreneurship in practice (Chang and Wang 2013). Strategic entrepreneurship is being considered in an organisational environment for applying entrepreneurial activity with innovative methods in order to solve problems.

As discussed in the previous section, innovation, opportunities, resources and risk are considered as the junction of strategic management and entrepreneurship fields (Venkataraman and Sarasvathy 2000; Ireland et al. 2001; Hitt et el. 2001; Ireland et al. 2003; Ireland and Webb 2007; Dogan 2015; Mazzei 2018). In addition to this, the organisational learning is considered as a possible significant aspect of strategic entrepreneurship (Ireland et al. 2001: Wickham 2006; Ketchen et al. 2007). The aspect of the generation of ideas is identified by Lynch (2015) in the book chapter named "*Entrepreneurial Strategy*". As a result, the six aspects (strategic opportunities, organisational learning, generation of ideas, risk, resources and innovation) within strategic entrepreneurship are mentioned in section 2.4 in order to achieve the formation of a successful initial framework for the VCS in the South-West of England.

In the conceptual framework below, risk, organisational learning, generation of ideas, innovation, strategic opportunity and resources are selected for strategic entrepreneurship and also can be suitable for the nature of the VCOs. Through these aspects, a new conceptual framework can be formed by the researcher as an initial assumption to determine the possibility of the application of strategic entrepreneurship into both the mainstream VCS (such as charities, foundation, association etc.) and social enterprises. Hence, the researcher divides the initial conceptual framework into three parts such as input, process and output. First of all, in the input part, risk and organisational learning are chosen for the identification of current resources and for increasing the resource capacity of the VCOs. On the other side

of the input part, strategic opportunity and generation of ideas are chosen to embrace innovative ideas, practices and techniques.
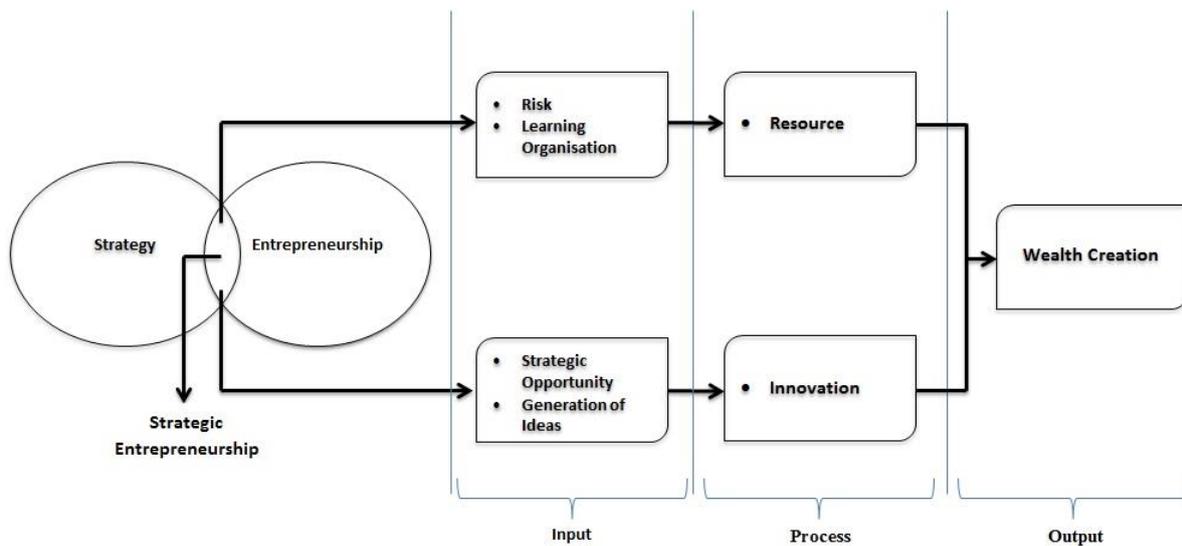


**Figure 6:** The Combination of Strategy and Entrepreneurship and the process for the Voluntary and Community Sector (Source: Author)

The reason behind the identification of these aspects and the advantage that it gives to the current framework for the VCOs are explained below:

**(a) Risk:** It is believed that all strategic decisions in entrepreneurial activities can bring a different degree of risk to it. Specifically, when it comes to the VCOs that are in desperate need of contracts, funding and grants as well as effective strategies, the VCOs can consider mitigating uncertainty that leads to risk when they make strategic decisions.

**(b) Organisational learning:** It is believed that the organisational learning can be a useful approach that can help to have entrepreneurial activity constantly happening.

**(c) Generate new ideas:** As discussed in this section, it is the process of creating, developing and communicating ideas that are concrete and visual. The aspect includes the process of constructing through the idea, innovating concept, developing process and bringing into reality.

**(d) Innovation:** Moreover, the application of the innovation approach can be useful for making strategic entrepreneurship happen for the VCOs.

**(e) Strategic opportunity:** It can help the VCOs to identify new strategies and opportunities. Each strategy entails a different level of risk.

**(f) Resource:** It can be useful to identify the current resources of the organisations to evaluate how effectively they can use strategic entrepreneurship now and in the future.

Given the logic behind the combination of both fields in the above section, the changing political and competitive environment increases the importance for the application of strategic entrepreneurship into the VCS inevitable.

Secondly, in the process part, areas for enhancement can be the identification of strategic entrepreneurship as a vehicle for supporting the operational capacity of VCOs. This support refers to enhancing current and future operational financial, human and other resources as well as organisational innovation attributes that could potentially lift organisations in the sector (Arslan and Apostolakis 2016). The process part is also believed and added as a contribution for the research.

Finally, in the output part, it is expected that strategically driven entrepreneurial activities can bring wealth creation to VCOs. The assumption of the researcher on wealth creation for VCOs can be developing new social activities, services and new strategies that respond to both sectors, the organisation itself and its local environment as well as their society in order to achieve unmet needs for the vulnerable in society and survival of the VCO.

**2.6 The Differences and Similarities between the Strategic and Social Entrepreneurship**

Social entrepreneurship is a creative approach to business social engagements and social services (Dey and Teasdale 2016). Therefore, social entrepreneurship also creates work in a market and generates profit as in the mainstream business environment (Dey and Teasdale 2013). Social entrepreneurship is identified for observing a problem and wants to be solved in a positive way by the organisation (Akingbola 2013). This can be explained as going back to the root cause, such as identifying the real cause and finding a solution (Bull and Crompton 2006; Bull 2007). It cannot be identified as only a relief, but as generating profit. Therefore, one of the distinct differences in social entrepreneurship can be identified as the distribution of the profits (Chell 2007; Chell et al. 2010). In addition to this, profits assist organisations in order to fulfil clear social missions such as social equality as well as the improvement of the living conditions in the community. It can be given as an example of creating job opportunities, and social inclusion, such as helping vulnerability, cultural needs, and preservation of the environment as well as health care (Battilana et al. 2015).

In social entrepreneurship, social goals are ahead of generating maximum profit and it uses the organisations as the social means of change, such as the examples mentioned above, to deal with vulnerability, local or nationwide social problems in order to achieve a better society. As a result, social entrepreneurship can be explained as the different model of achievement in the management literature. According to Dees (1998), social entrepreneurship is convenient in order to reflect the need for a substitute market discipline that applies to entrepreneurship. This can be explained as substituting from strategic management to more of a social field (Dey 2014).

On the other hand, the distinct characteristics between strategic entrepreneurship and social entrepreneurship possess a plan (Kerlin 2006). The mainstream business environment is generally based on business plans in order to be involved in the competition (Dogan 2015). There can be so many questions asked by the organisations, such as how much money the entrepreneur can use in order to compete or achieve a certain aim, or make a profit, or what an organisation needs in order to carry on.

Social entrepreneurship is driven by each of these levels and it provides a debate or insights to the literature in the entrepreneurship and strategic management field (Short et al. 2009). Although strategic and social entrepreneurship can seem different, some similarities can be seen in the integration of strategic management and entrepreneurship and social entrepreneurship.

The aspect of resources in social entrepreneurship can be as significant as the aspect in strategic entrepreneurship, although they can be used for different purposes. Moreover, the initial purpose of social entrepreneurship is to use resources effectively to achieve the social goal first and then afterwards achieving the financial goal. However, in strategic entrepreneurship, the resources are used for creating wealth. Hence, the integration of entrepreneurship and strategic management gives resource advantages to the firm-level (Schendel and Hitt 2007) and VCOs for competition. As a result, VCOs can also benefit from those similarities and differences.

Conceptual development in strategic entrepreneurship can provide an exclusive benefit for integrating strategic management and entrepreneurship to apprehend the creation of social value, wealth creation and achieve competitive advantage (Short et al. 2009) by the VCOs as a further achievement. This is the reason why strategic entrepreneurship can overlap with

social entrepreneurship. Therefore, the application of strategic entrepreneurship into the VCS can be paid sufficient attention.

Innovation can be not only a mutual aspect in social or strategic entrepreneurship, but also in every part of business in the management literature. As Schumpeter (1934) argues, innovation can form various shapes; it requires not only inventing something entirely new but also requires a new way to adapt to the new situation. Consequently, social entrepreneurship focuses on innovative ways in order to guarantee an organisation's access to resources in order to achieve contracts, grants, funds and delivering services from mainstream VCOs and from the social enterprises' side in order to bring social value (Dees 1998: Leadbeater 2007; Zahra et al. 2008). Innovation is a continuous process due to exploring learning and improving in every detail of this process. Therefore, these continuous processes still have a strong connection with the social and strategic entrepreneurship. As a result, the aspect of innovation remains a mutual area between the social and strategic entrepreneurship side.

As discussed in the previous sections, every innovative approach brings uncertainty and risk of failure, and that is why decision makers have a tendency towards a high tolerance of doubt and learn how to manage risk for the benefit of the organisations (Dees 1998). As a result, in strategic entrepreneurship, the decision makers of an organisation treat failure of a project as a learning experience. However, in the social environment, risk and uncertainty can be considered the main reason to avoid making decisions. The significance for the decision makers of an organisation is to make a strategic decision (Hambrick 2007; Short et al. 2009).

Various researchers (Dart 2004; Dacin et al. 2010; Chew and Lyon 2012; Dey and Teasdale 2016; Zahra and Wright 2016) in social entrepreneurship have generally contributed on how to be a social entrepreneur, while ignoring decision makers, individuals, and particular teams in the organisations that support the entrepreneur. Therefore, this support is important for the success of the organisation to go beyond (Light 2006). As a result, an investigation of the importance of the decision makers, individuals and teams can lead to increased social performance in the organisations and provide a significant theoretical contribution (Short et al. 2009) to the application of strategic entrepreneurship into the VCS.

Current research combines both perspectives and proposes that the social entrepreneurship is in use in order to gain a higher social value that uses profit maximisation for recognising needs (Zahra et al., 2008). Conversely, the identification of strategic opportunities can be considered as one of the bases of this research. Entrepreneurs are not only motivated by the

view of a social need or by their compassion in social entrepreneurship, but they also have a vision of how to determine the process of their organisations and achieve improvement. Therefore, they need to be persistent (Defourny and Nyssens 2006). This can be explained as relentlessly pursuing and recognising new opportunities (Dees 1998). Therefore, the pursuit of opportunities in both strategic and social entrepreneurship can have similarities between each other. The distinct characteristic particularly in opportunities aspects can change. In social entrepreneurship, opportunities arise when there is a social need. In strategic entrepreneurship, the need can be also considered as the driving force behind opportunity. However, strategic solutions and the identification of problems can bring opportunity to the organisations.

According to the various researchers, social entrepreneurship can be the driving force behind mainstream VCOs and social enterprises. This can be explained as **(a)** supposed limited or no competition in the VCS, **(b)** equally shared profit, and **(c)** reinvesting financial extras for social causes or needs. However, the changing landscape in the UK's economy makes an entire VCS compete for limited resources and funds, and for capable employees that can help to run the social cause. As a result, competition is increasing significantly in the VCS in order to possess strategic forces to run the organisation, an entrepreneurial mind with a social aim, and the use of strategic management in order to use resources effectively and efficiently, as well as to achieve local, private as well as governmental funding. As a result, this increases the need of strategic entrepreneurship in the VCS. These areas can be found in the social and strategic entrepreneurship. Therefore, both approaches can seem different even though, however, they possess similar aims.

## 2.7 Identification of the Research Gaps based on Literature Review I

As discussed in the introduction chapter (Chapter 1), the existing literature on strategic entrepreneurship largely focuses on the firm-level organisations and how firms can achieve higher performance and achieve competitive advantage (Agarwal et al. 2010). However, there is no research on its possible applicability on strategic entrepreneurship in the VCS context.

Lynch (2015) brings the importance of organisational learning, generation of ideas, risk, resources, innovation and identification of opportunities in both large and small businesses. Therefore, in this research, it is possible to bring the applicability of strategic entrepreneurship into the VCS context, and the relationship of these aspects to create wealth, respond and create social value, as well as the survival of VCOs.

Social entrepreneurship is largely focused on the context of the VCS and how social entrepreneurs can support social wellbeing in the environment where they work (Dees 2007; Defourny and Nyssens 2006; Chell et al. 2010; Doherty et al. 2014; Dey 2014; Zahra and Wright 2016). However, there is a limited notice given that the mainstream VCOs, such as charities, foundations and associations as well as social enterprises, are also seeking profit to create wealth not only for their environment but also for the organisation itself. Therefore, VCOs are relatively understudied in the strategic entrepreneurship literature. As a result, this research brings an opportunity to combine both research contexts.

The literature of entrepreneurship, strategic management, strategic and social entrepreneurship fields largely focuses on the term "opportunity". However, how the opportunities in the VCS level can be strategically used, are not discussed deeply. Therefore, the researcher is also seeking the possibility of how strategic opportunities can be used in the VCS.

Resource-based View (RBV) is largely considered in strategic management and strategic entrepreneurship fields as how to use valuable, inimitable, rare and organisational resources effectively (Mintzberg 1987; Barney 2001). As identified in objective one in the introduction chapter (See; Section 1.4.1 – Research Objectives), the resource orchestration process (Sirmon et al. 2011; Baert 2016) can support measuring and an effective use of those resources and capabilities for organisational benefit. Therefore, this process can fill the gap in objective one by using the resource orchestration process.

Innovation is highly considered not only for this context but also in the whole of the management literature. Therefore, there are various research subjects on innovation. However, the evaluation of the innovative attributes in figure (3) that emerged from the study by Lynch (2015), was not considered in the VCS context. Consequently, the figure can respond to research objective two in the introduction chapter (See: Section 1.4.1 – Research Objectives), investigating the application of strategic entrepreneurship that can enhance the use of innovative ideas, practices and techniques.

## 2.8 The Summary of Literature Review I

This chapter presented the extant gap about defining the integration aspects of strategic management and entrepreneurship fields and the development of a conceptual framework for an application of strategic entrepreneurship into the VCS. The literature review is divided

into two main chapters as theory (literature review I) and policy (literature review II). In this chapter, the initial framework was formulated based on the literature and was guided by the main contributors of each sections above.

In the initial conceptual framework, three main components have been identified. Those components are **(a)** historical, theoretical and definitional backgrounds of strategic management and entrepreneurship fields and the possible junction of both fields; **(b)** enhancement of current and future resources and innovative attributes to create wealth; and **(c)** expected outcome for the VCOs in the South-West of England.

The following chapter will discuss literature review II of the study which discusses the definition and how VCS has been evolved in the UK as well as the definitional boundaries of mainstream VCOs and social enterprises and where they positioned in the UK's economic wheel.

# Chapter Three

# Literature Review II – The Voluntary and Community Sector in the U.K.

## 3.0 Overview of the Chapter

The literature review II chapter gives a general understanding, historical background, and the entrepreneurial and strategic activities of the Voluntary and Community Sector (VCS) and Voluntary and Community Organisations (VCOs) in the UK, as well as in the South-West of England. The mainstream VCOs (such as charities, foundations, associations) and social enterprises are discussed separately due to the identification of their distinct characteristics. These characteristics are separately discussed because they require a different organisational shape, laws and regulations; for example, mainstream VCOs are considered under the *"Charity Act"* and social enterprises are considered under the *"Social Value Act"*. Although, both organisation types gather under the VCS, this chapter also discusses where they stand in the business environment of the U.K.

In literature review II, the overview of the voluntary and community sector (VCS) in the UK is discussed in section 3.1. The comparison between social enterprises and their voluntary counterparts (mainstream VCOs) is identified in section 3.1.1., and then, the rise, peak and decline of the VCS in the UK between 1980s to post 2010, and the effect of the UK's economic system, are both debated in section 3.2.

The key aim of the second literature review II chapter is to present the business practices of the mainstream VCOs and social enterprises, applying and denoting their potential capability in the VCS, and representing the possibility for an application of strategic entrepreneurship into the context. After a discussion of the overview, characteristics and historical background of mainstream VCOs and social enterprises, the second literature review focuses on the aspects (organisational learning, generation of ideas, innovation, strategic opportunity, resources and risk) of strategic entrepreneurship in the VCS that are identified in the first literature review chapter in section 3.3. In addition to this, as the empirical field of this research, the researcher presents a brief overview, background and short term, mid and long-term strategies that are applied in the various areas of the South-West of England in section 3.4.

**3.1 An Overview of the Voluntary and Community Sector (VCS) in the U.K.**

The Voluntary and Community Sector (VCS), also known as the **Third Sector**, **Voluntary Sector**, **Social Sector** and **Non-profit Sector**, can be the duty of social activity undertaken by the organisations, which are non-governmental and independent. Their purpose is to help the community, by providing a service for the vulnerable and through volunteering. It is important to start with the definition of the VCS and show how it is situated in the business environment of the UK, in order to help to understand the sector deeply. The VCS can be considered as an organisation that stands between governmental (or public) and profit-making (or private) organisations, which comprises non-governmental and non-profit making organisations, and it is providing services or products for the vulnerable and increasing social value (Manville and Broad 2013; Windrum 2014).

Consequently, it can be generally called the **Voluntary and Community Sector** or **Third Sector** due to the nature of it being neither public nor private sectors. Both public and private sectors can be called the mainstream sectors.
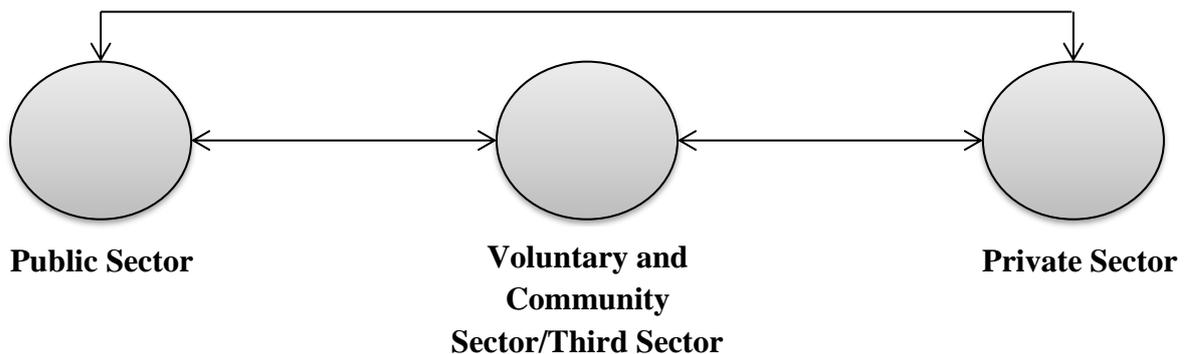


**Figure 7:** An Illustration of the Three Mainstream Sectors of the U.K. (Source: Author)

As mentioned above, the organisations in the VCS have distinct characteristics compared to mainstream (public and private) businesses. Those characteristics are outlined by Abdy and Barclay (2001) below:

**(a)** The organisations in the VCS exist for a social aim, rather than a profit-making objective,

**(b)** VCOs are directed by an independent group of people or individuals,

**(c)** VCOs re-invest their financial extras from their Voluntary and Community Activities (VCA).

The nature of the VCA is to concentrate on their specific difference from other mainstream organisations with their values or aims. This is generally the reason for the individuals to come together to create an organisation in the first place for the social purpose (Abdy and Barclay 2001), such as production or solving the issues in vulnerability across the local environment or nationwide.

The Voluntary and Community Organisations (VCOs) are involved in variety of job groups, such as technology, hospitality, education, healthcare, and helping the young or old people as well as homelessness, and these organisations take various forms, such as trusts, foundations, charities, co-operatives, social enterprises and non-profit business enterprises (Windrum 2014). Kendall and Knapp (1995, p.67) describe the VCS as a "*loose and baggy monster*" due to a lack of precision in its terminology, classifications and definitions. It is assumed that this lack of clarity can be because of the organic structure and lack of shape of the VCOs.

National Council for Voluntary Organisations (NCVO) Civil Society Almanac (2019) indicates that **(a)** the VCS comprises 900,000 organisations, including trade unions, co-operatives, foundations, associations, social enterprises, community groups and small, medium and large charities; **(b)** due to the definitional issues to identify the boundaries, there is a challenge in quantifying the size of the organisations (such as foundations, associations, co-operations and social enterprises etc.) in the VCS; **(c)** although, it is not clear the precise number of each organisation, what is more clear is that 160,000 of these organisations are considered as charities (James 2016); **(d)** therefore, charities can take up a significant part of the VCS in the UK; **(e)** the VCS became a considerable part of the UK economy with an income of £40.5 billion and spending at £39.3 billion, which is 97% of the overall income of the sector; and **(f)** it has been estimated that 21.1 million people officially volunteered, as a minimum, at least once in 2019, and that 13.8 million officially volunteered regularly as part of the  voluntary and community activities (VCA) in 2019 (NCVO 2019).

### 3.1.1 Social Enterprises and its Voluntary Counterparts

In a general perspective, the social enterprises fit within the "*Voluntary and Community Sector (VCS)*" due to the combination of economic dynamism with social justice (Spear 2008). As all organisations in the mainstream business environment, the social enterprises have distinct similarities and differences compared to their mainstream VCOs. For all types of organisations in the VCS, sustainability can be a highly considerable element. Hence, these organisations need to operate efficiently and effectively to provide sustainability. As in the

mainstream VCOs, social enterprises are also independent from public authorities and other organisations (Chell et al. 2010). The main goals of both of them, social enterprises and mainstream VCOs, are to have social mission, vision and values and to achieve those social missions for the environment in which they operate. Both social enterprise and mainstream VCOs tend to re-invest their financial extras from their VCAs to the society for a social purpose.

Social enterprises and mainstream VCOs differ from each other due to the range of specific forms. Although, both organisations' operating limits are set under the **Charity Act** and **Social Value Act**, there are no clear boundaries between voluntary and mainstream businesses that lead them to achieve hybrid for-profit and non-profit activities (Dart 2004). Therefore, in the complex structure and definitional differences of the VCOs, these generalisations can be problematic and affect an understanding of the social enterprises (Dees 1998). For instance, mainstream VCOs, such as charities, can generally generate money through fundraising and donations. However, social enterprises can generally sell products or deliver services through contracts.

Furthermore, the transformations in mainstream VCOs, such as charities, trusts, and foundations, compared to social enterprises can be significantly different. This difference can be understood from traditional social services delivery to business design concepts, entrepreneurial activities, organisational planning as well as membership fees, donations, governmental grants and some private funding (Dart 2004). The government use social enterprises as the role model for the other VCOs with power exercised through heterogeneous techniques, such as grants, policies and various forms of material and intellectual support (Dey and Teasdale 2016). Therefore, these heterogeneous techniques create social enterprises as an ideal towards what the VCS are supposed become (Dey 2014: Dey and Teasdale 2016).

### 3.1.2 The Definitional Issues of Mainstream VCOs and Social Enterprises

The scholars (Defourny and Nyssens; Defourny 2001; Dees and Anderson 2003; Kerlin 2006; Dees 2007; Defourny and Nyssens 2010) focused on the definition of a social enterprise and their roles in the VCS. However, the diversity of social enterprises and the activities that they contain is such that the scholars have been unable to create a consensus of a precise definition of social enterprise and the other forms of organisations in the VCS (Shaw 2004). As a result,

this lack of consensus supports Kendal and Knapp's (1995) lack of clarification on its terminology.

In addition to this, James (2016) and James et al. (2016) in a NCVO evidence review and summary report, "Understanding the Capacity and Need of Take on Investment within the Social Sector", also identified the lack of consensus in the definition of social enterprises and mainstream VCOs in the UK. This is because of their various roles in the VCS as well as their roles in the mainstream business environment. Besides, the definitions, tasks and roles of mainstream VCOs and social enterprises vary from different countries under their own rules and regulations. Furthermore, the fact that social ownership and social aims are combined with trading viability is one of the main distinctive features of the mainstream VCOs and social enterprises (Harding 2004).

Social enterprises can be defined as the organisations that follow business solutions for social problems and need to be distinguished from other organisations and initiatives that are socially-oriented, which bring benefits to the environment; however, they do not seek to be a business (Thompson and Doherty 2006). The essential ideological operation of social enterprises is to encourage mainstream VCOs to be more like clients, market-driven as well as self-sufficient (Tracey et al. 2005: Dey and Teasdale 2016). Therefore, social enterprise would be synonymous with organisations becoming more social need driven, client driven, commercial, self-sufficient and business-like (Dart 2004).

### 3.1.3 The Characteristics of Social Enterprises

Similar to all VCOs, social enterprises often operate where there is a limitation or a gap for the provision of public services. Therefore, mainstream VCOs and social enterprises are generally formed in order to fill the gap and achieve those needs that governmental or public services cannot reach or support. In addition to this, social enterprises can deliver government-commissioned services in a more characterised, focused and responsive way (Leadbeater 2007).

Unlike some mainstream VCOs, social enterprises are prone to promote different strategies, they bring activities to their environment and they are solving particular issues, in order to achieve and establish social as well as economic activities in the VCS, local environment and nationwide (Laville and Nyssens 2001). In that sense, social enterprises determine their ability to be innovative in order to develop intermediary areas (Evers 1995) by transferring

knowledge from the public domain (Chell et al. 2010). Therefore, the concept of social enterprises can also be seen as an instrument for creating bridges between different components in the VCS (Defourny and Nyssens 2006).

Defourny (2001) suggests in the chapter **From Third Sector to Social Enterprise** nine distinct characteristics for the social enterprises, which they generally possess, that distinguish them from mainstream VCOs. Those characteristics are represented in table (4) below. These characteristics can show similarities and differences between mainstream VCOs and social enterprises.

| Characteristics | Description |
|---|---|
| **(a) A Continuous Provision of Goods and Services** | Unlike the traditional VCOs, social enterprises are not involved in the redistribution of financial flows or in advocacy activities. <br> On a continuous basis, they are engaged in the provision of service delivery and production of goods. |
| **(b) A Greater Degree of Autonomy** | Social enterprises are established voluntarily by a group of people or individuals and are directed by the framework of an autonomous project. <br> They can rely on public subsidiaries but they are not managed by public or other authorities. |
| **(c) A Significant Level of Economic Risk** | Social enterprises undertake entirely or part of the risky initiative. <br> Their financial viability relies on the efforts of the stakeholders in order to secure adequate resources. |
| **(d) A Minimum Amount of Paid Work** | Social enterprises can also combine financial and non-financial resources as well as voluntary and paid workers as in the case of most traditional VCS. |
| **(e) An Explicit Aim to Benefit the Community** | One of the most primary goals for social enterprises is to help a specific group of people or serve the community. |
| **(f) An Initiative Launched by a Group of Citizens** | As a result of collective dynamics, the social enterprises belong to a community that shares a certain goal or need. |
| **(g) A Decision Making Power not Based on Capital Ownership** | It is important to have owners of capital; however, the rights of the decision making are similar with the stakeholders. Example: One member = One vote |
| **(h) A Participatory Nature, which Involves the Persons Affected by the Activity** | Participation or representation of the customers, democratic representation and |

| | stakeholder orientation. |
|---|---|
| **(i) Limited Profit Distribution** | Distribution of the profit is only a limited amount, consequently avoiding a profit-maximising behaviour. |

**Table 4:** The Characteristics of the Social Enterprises (Defourny 2001, p. 19-20)

The first four (a, b, c, d) characteristics represent the dimensions of being entrepreneurial and economic, and the other five (e, f, g, h, i) are the social dimensions of the social enterprises (Chell et al. 2010). In addition to this, Defourny and Nyssens (2006) argue that there are two characteristics forming the identity of social enterprises: **(a)** primarily driven by social objectives and **(b)** trying to achieve sustainability through trading even though the social enterprise concept is still vague. Besides, the characteristics of social enterprises in table (5) below can also be shown in order to give further clear boundaries and show how social enterprises differentiate from their mainstream VCO counterparts:

| Enterprise Orientation | Social Aims | Social Ownership |
|---|---|---|
| As viable social enterprises making an operating surplus, they are directly involved in producing goods or providing services to the VCS. | Social enterprises have explicit aims such as job creation, training or the provision of local services. They have strong social values, mission and vision, including a commitment to local capacity building. They are accountable to their members and the wider community for their social environmental and economic impact. | Social enterprises are autonomous organisations often with loose governance and ownership structures, based on participation by clients, users, local community groups or trustees. Profits are distributed to stakeholders or for the benefit of the community. |

**Table 5:** The Boundaries of Social Enterprises (Source: Shaw 2004, p. 196)

As a result, social enterprises, due to their capabilities, are prone to acknowledge the finding of strategic and innovative solutions for social problems that have likely come from the markets and are left to their own devices (Leadbeater 2007) compared to mainstream VCOs.

**3.2 The Political and Economic Environment of the VCS from 1980s to Recent Years**

The definitions and recent overview of the VCS can always be a product of economic, cultural and political contexts. This also makes the sector a product of historical legacies and the dynamics of those changes (Alcock 2010). In the next section, there will be a discussion of the fundamental changes in the economic and political environment throughout the years and how those changes affected the VCS throughout the UK. This section is divided under three subsections: rise (1980 – 1997), peak (1997 – 2010) and what the VCS is known for today (after 2010).

**3.2.1 The Rise of the VCS: The Political and Economic Environment of the Sector in 1980-1997**

In the VCS in the UK, there has been an important re-evaluation of social policy in the emergence of its new role from 1980 to 1997 (Bussel and Forbes 2002). Consequently, it has encountered fundamental changes in its political and economic environment from 1980s due to the Prime Minister Margaret Thatcher's Conservative government (Cunningham 2001).

These fundamental changes have been described as a revolution of the social economy in which it started to locate the VCS in the centre of a mixed economy of welfare, and it has been seen as a major reconsideration about the contribution of the state to its social welfare. In 1983, the election manifesto of the Conservative government defined that the activities of the State should not be all-pervasive and should desist from direct involvement, by putting the government only as a guiding figure or as a referee in social welfare. This manifesto has provided a basis for unleashing the potential of the voluntary and community activities (VCA), giving them more support and independence (Crowson 2011).

The local authorities have increased in importance in the political and economic environment in parallel with the VCS. Local authorities have been encouraged to move from becoming the monopoly providers of social services to a mixed economy of care throughout the period of Conservative government with legislation, such as the "*NHS Community Care Act*" in 1990, being put in place. This legislation allowed local authorities to be enablers, service providers, purchasers as well as commissioners from mixed sources of the VCS. One of the reasons behind this was to encourage all the forces of the market, in order to support welfare and increase the competition between public, private and the VCS in order to provide a service for vulnerability as well as for social need (Cunningham 2001).

Although there were some concerns about these issues, the changing competitive landscape of the VCS has been described as the '*new competitive climate*' (Kendall and Knapp 1996, p.253). Therefore, the growing numbers of VCOs that were entering the sector, combined with a blurring of the boundaries between the public and private sectors, were likely to increase the competition for further resources, fundraising and funding from the local authorities or the government (NCVO 2015; Chew 2006).

**3.2.2 The Peak of VCS: The Political and Economic Environment of the Sector in 1997-2010**

The past seventeen years showed the sensitivity of the VCOs in the political and economic conditions in which they operate in the U.K and it was during this time that these conditions significantly reached their peak for the VCS. There has been a political consensus that the government should no longer involve itself in social welfare, as the Conservative Government ensured before the election of the Prime Minister Tony Blair's New Labour Government. Therefore, the VCS, alone, has been responsible for adopting proactive approaches to solve social problems (Dey and Teasdale 2016) and with full support of the government.

The election of the New Labour Government in 1997 with its new politics on an improvement of social welfare has also strengthened the environment in which the VCS is involved (Jones et al. 2016). The New Labour Government has indicated its intention to create a culture of collaboration with the VCS (Lewis 2005). On its inception, it aimed to achieve this with a reconstituted state (Alcock and Kendal 2010). Through this reconstitution, the VCS was embodied as a much-organised vanguard of civil society (Fyfe 2005).

In the economical context, the new governance structures, after the New Labour Government election, have helped to increase the capacity and the environment that allowed for an increase of the contribution in service provision within the VCS. This contribution has increased the income of the Voluntary and Community Service significantly in its public service delivery under the New Labour Government (Jones et al. 2016).

The change in the legislation also gave the VCS the right to play a significant role in supporting the statutory services in the response, planning and recovery phases of most emergencies that reflect governmental policies (Cabinet Office 2011). The delivery of services, and the role of the VCOs in their relationship between community and responders

that included the sector in their arrangements of local planning, was a way of increasing the organisational capacity of the sector. The organisational capacity could allow the response to be more accessible and effective inside the community, and this could also enable the VCS to support the development of community activities (Cabinet Office 2011).

As a result, from 1980s, the Conservative and Labour Governments have given independence to the sector, but the main aspects of community development and the welfare state were dependent on the voluntary involvement and the sector itself (Bussel and Forbes 2002). These years could be the golden age of the VCS for its independence, service provision as well as abundance in funding, resources and support from the State.

### 3.2.2.1 Evolution and Formation of the Social Enterprises within the VCS through the New Labour Government

In the past two decades, throughout the rise of the New Labour Government between 1997-2010, social enterprises within the VCS have been more important to the state, as markets have extended into the organisation and delivery of public services. Consequently, this has increased the importance of social enterprises due to the characteristic of being social welfare organisations and becoming business-like (Leadbeater 2007). Hence, social enterprises have been the centre of a deeply political and economic phenomenon (Dey and Teasedale 2013). As mentioned in the previous section, in the period of the New Labour Government, there was the most developed governmental support in the world of VCS (Nicholls 2010). This support has triggered the forming of not only mainstream VCOs but also social enterprises (Dey and Teasdale 2013).

In 2002, there was significant increase of the debate on social enterprise in the UK. It has been launched by the **Social Enterprise Coalition** by the government of Prime Minister Tony Blair and they established a **Social Enterprise Unit** within the VCS in order to increase the knowledge of social enterprises and encourage them throughout the UK. In 2004, the **Department of Trade and Industry** (DTI), which supervised the Social Enterprise Unit, has introduced their own definition, and a new legal form of social enterprises with the **Community Interest Company**, voted for in Parliament. The Department of Trade and Industry (DTI) (2002) identified the purpose of social enterprises:

*"A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners"* (DTI 2002, p.7).

The DTI was restructured as the **Department for Business, Enterprise and Regulatory Reform** in 2007. Even though the DTI no longer exists to any further extent, the definition that identifies it is embraced not only by various social enterprises but also by various voluntary and community groups (Lyon and Sepulveda 2009).

### 3.2.2.2 The Size of Social Enterprises within VCS in the U.K.

Although it has been very difficult to identify the exact number of social enterprises, two different surveys have been conducted by the various organisations. First of all, the data of a survey, which was prepared in 2005 by a Social Enterprise Unit on behalf of the DTI, can help to provide a more precise image of the social enterprise field in the VCS. According to the data, there were 15,000 social enterprises throughout the UK with a total turnover of £18 billion and 775,000 employees including 300,000 volunteers (Spear 2008).

In the second survey called the **State of Social Enterprise Survey**, which has been prepared by Social Enterprise UK on behalf of Santander (2017), there are 70,000 social enterprises in the UK with a £24 billion turnover contribution to the economy of the UK. According to both surveys, there is a significant increase in the number of social enterprises; however, there is not a rapid increase in turnover. Therefore, this can show that the majority of social enterprises remain as start-ups, and they are small and medium in size. The possible reasons for them remaining small and medium in size are discussed in the next section.

### 3.2.3 The VCS Today: The Effects of the Changing Landscape in the Political and Economic Environment after 2010

Based on the chronological order above, the fundraising increased, and the regulations were in favour of the VCOs after the election of Conservative Government in 1980 and reached their peak under the Labour Government in 1997. However, the post 2008 years of recession, and the post 2010 austerity programme of the Coalition Government (Conservative and Liberal Coalition) of Prime Minister David Cameron have dramatically changed the political and economic conditions of the VCOs that operate in the sector. It has put the sector into a political argument of establishing the Big Society programme and Localism (Milbourne 2013

cited by Jones et al. 2016). However, according to Dey and Teasdale (2016), the Big Society programme was directly contrasted with programmes promoted by the New Labour Government (Dey and Teasdale 2016).

In 2012, the Welfare Reform Act was implemented by the Coalition Government. According to new Act, four new policy objectives have been set. Those changes in policy were **(a)** reducing the welfare bill, **(b)** simplifying the benefits system, **(c)** protecting the most vulnerable in society, and **(d)** creating a system that incentivises work (Finnegan 2016, p.10). Although, these objectives seem to simplify the rules and regulations and combine the free market, social welfare and the voluntarism of VCS under the Big Society. However, these new rules and regulations have reduced the share of the funding support from central and local government.

Since 2012, the VCS have experienced cuts in funding as a consequence of the local authorities and government spending reductions. Therefore, it has been estimated that total governmental funding to the VCS decreased by £1.3 billion, which is 8.8% of its total income, and a significant amount, more than the total government spending cuts that represents the sector, has affected it during the austerity period between 2010 and 2012 (Kane et al. 2014 cited by Jones et al. 2016). On the other hand, Finnegan (2016) argues that total income from local authorities and the central government to the VCS has decreased by £1.7 billion between 2010 and 2013.

According to Pattie and Johnson (2011), the Conservative and Labour Governments have been given the courage to increase, considerably, the resources that are allocated to the VCS. Nevertheless, there was a lack of guidance on how to use those resources effectively. In addition to this, the austerity programme increased the autonomy while significantly reducing organisational and financial support (Milbourne and Cushman 2013).

As a result, the governmental cuts led VCOs to decrease their capacity in employability in these organisations, as well as placing them in a disadvantaged position in serving their local communities. Therefore, the changing legislation over the sector forces the VCOs to find new ways, and create strategies, to effectively use their resources, and create new innovative ideas, practices and techniques for the benefit of the sector, and it has increased the importance of more cooperation with mainstream businesses.

In order to manage the variety of work for social causes, the number of VCOs has significantly increased leading to larger competition for limited human and financial resources (Bussel and Forbes 2002). The changing relationship with funders has brought financial uncertainty to the many VCOs due to a reconsideration of funding priorities by the statutory sector, strategies of delivering services and short-term financial settlements (Cunningham 2001).

**3.2.4 Voluntary and Community Organisations (VCOs) and Social Enterprise Situates in the U.K.'s Economic Wheel**

As discussed in the previous sections, the VCS is situated between the Public and Private Sectors. On the other hand, social enterprises in the UK are situated between profit driven and mainstream businesses, and those that are purely voluntary and community, as well as having non-market characteristics in the UK economy. According to Leadbeater's (2007) report that has been prepared for the **Cabinet Office,** on the left side below, profit is the main driving force; however, it brings social benefits in its wake as an unintended consequence. On the right side, there is no role of profit as an incentive in the voluntary and community side, and social benefits are highly intentional and considered the aim of the activity. Table (6) below shows where social enterprise situates itself through its various aspects:

|  | **Mainstream Business** | **Socially Responsible Business** | **Social Enterprise** | **Public Services** | **Voluntarism (Traditional VCOs)** |
|---|---|---|---|---|---|
| **Inputs, Finance and Resources** | Financial and commodity markets, | Financial and commodity markets, | Ethical investment and fair trade sources, | Tax borrowing, public employment, | Donations, charity, giving, |
| **Processes and Work** | Value chain, lean production, just-in-time, | Greater attention to supply chain management for ethical and environmental issues, | Heavily biased towards social inclusion and environmental objectives, | Public service value chains combined with contracting out, | Volunteering into social projects, |
| **Outputs, Consumer Markets** | Consumer markets selling on price, quality and brand, | Some green and fair trade branding, | Green, fair trade and social inclusion central to brands, | Access to public services, politically determined non-traded, limited co. payment, | Gift, given away, no charge, |

| Social Value Claim | Business generates jobs and profits, pays taxes, and allows philanthropy, provides useful goods and services. | Business can be done in a more socially responsible way – meeting social goals builds a better business. | Social goals are primary, business is a way to achieve them – meeting business goals create more social impact. | Government essential to provide non-market public goods at scale which neither VCS nor business can. | Giving culture underpins efforts at public good creation in all sectors, new wave of voluntary solution. |
|---|---|---|---|---|---|

**Table 6:** Social Enterprises in the U.K. Economic Wheel (Source: Leadbeater 2007, p.5)

### 3.2.5 Funding and Relationship with Mainstream Business Environment

Limited funding increased the competition within the VCS in order to benefit from funding and contracts. Therefore, this led the VCOs to become strategically driven organisations to explore opportunities with taking risk and generating new innovative ideas for the people who need support (Cunningham 2001). However, the growing number of VCOs that are small in size, and who do not have sufficient strategies to transform or adapt to the new situation, have significantly been affected by the removal of the direct funding previously supported by the government, predominantly in education, and health care such as drug and alcohol addiction, and social care such as homelessness (Chew 2006).

As a result, VCOs are not only struggling to achieve funding, contracts, and adequate resources but also to employ experienced volunteers from a decreasing pool, even though the need for social services is increasing (Bussel and Forbes 2002). The key element for the current strategy of the government was strengthening the compactness of the VCS in delivery and shaping the policy of social services in the UK. However, these changes have put massive pressures on the VCS to satisfy and manage their operations as a long-term strategy and short-term survival needs for social causes (Chew 2006).

### 3.2.6 The Differences of Social Enterprises against Their Mainstream Business Counterparts

Social enterprise differentiates from their mainstream business counterparts as part of a collaborative process, and many social enterprises can make use of the resources and the relationships of public services in order to seek a collaborative social innovation for growth (Di Domenico et al. 2009: Chell et al. 2010).

Unlike the social enterprises, the public services can be distant, hierarchical and operated by highly bureaucratic rules and regulations. They are generally delivered by separate departments with their own targets and structure of accountability, such as social services, housing, health, education and homelessness. In contrast, social enterprises have been formed to create more personalised and integrated solutions, which are more people-focused and business-like. They are generally built on a model of their own values of self-help that encourages people to be participants in creating solution for social problems, and often prepare a peer-to-peer system of support rather than depending on professionals (Laville and Nyssens 2001; Leadbeater 2007; Doherty et al. 2014).

### 3.2.7 The Business Practices that Voluntary and Community Sector (VCS) Determine

After the changing political and economic landscape, the VCOs as well as social enterprises have faced problems securing long-term funding with the increased competition for resources due to the lack of governmental and other external funding. Bull and Crompton (2006) tried to uncover the ways to secure the limited amount of funding. In addition to this, the need of VCOs is on funding and fundraising; however, the need of social enterprises moved to the contract culture. Therefore, specifically, social enterprises became customer-focused quality providers through ensuring contracts in order to face the competition in a similar field with various VCOs as well as with traditional mainstream organisations.

It can be seen that VCOs, specifically social enterprises, can also fail with similar mistakes, as found in their mainstream business counterparts (Hines 2005; Bull 2007). On the other hand, business practices cannot always fit with the VCOs and social enterprises (Anheier 2000). However, the six aspects (strategic opportunity, risk, innovation, organisational learning, generation of ideas and resources) of strategic entrepreneurship that are discussed in the first literature review chapter can help VCOs use business practices in a structural route.

### 3.2.8 Relationships of the Voluntary and Community Sector

Relationships can take up a major part of mainstream VCOs and social enterprises. They can provide various relationships such as geographical or economic. The geographic relationship can occur under environments, such as the government and local authorities, as well as the relationship with the vulnerable people that live in that environment. These relationships can shape the form of the VCS for funding, fundraising, service delivery and for products. This section focuses on the economic and geographical relationship of mainstream VCOs and

social enterprises. In the next section, it is discussed how those relationships can affect and shape the VCS.

### 3.2.8.1 Geographical Relationships of the Voluntary and Community Sector

The differences in location and geography affect the types of networking in which the mainstream VCOs and social enterprises are embedded. Therefore, this brings into place a strong bond between the geographical area and embeddedness, which can consist of the interaction of stakeholders in a network of relationships. In particular, the work on structural embeddedness has been considered in its role in commercial entrepreneurship rather than in the domain of the VCS (Chell 2007). Therefore, mainstream VCOs and social enterprises can shape themselves for the need of the environment in order to deliver services, or for production. In this way, it has been argued that geography plays a significant role in the relationship with structural embeddedness in the VCOs (Chell et al. 2010).

### 3.2.8.2 Economic Relationships and the Governance of the Voluntary and Community Sector

The arrangements of governance in the UK are generally dominated by the market relations into more scopes of activity in private and public sectors (Peredo and McLean 2006; Liu and Ko 2011). However, in the context of the VCOs, other features also play an important role: these are centrally management systems and imposed targets (Dees and Anderson 2003). There is a considerable body of work that attempts to develop suitable measurement and management systems as well as indicators of performance for the social economy and VCS. On the other hand, developing those perspectives on measurement and management systems can bring some questions to the mainstream VCOs and social enterprises over whether there is a standard way to respond to the external factors (Spear 2008).

### 3.3 The Practices of Strategic Entrepreneurship Aspects in the Voluntary and Community Sector (VCS) in the U.K.

In the following section, the aspects (innovation, resources, generation of ideas, strategic opportunity, organisational learning and risk) of strategic entrepreneurship identified in the theory part of the literature review are discussed, as well as the practices of these aspects in the VCS. As discussed before, VCOs are highly involved in reinvesting financial flows with a certain objective.  This is to make a direct contribution in the production and service delivery

to the people who need services on a continuous basis, which is one of the main reasons for the existence of VCOs, compared to the private and public sectors (mainstream businesses) (Chell et al. 2010). Therefore, the VCOs are responsible, in their role, of filling in the gap where mainstream businesses are unable to respond to the social needs of the environment. They embed their social mission and make it central to the way they operate (Leadbeater 2007).

### 3.3.1 Innovation in the Voluntary and Community Sector (VCS) in the U.K.

Kendall and Knapp (2000) believe that, in the VCS, there are three classes of innovation, which are service innovation, process innovation and organisational innovation, and broadly a constant set of purposes across the service and policy domains (Clark et al. 2008).

**(a) Product innovation** is explained as the involvement of new goods and services which can be entirely new output, adaptation of existing outputs (product differentiating) or finding new users (market differentiating).

**(b) Process innovation** is involvement that is producing a given set of outputs through the new technology.

**(c) Organisational innovation** is the process where agents either implement a novel internal structure or implement a novel external relationship (Kendall and Knapp 2000, p.113).

The innovation attributes could be varied into two new features, such as new service technologies and configurations that are more efficient, equitable and effective for beneficiaries and accession of social type skills whose benefits extend further (Kendal and Knapp 2000).

The VCS has generally been thought of as a basis of local innovation throughout the UK, specifically in the delivery of social services for the people who need support, and the VCS has enabled local authorities to obtain a better understanding of local needs and benefit from their expertise and experience (Clark et al. 2008). This has also been seen in the increasing trend of commissioning certain services from local councils to the VCS (Leadbeater 2007). Nevertheless, the innovative activities of VCOs seem to be driven, to a large extent, by the behaviour of central or local authorities. Therefore, between 1994 and 2006, it appears that the VCOs have become less innovative as a result of being unable to secure funding from government or local authorities without presenting substantial innovative activities in the VCS (Chell et al. 2010).

There are a number of reasons why mainstream VCOs and social enterprises can play a significant role in innovation. For instance, these organisations can be flexible and agile and it seems that they have a climate for entrepreneurship and types of creativity, as in the private and public sectors. Even though it has been claimed that they are not representative, VCOs represent the same interests, which are dedicated to public causes, with their dedicated people networks and local support that show the potential of powerful resources of human capital, additional financial resources and creativity (Clark et al. 2008).

### 3.3.2 Risks in the Voluntary and Community Sector (VCS) in the U.K.

The delivery of services in the VCS holds the risk for survival and an organisational viability that can affect intensely the smaller-size VCOs. In addition to this, larger-size VCOs are exposed to containable financial risk and probably unlimited reputational risk. However, the smaller-size organisations can hold the possibilities of both reputational and financial risks (Power et al. 2009; Milbourne and Cushman 2013). Specifically, in the changing economic and political landscape and with limited resources, grants and funds can affect them foreseeing those risks when making decisions.

It is assumed that the risk of initiative or particular processes is undertaken by the decision makers or by a group of people that establish the mainstream VCOs and social enterprises. As mentioned, and outlined in the literature review I, organisational learning aspects in strategic entrepreneurship can help to manage and mitigate the uncertainty that leads to risk through experiencing and establishing knowledge. As in the private and public business environment, the level of risk is significantly considerable for the VCOs and social enterprises. In addition to this, the financial capability of VCOs depends on the efforts of the employees, volunteers and stakeholders in order to secure and improve sufficient resources, as well as funding, fundraising, reputation and providing services for VCOs (Chell 2007).

### 3.3.3 Strategic Opportunity in the Voluntary and Community Sector (VCS) in the U.K.

The VCOs including social enterprises have a dual mission in order to generate social and economic value that also creates strategic opportunities for possessing commercial income from the results of funding as well as fundraising for charities, foundations, delivering a service or product for social enterprises and helping vulnerability for all VCOs (Golding and Peattie 2005; Zahra et al 2009; Doherty et al. 2009; Doherty et al. 2014).

In the VCS, the identification of strategic opportunities is highly influenced by the social and institutional structures in a local environment or community. These institutional structures can be included in relationship, custom, practice and in the behavioural design of importance in the life of a society or local community. Therefore, the aspect of strategic opportunity in the VCS is viewed as a process in order to address a social problem, as well as the process of navigating a solution for social problems in a local community or a society. In addition to that, for all VCOs, the discovery of strategic opportunities relies on work and personal experience as well as the experience of the decision makers, as well as the need of society or the local community where there is vulnerability (Mair 2006).

As mentioned in literature review I, and in the previous section from various authors, the risk as an aspect is highly considerable in the VCS when compared to the private and public business environment. Although the decision makers identify a strategic opportunity in the particular gaps due to a limited capacity in capability of the paid employees and volunteers and budget in delivering a service or a production for need. The limitation in these areas can affect each VCO's ability to find a solution for social problems or a service delivery, as well as an opportunity that is identified. Therefore, the decision makers, top management team or individuals in the VCOs can choose to repeat similar works that they are familiar with due to their previous experience and special skill in those particular areas rather than identifying new strategic opportunities because of the possible level of risk and lack of capability. Based on these, it is categorised that the VCOs are prone to **(a)** some experiences and skills that can be the sources of strategic opportunity. This can occur within the regulative boundaries of the VCOs which can provide a solution within their skills and experiences; **(b)** observing reactions to shape the VCOs where opportunities occur without facing or encountering minimum risks and benefiting from those opportunities. VCOs can be highly considered for the elements of risks. For instance, losing reputation can be one of the main risks specifically for the organisations that are in the VCS; **(c)** conceptualising the key elements to improve the organisational proposition. This can happen via generating an existing or new idea or amending the existing idea that is applied by mainstream VCOs and social enterprises in order to fill the gap into the strategic opportunities that are identified and **(d)** the capability to transfer the experiences to members as well as the organisation itself. As a result, this can lead the organisations to identify further gaps in specific areas and create strategic opportunities in order to fill those gaps.

### 3.3.4 Resources in the Voluntary and Community Sector (VCS) in the U.K.

In the VCS, tangible and intangible resources are significant aspects in order to sustain the organisations and are derived from internal reserves, grants, funding, fundraising as well as donations (Doherty et al. 2014). For mainstream VCOs and social enterprises, they are effective at organising resource dependence and use their community embeddedness, as well as relational ties with stakeholders, in order to secure external resources and creating opportunities in order to produce and provide services for vulnerability (Dacin et al. 2010). In addition to this, social enterprises control relationships with their internal and external stakeholders to initiate a mechanism that is creative to overcome barriers to access resources in the external environment (Doherty et al. 2014).

Human resources and capabilities are another important resource for VCOs when coming across shortages of skills (Salomon et al. 2003). In terms of creating an effective environment, in that employees as well as volunteers work together, VCOs are chasing to find efficient strategies to achieve the needs of the stakeholders (Borzaga and Solari 2001). Therefore, unlike paid employees who are expected to comply with managerial demands, the people that work as volunteers are free to withdraw their roles when the strategic direction that the organisations are pursuing do not match (Royce 2007). Even though, the effective use of resources creates social value for the client and for the environment that the organisation belongs, the extra costs of achieving the social mission are not arising in traditional mainstream organisations that have recruited fully trained employees (Doherty et al. 2014). However, the utilisation of volunteers and paid employees in the VCS require a minimum level of paid workers, unlike the traditional mainstream businesses, as their resources and capabilities (Chell 2007: Chell et al. 2010).

### 3.3.5 Generation of Ideas in the Voluntary and Community Sector (VCS) in the U.K.

It is highlighted in the generation of ideas section of literature review I that the processes of strategic entrepreneurship begin with the various ranges of ideas (Lynch 2015). Nevertheless, these ideas are discussed and reduced by the decision makers of the organisations before they can turn into a service that is delivered as well as fundraising by mainstream VCOs and social enterprises.

The generation of ideas can be limited in VCOs compared to the private and public sector due to the sizes of the organisations, lack of budget and capability of staff, as well as a limited

number of experienced paid staff and volunteers. These difficulties can be observed in VCOs in order to generate new ideas for offering the delivering of services by contract, product, and generating economic and social value.

On the other hand, as mentioned in literature review I, some mainstream VCOs and social enterprises can have their own particular methods in order to generate the new ideas that can reach the gap of vulnerability, and by finding a correct strategy in order to fill that gap as well as funding and fundraising. Consequently, the generation of ideas in VCOs can be generally open, that is collecting various ideas such as from government and local authorities as well as by identifying the needs of the local environment. Although, Lynch (2015) mentioned that the generation of ideas need to be various and not restricted, the idea generation can be specific and restricted in general due to the capability of the VCOs.

### 3.3.6 Organisation Learning in the Voluntary and Community Sector (VCS) in the U.K.

As discussed in literature review I, organisational learning is defined as the capability that is allowing all organisations to generate knowledge as a basis of improved performance (Hitt and Ireland 2000: Dess et al. 2003). Two main types of learning occur as organisations apply the strategic entrepreneurship process. These types are divided as acquisitive and experimental learning. Acquisitive learning generally takes place when an organisation has pre-existing knowledge from the external environment (Dess et al. 2003). This knowledge is gained through the public knowledge by organisations (Matusik 2002).

Experimental learning takes place with the gained knowledge inside the organisations. Knowledge can be gained through the routines and processes as well as through the documentations of the organisations (Matusik 2002). Specifically, this learning type can provide the knowledge as well as the experience through putting it into a cycle as discussed in the theory part. As a quick reminder, in the theory part, the adaptation of Kolb and Fry's (1975) "*Cycle of Experiential Learning*" from Richard Lynch (2015) has been discussed as four different aspects such as **(a)** concrete experience, **(b)** observation and reflection, **(c)** formation, and **(d)** testing the new situation in a loop in order for learning through experiencing.

a) **Concrete experience:** In this research, concrete experience can be the understanding of the decision makers or the individuals in the organisations involved. In addition to this, concrete experience in the VCS can be as strong as in the private and public sectors.

Specifically, stakeholders or even the VCOs themselves are assigned or followed up to the task when they involve a similar experience and reacting in the same circumstances.

b) **Observation and Reflection:** The observation and reflection can be considered as where the experiences are discussed by the decision makers, teams and individuals in the VCOs. In this step, the past experiences and the risks are discussed by these members of the VCOs and they prepare an action plan. At this step, various questions can be asked and discussed with other members including internal and external stakeholders.

c) **Formation:** As mentioned, observation and reflection can be identified as the formation of a new action plan of a VCO. The decision makers or individuals discuss whether they will apply an existing past experience or amend it, and renew their future action based on the new form. As a result, the formation can be based on the previous experience of the VCOs.

d) **Testing the New Situation: Here,** through the new formation of the VCOs, the decision makers or individuals can focus on and finalise the responses of the organisations to the new circumstances and identify how effective the new structure can become.

## 3.4 South-West Region of England

**The South-West** is the largest region of England, consisting of 9,200 mi² (approximately 23,800 km²) and consists of Bristol, Dorset, Gloucestershire, Wiltshire, Somerset, Cornwall and the Isles of Scilly as well as Devon as its counties. According to the Office for National Statistics (2013) consensus, the population of South-West of England are approximately 5.3 million, which is 8% of the entire population of the UK. Particularly, Bristol, Bath, Salisbury, Plymouth, Exeter, Weston-super-Mare and Bournemouth are considered as the major cities or towns in the South-West of England. These areas have strong domestic and international tourism, financial services and an education sector with the universities and language schools.

### 3.4.1 The Short, Medium and Long-Term Survival Strategies in the County of Bristol

VCOs in Bristol have tried to chase new strategies and explore upcoming possible opportunities after the changing economic and political landscape. Jones et al. (2016) explored in the *"Urban Strategies Journal"* the impact of the Coalition Government's austerity plan and how the organisations in Bristol have prepared themselves for short, mid and long-term strategies to be able to survive after decreased or limited funding and increased demand and support to vulnerable people. According to the findings, the VCOs in Bristol

have decided to cut or freeze the wage of staff, introduce rolling monthly contracts and they are using their financial reserves to maintain their operations as short-term survival strategies.

As medium and long term strategies, the organisations have accepted three key strategies to maintain operations and these are **(a)** partnership and collaboration (making arrangements as a result of the requirement of the funders); **(b)** charging for services (membership fees); and **(c)** making more strategic decisions to achieve more local philanthropy (filling the gap which is out of the scope for local business, such as drug and alcohol problems and mental health) from the mainstream businesses (Jones et al. 2016).

### 3.4.2 The Short, Medium and Long-Term Survival Strategies in County of Cornwall and Isles of Scilly

Cornwall and Isles of Scilly as a whole is considered one of the major counties in the South-West of England. There are 22300 people representing 9% of the total workforce of VCOs in Cornwall and the Isles of Scilly (Cornwall and Isle of Scilly Growth Programme 2013), and 13200 people currently work for social enterprises that contribute 5% of the total workforce (Social Enterprise UK 2016). A plan was prepared for employment and skills strategies from 2014 – 2020 in order to identify the opportunities and challenges, and create an action plan to embrace those opportunities, mitigating the risks that can arise from those challenges (Cornwall and Isle of Scilly Growth Programme 2013).

The current challenges have been listed as the cuts to public sector budgets involving an assessment of traditional service delivery to target resources, and the governmental welfare reforms have increased the barriers in order to engage with the vulnerable community or society (VSF Cornwall 2017). Over the years, the changing demography has put additional and challenging demands on support as well as the delivery of services. These challenges can be listed as supporting elderly people and increasing life expectancy, mitigating homelessness, and increasing educational skills for particular jobs that can reduce unemployment. The changing rules and regulations provide opportunities for the VCS in Cornwall and Isles of Scilly in order to compete for contracts to deliver particular services by VCOs. Nevertheless, these changing rules and regulations bring additional challenges, such as the process in commissioning or impact demonstration (Cornwall and Isle of Scilly Growth Programme 2013).

Mainstream VCOs and social enterprises in Cornwall and Isles of Scilly decided upon strengthening the innovation in products and services, as well as supporting and engaging with vulnerable groups or societies as a main part of their action plan, according to the action plan from 2014 – 2020. In addition to the plan, the organisations should develop a framework in order to strengthen and extend the contribution to social, environmental and economic development in order to identify the opportunities to adapt and strengthen the VCS, recognise a clear vision in order to avoid social, economic and environmental challenges, and identify areas for improvement in achieving the vision based on international, national, local directives, priorities as well as policies (Cornwall and Isle of Scilly Growth Programme 2013; VSF Cornwall 2017).

### 3.4.3 Indices of Multiple Deprivation (IMD) in South-West Region of England

Deprivation refers to not only just poverty, but also lack of resources and opportunities. Therefore, the Indices of Multiple Deprivation (IMD) is responsible for assessing the relative degree of deprivation in small areas across England. According to the IMD of the South West Observatory (2015), the greatest number of deprived areas exists in the South-West region compared to other regions; therefore, the majority of deprived areas in England (98%) are located in these areas. The cities such as Torbay, Bristol and Plymouth have the highest extent of residents living in deprivation, which is 10% of the most deprived areas nationally. Consequently, seven small areas in the South-West region, such as Boscombe West ward in Bournemouth, and Weston-super-Mare in North Somerset, are in the most deprived areas in England with 1% (South West Observatory 2010). In addition to the index, the greater proportion of most deprived areas is located in the county of Dorset. According to the Table (7) below, Dorset is divided as eight major areas. Bournemouth, Poole, and Christchurch serve as unitary local councils that are independent local councils in Dorset.

| Areas | Income Scale/Number of Residents | Rank of Scale | Employment Scale/Number of Residents | Rank of Scale | IMD-Average score | IMD-Average rank |
|---|---|---|---|---|---|---|
| **Bournemouth** | 26043 | 97 | 13554 | 93 | 121 | 117 |
| **Poole** | 16588 | 146 | 7339 | 162 | 206 | 208 |
| **Christchurch** | 4910 | 313 | 2124 | 316 | 252 | 259 |
| **East Dorset** | 6354 | 295 | 2934 | 296 | 304 | 303 |
| **North Dorset** | 5649 | 303 | 2604 | 309 | 225 | 210 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Purbeck** | 4152 | 320 | 1836 | 323 | 226 | 211 |
| **West Dorset** | 9021 | 258 | 4054 | 268 | 220 | 207 |
| **Weymouth and Portland** | 9279 | 255 | 4856 | 245 | 100 | 103 |

**Table 7:** Local Authorities in Bournemouth, Dorset and Poole (Source: Bournemouth Borough Council 2015)

The result from local authorities above represents the various measures as well as ranks; therefore, each measure has a rank from 1 to 326. According to scale 1, this represents the most deprived, on the other hand, 326 represents the least deprived rank.

The results vary from 93 for the employment scale and 123 for the rank of extent that makes the area of Bournemouth the middle of the third most deprived authority in every measure, on the other hand, it represents the third most deprived in income and employment scales in Dorset (Bournemouth Borough Council 2015). The report estimates that 26043 people that live in Bournemouth and in the neighbouring areas are income deprived, that is 14% of the whole population of Bournemouth.

In addition to this, the employment scale proceeds with the number of residents who would like to work; however, they are unable due to sickness, disability or unemployment. In the employment scale, the (2015) report estimates that 13554 residents, 12% of the entire population, are currently in that position.

**3.4.3.1 Indices of Deprivation of Bournemouth According to Bournemouth Borough Council Reports**

The purpose of the VCOs is to respond with the voluntary and community activity (VCA) where the deprivation is high, and with finding solutions as mentioned in the introduction chapter (Chapter One). The three IMD reports (2010; 2015; 2019) shows the domains of highly deprived areas with **(a)** Income, **(b)** Employment, **(c)** Health and Disability, **(d)** Education, Skills and Training, **(e)** Barriers to Housing and Services, **(f)** Crime and **(g)** Living Environment Deprivations in Bournemouth and neighbouring areas, such as Boscombe Centre, Boscombe West ward, Springbourne, Kinson, St Clements, Queen's Park Avenue and Littledown etc. As a result, each of the domains has their own scores and ranks (Bournemouth Borough Council 2015). Therefore, this can represent the purpose of how local VCOs are formed based on the social issues. In addition, Appendix E shows the most

deprived areas of Bournemouth through Indices of Deprivation (IoD) in terms of health and education.

The reports (2010; 2015; 2019) represent the fact that the Boscombe Central and Boscombe West ward are the most deprived areas in Bournemouth, which are ranked 226$^{th}$ in England, putting them in the top 1% of deprived areas in England and the 7$^{th}$ most deprived areas within the South West of England.

**(a)** In **income deprivation**, St Clements is the most deprived area with the rank of 526$^{th}$ in England, putting it in the top 1.6% most deprived; it is the 6$^{th}$ most deprived in the South West region. In addition to this, Boscombe Central reveals that 35% of the population in this locality are income deprived. Littledown is the least deprived with 4% of the population called income deprived.

**(b)** In **employment deprivation**, Boscombe Central is considered as the most deprived area where 34% of the working population are employment deprived which ranks 17$^{th}$ in the South-West region.

**(c)** In **health deprivation and disability domain**, the result of Bournemouth can be considered as one of the most deprived areas in England. Boscombe Central is ranked 593th across England; however, Queen's Park Avenue is listed as the least deprived across Bournemouth.

**(d)** In **education, skills and training deprivation**, the most deprived area, West Howe in the Kinson South ward, is ranked 832th in England. In addition to this, as education related deprivation of children and young people, it is 51% in Bournemouth within the 40% most deprived area in England, and Boscombe central is the most deprived area for children and young people in education.

**(e)** In **barriers to housing and services domain**, according to physical and financial indicators, it is the most deprived area across some of the coastal wards. According to the result, Boscombe Central is the most deprived area in Bournemouth.

**(f)** **Crime** is largely centred on the central coastal band and town centre as well as the North West of the borough.

**(g)** In **living environment deprivation domain**, the report concentrated on the more densely populated areas of Bournemouth. As a result, Boscombe Central ranked as the most deprived area, 93rd of England.

**3.4.3.2 The Voluntary and Community Organisations (VCOs) in Dorset**

As a part of the South-West England, the researcher has started from the Bournemouth, Boscombe, Poole and Christchurch areas due to the proximity of the facilities and variety of the VCOs. According to a survey of Bournemouth Council for Voluntary Service (Bournemouth CVS 2015), the population of Bournemouth was approximately 183,500 and in mid-2013, the approximation was 188,700 residents and it has a relatively young population with an above the national average adult proportion under the age of 34.

6.7% of the whole population are aged over 85 years above the national average. Older people are much likely to be admitted or make use of health and other social services compared with the South-West and other areas in England. Therefore, improving access to community and voluntary alternatives to hospital admission and arranging timely and effective hospital discharge have been recognised as local priorities for transforming health and social care services (Bournemouth CVS 2015), which are the main scope of this research.

The VCS in Bournemouth and neighbouring areas can be considered very diverse and the known facts about the sector according to Bournemouth Council for Voluntary Service (2015), can be described as **(a)** there are approximately 370 registered charities in the area of Bournemouth, Boscombe, Christchurch and Poole with more than £65 million a year total income; **(b)** according to Office for National Statistics, there are still approximately 600 to 1500 unregistered VCOs in these areas; **(c)** two out of three registered charities and 88% of all VCOs have less than £100,000 income a year; **(d)** three out of ten registered charities and nearly three out of four of all voluntary and community groups (VSG) have less than a £10,000 income per year; **(e)** approximately two out of three registered charities do not get funded by the state; **(f)** over a third of charities work to improve wellbeing and health and nearly a third to improve lifelong learning and education; **(g)** 40% of registered charities essentially work for the benefit of only Bournemouth and another 28% for their local neighbourhood such as Boscombe, Christchurch and Poole; and **(h)** 8,500 volunteers work for registered voluntary and community groups delivering approximately 1.5 million hours of unpaid labour per year contributing around £20.5 million a year to the local economy (Bournemouth CVS 2015).

The facts above give an overall background and quick information about how settled and strong the voluntary and community culture in Dorset is particularly in Bournemouth,

Boscombe, Poole and Christchurch areas. Although some facts show that the majority of registered and unregistered VCGs have very low income and applying strategic entrepreneurship to those organisations can create an opportunity to increase their social services.

In a nutshell, it could be argued that the sector appears to have offered appropriate space for entrepreneurial activities that could be implemented under the view of strategic planning and execution. In addition, it has been given a new role to play with regard to public services that traditionally the governmental sector was responsible for, as a new public service delivery of an organisation. Having said this, the level of preparation for this role is not always adequate, which creates a sense of lack of structure and an inability for fit-for-purpose.

Thus, the application of strategic entrepreneurship can play a significant role not only for charities but also for any VCOs in those areas to work more efficiently in order to achieve and provide the best outcome with their limited resources. That is the reason why the application of strategic entrepreneurship has two main aims, such as to increase the efficiency and to create stronger community and the impact of the VCS, so that it can support communities, neighbours and families to support one another and lead the community more robustly and lead in their local areas through voluntary action. The second aim can be improving the capacity and new types of services for the local VCOs to bring local services that meet the best needs of the community.

### 3.5 Summary of Literature Review I and II

In this chapter, the logic behind it is given: how the VCS is situated, how it evolved and took one of the main elements in the economic system of the UK and how the VCS become a major source of social wellbeing in the South-West of England. As a result, the evidence of strategic entrepreneurship can be seen in both mainstream VCOs and social enterprises.

As discussed in the introduction chapter, based on both literatures, the research questions that support the research objectives and gaps that are identified in literature review I have been identified. These research questions can be stated as

**c)** What is the importance of resources in formulating strategies that correlate with entrepreneurial activities?

**d)** What are the current and potential resources and capabilities of VCOs of the South-West of England and how can they be measured?

**e)** What is the importance of innovative attributes in formulating strategies that correlate with entrepreneurial activities?

**f)** How can innovation attributes be defined and identified for VCOs?

**g)** How can the core principles of strategic entrepreneurship in relation to VCOs be effectively researched?

**h)** What are the benefits of creating a framework based upon strategic entrepreneurship for the VCOs of the South West of England?

**i)** How can enhanced resources, after the application of strategic entrepreneurship, provide for wealth creation in the VCS environment?

**j)** How can enhanced innovation attributes following the application of strategic entrepreneurship provide further opportunities for wealth creation in VCS?

These components were guided by the priori assumption of the researcher, data collection and analysis. The next chapter discusses the collection of the primary data used to find the answers to the research questions that support the research objectives. Therefore, the following chapter discusses the identification of the research philosophy and research method that is used in relation to the case study method.

# Chapter Four

# Research Methodology

## 4.0 Overview of the Chapter

The initial conceptual framework in literature review I (Chapter Two) shows the possibility of how strategic entrepreneurship can be applied into the Voluntary and Community Sector (VCS) to increase strategic directions along with entrepreneurial activities in order to achieve their operational capacity with an effective use of their limited resources and innovative attributes. Therefore, an effective methodology can represent the stance of the researcher and guide the application of strategic entrepreneurship into its context. Furthermore, the choice of a suitable methodology plays an important part for a trustworthy and decent analysis, as it supports the quality and a deeper understanding of knowledge.

The secondary and primary data are used in order to achieve the research aim and objectives, as well as the research questions in this research. The secondary data provides the key elements in the overall research that are the main concepts and theories and the controversies about the existing topic (Bryman and Bell 2015). In the literature review I (Chapter Two), the secondary data of this researcher identified the definitions, typologies and the key theories of the strategic management, and entrepreneurship fields. The researcher then identified how and in which aspects these two domains integrate, in order to establish a strategic entrepreneurship that would be suitable for integrating into the VCS to achieve a possible outcome, which is wealth creation. In the second (Literature review II), part of the previous chapter, it identified the background and the importance of the VCS, as well as the effects of the Voluntary and Community Organisations (VCOs) into the UK's economy, as well as in the South-West of England.

The secondary sources were reviewed using various books, journal articles, bibliographies, online dictionaries, organisational and government reports, website information and databases of the statutory organisations and mainstream VCOs, such as foundations, associations, local charities and social enterprises, in order to develop deeper and clearer understanding for the research. These reviewed journal articles and books are created from the main body of the first literature review about strategic entrepreneurship, as well as from the second literature review of the VCS. The researcher has given attention to the authenticity, transferability and academic content of the data. The sources date from the

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1930s to 2019s representing when and how the theories emerged and evolved from the key contributors, in order to establish the typology. Specifically, the articles and books were commenting on specific subjects, such as Schumpeter's ideas about innovation and creative destruction that dates back to 1934, and the earlier idea of what a resource is can be dated back to 1970s or even earlier. The other information that could not retrieved by the researcher is expected to be determined from the primary data, or can be considered as the limitation of the research.

After the discussion of the main concepts and ideas for the both literature review chapters, it is important to have clear process for the methodology and conducting primary data throughout the research. Consequently, the methodology chapter aims to describe the chosen research process and critically examines that research process with the accurate research methods, and justifies these methods with appropriate data analysis procedures, in order to accomplish the aim and objectives of the research. As mentioned above, the researcher discusses and finalises the research quality, such as transferability, authenticity and validity of the chosen methods in the research, as well as the limitations and ethical concerns, which are discussed at the end of the methodology chapter.

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The research objectives and research questions that are identified in the introduction chapter are listed below to justify the appropriate research method that is selected:

**R.O.1:** The first objective is to examine how the application of strategic entrepreneurship can enhance the use of resources for organisational benefit.

k) What is the importance of resources in formulating strategies that correlate with entrepreneurial activities?

l) What are the current and potential resources and capabilities of VCOs of the South-West of England and how can they be measured?

**R.O.2:** The second objective is to investigate how the application of strategic entrepreneurship can enhance the use of innovative ideas, practices and techniques.

c) What is the importance of innovative attributes in formulating strategies that correlate with entrepreneurial activities?

d) How can innovation attributes be defined and identified for VCOs?

**R.O.3:** The third objective is to develop a conceptual framework based on the empirical findings that could justify the effective application of strategic entrepreneurship within the VCS in the South-West of England.

**c)** How can the core principles of strategic entrepreneurship in relation to VCOs be effectively researched?

**d)** What are the benefits of creating a framework based upon strategic entrepreneurship for the VCOs of the South West of England?

**R.O.4:** The fourth objective is to provide insights for the effective application of strategic entrepreneurship to contribute to the development of wealth creation for the VCOs in the South-West of England.

**c)** How can enhanced resources, after the application of strategic entrepreneurship, provide for wealth creation in the VCS environment?

**d)** How can enhanced innovation attributes following the application of strategic entrepreneurship provide further opportunities for wealth creation in VCS?

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## 4.1 Research Philosophy: Positivist, Realist and Interpretivist Assumptions

Philosophies can be defined as the "*net*" of the scholars that hold the ontological, epistemological and axiological beliefs and refer to being "*taken for granted*" (Denzin and Lincoln 2011, p.183). Mills et al. (2006) argue that it is necessary to choose a research philosophy that is corresponding with their beliefs about the nature of reality and to ensure a strong research design.

Sobh and Perry (2006) divide the research philosophies into the three key paradigms, such as constructionism, positivism and realism. According to Mo-Levers (2013), positivism, post-positivism, interpretivitism and constructionism are the main paradigms in research philosophies. However, Sounders et al. (2012); Collis and Hussey (2013); and Bryman and Bell (2015) state that ontological, epistemological and axiological considerations are based on three dominant paradigms for business studies, such as positivism, interpretivism and realism, and argue that the remainder are called sub-paradigms and derived from these three main paradigms.

In **positivism**, knowledge is generalised statistically to a population by observations of the statistical analysis about an easily achievable reality (Sobh and Perry 2006).

*"Positivism is likely to be an emphasis on theory testing whereby existing theory will be tested in a specific research context* (Carson et al. 2001, p. 63)".

In general, it is assumed that the reality is objectively given and can also be defined by measurable properties, which are independent of the researcher, and positivism generally attempts to test the theory in order to increase the understanding of the phenomena (Myers 2013). Based on empirical research, positivism is supported by the belief that the reality is independent, and it lies in the assumption that social reality is singular and objective and is not affected by investigating (Karami 2011).

In **realism**, realist-oriented researchers accept the differences between what the real world is and what their views about that real world are, and they try to establish several views of that reality that aims to understand the phenomena in terms of which ones are relative in time and place (Riege 2003). Realism is occasionally said to be the view that some things fundamentally exist independently in the researcher's mind (Urmson and Ree 1991).

According to Sobh and Perry (2006), in realism, the findings of a study are enlarged by the analytical generalisation and it shows how the empirical research findings nestle within theories. In contrast to positivism, a realist paradigm does not depend on a deductive approach and it sees the inductive approach as being a more appropriate research method for discovering and establishing theory rather than testing a theory through analytical generalisations (Riege 2003).

Eriksson and Kovalainen (2008) argue that the paradigm, **interpretivism,** is interested in how individuals or groups interpret the social settings. The key idea of the interpretivist approach is to work with the subjective meanings that already exist in the social world; for example, to accept their existence, restructure and rebuild them but avoid a distortion of them, and then understand them and use them as building blocks when theorising (Goldkuhl 2012). Therefore, interpretivist research is guided by feelings, beliefs and experiences about the knowledge and how it should be understood; and according to feelings, experiences and beliefs, some principles can be taken for granted or only assumed; however, others can be highly problematic or controversial (Denzin and Lincoln 2013).

Every interpretivist paradigm creates a specific demand on the researcher, as well as the questions which are asked about the research and the interpretations which are brought to them (Denzin and Lincoln 2013). An interpretivist scholar starts with the assumptions that

connect with the shared dynamics, and the independently constructed reality is only through social constructions such as shared meanings (Eriksson and Kovalainen 2008). Furthermore, "*Interpretivist philosophy is dependent on constructivist ontology*" (Goldkuhl 2012, p.5). Theoretical perspectives of interpretivism are often associated with constructivism, as it highlights the meaning, and it relies on the assumption that social reality is in the mind of the researcher (Mack 2010; Denzin and Lincoln 2011; Mertens 2010; Creswell 2013).

 "*Constructivism is an ontological position which asserts that social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but are in a constant state of revision* (Bryman and Bell 2015, p.33)*".*

Those social phenomena and their meanings can only be seen through the experiences and knowledge of the social actors, as they interact with their environments (Berger and Luckmann 1991). Bearing in mind the characteristics found in the three contrasting philosophies, the interpretivist approach is believed to be more appropriate for this research. As set out in the aims, research objectives and questions, this research intends to identify the application of strategic entrepreneurship in the VCS in the South-West region of England. The researcher requires it to be the part of the environment, through relationships and interactions between top management teams, line managers and volunteers in the context.

### 4.1.1 Ontological, Epistemological and Axiological Considerations

In social sciences, all research approaches make ontological assumptions about social beings and the nature of reality (Hudson and Ozanne 1980). According to Bryman and Bell (2015) **ontology** is considered with reference to the nature of social beings. In philosophy, ontology is the study of what exists in general. The main question is whether objective entities can be considered as social constructions grown from the actions of social actors and their perceptions, or whether social beings can be considered objective beings. Ontology answers the questions of what the fundamentals of the world are and how they relate to each other (Bryman and Bell 2015). Uscold and Gruninger (1996) believe that ontology is the term used to refer to the shared understanding of some domain of interest, which may be used as a unifying framework to solve something in a described manner. According to Johnson and Duberley (2003) and Kamil (2011), an objectivist view of ontology assumes that natural and social reality have an independent essence before human cognition; however, subjectivist

ontology assumes that what is taken as reality is an output of human cognitive processes. Philosophers use the concept of ontology to discuss challenging questions to build theories and models for a better understanding of the social status of the world.

**Epistemology** is the study of origin, nature and limits of human knowledge. Encyclopaedia Britannica (2016) defines that epistemology is derived from the Greek words *episteme* "knowledge" and *logos* "reason", and, therefore, the term is occasionally referred to as the theory of knowledge. Epistemology is concerned with the question of what is regarded as a discipline, and, generally, the main issue about this term is the question of whether the social world can or cannot be studied in relation to the same procedures, ethos and principles as the natural sciences (Bryman and Bell 2015). Crotty (1998, p.10) brought his idea about epistemology in relation to its philosophical grounding:

"*Epistemology is concerned with providing a philosophical grounding for deciding what kinds of knowledge are possible and how we can ensure that they are both adequate and legitimate*"

An objectivist view of epistemology assumes that the knowledge of what exists has an independent existence prior to human thought, and, therefore, the scholars seek objective knowledge, and it is believed they get closer to that knowledge by interactions with the objects of the reality. However, a subjective view of epistemology believes that there is nothing like ultimate true knowledge, but whenever it has been perceived as truth then it is a consequence of the consensus of views that can be perceived as reality, or objective in terms of knowledge (Kamil 2011).

**Axiology** can be defined as the philosophical judgements about a value that relates to personal values with regards to a research topic (Collis and Hussey 2003). According to Tomar (2014), axiology is the branch of philosophy concerned with the general problem of values that is, the nature, origin, and permanence of values. Generally, axiology focuses on questions about what "ought to be". It deals with the nature of values and relates to the teaching of moral values and character development. According to Collis and Hussey (2003), the positivist researcher believes that the research process is value-free, and the objects being studied are unaffected by their activities. However, the interpretivist researcher believes that the research process is value-laden, and the research is affected by the values of the researcher, and supports determining the interpretations and facts of the research.

| | Positivism | Realism | Interpretivism/ Constructivism |
|---|---|---|---|
| **Ontology (The nature of reality)** | Reality is real and apprehensible | Reality is "real" but only imperfectly and probabilistically apprehensible. | Multiple constructed realities of the same social phenomenon that can be inconsistent but equally essential. |
| **Epistemology (The nature of knowledge)** | Findings true – researcher is objective by viewing reality through a "one way mirror" | Findings probably true – researcher is value-aware. | The knowledge and the person who knows that knowledge are inseparable and findings are co-created with research participants. |
| **Axiology (The researcher's view of the role of values)** | Value-free and objective stance. The researcher is independent of the data. | Value-bound. The research is biased by world views, cultural experiences and up-bringing. | Value-laden and subjective stance. The research is part of what is being researched, and cannot be separated. |
| **Methodology (Discovery of the reality by the researcher)** | Mostly concerned with a testing of theory. Thus mainly quantitative methods, such as survey, experiments and verification of hypotheses. | Mainly qualitative methods such as convergent interviews. | Mostly concerned with qualitative nature, such as structure, semi-structured interviews and case studies. |

**Table 8:** Comparison of three philosophies according to research philosophies (Adapted from: Teddlie and Tashakkori 2009; Guba and Lincoln 1994; Sobh and Perry 2006, p.1195; Saunsders et al. 2009, p.119).

### 4.1.2 The Philosophical Stance of the Researcher

Ontology and epistemology are tangled in interpretivism due to the understanding and meaning of the knowledge, which is very important in the ontological assumptions of the structuring of the world (Goldkuhl 2012). Therefore, interpretivism does not only focus on the contents of empirical data, but also focuses on how these contents are shaped through these shared meanings. It is also assumed that there are various possible interpretations of the same data and all of them can be potentially meaningful (Eriksson and Kovalainen 2008).

What knowledge is valid in the research on creating knowledge, and what designates the valid source of evidence to present the knowledge and the valid results of knowledge, are

examples of epistemological claims (Tennis 2008). Sobh and Perry (2006) argue that ontology is concerned with reality, epistemology is concerned with the relationship between the researcher and the reality, axiology is concerned with how the values are structured and how the researcher measures those values, and methodology is the technique that is used to discover the reality by the researcher. In this section, the philosophical assumptions are considered that suits the best, based on the perceptions and how the researcher intends to interpret the reality and nature of the knowledge. Therefore, the research stands on interpretivist philosophy and how interpretivism is socially constructed in this research in order to understand how these ideas and concepts are known, and create predictions according to what is known in social world through the eyes of the researcher

Based on the various definitions and views above, it has been accepted that the position of social scientific knowledge needs to be conscientious and the meanings of the social actors; this is the reason why positivist epistemology (in Table 8) was not under consideration by the researcher (Morrow and Brown 1994). Hence, in terms of where the researcher positions himself, the research has been associated with an epistemologically interpretivist and ontologically subjectivism (in Table 8). In other words, there is a constructed reality of the social phenomenon and it is essential for how the researcher interprets that reality. However, the person (participants) and the knowledge (the experience in the VCS) are attached and the results are determined with the participants and interpretation of the researcher (Teddlie and Tashakkori 2009).
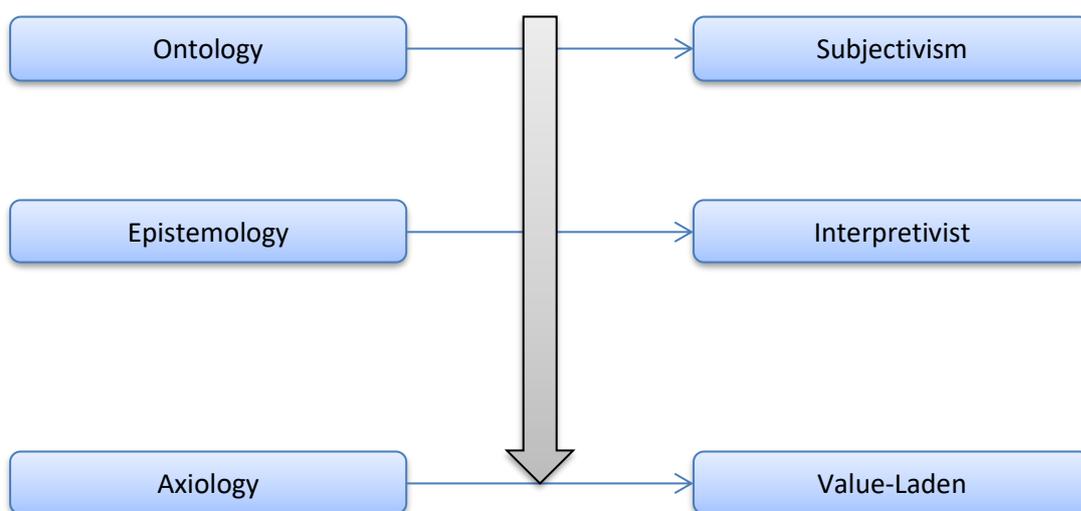


**Figure 8:** Philosophical Stance of the Researcher (Source: Author)

Figure (8) illustrates the philosophical stance of the researcher according to the aims and objectives of the research.

According to the philosophical stance of the researcher, it is shaped by how the VCS is constructed in the South-West of England and how it changed over the years, as well as how governmental policies and culture have shaped the VCS, which can give an ontologically subjective perspective of the research. In this research, subjectivism also gives the ability to concentrate on findings and observations about the experiences, perspectives and thoughts of the stakeholders in the VCOs. This is in order to comprehend the meaning, purpose and reality of the statements of stakeholders, and adapt these statements into the real-life setting, and then consider how the research interprets these realities, so they can fit into the conceptual framework.

In relation to this research, epistemologically interpretivism gives an opportunity to the researcher on how to interpret the observation about social reality, knowledge and experiences that have been determined by participants/stakeholders, in order to apply the strategic entrepreneurship framework into the VCS. This is in order to develop future strategies for increasing efficiency in operating performance and the operational performance in order to create wealth. Therefore, interpretivism has been used by the researcher to collect data with the purpose of searching for the general patterns and social interactions of the aspects of strategic entrepreneurship (risk, innovation, resources, strategic opportunity, generation of ideas and organisational learning) and the possible relationships in the VCS in the South-West of England. What is going to follow is a further deepening of the research conduct in order to achieve the harmonising of information, and create links in the construction and development of the research. These collaboration dynamics also enable the identification of the other entities that had not been demonstrated through the first review and in the secondary data, and then there will be an assessment of the level of involvement of the various main factors.

### 4.1.3 Research Logic: Induction and Deduction

The next step would be finding the appropriate research logic, according to the research philosophy (interpretivist philosophy as well as the objectives of the research) that has been chosen. The basic description of **deductive logic** can be the links from particular to general. A deductive logic is linked with creating hypotheses based on the existing theory and determining a research strategy to test the hypotheses and create relationships by observing

from those relations dependent and independent variables (Wilson 2014). In deductive logic, the next step would be deducting the hypotheses with the relevant research analysis and examining the outcome/data of the research. Therefore, deductive logic can also be called the "top-down approach".

Unlike deductive logic, the research includes **inductive logic** to provide interpretivist understanding in a context (Karami 2011). An inductive approach starts from the observations about occurrences and then continues with identifying themes and outlining in the data, which can allow the researcher to create tentative hypotheses for the research, and the findings can also lead to establishing theories, models and frameworks as well as conclusions (Creswell 2010). According to Creswell and Plano Clark (2007), the inductive researchers explore the interpretations of the participants for the wider themes or data, and create a framework or theory within those interrelating themes that is also called "bottom up". Trochin (2006) believes that the experiences and arguments are best expressed inductively. The main advantage of conducting an inductive approach is to consider the clarifications based on the findings when conducting primary data (Bryman and Bell 2015; Saunders et al. 2012).

Inductive approach plays an important part in this research due to a lack of systematisation of the major stakeholders involved in the academic context so far. These include the number of entities, the statute assumed, the continuous mission, and the focus of intervention regarding non-formal learning for the application of strategic entrepreneurship, existing partnerships and relationships, among others. As strategic entrepreneurship is understudied in the VCS context, an inductive approach could give an opportunity to establish subsequent knowledge. Having said this, by using the inductive approach it can be possible to prepare the subsequent phase of the analysis of the operating modes and the organisation of the stakeholders under consideration, and it can be eligible to create a conceptual framework for the application of strategic entrepreneurship in the field of VCS in the South-West of England.

### 4.1.4 Research Process: Descriptive, Analytical, Predictive and Exploratory Processes

Collis and Hussey (2009) state that the research is comprised of four processes: descriptive, analytical, predictive and exploratory. Descriptive process describes a particular problem or issue; however, analytical and exploratory research goes beyond this and analyses how and why phenomena are happening.

Predictive research is involved with forecasting the likelihood of something happening, while exploratory research is conducted when there is little or no information about the issue or problem given. Consequently, the important pattern of using exploratory research is to establish ideas or hypotheses rather than testing or confirming hypotheses. As a result, the research on the application of strategic entrepreneurship into the VCS in the South-West of England is a novel study. Therefore, the researcher tries to identify the phenomena and this match with exploratory research.

**4.1.5 Research Approaches: Quantitative and Qualitative Approaches**

Research methodology is indispensable for the researcher to identify the most appropriate way to achieve the research objectives (Rajasekar et al. 2013). The selection of the right research method, chosen between qualitative and quantitative research, would be identified by the research objectives and questions, not by the preference of the researcher (Marshall 1996). However, the choice of a suitable research method is also influenced by the nature of the research project and philosophical stance of the researcher (Collis and Hussey 2003). In order to support both ideas, the research gap can be significant for the choice of method and for what the researcher is trying to do in order to fill that gap, with the research objectives and the research questions that are identified.

This research study can be best described as being qualitative in nature. This is based on the research objectives, the research questions and the philosophical stance of the researcher, and after the definitions of both qualitative and quantitative research have been discussed, as well as the issues identified in literature review that were taken into consideration and what the researcher has been trying to achieve. The philosophical stance of the researcher will be discussed further in the following sections.

*"Qualitative approach can be simply defined as the techniques associated with gathering, analysing, interpretation and presentation of narrative information"* (Toddlie and Tashakkori 2009, p.6)

In qualitative research, the researcher plays an active role in both the generation and interpretation of insight and embraces a more subjective perspective on the nature of reality (Johnson 2015). As identified in the research objectives and questions, the qualitative method seems more convenient due to understanding the values, experiences and feelings of the stakeholders that shape the VCS in the South-West of England. The qualitative method can

be significant in the logic of understanding the dynamics. Particularly the leading actors in the sector, an investigation of past and current adventures that the sector has been going through, the potential ideas that were developed and generating new ideas for an improvement of the sector itself, and finally considering how the public and leading actors, as well as stakeholders, perceive the potential and future of the VCS in the South-West of England.

In addition to the justification above, the qualitative method is beneficial for gaining a deeper understanding from those actors: what the VCS means from their perspective. It uncovers the strategic activities, and the unique and entrepreneurial directions that the VCOs use, and they develop new directions as well as parameters for that reason. These are relevant in qualitative research compared to the quantitative method and allow the researchers to work closely with participants within the VCOs and collect information pertaining to their personal thoughts, insights and experiences in the sector (Yin 2003; Levy 2006).

As a result, the qualitative method is chosen as the most suitable method for the main purpose of understanding the application of strategic entrepreneurship into the VCS in the South-West of England. Therefore, in figure (9), it has followed the footpath of Saunders et al. (2012), the research onion, in order to structure the research process throughout the chapter.



**Figure 9:** The research process based on "Research Onion" (Source: Saunders et al. 2012)

**4.1.6 Research Strategy: Case Study**

A research strategy can be explained as the direction of the research with the process of the research that is conducted (Remenyi et al. 2003). According to Denzin and Lincoln (2005), research strategy is a link between the philosophies and the choice of the data collection and analysis. Therefore, the appropriate research strategy can be based on three conditions (Yin, 1981b; Yin 2009). These conditions are **(a)** the different possible types of cases, such as

exploratory, explanatory and descriptive studies; **(b)** the types of research objectives and questions that can be best addressed by case studies; and **(c)** the case study design types that need to cope with essential problems.

The research strategy also depends on the knowledge and the philosophical stance of the researcher (Saunders et al. 2012). According to Yin (1981b), in qualitative research, experiments, ethnography (or histories) and case studies can be classified as the common research strategies. As a broad definition, a case study can give a much detailed and multi-layered investigation through the qualitative research methods of a single phenomenon. The research study is conducted in great detail and it is generally depending on the use of several data sources (Feagin et al. 1991). Therefore, Yin (1981a) defines as a research strategy, the use of a case study when an empirical study needs to examine a contemporary phenomenon in its real-life case study and contemporary settings or contexts (Creswell 2013), as well as the boundaries between context and phenomenon that are not clear. The aim in this research for using the case study strategy is to build models or framework/s from the real-life stories that are the replication of logic (Eisenhardt 1989). Consequently, every case serves as a separate experiment, which stands on its analytic unit. However, experiments, generally, can be used in natural sciences and the hypotheses generally tested in controlled environments such as a laboratory. The distinct difference between case studies and experiments is that experiments can isolate the phenomena from the context, where case studies emphasise the real-life context in which the phenomena occur (Eisenhardt and Graebner 2007).

As mentioned above, due to the subjective ontology and epistemologically interpretivist philosophical stance of the researcher, the research strategy is based on case study research. This is related to the aim, research objectives and questions, and the appropriate research philosophy that has been chosen and the context of VCOs, such as local charities, community groups and social enterprises in the South-West of England.

A case study can be a better approach when the researcher has a clearly identifiable case or cases with boundaries, and seeks to provide an in-depth understanding of the case or a comparison of several cases (Creswell 2013). For this reason, the aim is to create conditions for a case study strategy that is able to explore but, most importantly, explain the circumstances of the impact of strategic entrepreneurship to the VCOs in the South-West of England. According to Stake (1995), Yin (2009) and Creswell (2013), a case study is also concerned with giving a screenshot to the readers of what is going on in a context.

As a result, in this research, the researcher identifies a promising and useful single case study: the case of the VCS in the South-West of England. The researcher, consequently, analyses and compares them as mainstream VCOs, such as charities, foundations, and associations that are under the **Charity Act** and social enterprises that are under the **Social Value Act** within the VCS in the South-West of England. Dividing these organisations under a single case also gives the option of comparing and contrasting these organisations for the possible application of strategic entrepreneurship under certain themes. This can provide an array of possibilities and can overcome the issue of generalisation and build a repertoire of best practices in entrepreneurial skills and their subsequent validation by key actors and stakeholders.

**4.1.6.1 The Case Study Design and Selection of Single Case Study**

There are two types of designs that are possible when using case studies, such as single and multiple cases (Yin 1989a). According to Baxter and Jack (2008), the researchers need to consider whether it is practical to conduct a single case study, or whether the phenomenon is better achieved through multiple case studies.

The other type of design is called the multiple-case design. As in the name, multiple-case design is applicable when the conclusions are prepared from more than one case study and whether the same phenomenon is thought to exist in a variety of situations (Yin 1989a).

The various reasons for choosing single-case studies from the various scholars' point of view are derived from the following:

**(a)** The multiple-case creates more robust frameworks due to the variety of evidence (Eisenhardt and Graebner 2007). In this research, the single case has been chosen as the South-West region; however, the mainstream VCOs and social enterprises remain separated. Therefore, this can still create a robust framework due to the evidence of both types of organisations.

**(b)** Creating a single case in the application of strategic entrepreneurship to the VCS in the South-West region, and identifying how the aspects of strategic entrepreneurship can be applied both to the mainstream and social enterprises can give strong evidence and reliabilities when establishing three conceptual frameworks. (This is one framework for the mainstream VCOs, one framework for social enterprises and a third framework that comprises both.)

**(c)** Eisenhardt and Graebner (2007) believe that, in multiple cases, the concepts and the relationships between those concepts can be well described because of determining the appropriate levels of construction and accurate definitions. However, dividing the mainstream VCOs and social enterprises within a single case study still determines a suitable level of construction and an accurate discussion, as well as reducing the validity issue by comparing two types of organisation in a single context,

**(d)** The division of mainstream VCOs and social enterprises within a single case study can show how these concepts can evolve and the relationships between these contexts. Finally, this can be beneficial for the researcher not only in building the conceptual frameworks but also important for emphasising strong analytical conclusions.

According to Yin (2003), multiple cases can be used when the researcher predicts the same results for predictable reasons (Baxter and Jack 2008). However, due to the size, capacity, strategic and entrepreneurial eligibility of mainstream VCOs and social enterprises (for example the organic structure of mainstream VCOs and the more robust structure of social enterprises), the various results are predicted between these types of organisations. Therefore, the single case study of the South-West region gives the opportunity to make comparisons within the organisations.

**4.1.6.2 Case Study Protocol**

Case study protocol is a significant process to improve the reliability of the case study research and it is intended to guide the researcher in carrying out the data from cases, and having a case study protocol is required under all circumstances (Yin 2009).

According to Yin (Yin 2009, p.81), a case study protocol should have the following sections in a general matter: **(a)** an overview of the case study project (project objectives and auspices, case study issues and relevant reading about the topic being investigated); **(b)** field procedures (presentation of credentials, case study access, data sources and procedural reminders); **(c)** case study questions (the specific questions that the researcher of the case study needs to keep in mind when collecting data and potential sources of information for answering each question); and **(d)** a guide for the case study report (outline, format of the data, use and presentation of other documentation and bibliographical information).

The importance of case study protocol lies upon two main reasons. First, the case study protocol can keep the research on target. Second, preparing the case study protocol forces the researcher to anticipate several problems including how the case study reports are completed.

**4.1.6.3 Determining Case Boundary and Unit of Analysis**

Identification of the case boundary and unit of analysis can be considered as an important tool in order to conduct the research study. Identification of different approaches for delimiting the boundaries in case study methods can be used in this respect. The network boundaries can be identified as four different approaches. According to Halinen and Tornroos (2005), these approaches need to be chosen to follow the objectives of the research, and, therefore, setting a boundary is essential for analytical purposes, for defining the case and what belongs to its context.

The first level can be identified as a dyad-network perspective; this is a focal exchange relationship between two parties that is the basic unit of analysis to investigate organisational relationships. The second level consists of the focal actor perspective, containing all the direct relationships of an organisation. The third level can be identified as the case boundaries through the intranet perspective, which is an organisation's third-party relationships connected through the dyad-network and focal actor perspectives. The final level is concerned with boundaries through the micronet-macronet perspective, which are the relationships beyond the third parties connected indirectly to an organisation in its networks and industries (Eng 2005: Halinen and Tornroos 2005).

Based on the nature and the objectives, the research involves the relationships between the focal actor (mainstream VCOs and social enterprises within the South-West of England) and the other instruments that are linked with the focal actor. The direct relationship between every VCO and the instruments is necessary for the application of strategic entrepreneurship into the VCS in the South-West region. Therefore, a focal actor perspective is best suited to determine the case boundary. The figure below represents the relationship between the specific VCOs and their supporting instruments.
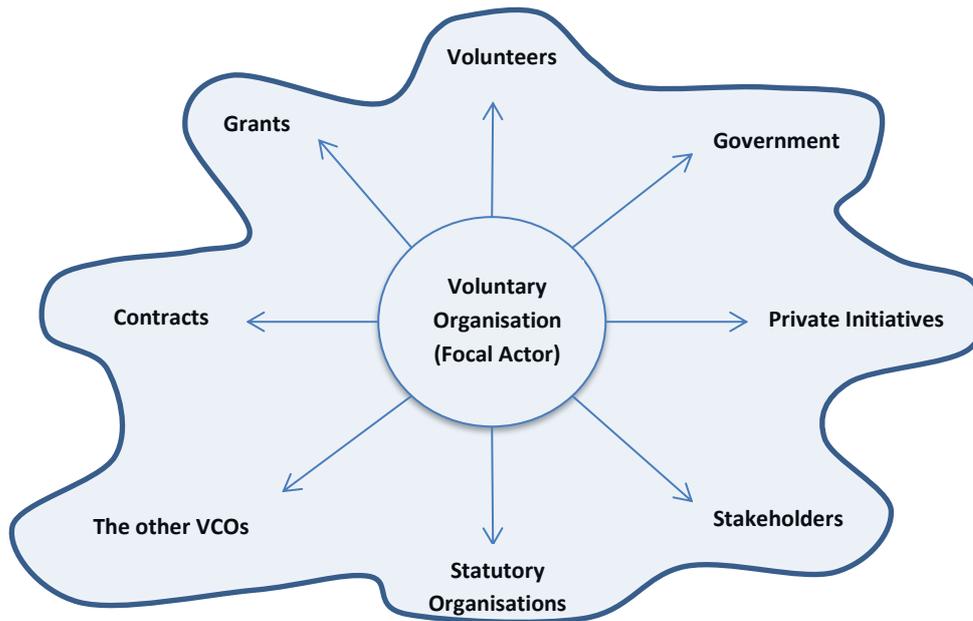
**Figure 10:** Boundaries through the focal actor perspective (Source: Author; Halinen and Tornroos 2005, p.1289)

Macroposition and microposition are characterised as the pair of concepts by Johansson and Mattson (1988). The microposition is concerned with the role that the organisation has with another organisation and by its importance to the other organisation that is mainly dyadic. However, the macroposition comprises of the following: **(a)** the identity of a direct and indirect relationship of the organisation in the network; **(b)** the role of the organisation in the network; **(c)** the importance of the organisation in the network; and **(d)** how strong the is relationship between those instruments (Johansson and Mattson 2015). These characteristics can be used as procedures in the search for the boundaries of a network. Parallel with the other concepts offered, the perspective on defining the network is clearly that of one focal organisation in the sector (Halinen and Tornroos 2005).

In this research, it is mainly focused on the macro-position rather than on the micro-position, as it explores the focal relationship between the VCOs and their instruments, such as grants, contracts, government, statutory organisations, and stakeholders etc. In figure (10) this is linked with the different relationships that organisations have and their interrelation with those instruments and the other instruments that they may have. As seen in figure (10), the directors, or an organisation itself, may have the relationship with the government, and

private and public grants. Consequently, in this research, the other relationships in the wider network may also be the focus and help to shape the conceptual framework.

### 4.1.7 Selection of Cases and Participants

According to the philosophical stance of the researcher and the research approach as discussed in the section 4.1.2 (due to the research aims and objectives), this research is more concerned with concentrating on developing conceptual framework/s than testing the hypotheses that are taken from a specific theory. Consequently, non-probability, rather than probability sampling, is used to select cases for this research. Further information about the sampling technique is discussed in the section 4.2.2.

### 4.1.7.1 Selection of the Case

In order to select cases for the research, the Bournemouth Council for Voluntary Service (CVS) website and the Boscombe Link office gave details of the VCOs in Bournemouth and the South-West region, which were used as a guide. When selecting the cases, the VCOs that are not linked with this region are eliminated. As previously mentioned, the VCOs in the South-West region are selected on the basis of different characteristics. Therefore, these VCOs differ in terms of rule under different acts, size and the segments of what they do, as well as their linkage. These VCOs within the South-West of England are classified according to the following categories: **(a)** mainstream VCOs such as charities, foundations and associations; and **(b)** Social Enterprises.

Depending on the category, VCOs may have various characteristics. For instance, social enterprises in the VCS can try to achieve various objectives, such as financial and social ones. Social enterprises can also use different strategies to straighten them to small sized mainstream VCOs that are not in a position to provide collateral. In contrast, mainstream VCOs may try to achieve different social and financial goals due to their size and capacity. As a result, this can provide a capacity for improving better innovative attributes and the effective use of resources.

### 4.1.7.2 Selection of Participants

Having selected the mainstream VCOs and social enterprises within a single case (South-West of England), the top-managers, owners, and line managers in those VCOs needed to be identified for the data collection. The participants that are chosen for the semi-structured

interview are those who have a better understanding of what the dynamics of the VCS are and how their organisations work, as well as their entrepreneurial personality and capacity to understand and give strategic directions. Therefore, as mentioned before, top-management teams, directors, line managers and the owners of VCOs were the most suitable for this research.

Moreover, two participants from the statutory organisations were also selected for the research, so they can guide and give better understanding for the dynamics of the sector in the South-West region. This selection was achieved based on the criteria laid down by the researcher.

## 4.2 Data Collection Procedure

The primary data are collected through interviews. In this research, it was decided that the primary data are collected through face-to-face semi-structured interviews until it reaches the saturation point, in order to evaluate the current and future activity of VCS in the South-West of England. The pilot study has been conducted with 6 participants from selected VCOs in the area of Bournemouth before continuing with collecting the actual data. The key aim for conducting a pilot study is to test and improve the research quality before the actual data collection of the research (Wilson 2014). The aim of conducting a pilot study for the research can be listed as **(a)** to establish internal and external reliability and validity from the initial data; **(b)** to understand whether the initial framework (Figure 6) needs reconsideration or if it fits according to the answers of the participants; **(c)** to clarify that terminologies and aspects are well understood by the participants as well as by the researcher; and **(d)** to find out the willingness of the participants to participate and whether they have answered accurately.

The data collection procedure and semi-structured interviewing covers a specific part of the population and does not have a set of rules or boundaries. Nevertheless, the aim of the data collection via semi-structured interviews is to obtain enough responses that allow the achievements of the research, and increasing the quality of the research as well as giving better understanding for the research.

The participants were accessed after an open invitation through the telephone or email for participating in the interviews, while explaining the content, aims and benefits of the research. The provisional list of questions was provided for the participants who wanted to know what the possible interview questions are and to see whether the questions are bringing

any bad image, either for the participant or for the organisation, as well as getting ready to find out what the participants want to talk about before the interview takes place. Once the participants have accepted the invitation to participate, the researcher has carried out the interviews in the premises of the participants (specifically their office and any available room at the university) that have been agreed to in advance by the researcher and participants for their own convenience. The interviews have lasted approximately 40 - 50 minutes in the data collection period and the responses of the participants were recorded on a tape with their consent as well as by taking notes. The interviews contained questions about the application aspects of strategy, strategic management and entrepreneurship, and actions towards the application of strategic entrepreneurship into the VCS context, and finally establishing a case study within the South-West of England. For instance, the participants are required to explain the background of the VCS, and their involvement in strategic, entrepreneurial as well as innovative activities that their organisations are into, as well as their past experiences and an assessment of those experiences. Lastly, the responses of the participants are evaluated by the researcher in order to analyse the data and draw conclusions.

### 4.2.1 Semi-Structured Interview

The primary data is collected through interviews within the case study of the South-West region. Therefore, the aim of the interviews is to obtain enough responses, which allows the achievement of the research objectives and questions. According to Maxwell (2008), an interview is a main source of collecting information in qualitative research. Moreover, personal interaction through interviews is the most popular primary data collection method in interpretivism. Interviews can be defined as a qualitative method that includes "*conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program or situation* (Boyce and Neale 2006, p.3)".

According to Eriksson and Kovalainen (2008), interviews are the research vehicle used for the purpose of producing empirical materials for the research in question. McNamara (2009) suggests that the importance of the preparation stage is in order to maintain an unambiguous focus on how the interviews are selected in order to provide maximum benefit to the proposed research study. The aim of the interview is to get inside the participant's head and enter into their perspective to discover things, such as feelings, experiences and interpretations that may not be discovered or observed in a different way (Carson et al. 2001; Patton 2002).

The research that is conducted is face-to-face **semi-structured interviews** that create information for thematic analysis. The range from semi-structured interviews is designed to achieve deeper understanding and determine broad insights for the research subject (Carson et al. 2001). According to the researcher, the ultimate aim of conducting a semi-structured interview is to gather information from the stakeholders that are the basis for analysing the relationship between specific VCOs and their key supporters. During the process of making a semi-structured interview, the outline of the topics, issues or background and themes are prepared by the researcher, but there is still the possibility to change the wording and the order of questions in each interview. The main advantage of the semi-structured interview is that the materials are systematic and comprehensive; on the other hand, the interview itself is conversational and informal (Marshall 1996; Eriksson and Kovalainen 2008). Furthermore, the researcher is also able to use some data analysis programmes such as NVivo 12. NVivo can also be considered by the researcher as a qualitative data analytical tool to provide support in storing, managing and analysing the data.

Although the structured interview would be another option for collecting data, it has not been considered due to various reasons chosen by the researcher. First of all, one of the effects of the interview is that the personality of the interviewer can affect what answers are given by the participant or that the participant misrepresents the truth and that makes the results unreliable. Secondly, the answers in structured interviews would be limited and specific, just for the purpose of answering the question, and that makes it hard to obtain reliable data on attitudes, values and experiences. Finally, it can be difficult for the interviewer and/or researcher to stick to the agreed questions, even though the participant gives information about his/her experiences that can be crucial for guiding the research.

Alternatively, semi-structured interviews comprise both structured and unstructured interviews in a way that the researcher needs to formulate questions from the areas to be covered, and the interviews have several ready and open semi-structured questions to ask the participant (Longhurst 2003). The important text passages are not always in the direct context of the question from what the interviewer asked in a semi-structure interview; the aspects the interviewer introduces are often taken up in a more clear form or one that the interviewer turns up in response to a different question within a different context (Schmidt 2004). Therefore, during the interview process, some unplanned questions can be asked in order to clarify some points indicated by the participant or to clarify any other points. Apparently, semi-structure interviews are more than just chats. Semi-structured interviews can be

conversational and informal, and they are flexible in that they may be used in combination with other theories and methods (Longhurst 2003).

## 4.2.2 Sampling Technique

The sample selection has an absolute effect on the ultimate quality of the research in qualitative research (Coyne 1997). The researchers have been criticised for a lack of description of their sampling, which makes the interpretation of their findings hard and affects any replication of their research (Kitson et al. 1982). Although, it is not the case with the qualitative method where the researchers need a sample with variations along the independent variables as in the quantitative method (Trost 1986); sampling techniques have also been a central concern in qualitative research (Luborsky and Rubenstein 1995). In general, qualitative research is prone to choose non-probability sampling to investigate the aspects under question (Creswell 2013). According to Morse (1991), the lack of clear guidelines on selecting the suitable sampling method for the research can result in confusion in the qualitative research method. Therefore, the sampling technique needs to be identified carefully in order to develop an inclusive understanding of the research subject by choosing the relevant units of analysis so that the difficulties can be minimised (Flick 2009).

## 4.2.2.1 Non-Probability (Non-random) Sampling

Non-probability sampling does not only lead to further knowledge about the population but also gives in-depth knowledge about the sample (Uprichard 2013). In this research, non-probability sampling is applied due to the nature of the qualitative method. Non-probability sampling embraces the researcher into drawing samples from a larger population without entailing a random selection. The relevant feature of non-probability sampling is that subjective views play a significant role in the sample selection, since the researcher has greater control of the selection process and decides on the relevance of the population sample (Henry 1990; Tansey 2007). Additionally, this is due to the fact that the researcher actively selects the most productive sample according to his own judgement for participation in the research and answers the interview questions (Black 2009).

## 4.2.2.2 Purposive Sampling

Sampling methods are intended to maximise the efficiency of the research (Morse and Niehaus 2009). Therefore, the sampling method needs to be consistent with the aims and assumptions (Palinkas et al. 2015). As Patton (2002) observes, purposive sampling can be

considered as a technique that is widely used in qualitative methods as well as non-probability sampling for the identification and selection of information rich cases for the more effective use of limited resources. This includes identification and selections of participants or a group of people that are specifically knowledgeable or experienced about the certain subject or issue (Creswell and Plano Clark 2007). This makes the purpose of the sample and the population explicit.

Based on the definition above, the participants are identified and selected from those who are knowledgeable and experienced and can provide information rich cases about VCOs in the South-West of England. Consequently, the participants (50% male and 50% female) are those who have a deep knowledge about the dynamics of their organisations, the environment that they work with, and the sector itself, as well as enabling the researcher to gain a wide range of responses and a deeper understanding. Therefore, the researcher selected the target participants of purposive sampling in this research as the top management teams (chief executives, head of departments, managers and vice-managers), line managers, team leaders, owners and officers of statutory organisations in the VCS in the South-West of England. Consequently, the sampling design for the case study is identified and further explained below:

| Sampling Type | Aim | Participants (Voluntary and Community Sector) | South-West of England |
|---|---|---|---|
| • Purposive Sampling | Finding the potential participants that are suitable and can contribute to the research. | • Social Enterprises<br>• Associations<br>• Charities<br>• Foundations<br>• Statutory Organisations | • Cornwall<br>• Devon<br>• Somerset<br>• Dorset<br>• Wiltshire<br>• Gloucestershire |

**Table 9:** Purposive Sampling Design for the Case Study (Source: Author)

Furthermore, the populations considered in Table (9) are difficult to reach for the researcher. Consequently, snowball sampling is used as a sub-sample to gather the necessary number of participants to meet the aims of the researcher.

**4.2.2.3 Snowball Sampling**

Snowball sampling, also called respondent-driven sampling (Etikan et al. 2015) provides a unique way of reaching the potential participants that are linked with the research (Noy 2008). The snowball sampling method is used as the main vehicle in non-probability sampling for enriching the population and accessing more participants. Particularly, Exponential Non-Discriminative Snowball sampling is chosen to expand the population and reach potentially information-rich participants in the VCS, as well as from social enterprises.
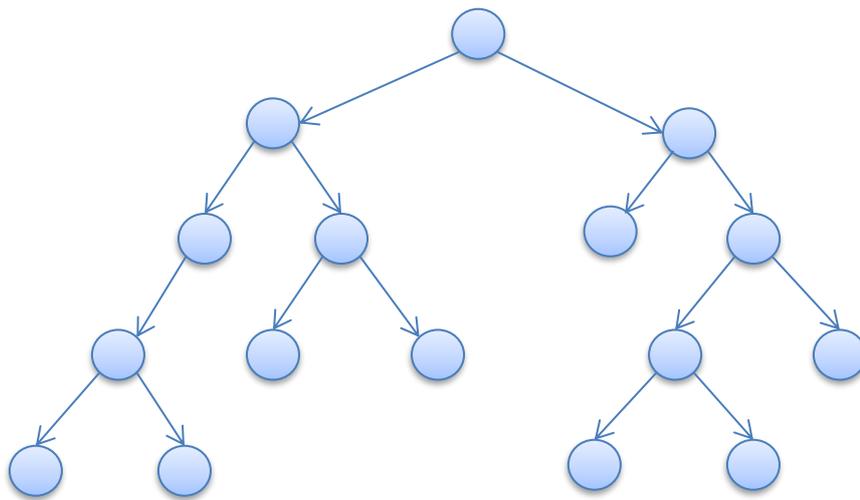


**Figure 11:** Exponential Non-Discriminative Snowball Sampling (Source: Etikan et al. 2015)

To generate exponential non-discriminative snowball sampling, the researcher followed the steps based on the figure above:

**(a)** Identify the participants in the desired population.

**(b)** The researcher asks the participants that have been referred for other potential participants.

**(c)** Use these participants to find further participants, and so on, until the sample size is met for generating information rich cases.

Information-rich cases can provide insights for the application of the strategic entrepreneurship in the VCS rather that empirical generalisation (Patton 2002). This can involve developing a framework of the variables that might influence an individual's contribution and is based on the researcher's practical knowledge of the research area, the available literature and evidence from the study itself (Marshall 1996).

Using the secondary sources of the Council for Voluntary Service (CVS) in the South-West of England through their databases, and the list of VCOs that is linked to this service, the researcher has identified, particularly, the mainstream VCOs and social enterprises that are beneficial for the single case study. The population of snowball sampling is chosen in the areas of Dorset, Devon, Cornwall, Somerset, Wiltshire and Gloucestershire in the South-West of England due to the need and eligibility of applying different strategies to reach potential funds, grants and people in need in the VCOs.

The researcher has prepared his own list of databases to make contacts based on three aspects, such as **(a)** capacity, **(b)** size and **(c)** resources and capabilities of the organisations. Furthermore, the researcher has identified 30 participants for both mainstream VCOs and social enterprises: 12 participants represent social enterprises, 13 participants from charities, 2 for associations and 1 for foundation. They have been contacted through email and by telephone by explaining the purpose of the research. This is how strategic entrepreneurship can be applied to this context for enhancing the current and future operational and financial resources and other resources, as well as organisational innovative attributes, and whether they are willing to help in the improvement of this research subject for the benefit the VCS. The desired population for snowball sampling were chosen with the participants who agreed to conduct semi-structured interviews.

**4.2.2.4 Data Saturation**

As mentioned in the introduction chapter of this thesis, the data saturation point in the sub-samples and the use of purposive sampling (non-probability sampling) play an important role in collecting the primary data. In terms of data saturation, Fusch and Ness (2015, p.1409) discussed that there is not a *"one-size-fits-all"* method that can be used to achieve the saturation point and, therefore, there is no universal method that is accepted by every researcher. This can be explained as there are various research designs available. However, the researchers accept the general concepts and principles, such as no new data, no new coding, no new themes or the ability to replicate the research (Guest et al. 2006). Rich and thick data can be more important than the size of the sample (Dibley 2011; Burmeister and Aitken 2012). In order to differentiate between rich and thick data, the researcher needs to consider *"thick as quantity"* and *"rich as quality"*, which means that *"thick data is a lot of data; rich data is many-layered, intricate, detailed, nuanced, and more"* (Fusch and Ness 2015, p.1409).

The type of interviews is also a method used to reach data saturation. As discussed previously, semi-structured interviews (See: Section 4.4 – Interview Guide) are chosen by the researcher in order to provide rich and quality data (Appendix I and Appendix J). Through a thematic analysis, the specific themes and subthemes are brought together from the codes that become apparent. Based on the clarifications of the data saturation above, and over the course of the data analysis process, 403 items are identified that comprise 69 themes and 334 sub-themes with 1041 references/data from 30 participants (15 male and 15 female) through NVivo 12 software. (See: Section 4.3.1 - Coding: Using Thematic Analysis through NVivo 12) As a result, the researcher achieved the general concepts and principles, as no new data, coding, themes or sub-themes were established; the data is then considered as saturated through the personal lens of the researcher.

### 4.2.3 The Pilot Study

A pilot study can be explained as a small study conducted in advance of a planned project, specifically to identify the aspects of the research design and to allow any necessary adjustment before a final commitment to the design (AQR (The Association for Qualitative Research) 2016). A pilot study is normally small in comparison with the main experiment, and, therefore, can provide only limited information on the sources and magnitude of variation of the response measures (Lancaster et al. 2002). According to the researcher, the pilot study played a vital role for detecting the weaknesses in the instrument and design of the conceptual framework, as well as the interview process during the data collection. The reason for conducting a pilot study can be stated as the access and feasibility of the process that can lead to the success of the main study, and it covers the potential human and data problems, such as questions (as structure and clarity of the questions) that are reflecting on the main purpose and what is expected to be achieved during the research. While conducting the pilot study, the researcher identified some weaknesses of the research. The first interview questions were not representing all the aspects for the application of strategic entrepreneurship into the VCS in the South-West of England. The interview questions were amended and improved for the need of the main study. Second, the researcher was unable to present a conceptual framework that can make the application of strategic entrepreneurship into the VCS possible. Finally, the researcher has decided to access the participants who work at the managerial level of mainstream VCOs and social enterprises.

As a preliminary research, the researcher has started from Bournemouth and the neighbouring areas, such as Christchurch, Boscombe and Poole, due to where the university and the researcher are based, as well as the proximity of the facilities and VCOs. In the later stage, during the main data collection process, the research is enlarged to the other towns in the South-West of England. During the pilot study, six participants were interviewed by the researcher. Five participants were male and one participant was female. The participants were chosen at managerial level in the VCOs in Bournemouth. The profiles of the participants are **(a)** Director of Health and Support, **(b)** Assistant Director of Health and Support, **(c)** Chairman and Owner, **(e)** Assistant Director of Education, **(f)** Manager of an organisation of the Bournemouth branch, and **(g)** Assistant Manager of an organisation of the Bournemouth branch.

## 4.3 Data Analysis: Thematic Analysis

The face-to-face semi-structured interviews create the information for the **thematic analysis and used** to deepen the understanding for the application of strategic entrepreneurship into the context. According to various scholars, thematic analysis can be stated as one of the most common data analysis methods in qualitative research (Bryman and Bell 2015; Cameron and Price 2009; Braun and Clarke 2006). Thematic analysis can be defined as a method for analysing, identifying and reporting themes within the data, which minimally organises and describes the data set in the research (Braun and Clarke 2006). As in the thematic analysis, **content analysis** can be used for subjective interpretation, or used to make valid inferences from the content of text or the written data via a systematic classification process of identifying and coding themes (Weber 1990; Hsieh and Shannon 2005). The rules of this interpretation process differentiate with the theoretical aims and interests of the researcher (Weber 1990). Bryman and Bell (2015) state that the striking point in content analysis is to make the interpretations known by objectively, and systematically, outlining the characteristics from the messages. Thematic analysis shares many of the procedures and principles of content analysis in that the terms theme and code are used interchangeably (Joffe and Yardley 2004).

Although both thematic and content analyses seem relatively similar, the differentiation of content analysis is generally limited to classifying it primarily as qualitative as against a quantitative method. A more detailed analysis of the ways in which qualitative content would potentially brighten the key issues could be considered in order to avoid a muddling of

methods for this research subject, and reflecting on the design of studies purporting to conduct content analysis (Morse 1991; Hsieh and Shannon 2005). One of the benefits of thematic analysis is its flexibility (Braun and Clarke 2006). Thematic analysis often draws on both types of theme, and even when the manifest theme is the focus, the aim is to understand the latent meaning of the manifest themes that are observable within the data, which requires interpretation (Joffe and Yardley 2004).

Thematic analysis can be conducted from a constructivist perspective and meanings are socially produced rather than inhering within individuals; consequently, thematic analysis seeks to theorise the structural conditions and socio-cultural contexts that allow the individual accounts that are provided. Thematic analysis that focuses on latent themes tends to be more constructivists and at this point tends to begin to intersect with a **discourse analysis** (Braun and Clarke 2006). Discourse has generally been defined as "*beyond the sentence*" (Fasold 1990: p.65 cited by Schiffrin et al. 2008). According to Fairclough (2013), discourse can be seen as an object or entity; however, it is a multifaceted set of relations as well as relations of communication but it also describes the relations between communicative events enduring discursive objects, such as physical worlds, power relations and people that are connected in social activity.

| Thematic Analysis (Braun and Clarke 2006) | Content Analysis (Elo and Kygas 2008) |
|---|---|
| **Familiarising with the Data** <br> Transcription of data, reading the data, re-reading and noting down the initial ideas. | **Preparation** <br> Being immersed in the data and obtaining the sense of whole, selecting the unit of analysis, deciding on analysis of manifest content and latent content. |
| **Generating initial Codes** <br> Coding interesting features of the data systematically across the entire data, collating data relevant to each one. | **Organising** <br> Open coding and creating categories, grouping codes under higher order headings, formulating a general description of the research topic through generating categories and subcategories as abstracting. |
| **Searching for Themes** <br> Collating codes into potential themes, gathering all data relevant to each potential theme. | |

| | |
|---|---|
| **Reviewing Themes**<br>Reviewing whether the themes work in relation to the codes extracts and generating a thematic map. | |
| **Defining and Naming Themes**<br>Ongoing analysis for refining the specifics of each theme and the overall story that the analysis tells, generating clear definitions and names for each theme. | |
| **Producing the Report**<br>Final opportunity for analysis. Selecting the vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a report of the analysis. | **Reporting**<br>Reporting the analysis process and the results through models conceptual systems, conceptual map or categores and a story line. |

**Table 10:** Comparison between Thematic and Content Analyses (Source: Vaismoradi et al. 2013, p. 402)

The other aim of using thematic analysis in this research context is to discover implied meaning from the response of the participant and finding the relationship between the themes of VCOs and their key supporters and how they can relate with the aspects of strategic entrepreneurship.

The data analysis of the research is followed by the six phases of thematic analysis. Those stages are as follows:

- **Familiarising with the data:** In this phase, it is important that the researcher is familiar with all the aspects of his data. This stage can be done by the researcher to set out the purpose of the study for understanding the "how" and "why" of the research topic and producing raw data as well as the nature of qualitative research. Producing raw data tend to be interview transcriptions that were determined during the interview and also the notes that have been taken during the observation of the participants in the interview.

- **Generating initial codes:** Second phase starts with generation of the initial list of what is in the data and what is interesting about them. This phase involves the production of the initial codes (in this phase codes are the most basic raw data that can be assessed in a meaningful way) of the data.

- **Searching for themes:** This phase begins when all data have been primarily coded and collated, and the researcher has a long list of different codes.
- **Reviewing themes:** The fourth phase begins with the set of themes that have been formulated from participants and it includes the refinement of the themes. The aim of reviewing themes is to separate the ones that are not really themes while others might collapse into each other.
- **Defining and naming themes:** This phase starts when there is a satisfactory thematic map of the data. At this point, the researcher then defines and further refines the themes that are presented for the analysis and analyses the data within them.
- **Producing the report:** The final stage can be interpreting information, themes, theories and differences based on the observations, and the answers that the researcher collected from the data of the participants when the researcher has a set of fully worked-out themes, and it involves the final analysis and the write-up of the report.

The data analysis of the research is finalised with the accounts, untold stories and untold stories of personal experiences of the participants or actors that are involved in entrepreneurial and innovative activities in the VCS within the case study.

Another purpose of conducting thematic analysis is to depict constructions of the personal identity of the participants. During the interview, it also focused on close readings and the implied meaning of the stories, as explained by the participants who took part in the VCOs. This focus can be determining the meaning of the content and analysing the social implications of the text. As a result, thematic analysis plays a significant role of seeking to deepen an understanding of the experiences of participants through the content and form of the stories, analysed as textual units.

### 4.3.1 Coding: Using Thematic Analysis Through NVivo 12

NVivo is a qualitative data software produced by QSR International. The software has been designed for working with text, audio and video-based multimedia information that deepen the level of analysis on large data when required. It also helps the use of thematic analysis.

The mainstream VCOs and social enterprises within the single case of the South-West region were set up in NVivo 12. The interview transcripts that bring the data sources were imported to the software to form the single case study. Then coding allowed the researcher to classify the themes.

NVivo uses two types of coding system, such as Auto Coding and Manual Coding. Manual coding is recommended when the research requires close analysis. On the contrary, auto coding is recommended when the interview questions are structured.

In this research, manual coding was used due to the fact that the questions were semi-structured, which would not generate answers in a consistent way and in a manageable dataset. Manual coding also helped to identify the different themes by NVivo on common similarities on the transcripts.

### 4.3.2 Research Quality: Reliability and Validity

In this section, the researcher identified the criteria for evaluating the quality of the research: to understand the strength of the research theory for identifying and interpreting the role of the application of strategic entrepreneurship into the VCS in the South-West of England, and potentially looking for the generalisation and confirmation.

The concerns about the research quality in qualitative research have been the subject of continuous argument in the literature (Denzin and Lincoln 2005). According to Wahyuni (2012), qualitative research has been criticised for its lack of generalisability compared to quantitative research. Validity and reliability can be the most quoted criteria for research evaluation, testing hypotheses between the dependent and independent variables to justify the strength as well as the quality of the research and the theory that is applied (Creswell 2014; Denzin and Lincoln 2011). Reliability can be concerned with the data collection of whether the results of a research study are reliable and repeatable, and the term is generally used in relation to the question of whether the measures that have been used in the concepts are consistent (Bryman and Bell 2015), and it refers to the consistency of measures (Wahyuni 2012).

Validity can be concerned with the truthfulness of the conclusions that are produced from the research study (Bryman and Bell 2015). Following, Wahyuni's (2012) stance, the measurement of consistency facilitates the replication or repeatability of the study or generalisability of the larger population that has been the main concern for the qualitative research. However, qualitative research functions in entirely different missions with completely different areas (Parker 2012). Therefore, qualitative research aims to generate a more credible knowledge of interpretations, experiences and understandings in the context.

According to Denzin and Lincoln (2011), the quality in qualitative research is generally assessed against transferability and authenticity. Therefore, some alternative terms have been used to explain validity and reliability criteria in the nature of qualitative research due to the fact that the traditional (internal and external validity, reliability and objectivity) criteria are not applicable for the interpretivist and constructivist philosophies (Guba and Lincoln 1989). Four criteria of research trustworthiness and quality of qualitative research have been developed that are called credibility, transferability, dependability and confirmability (Lincoln and Guba 1985). Those four terms have been commonly used to establish the quality in qualitative research. Therefore, case-study is also considered as one form of qualitative research strategy (Yin 2009). Consequently, these four tests are used to provide the robustness of this research study.

**Construct validity** is concerned with the measure of the research or tests and what is intended (Wahyuni 2012; Yin 2009). In this research, it used various sources to improve the credibility, such as observations, interviews, and databases of the VCOs that are collected from the organisation itself or from the services of the VCS.

**Internal validity** can be referred to as the level of applicability into the other settings (Wahyuni 2012) and establishing causal relationships between the new situations (Yin 2009). It has been examined whether the application of the strategic entrepreneurship into the VCOs is possible and whether the liaison between those areas can bring positive outcomes, such as wealth creation or competitive advantage.

**External validity** is concerned with whether the findings of the research can be generalised beyond the immediate case study (Yin 2009). In this research strategy, due to the nature of the case studies, the generalisation of the results cannot be expected; however, dividing VCS as mainstream VCOs and social enterprises within the single-case study allows for making a comparison between these organisation types.

**Reliability** is referred to whether the researcher applied the same procedures as described by an earlier research, and it is expected to reach the same findings and conclusions. The main goal of applying the same procedures is to minimise errors in the research (Yin 2009).

| Research Quality Terms | Definition | Case Study Tactics | Phase of Research |
|---|---|---|---|
| **Construct Validity** | The measure of the research or tests what is intended. | • Use multiple sources of evidence<br>• Establish chain of evidence<br>• Have key informants review draft case study report | • Data Collection<br><br>• Data Collection<br><br>• Composition |
| **Internal Validity** | Establishing causal relationships between the new situations. | • Pattern matching<br>• Explanation building<br>• Using logic models | • Data Analysis<br>• Data Analysis<br><br>• Data Analysis |
| **External Validity** | It can be referred whether the findings of the research can be generalised beyond the immediate case study. | • Using replication logic in multiple-case studies | • Research Design |
| **Reliability** | It can be concerned whether the researcher applied the same procedures that were described by an earlier research, and it is expected to reach the same findings. and conclusions | • Using case study protocols<br>• Developing case study databases | • Data Collection<br><br>• Data Collection |

**Table 11:** Case study tactics used in this research (Source: Yin 2009, p.41)

The researcher has selected the participants who work in higher positions in mainstream VCOs and social enterprises, in order to ensure reliability and to verify correct operational measures that have been found in the existing literature on this study. In order to verify validity, all the inferences are based on semi-structured interviews and verification of the correct operational measures for the concepts being studied.

## 4.4 Interview Guide

Creating an interview guide is an important step for conducting the qualitative research process. The wording of the questions is essential to develop questions which are easy, open-ended or not leading or limiting the participants so that they can understand the questions, and so they can feel comfortable during the interview process and share their ideas and experiences without hesitation. The questions below are prepared and asked of the participants according to the context of the research and the previous explanation of the guide:

| Research Objectives | Research Questions | Interview Questions |
|---|---|---|
| **Objective 1:** To examine how the application of strategic entrepreneurship can enhance the use of resources for organisational benefit. | a) What is the importance of resources in formulating strategies that correlate with entrepreneurial activities?<br><br>b) What are the current and potential resources and capabilities of VCOs of the South-West of England and how can they be measured? | **Resource**<br>• Can you explain what are your resources and what do you do in order to get the funds? (Please refer to your human and financial resources including potential issues you might have). Do you get governmental or other type of funding and how?<br><br>**Organisational Learning**<br>• Can you tell who the main stakeholders within your organisation are?<br><br>**Generation of Ideas**<br>• How do you generate new ideas? Can you give some examples of your projects?<br>• What do these stakeholders do in order to generate new ideas or money? Could you give me some examples of ideas your organisation has implemented? |
| **Objective 2:** To investigate how the application of strategic entrepreneurship can enhance the use of innovative ideas, practices and techniques. | a) What is the importance of innovative attributes in formulating strategies that correlate with entrepreneurial activities?<br><br>b) How can innovation attributes be defined and identified for VCOs? | **Innovation**<br>• What has been the most innovative decision you or your organisation has made to date? Can you give me some examples of innovation of your organisation? What did it involve and how?<br><br>**Organisational Learning**<br>• Can you give some information about the environment (such as location, physical environment, people and support from external environment) your organisation works in? |
| **Objective 3:** To develop a conceptual framework based on the empirical findings that could justify the | a) How can the core principles of strategic entrepreneurship in relation to VCOs be effectively researched?<br><br>b) What are the benefits of creating a framework | **Strategic Entrepreneurship**<br>• What is unique and entrepreneurial about your organisation? How did you come up about it?<br>**Risk**<br><br>• Can you tell me about particular risk/risks that you/your organisation face? How did you overcome them? What did you |

| effective application of strategic entrepreneurship within the VCS in the South-West of England. | based upon strategic entrepreneurship for the VCOs of the South West of England? | learn from your experience? **Organisational Learning** • Can you give brief information about your organisation and your role in this organisation regarding health/housing-homelessness/general? **Strategic Opportunity** • Can you explain the process for the creation of strategic opportunities that supported your organisation to have achieved significant attainments to date? |
|---|---|---|
| **Objective 4:** To provide insights for the effective application of strategic entrepreneurship to contribute to the development of wealth creation for the VCOs in the South-West of England. | a) How can enhanced resources, after the application of strategic entrepreneurship, provide for wealth creation in the VCS environment? b) How can enhanced innovation attributes following the application of strategic entrepreneurship provide further opportunities for wealth creation in the VCS? | **Wealth Creation** • Do you believe that competition exists in the voluntary sector? Who are your competitors? |

**Table 12:** Interview Guide (Source: Author)

## 4.5 Ethical Considerations of the Research

Ethical considerations are highly significant when conducting primary data. As in every research, being aware of ethical concerns while collecting primary data is considered to be of major importance and is positioned in the centre of this research. Consequently, during the period of data collection, this research study is conducted with respect, honesty, objectivity, and confidentiality of individuals, as well as social responsibility, and it followed these ethical rules for collecting the data from the participants. The responses are recorded with their consents and transcribed. The interview questions are prepared and discussed without giving any harm to the participant and also to the VCOs.

The chance is given to the all participants on whether they take part or not, and they can also withdraw whenever they want without giving any reason during the interview process. The data is anonymous; therefore, the identity of the participant cannot be determined.

All the information that is collected during the process is confidential and all data relating to this study is kept for a minimum of 5 years at Bournemouth University and is password protected in a secure network in accordance with the Data Protection Act 1988. The nature of the research is explained to the participant when it makes it difficult to safeguard the confidentiality of data.

### 4.5.1 Ethical Approval Steps of the Research

The researcher has followed particular steps during the collection of pilot data that has been determined in Bournemouth University – Research Ethics, and Code of Practice. These particular steps are followed for further data collection.

The researcher ensured that the proposed research project follows the ethical guidelines of an appropriate professional practice as recognised by the Bournemouth University Ethics Committee and Graduate School. Therefore, the researcher has applied for ethical approval of the research, and, as a consequence, the research and data collection process have been approved by the Bournemouth University Ethical Committee before collecting the data.

Participants are fully informed by email before the interview and orally, and with the "Participant Information Form" (See: Appendix F) during the interview informing them about the purpose, methods and intended possible use of the research. The researcher also asked their consent with the "Participant Agreement Form" (See: Appendix G).

The researcher ensures that all the research participants participate voluntarily and free from coercion, and the researcher considers the physiological, psychological, social, political and economic impact of their research on participants. Efforts are made to protect participants against physical, mental, emotional, economic or social injury, in order to ensure, as far as possible, that no harm comes to them as a result of being involved in the study.

The confidentiality of information supplied by participants is respected by the researcher as well as by the Bournemouth University Ethics rules, except where the requirements of professional practice determine. Any limits to confidentiality are explained to participants when needed.

All the information that is collected during the process is confidential and all data relating to this study are kept for a minimum of 5 years at Bournemouth University and is password protected in a secure network in accordance with the Data Protection Act 1988. The nature of the research is explained to the participant when it makes it difficult to safeguard the confidentiality of data.

## 4.6 Limitations of the Research

All researches have limitations; this research study has some potential weaknesses and limitations that are mostly out of control of the researcher and cannot reasonably be dismissed. This research encounters several limitations, and, therefore, further limitation is further outlined in the conclusion chapter (Chapter Seven, See: Section 7.5 - Limitation and Direction for Further Research)

Those initial limitations can be explained. First, there is a location bias due to the participants being selected for being in close physical proximity to the researcher. This research is limited to the VCOs in the South-West of England. Future research, therefore, can be conducted in other regions or areas in the UK. Secondly, this research concentrates on the application of strategic entrepreneurship in VCOs solely in the South-West of England. Future research could cover other geographic locations as well as other areas in the VCS in the UK. Finally, a quantitative study could empirically test the results, which can then be generalised to the entire population of the UK.

## 4.7 Summary of Research Methodology Chapter

This chapter presented the methodology applied in this study. First of all, the methodology chapter has attempted to address the significance of collecting primary data through the interpretivist philosophy, and the inductive and qualitative approaches in this research.

Mainstream VCOs and social enterprises within a single case study of the South-West region are defined, and the study discussed the reason behind the selection of the research strategy.

The logic behind the data collection, sampling methods, interview and data analyses methods has been explained. The data analysis method of this research and the validity and reliability issues are discussed under the thematic analysis section. Finally, the methodology chapter discussed the ethical considerations and the possible limitations of the research.

# Chapter Five

# Data Findings and Analysis

## 5.0 Overview of the Chapter

The data analysis and findings chapter shape the selection of VCOs in the South-West region and the participants of these organisations. It then summarises the interview that is undertaken and considers the choice of data analysis. As discussed in the methodology chapter, the research uses thematic analysis as the chosen method to analyse the data systematically from a series of semi-structured interviews that are conducted. As a result of the semi-structured interview process, approximately "217" pages and "96666" words of data are collected, and all responses are proven with the transcripts. Chapter four (Methodology chapter) accomplishes this with an explanation of the reduction of data and the themes, "thematic analysis", that derive from the analysis, which was conducted with the assistance of the NVivo 12 software on the desktop computer that is allocated at the university and on personal PCs.

The methodology chapter discusses the data collection and analysis processes representing the concepts that are obtained from the empirical data, and integrated into categories. Therefore, the data findings and analysis chapter represents this discussion by presenting and analysing the findings that are conducted from the participants through manual coding in NVivo 12 with a thematic analysis. Each category in detail signifies how these codes are classified under different process, context, types and diversity in the practice of applying strategic entrepreneurship into the VCS. In addition to that, the perception of strategic management and entrepreneurship, interaction and outcomes are discussed. As evidence of consistency among the participants, it included frequency information by the researcher for each category in order to validate how widely each category is demonstrated across the sample.

The findings are presented in a categorisation of examining each research objective and the research questions of the study, which are outlined in chapter one (See: Section: 1.4.1 – Research Objectives and Section 1.4.2 – Research Questions), chapter three (See: Section 3.5 – Summary of Literature Review I and II) and chapter four (See: Section 4.0 – Overview of the Chapter). Consequently, table (13) below represents the structure of each category, which

is identified through the manual coding in NVivo. The categories are discussed with the references that involve dimensions, properties and sub-categories. Each category is supported with the interpretation of the researcher, as well as the responses, text elements or quotes of the participants from the data. Therefore, it has chosen the quotes that are illustrated best by the researcher.

| Title of the Subsections | Type | Overview of the Section | Section within the Chapter |
|---|---|---|---|
| **Introduction to the Participants and Roles** | Identification of the Participants | Identification of the participants with their gender, position, type and field of organisation that they work in | 5.1 |
| **Rise of the Competition in the VCS** | Background of the Empirical Field | Understanding the competition in the VCS from the perspectives of the participants | 5.2 |
| **Environment in the VCS in the South-West of England** | Background of the Context | The exploration of the voluntary, geographical, and physical environment of VCOs in the South-West of England | 5.3 |
| **Stakeholders of the VCOs in The South-West of England** | Background of the Context | The identification of internal and external stakeholders that support the VCS effectively | 5.4 |
| **Funding of the VCS** | Background of the Context | The understanding of the types of funding and generating more funding that the VCO can possess | 5.5 |
| **Context of Strategic Management** | Context | The certain strategic management activities, which VCOs in the South-West adapt that can fit into the context | 5.6 |
| **Context of Entrepreneurship** | Context | The understanding of uniqueness and entrepreneurship, distinctive features and benefits for the VCOs | 5.7 |
| **Context of Strategic Entrepreneurship** | Context | Identification of how the aspects of strategic entrepreneurship can be implemented in the VCOs | 5.8 |
| **Risk in the VCS** | Input | Identification of the possible risks and risk factors while delivering a service in the VCS | 5.8.1 |
| **Organisational Learning in the VCS** | Input | Encouraging new thinking, questioning minds and teamwork in order to expand the capacity to create better performance | 5.8.2 |
| **Strategic Opportunity in the VCS** | Input | Identification of how the VCOs explore the strategic opportunity in order to differentiate themselves in the sector | 5.8.3 |

| Generation of Ideas in the VCS | Input | Exploration of how the organisations generate new ideas in the South-West of England | 5.8.4 |
|---|---|---|---|
| Resource in the VCS | Process | A complex interactive system of tangible (physical) and intangible (human capital and organisational culture) resources of VCOs | 5.8.5 |
| Innovation in the VCS | Process | Novel organisational, and operational activities which can give advantage in the VCS | 5.8.6 |
| Wealth Creation | Output | Wealth creation as a result of the application of strategic entrepreneurship in the VCS | 5.9 |

**Table 13:** An Overview of Identified Categories (Source: Author)

Each subscript (P-) is a specific identification code given to each participant with the letter "P" meaning "Participant" followed by the order number of each interview. In the next section, it is used as the subscript and the number.

The roles, positions, types and the fields of VCOs are represented in the next section in order to give the background of the participants before the discussion on the competition in the South-West of England.

## 5.1 Introduction to the Participants and Roles in the Voluntary and Community Sector (VCS) in the South-West of England

During the semi-structured interviewing process, the question of *"Can you give brief information about your organisation and your role in this organisation regarding health/housing-homelessness/general?"* was asked in order to break the ice during the first minutes of the interview, and to understand the roles and responsibilities of the participants in the VCS in the South-West region, as the purpose of the single case study. Table (14) below represents the gender, position of each participant and their type, and the field where the organisation operates is allocated by a number:

| Participant Number and Code | Gender of the Participant | Position of the Participants | Type of the Organisations | Field of the Organisations |
|---|---|---|---|---|
| **Participant 1 (P1)** | Male | Manager | Association | Education |
| **Participant 2 (P2)** | Male | Vice-Manager | Association | Education |
| **Participant 3 (P3)** | Female | Team Leader of South-West Region | Charity | Housing - Homelessness |

| Participant 4 (P4) | Male | Area Services Manager South-West Region | Charity | Housing - Homelessness |
|---|---|---|---|---|
| **Participant 5 (P5)** | Male | Director of Housing and Support | Social Enterprise | Housing - Homelessness |
| **Participant 6 (P6)** | Male | Chief Executive | Social Enterprise | Stationery |
| **Participant 7 (P7)** | Male | Director of Services | Charity | Health |
| **Participant 8 (P8)** | Female | Volunteer Coordinator | Charity | Health |
| **Participant 9 (P9)** | Male | Marketing Manager | Charity | Hospitality |
| **Participant 10 (P10)** | Female | Coordinator | Charity | Health |
| **Participant 11 (P11)** | Female | Manager | Charity | Health |
| **Participant 12 (P12)** | Male | Director of Housing and Support | Social Enterprise | Housing - Homelessness |
| **Participant 13 (P13)** | Male | Chief Executive | Social Enterprise | Housing - Homelessness |
| **Participant 14 (P14)** | Male | Head of Asset Management | Social Enterprise | Housing - Homelessness |
| **Participant 15 (P15)** | Female | Assistant Director of Housing and Customer Experience | Social Enterprise | Housing - Homelessness |
| **Participant 16 (P16)** | Female | Head of Human Resources | Social Enterprise | Housing - Homelessness |
| **Participant 17 (P17)** | Female | Owner | Charity | Children |
| **Participant 18 (P18)** | Female | Assistant Director of | Social Enterprise | Housing - Homelessness |

| | | Supported Housing | | |
|---|---|---|---|---|
| **Participant 19 (P19)** | Female | Area Manager for South-West Region | Social Enterprise | Housing - Homelessness |
| **Participant 20 (P20)** | Male | Assistant of Finance and IT | Social Enterprise | Housing - Homelessness |
| **Participant 21 (P21)** | Male | Director of Finance and Corporate Services | Social Enterprise | Housing - Homelessness |
| **Participant 22 (P22)** | Male | Head of Governance and Strategy | Social Enterprise | Housing - Homelessness |
| **Participant 23 (P23)** | Female | Volunteer Coordinator | Charity | Health/Rape Crisis |
| **Participant 24 (P24)** | Female | Contracts and Commissioning Assistant | Statutory Organisation | Health |
| **Participant 25 (P25)** | Female | Commissioning Manager | Statutory Organisation | Health |
| **Participant 26 (P26)** | Female | Co-Owner | Charity | Canines |
| **Participant 27 (P27)** | Male | Chief Executive | Foundation | Community |
| **Participant 28 (P28)** | Female | Co-Owner | Charity | Art |
| **Participant 29 (P29)** | Female | Co-Owner | Charity | Art |
| **Participant 30 (P30)** | Male | Co-Owner | Charity | Community |

**Table 14:** Overview of the participants, gender, area of the organisation and their role in the Voluntary and Community Sector in the South-West of England (Source: Author)

As seen in the Table (14), it reached 50% of gender equality (15 male participants and 15 female participants) while collecting the data from the participants, although gender is not in

the scope of this research. The interviews are conducted from the participants who have job responsibilities in Social enterprises (x12), Charities (x13), Foundations (x1), Associations (x2) and Statutory Organisations (x2). The field where the VCO operate is mainly focused on the indices of deprivation that are published in 2010 and 2015 by the Government and represented by the researcher in chapter three (See: Section 3.4.3 - Indices of Multiple Deprivation (IMD) in South-West Region of England). Due to the low deprivation in the fields of education, housing, and homelessness and health in the region, the research focuses on these areas. In order to provide the consistency in the single case study, other fields, such as community, art, hospitality, children's stationery and the participant who works in the organisation for animals, are also included in this research. The data are collected from the participants who are, within their organisations, higher degrees of staff, such as Chief Executives, Assistants or Assistant Directors, Managers and Vice-Managers, Owners and Co-Owners, Head of Departments and Team Leaders.

## 5.2 Rise of the Competition in the VCS

As discussed in the introduction (Chapter one, See: Section 1.2 – Background of the Research) and literature review II (Chapter three, See: Section 3.2 – The Political and Economic Environment of the VCS from 1980s to Recent Years) chapters, there were essential changes in the VCS that are described as the revolution of the social economy, in which the sector was located in the centre of the mixed economy between 1980 and 2010. It was seen as being about the contribution of social welfare and the new established structure. New structure in the delivery of service, and contribution on new strategies in order to deliver new services, helped the growth of the capacity within the VCS. Therefore, this contribution increased the importance of the voluntary and community service in terms of providing the service in its environment and to the economy. In addition to this, the importance of the local authorities increased in the economic and political environment in parallel with the VCS. Therefore, the number of VCOs grew as a result of the changing legislations in the sector, although there were some concerns about the changing landscape in the VCS, and also increases in competition on finding resources and funding. This changing landscape is called the new competitive climate, as discussed in chapter three (See: Section 3.2.1 – The Rise of the VCS: The Political and Economic Environment of the Sector in 1980 - 1997).

As a result, between the years of 1980 – 2010, the government gave independence to the sector; however, the main aspects of community development and the welfare state were

dependent on the voluntary involvement and on the sector itself. These years could be called the golden age of the VCS for independence, and service provision, as well as abundance in funding, resources and support. The question of *"Do you believe that competition exists in the voluntary and community sector?"* was asked in order to understand how participants perceive competition in the VCS. Therefore, the participant stresses,

*"Bearing in mind as an organisation, when I joined this organisation 23 years ago, there was very little competition; you did it because you were the only people that did it. We did it because our board felt there was a social need to do it. We have grown the business on the back of that. That environment did not involve competing, tendering, whatever. That involved me going out to local authorities saying look I can do that for you, and that environment probably changed 8 years ago/9 years ago, thereabouts, maybe 10 but this was where we could see that you had to tender for business."* (P12)

The economic crisis in 2007 brought worldwide financial instability in regional as well as local areas. In 2010, the austerity programme was introduced by the government. Therefore, this led to the VCOs suffering financial instability, significantly: grants and central government grants are lowered and failing to keep pace due to the results of the economic crisis, even though the needs of the people continued to increase. As a result, the VCOs started to apply new strategies in order to generate new ideas, in terms of competing for a lowered pool of grants, and funds, as well as the resources that were provided and supported by the various actors, such as central and local governments. In particular, this support, referred to, enhanced current and future operational, financial, human and other resources, as well as organisational innovation features that could potentially boost the VCOs. Therefore, participant (P12), who is a member of a social enterprise, and participant (P17) who is an arbiter of a charity, stressed those VCOs started not only competing with them but also with the private sector and competition inside the organisation:

*"There is massive competition. It always existed in some ways but whilst organisations have probably in the past been grant dependent, it was less felt. Once grants are removed you realise that you are not just competing with other charities, you are competing with the private sector, so you have got to be as good as the private sector in what you do, and better in some cases."* (P12)

*"I think there is a lot of impact that can be made, so there is a huge amount of competition and there is competition between staff within charities as well. Yeah, competition is massive, because everybody is grasping out of money like small amounts of money."* (P17)

In parallel with the discussion about the rise of the competition, table (15) represents **a)** whether the participants believe that competition exists in the VCS; and if yes then **(b)** who then are the main competitors; and **c)** for what purpose do these organisations compete with each other. These are further discussed after the table below:

| Participant Number and Code | Do you believe that Competition Exist in VCS? |
|---|---|
| Participant 1 (P1) | YES |
| Participant 2 (P2) | YES |
| Participant 3 (P3) | YES |
| Participant 4 (P4) | YES |
| Participant 5 (P5) | YES |
| Participant 6 (P6) | YES |
| Participant 7 (P7) | YES |
| Participant 8 (P8) | YES |
| Participant 9 (P9) | YES |
| Participant 10 (P10) | NO |
| Participant 11 (P11) | NO |
| Participant 12 (P12) | YES |
| Participant 13 (P13) | YES |
| Participant 14 (P14) | YES |
| Participant 15 (P15) | YES |
| Participant 16 (P16) | YES |
| Participant 17 (P17) | YES |
| Participant 18 (P18) | YES |

| | |
|---|---|
| **Participant 19 (P19)** | YES |
| **Participant 20 (P20)** | YES |
| **Participant 21 (P21)** | YES |
| **Participant 22 (P22)** | YES |
| **Participant 23 (P23)** | YES |
| **Participant 24 (P24)** | YES |
| **Participant 25 (P25)** | YES |
| **Participant 26 (P26)** | YES |
| **Participant 27 (P27)** | YES |
| **Participant 28 (P28)** | YES |
| **Participant 29 (P29)** | YES |
| **Participant 30 (P30)** | YES |

**Table 15:** Overview of each of the participants on competition in the VCS (Source: Author)

In addition to this, 28 out of 30 participants believe that the rise of austerity led to the competition between the organisations in the sector. Therefore, these participants responded positively in terms of competition in the VCS. However, P10 and P11 revealed the negative views of competition in the sector. An overall discussion of the results reflects on these negative/divergent views to enable variation, which is the criterion for the quality of the conceptual frameworks. Consequently, table (16) below represents the overview of the factors whether they believe in competition or not, which is given in detail by the participants below:

| Participants who believe in Competition | Factors/Codes | Participant Code |
|---|---|---|
| | Existence of the Big Names in the Sector | P7, P17, P21, P27 |
| | Commercial Advantage | P12 |
| | Competition for the Right Staff or Volunteers | P5, P20 |
| | Competition on Tendering Process | P12, P13 |

| | | |
|---|---|---|
| | Competition on Contracts | P5, P7, P14, P18, P19, P21, P24, P25 |
| | Competition on Funding | P5, P18, P19, P21 |
| | Competition Limited Money | P6, P14, P22, P23 |
| | Competition on Provision of Services | P5, P14, P21 |
| | Competition between Private Landlords | P5, P13, P21 |
| | Competition with Private Sector | P5, P12 |
| | Contradiction | P7, P9 |
| | Increasing Complexity on | P16, P18, P19 |
| | Competition on Limited Resources | P22 |
| | Same Aim But Different Needs | P9, P21 |
| | Too Many Charities | P13 |
| | Confusion on Similar Name of the Organisations | P8 |
| **Participants who do NOT believe in Competition** | Collaboration is more Important than Competition | P10, P11 |
| | Not in the Sector for Making Money | P10, P11 |
| | Wasting Resources | P10, P11 |

**Table 16:** The overview of the factors/codes of the participants that they mainly discussed (Source: Author)

The table above represents the overview of the factors that show that competition is involved in these areas. According to the participants (28 participants), it is believed that competition exists in each stage in the VCS. Therefore, there is awareness about competition in the VCS, and this awareness is contributing towards them deciding to apply strategic entrepreneurship. Participant 5 stresses how the VCS evolved over the years, and how the VCOs should change their mind-set for competition:

*"There is a competition for our regulators: the competition for their funds, the competition between ourselves and the private sector to do certain things, developments, for example, so*

*yeah hugely competitive in pretty much in every way. The days of the old charity, people say now 'it is only a charity never mind' they have gone, really, you have got to be better. For example, if you have an organisation on food service, care homes or about school etc., that is got to be a brilliant service, that is going to be competitive, that is got to be better than people can get elsewhere. It is competition."* (P5)

According to (P7), (P17), (P21), and (P27), one of the biggest concerns is **competing with the nationwide or well-known VCOs,** such as a local VCO, particularly in the South-West region, when competing for fundraising and contracts:

"*Every business thinks about fundraising. If people want to do something charitable, they do it for well-known organisations. So, you know, automatically have marketing, budget, expense. Everybody knows who they are, not just them, not picking on them, they are a great charity and I think they deserve money but it makes it harder for the small charities, because once people hear the big names, they are getting everything."* (P17)

In addition to this, (P27) stresses that the nationwide VCOs possess the majority in the sector: *"The top, it's the top 3% of charities [that] own 95% of the charitable assets, or something like that."* Therefore, this brings hardship to local charities in order to reach these assets and in reaching support:

"*...If there is [a] business [who] wants to support charities, they choose a charity which has a big name because it supports their brands and less about what the other charities are doing on the bottom ground."* (P21)

Consequently, competition sometimes occurs not only between nationwide and local VCOs but also between the VCS and the private sector. For instance, participant 25, who is a director in one of the local organisations in the South-West, discusses about the involvement of the private organisations in competition at every stage:

"*One of the worldwide businesses that operates airline, train services etc. [is] involved in third sector operations in Bath. So in Bath what they did, the council, is [that] they put all their health and social care contracts out to tender and they won the lot, so they will be taking over adult social care, children's social care, drugs and alcohol, learning disabilities, physical disabilities, older people, dementia, everything to do with that element of caring for people. Now they are sub-contracting to local voluntary organisations of things that they*

*think they're not going to make a huge amount of money on, so they are sub-contracting it, but they are the main people instead of the council; they are now running everything."* (P25)

Gaining advantage compared to other VCOs is significant in every organisation in the sector. In consequence, competitive or commercial advantage brings stability and brand knowledge even for the organisations in the third sector. Therefore, participant 12 expresses an opinion on gaining advantage:

*"We can probably get some commercial advantage by being a bit more nimble, able to pull ideas together quickly; those are the things, probably, which the private sector maybe is not as good as. But when we about the third sector* (VCS), *we are now talking as good as, if not better, you have to be in that place; it is not good enough anymore for people to say it is just a charity. If you are running services that link into statutory bodies, the Ministry of Justice, health and others, there is a standard required that goes with that, that you have got to meet, so you cannot afford to be beneath that line."* (P12)

The austerity programme affected not only a shortage of the resources and a limited amount of funding but also the recruiting of the right staff because of a shortage of suitably skilled volunteers or experienced applicants. The reason may be a shortage of money that the organisations can provide or pay to the skilled employees; therefore, these people move to the other sectors. In consequence, *"...it could be either of those so the competition [is] to get the right staff, competition between organisations..."* (P5). This led the VCOs to abandon certain objectives that they may establish, or continue to provide the main objectives that already exist. Although there are various opportunities in the sector to be involved, the issue can be finding the right person at the right time. In addition to this, Participant 20 points out the importance of attracting skilled people into the environment of the third sector: *"...I mean there are lots of opportunities in different areas in the voluntary sector. All we need to do is to attract those people..."* (P20). Therefore, it generally results in the organisations spending some time trying to sell themselves in order to possess the skilled employees that they want, as Participant 20 continues to discuss, *"So, I still see it almost like advertising, you still need to sell yourself to individuals who are to prepared [to] give their time. I think you also have got to give more to a volunteer because you are not paying them anything, so, therefore, you need to be supportive of what they are doing for you."* (P20)

In the **tendering process and contracts**, there is always huge competition, according to Participants (P5), (P7), (P12), (P13), (P14), (P18), (P19), (P21), (P24) and (P25) who agree

that one of the main competitions is for tendering and in the contract process: "…*We are bidding and tendering for support contracts, there is a lot of us bidding and tendering for the contract…*" However, Participant (12) sees the tendering process as a cycle inside the VCOs in the South-West of England:

*"So some of the contracts we bid for we get competition, but from my experience it tends to be [that] nobody is ever happy with the service provided; it does not matter who provides it. So you will go on a massive cycle, you will win a contract, you will lose it and somebody else will get it and then the next time round they will lose it and somebody else will get it, eventually it will go full circle and we will get it again and it goes in a massive circle; these things do, it is absolutely incredible."* (P14)

The main reason for competing on tendering is due to the **limited amount of funding and money as well as limited resources**. Participant (22) describes these limitations: *"…You know there are a limited number of pounds that local authorities can spend and limited number of resources that the organisations may have. So, in a sense that, the organisations can compete for slices of the funding…"* Therefore, Participant (5) discusses that the competition is found in every stage of the VCOs: *"I think we are all competing [in] different parts of business, this competition on cost, this competition on price, this competition on service delivery…"* He supports his idea by giving an example: "*Even charity shops, as an example, they are target driven, they have targets to achieve from this target in terms of how much they sell on a weekly basis so it's competitive, yeah. I think the whole environment is competitive I have got to say that yeah."* (P5)

**Contradiction** and bad publicity, particularly for Participants (P7), and (P9), is another issue in the VCS that can affect the competition due to what they are supposed to believe in public. Rising misconceptions about the VCS that the funding or money is not inspected or controlled by the central or the local government impacts the VCS, particularly small sized charities:

*"It is and that is the problem that the charity sector, the voluntary sector and the public do not see this. So, when the public hear [about] the voluntary sector they think none of us get paid and we are all volunteers. They think that charity has had bad publicity in the last few years so. They obviously collapsed and they were exposed as doing their business in a very bad way, and there was lots of bad publicity around chief executives of big organisations getting very big pensions and redundancy payments and big salaries. Most charities are not*

*like that, they are like this. You know, so there is not big money around, there is not big salaries, no pensions or anything like that. So there have been big charities [that] have had bad press."* (P7)

However, Participants (10) and (11) believe that competition has a negative impact on the sector due to its lack of resources and limited funding supported by the local and central authorities. Participants that have a charity in Christchurch believe that collaboration is more important than competition. Therefore, Participant (11) stresses the importance of the fact that their organisation is in the sector that helps vulnerability rather than making profit: *"...Because none of us [is] here for profit. We are all small groups or charities, or whatever, so we are not looking; it is not like a business that you have to make money. You know, we have to cover our costs and we have to be responsible for charity commissioners and all that kind of stuff. But, we work with other organisations; we do not want to compete with them..."* (P11). Participant (10), therefore, supports the idea that competition leads the organisation to use resources ineffectively: *"...We do not want to do what they are doing and equally hopefully they do not want to do what we are doing because that is just a waste, and working together we can be much more effective and financially extend our resources. So, no, I would not say that we have any competition. For that reason, because we seek to be doing the things that we are good at, encouraging and strengthening other organisations to do the things that they are good at..."* (P10). Therefore, they believe that collaboration is greater than competition in order to use their resources effectively. In addition to this, Participant (11) adds that *"None of us here for profit. We are all small groups or charities or whatever, so we are not looking, it is not like a business that you have to make money. You know, we have to cover our costs and we have to be responsible for charity commissioners and all that kind of stuff. But we work with other organisations; we do not want to compete with them"* (P11)

The next section discusses the overview of the environment of the VCS in the South-West of England by the participants.

## 5.3 Environment in the VCS in the South-West of England

It is significant to identify the internal and external environment in order to comprehend VCOs in the South-West of England. As discussed in the literature review II (Chapter three, See: Section 3.4 – South-West Region of England), one of the most deprived areas that exists is in the South-West region. The purpose of this section is to understand the perspective of the participants and how they view this region. Therefore, the question of **"Can you give**

*some information about the environment (such as location, physical environment, people and support from external environment) your organisation works in?"* is asked by the researcher. Table (17) below represents the main codes that are answered by the participants:

| Environment | Organisational Environment<br><br>(P22) | • Charitable sector<br>• Regulated by the government<br>• Social and Community benefit work as in the other regions of the UK<br>• Not-for-profit<br>• Nowadays, social need is increasing, funding is in decline |
|---|---|---|
| | Financial Environment<br><br>(P16) | • Funding is very difficult,<br>• The government is focusing on certain areas of activity to provide funding<br>• Generally, it is dictated by the authorities<br>• Funding stream strung over a period of time |
| | Geographical and Physical Environment<br><br>(P5), (P6), (P7), (P8), (P9), (P10), (P11), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P26), (P27) | • Bournemouth, Boscombe, Christchurch, Exeter, Yeovil, Plymouth, Weymouth are the examples of the areas of activities<br>• Each scheme is different than where the organisations or offices of the organisations operate<br>• Operate in large deprived areas (such as Boscombe), and the places where there is no access on services and support |
| | In-terms of Deprivation<br><br>(P8), (P14), (P15), (P16) | • Deprivation is rising over 3 or 4 years<br>• Many diverse issues and problems people are facing<br>• High rents in the area due to unemployment that leads to homelessness (Weymouth)<br>• Drug and alcohol and homelessness and unemployment is on the rise |
| | Micro-Environment<br><br>(P17) | • Micro-environment of competitors<br>• Other factors that affect giving funds |
| | Online Environment<br><br>(P6), (P13), (P17), (P20) | • Online presence is the primary focus of the organisations<br>• Importance of social media<br>• Contacting people online for fundraising<br>• Therefore, it is important to obtain skilled IT members to reach the people |
| | Political Environment<br><br>(P16), (P17), (P27) | • Political decisions affect the VCS on every occasion, such as changing tariffs or the uncertainty of Brexit<br>• Impact on confidence of the people |

| | | • Impact on generating funds |
| | | • Impact on more needs on society |
| | **Social Environment** (P7), (P13), (P16), (P20), (P26) | • Homes, hospitals and residential homes |
| | | • Physiotherapist, dog assistance |
| | | • Courses for building confidence, self-esteem and helping people to get into work |

**Table 17:** The overview of the codes of the environment that is discussed by the participants (Source: Author)

VCOs differ in their various sizes and types of organisations, as well as the **physical environment** that operates in different **geographic environments** in the South-West region: *"…We operate across different geographical areas; however, our main base is in Bournemouth and Poole…"* (P20). According to the responses of the participants, their organisations are operating in large deprived areas in *"Bournemouth"* (P12), (P15), (P21), *"Boscombe"* (P5), (P6), (P7), *"Poole"* (P8), (P9), (P14), (P16), (P18), (P19), (P21), *"Christchurch"* (P10), (P11), (P21), *"Exeter"* (P12), (20), *"Yeovil"* (P12), (P23), *"Plymouth"* (P13), (P18), (P19), *"Weymouth"* (P15), (P22), and *"Dorchester or West-Dorset"* (P20), (P26), (P27) where there is no access to services and support. Therefore, each scheme can be different from the other organisations in those areas due to the level of need.

**In-terms of deprivation**, these areas have many diverse problems or issues in unemployment, homelessness, learning difficulties, and substance abuse, such as drugs and alcohol at various stages of recovery. Therefore, the organisations try to support people who suffer from deprivation issues:

*"It is a sad situation but I would say it is a very stressful environment on all levels, emotionally incredibly stressful especially for some of our support services staff; they are having to deal with people with all these issues…It is very stressful in terms of trying to get all the work we need to get done within the budgets we have, which is very limited with a constant demand on services."* (P14)

As discussed in the previous chapters, the VCS exists to fulfil a specific social purpose; they are regulated by the government: *"…It is a charitable sector we are working in but also [a] regulated sector by the government, so really what we are trying to do is social benefit, community benefit work, not profit making and it is a tough sector…"* (P22). However, particularly the VCS in the South-West of England engages with a huge range of issues.

Participants (16) and (22) discuss the effect of financial instability on the sector as "…*we have got [a] financial environment where the funding is very difficult…*" (P16). This leads to a negative affect for the **business and financial environment** of the VCOs to support the social need: "…*It had been easy for a number of years, because there were lots of governmental funding, but the financial crash make the funding harder and harder, but still in one way you have to continue, because there are lots of people with the social need. You cannot just close the business. Funding is becoming more difficult; you need to become more creative and look for different funders, wider, you know, range of organisations in order to get funding from...*" (P22)

Political decisions affect the VCS in every occasion, such as changing tariffs or the uncertainty of Brexit. These decisions create an impact on more needs of society, confidence of the people, and generating funds. This unstable **political environment** is not only in the South-West region but is throughout the UK. Therefore, unstable political environment pushes VCOs to focus on short-term strategies or plans in the sector. In support of this idea, Participant 27 stresses the issue of the political environment:

*"I think the environment, if you look at what is going on in the voluntary sector, is constantly changing and ebbing and flowing, and things like Brexit and tariffs and all this stuff that is going on politically will have an impact on people's confidence. It will have an impact on us generating funds and actually might end up having an impact that creates more need in society, so we will have demand going up and supply coming down, so those sorts of political and economic environmental factors concern me, over the next 5 to 10 years particularly."* (P27)

Increasing impact on political instabilities creates massive deterioration on the social environment. According to Participants (P7), (P13), (P16), (P20), and (P26), VCOs started to focus on the courses for building confidence, self-esteem and helping people to get into work. Therefore, participants discuss the issues on the social environment in the South-West region:

*"So for our sector, the social environment of South-West region is challenging; it is an interesting region, as we discussed. For instance, there is a noticeable homelessness problem; there are large areas of deprivation. It is a very nice place to live, but people think of it as being a place for people to come and retire to, and there must be lots of money around; a very nice place to live. There are other areas around that are very deprived areas; they are often very ignored and left behind and do not get the investment of the support that*

*they need. There are lots of challenges around housing, for instance, around poor landlords who do not look after their properties and do not look after their tenants. That is a big, big issue."* (P7)

## 5.4 Stakeholders of the VCOs in the South-West of England

As in every business environment, a stakeholder can refer to anyone, an individual or a group, that has an interest in the organisation. Therefore, VCOs are charities, social enterprises, foundations and associations, which are influenced by donors who support their voluntary cause, and by members of the public who are willing to act as volunteers to help them achieve their aims. As discussed in the Literature review II (Chapter three, See: Section: 3.1 – An Overview of the Voluntary and Community Sector (VCS) in the U.K.), one of the distinct characteristics of the mainstream businesses and VCOs is reinvesting or sharing the profit or funds equally to the cause; therefore, there is no shareholder system in the VCS. As a result, the question of *"Can you tell who the main stakeholders within your organisation are?"* is asked by the researcher. Consequently, the stakeholders of the VCOs are divided as internal and external stakeholders that have the same interest and support to the VCS. Table (18) below represents the internal and external stakeholders that have an interest with VCOs in the South-West of England:

| Stakeholders of the Voluntary and Community Sector | |
|---|---|
| **Internal Stakeholders/Participant No.** | **External Stakeholders/Participant No.** |
| **Board of Directors**<br>**(P1, P2, P3, P5, P9, P13, P14, P27)** | Ambassadors<br>(P27) |
| **Committee**<br>**(P5)** | Auditors<br>(P20) |
| **Leadership Team**<br>**(P21)** | Clients<br>(P23) |
| **Members of the Organisation**<br>**(P26)** | Colleges<br>(P23) |
| **Middle Managers**<br>**(P21)** | Communities<br>(P7, P18, P19, P27) |
| **Paid and Non-Paid Staff**<br>**(P1, P2, P3, P5, P6, P8, P9, P14, P27)** | Support Departments of Companies<br>(P4) |
| **Project Leaders**<br>**(P21)** | Companies that Provide Vendors<br>(P4) |
| **Trustees**<br>**(P23)** | Contractors<br>(P12) |
| **Voluntary Board**<br>**(P21)** | Customers<br>(P6, P14, P15, P16) |

| Volunteers (P1, P2, P3, P8, P10, P11) | Fund Holders (P27) | |
|---|---|---|
| | Funders (P22, P27) | |
| | Government (P5, P7, P12, P16, P22, P23, P27) | |
| | Homes England (P13) | |
| | Individuals – External Volunteers (P20) | |
| | Local Authorities (P5, P7, P12, P13, P14, P16, P22, P27) | |
| | Other Organisations or Partners (P5, P6, P20) | |
| | Private Donors (P4) | |
| | Private Funding (P14, P16) | |
| | Public Organisations (P14, P23) | |
| | Regulatory Body (P20) | |
| | Royal Appointments (P27) | |
| | Supply Partners (P14) | |
| | Tenants (P22) | |

**Table 18:** The Internal and External Stakeholders that have an Interest with VCOs in the South-West of England (Source: Author)

All 30 participants identified and divided the stakeholders into internal and external stakeholders. Internal stakeholders are the entities that can affect or be affected by the mission and vision or strategy and project of the organisation. As a consensus of all participants, the internal stakeholders of the VCOs are the Board of Directors or the Committee of the organisation, leadership teams, the members of the organisation, middle managers and project leaders, paid and non-paid staff including volunteers, voluntary board and most importantly the trustees. The importance of internal stakeholders can carry a significant relationship with the person and the organisation whether it is at the top of any hierarchy or at the bottom. Consequently, Participant 6 stresses the importance of internal stakeholders as sharing the same values:

*"Well the stakeholders vary in the organisation because I consider the people, the staffs in our organisation, are in essence a stakeholder in the business for us because they share the company values. They believe in what we are trying to do and the difference we are trying to make and I am a big believer in establishing those core values in the organisation because they need to understand why we do it and we are on this journey together. So, the staff are certainly internal stakeholders in the organisation."* (P6)

On the other hand, external stakeholders are the entities that maintain interest in the success, direction and failure of an organisation due to its own interest. Participant (12) lists the external stakeholders of the VCOs: *"...the external stakeholders are local authorities, government bodies, health and wellbeing organisations, other trusts, other agencies, contractors, so, anybody that connects with the organisation to provide either a service or a function to it really, would be our external stakeholders."* (P12) According to the responses from the participants, external stakeholders are listed as Ambassadors, Auditors, Clients, Colleges, Communities, Companies Support, Companies that Provide Vendors, Contractors, Customers, Fund Holders, Funders, Government, Homes England (Non-departmental public body that funds new affordable housing in England), Individuals, Local Authorities, Other Organisations or Partners, Private Donors, Private Funding, Public Organisations, Regulatory Body, Royal Appointments, Supply Partners, and Tenants that have an external relationship with the VCOs in the South-West of England.

The importance of the external stakeholder can be protecting personal, financial or the interests of the organisations. The external stakeholders can also focus on the development of the local organisations in the region, particularly the South-West that stimulates the local economy with giving support to the VCOs to fight the problems of vulnerability.

### 5.5 Funding of the Voluntary and Community Sector (VCS)

The VCS receives funding from two main bodies. These main bodies are **(a)** statutory bodies such as statutory organisations, and central or local governments, and **(b)** individuals through fundraising, individual donations or purchases. As a result, the question of *"Do you receive government or other type of funding?"* is asked by the researcher. Consequently, table (19) below represents whether the VCOs receive government or other types of funding according to the participants responses:

| Participant Number | Do you receive government funding? | Do you receive other type of funding? |
|---|---|---|
| Participant 1 (P1) | NO | NO |
| Participant 2 (P2) | NO | NO |
| Participant 3 (P3) | YES | YES |
| Participant 4 (P4) | YES | YES |
| Participant 5 (P5) | YES | YES |
| Participant 6 (P6) | NO | NO |
| Participant 7 (P7) | YES | YES |
| Participant 8 (P8) | NO | YES |
| Participant 9 (P9) | NO | YES |
| Participant 10 (P10) | NO | NO |
| Participant 11 (P11) | NO | NO |
| Participant 12 (P12) | YES | YES |
| Participant 13 (P13) | YES | YES |
| Participant 14 (P14) | YES | YES |
| Participant 15 (P15) | YES | YES |
| Participant 16 (P16) | YES | YES |
| Participant 17 (P17) | NO | NO |
| Participant 18 (P18) | YES | YES |
| Participant 19 (P19) | YES | YES |
| Participant 20 (P20) | YES | YES |
| Participant 21 (P21) | YES | YES |
| Participant 22 (P22) | YES | YES |
| Participant 23 (P23) | YES | YES |

| | | |
|---|---|---|
| **Participant 24 (P24)** | YES | YES |
| **Participant 25 (P25)** | YES | YES |
| **Participant 26 (P26)** | NO | NO |
| **Participant 27 (P27)** | YES | YES |
| **Participant 28 (P28)** | NO | NO |
| **Participant 29 (P29)** | NO | NO |
| **Participant 30 (P30)** | YES | YES |

**Table 19:** The list of responses of the participants for the question of "Do you receive government or other type of funding?" (Source: Author)

The results above show the responses of each of the participants, whether their organisations receive government or other types of funding. As a result, nineteen participants of VCOs receive both government and other types of funding: *"...The majority of our funding always has incomes from support contract from local authority funding, although that is changing and also from rents and service charges..."* (P18). According to nineteen participants, their organisations are 90 to 95% dependent on central or local authorities for funding; however, they believe that relying on government funding can be a big risk for the organisations. The reason is that central and local authorities fund these organisations through contracts and feedback. Therefore, it is believed that the organisations must provide a good service in order to preserve their contracts with the authorities.

On the other hand, nine participants responded that their organisation receives no funding at all, and two participants responded that their organisations do not receive government funding, but collect funds or money from individuals. Therefore, the questions of *"Then, how do you raise funds in order to run the organisation properly?"* and *"Who are your funders?",* which are those that had arisen by the researcher, were asked of the participants where their organisations either had no funding at all or only created funds from individuals. Participant (6), who is an owner of a social enterprise in the Bournemouth area, declares the reason of not relying on either government or other types of funds is according to his own business model:

*"In terms of [this], we do not rely on any grants; as a social enterprise business model, one of the criteria is that at least 50% of your trade has to be generated as a commercial standalone business. In our case it is 100% standalone. We buy the products, we sell them on. Everything, any profits we make, are done from that exercise alone. We do not apply for grants, we do not apply for funding, everything is done from our commercial standpoint view of having a business where we will sell products, we will make profits and that profit is reinvested back in to the business to further our social aim. We have never had any grants or funding."* (P6)

Another similar example that is discussed is the risk of being dependant on the funding of central and local governments. Participant (11), who is the director of a small charity in Christchurch, explains the circumstance of losing government funding by giving an example of her own experience:

*"We used to receive funds from the different areas and we used to get £48000 a year or something, we get nothing now from anybody. We used to work with our local council against the service level agreement [in] that they provided £12000 a year and then we provided [the] kind of agreed services that [now] does not happen. Basically, we get no money from anybody unless we go out; you know, acquire and raise it and, kind of all, successfully getting grants."* (P11)

As a result, it is now accepted by the VCS, the scale of the fiscal challenge that central and local governments are facing. It is also accepted that the VCOs not only in the South-West region but also throughout the UK could operate more effectively and efficiently. However, implementation, skill and the scale of cuts have a negative impact on the VCS. According to the participants, there is evidence that the cuts are not being applied consistently and strategically. Therefore, in the next section, the researcher discusses which strategic and entrepreneurial activities can be applied in order to provide continuous support to social needs.

**5.6 The Evidence of Strategic Management in VCOs in the South-West Region**

The previous sections represent an overview on how the competition arose, as well as the environment of the VCS in the South-West region, who are the internal and external stakeholders that provide support for the VCOs, and whether these organisations receive funding. It is important to understand the strategies that VCOs apply in the region of the

South-West. Therefore, this is applying strategies on establishing a highly skilled workforce of paid staff and volunteers, and helping with the support and funding that are readily available at key stages of development in order to increase long term financial stability. The strategies need to be the reflection of capacity, means and understanding of the organisations, and they need to become more proactive in order to influence the decision making as well as shape the sector. However, the organisations in the South-West region can have a diverse range or process of establishing strategy. Therefore, it is believed that small VCOs continue to survive and thrive in this region, as suggested by the participants.

According to twenty-six out of thirty participants, the organisations that apply the relevant strategy are invited to participate as part of a decision-making and a fund process by the central or local authorities. Participant (8) supports the argument: *"...We have to follow the strategy that the government outlines, so yes we will. I cannot think of an example at the moment about the end of life care strategy. Most strategies from the government are all about choice of the patients. That is what most strategies are"* (P8). The creation of a robust strategy with other infrastructure organisations is being implemented to reach out to and increase the capacity of local organisations and groups. Participant (7) stresses what makes their organisation different than other VCOs in the South-West region:

*"We will sit at tables where strategically we are helping the hospitals or the healthcare trust, or some national bodies to think about where they are going to spend their money, [and] how they are going to do it differently, [on what] we currently deliver. Therefore, we work in partnership with other charities and another organisation, public services to deliver advocacy services to the people who need support. So there is a little bit, there is something around our strategy and ability to respond to different needs that makes us different from other organisations."* (P7).

In addition to this, a robust strategy is being implemented to ensure that recognition within the sector and with other stakeholders is maintained. Therefore, this can be provided through strategic management. Participant (7) discusses the importance of being strategically viable in order to keep the organisation active and remain in the VCS for a long period of time:

*"Our organisation was just doing some work recently around exactly being strategically viable, [and] what makes our organisation different, what is our unique selling point, and lots of the organisations are very specialist in what they do, [and] they believe that they are*

*very clear. We do not say we are specialist, [as] it is very broad; we want to help people live the lives they choose. This is one strategy. That could mean anything so that makes us a little bit different because that means we can have conversations with different people at different levels who are responsible for making services, policies and this is our other strategy. That means we can have a broad conversation and not just one specific, specialist conversation and that has been responsible for making sure that we are still here 30 years later, even though it has been very difficult, because sometimes there are good times, and financially there are really bad times."* (P7)

As a result, as the mainstream businesses, the VCOs need to be agile in a sense of being diverse over the years because the funding comes in one area and then it starts to dry up; consequently, the VCOs manage strategically and focus on various actions. The organisations face the situation in a more holistic way as Participant (16) argues:

*"Well actually if we did that, that would help, so it starts to branch out; so I think, a large part of it being strategic and well as entrepreneurial is the fact that funding is changed and there are elements [that] have needed to change"* (P16)

The next section discusses the second element "entrepreneurship" for the evidences of strategic entrepreneurship in the VCOs in the South-West of England.

## 5.7 The Entrepreneurial Evidences of VCOs in the South-West of England

The particular entrepreneurial activities can be seen not only in the VCS throughout the UK but also in the South-West region. In terms of entrepreneurial activities, the researcher identifies specific undertakings that are applied by the various VCOs. According to 20 participants, it is important to create partnerships in order to develop the ideas for entrepreneurial activities. Therefore, organisations tend to see what is going to happen in the future and the direction of where the VCOs should go and start discussing with partners and various organisations, inside and outside of the VCS, to raise their awareness about **(a)** what will happen in the VCS in terms of activities, **(b)** how the sector needs to respond and **(c)** how the VCOs need to prepare themselves for the future. According to the participants, (5), (7), (12), and (13), these conversations will come to light after five years and the current conversations will be within two years. Some organisations currently possess enough money to be able to provide their own support and they are not dependent on the council or various donors/providers. consequently, these organisations also fund themselves for the services

they provide. However, the provision of services in order to support social needs can be expensive to sustain and the organisations can run out of funding. In consequence, these issues are raised by the central and local authorities in that this reduction in resources and funds may cause concerns about sustaining the services from these VCOs.

The entrepreneurial part recognises the challenges to society in the UK, and the South-West region is going to have to face this and organise itself and make others aware of the challenges that will come. It is believed that, the VCOs in the South-West region are entrepreneurial in the sense that they are being creative, and they are creating partnerships to establish new ideas, in order to bring in new services that the organisations can develop. Consequently, the questions of *"What is unique or entrepreneurial about your organisation?"* and *"How did you come up about it?"* are asked by the researcher.

In the business environment today, not only in the VCS but also in the mainstream businesses, they cannot rely on being the only organisation in an area to perform. They also rely on bringing newness to the sectors by competing in the same sectors and in different sectors: *"So I think that puts us in a unique position to understand what is going on in the voluntary sector on the ground, but also to have informed conversations with people. We try and work with our stakeholders and donors to keep them informed and try and generate more resources and funding to help alleviate those needs as we see them"* (P27). This can be considered as one of the main principles of being entrepreneurial. Therefore, all 30 participants argue that there are other organisations that do similar things. However, they point out the uniqueness, and that entrepreneurial activities may differ from the unique quality of service that they are trying to bring to the VCS, and are not hesitating to go the extra miles as VCOs:

*If you compare us to some, maybe, government type of agencies or local authorities, I believe our standards will go much further than those; then actually we are committed about people and moving forward."* (P5)

As discussed in Chapter Three (Literature Review II), the VCS contains a social value act, and new providers coming into the area need to meet that social value act requirement. Therefore, entrepreneurial activities are also built on that tender process, and cannot be solely considered as bringing the impact that the service is going to have on the community or the environment. According to Participant (24), entrepreneurship is also bringing newness to the sector:

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*"It could be that it has got a much broader community focus than the remit of just working with people with drug or alcohol problems, so they are bringing in added value to the contract and that is very much tied into [the] entrepreneurial opportunities that organisations can give."*(P24)

Furthermore, Participants (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), and (P27) believe that entrepreneurial attributes put pressure onto VCOs, because the organisations are competing with each other not only for the same contract but also for similar occasions. However, the contracts are constantly shifting and financially getting smaller. Therefore, the VCOS are searching for what additional factor they can bring to the VCS. For those VCOs, it will mean that they have to be entrepreneurial in how they can attract the funding so that they can meet some of these requirements, offers or added value that the organisations could explore.

As a result, the entrepreneurship and strategic management subject domains estimate the issues that are discussed in the previous two sections. However, VCOs in the South-West region apply strategic entrepreneurship with the aspect that is discussed in previous chapters. The evidences of strategic entrepreneurship are discussed based on the finding of the Participants from both mainstream VCOs and social enterprises in the VCS.

## 5.8 The Context of Strategic Entrepreneurship

As discussed in the Literature Review I chapter (Chapter two, See: Section 2.2.1 - The Relationship between Strategic Management and Entrepreneurship Research Fields), it is believed that strategy intersects with entrepreneurship when combining both subject areas, in order to understand the application of strategic entrepreneurship in the South-West region by the researcher. As mentioned in Chapter two, the intersection perspective believes that there are overlapping research areas between the two fields and that the combination should be created through the core aspects. The next subsections identify core aspects of each of the ideas that are applied to the VCOs through the perspectives of the participants in the South-West region.

## 5.8.1 Risk in the VCS

Risk can be considered as one of the main aspects of both the strategic management and entrepreneurship fields. As discussed before, risk is inherent in the VCS as in every business environment. It is believed that, the participants of the VCOs value a true understanding of

the challenges and opportunities that the VCOs are facing today and that leads to the risk in the sector itself. Therefore, the questions of *"Can you tell me about particular risk or risks that you and your organisation face?"*, *"How did you overcome them?"* and *"What did you learn from your experience?"* are asked by the researcher to the participants. Therefore, table (20) below represents the types and details of risks that are discussed frequently by the participants:

| Type of Risks | Details of Risks | Participant No. |
|---|---|---|
| Data Risks | • Less legally structured<br>• Technically minded where lacking a skill<br>• GDPR | • (P17) |
| Financial Risks | • Reduction on funds and grants<br>• Low margin on contracts<br>• Paid staff workforce is doubled by the organisations | • (P7), (P12), (P17), (P18), (P19), (P21), (P23) |
| Income Based Risk | • This can be linked to financial risk<br>• Particularly, participants of housing VCOs stress that a 1% reduction in rent creates big losses to the organisations (£3 million) | • (P21), (P22) |
| Lack of Being Creative | • Supporting services can be more chaotic for the VCOs that have no models | • (P13) |
| Lack of Capacity of the Volunteers and the Shortage of Staff | • Skilled staff shortages<br>• Volunteers come with the issues that they are fully aware of | • (P5), (P8), (P12), (P14), (P18), (P19) |
| Lack of Funding | • Becoming more difficult<br>• Direct affect to the effective use of the resources<br>• The amount of money people are asking for is 3 times more than the amount of money | • (P7), (P15), (P20), (P22), (P27) |
| Lack of Fundraising Team | • It can be linked to the lack of capacity of the volunteers or a shortage of staff | • (P8) |
| Lack of Support | • Lack of support can be linked to financial risks | • (P10), (P11), |

| | | |
|---|---|---|
| | • Boundaries to being able to provide services | (P27) |
| | • Not able to receive enough resources, that is a factor about how much money do the organisations get in | |
| **Losing Contract** | • There is a big impact when the organisations lose the contract<br><br>• It can bring two issues: 1) not able to receive enough funds, 2) reputation | • (P7), (P15), (P16) |
| **Overpromising** | • Overpromise on support services<br><br>• Promises on provision of services; however, not able to achieve<br><br>• It can be linked to the losing of a contract | • (P26) |
| **Privacy** | • This can be partially linked to data risks<br><br>• Privacy for the details of the people that the organisations support | • (P14), (P23) |
| **Reputation** | • The organisations could spend 12 years building a reputation and can lose this in 2 minutes<br><br>• Reputation is a huge risk because any part of what they do can be damaged, and if they get a damaged reputation it damages their potential to develop a business | • (P5), (P7), (P10), (P11), (P12), (P14), (P17), (P20), (P21), (P27) |

**Table 20:** The types and details of the risks from the participants by NVivo 12 (Source: Author)

All participants unanimously agreed that **reputation** is a significant risk for the VCOs in the South-West of England. In consequence, the participants (5), (7), (10), (11), (12), (14), (17), (20), (21), and (27) bring their ideas about how reputational risks bring damage to their publicity and fundraising:

*"Reputation is a huge risk because any part of what we do can be damaged, and if you get a damaged reputation it damages your potential to develop business. I mean reputation is huge in my view; it is the thing... If you damage your reputation as an organisation, finances do not work out, we could have a problem with a bank, rents do not work out, and in terms of clients there could be an issue with them. All those things bring more issues to us. Your*

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*reputation in this marketplace can easily be lost. We have got a good reputation, a positive reputation, we want to keep that."* (P12)

As a result, reputational risk for the VCOs can lead to some of the other various risks in the sector. One of them could be identified as **financial risks** from the participants' point of view. The participants (7), (12), (17), (18), (19), (21), and (23), stated that VCOs in the South-West face financial risk in order to gain, constantly, their revenue:

*"We have faced financial risks on a daily basis. So, for instance, the contracts do not come with many margins, so margin is very tight. So, if we have got a service and then you have got one person that goes on long term sickness, then this is financial implication, then has to be picked off by a wider organisation because that service will go into deficit, so continuously knocking its ways of managing that."* (P19)

Therefore, **income-based risks** can also be linked to financial risks. Income based risks can be defined as the reduction of income on certain percentages, either from the authorities or from various decision makers. Participants (21) and (22) discuss concerns about financial income, based throughout the interviews. In addition to this, Participant (21) raises the issue on how income-based risks can affect their VCO:

*"The critical one in recent years has been income risk. So, the government introduced in 2016 a 1% reduction in rent over 4 years, whereas previously [it was] the income model. We are basically governed by guidelines set by government in terms of how we calculate our rents and what those annual increases in rents can be, and the deal previously was that rents would increase by CPI* (Consumer Price Inflation)*, inflation plus 1%. In 2016, the government introduced a 1% rent cut, so instead of even staying static in terms of rent, rents would be cut by 1% each year for 4 years and we are still in the process of that at the minute. The impact of that on us as a business compared to what we were calculating our income is £3 million, which is huge for an organisation of our size, which at the minute we are; our services are not great."* (P21)

**Lack of funding and a fundraising team** are considered as another risk for the VCOs in the South-West region. All participants unanimously agreed that the result of changing legislations in the VCS and economic instabilities affected funding and the fundraising teams of the VCOs, not only from government perspectives but also from the perspectives of donors. The result is that the donors fund nationwide charities rather than local charities:

*"...As a local charity, people are very grateful for what we did for the families here and they go for [a] fundraise and they give the money to the national charity. They do not give it to us. So that is our biggest risk..."* (P8). The participants (P7), (P15), (P20), (P22), and (P27) stress that the funding is becoming more difficult and the organisations need to become more creative, and search for different funders and a wider range of organisations, in order to get funding from them:

*"One of the risks is the lack of funding really within [the] sector. We want to support as many people as we possibly can. Local authorities and central governments are reducing funding, quite regularly, so we have got to become a bit smart with [the] support we do because it costs quite a bit of money to provide that support, but at the same time, as I said earlier, the level of support is potentially increasing. We have also got to be aware of protecting our staff with some of the hostiles as well."* (P20)

Investing in creative and inspiring content can be problematic for VCOs. The volunteers or staffs that work for a VCO recognises that people do not become regular donors and funders do not become sponsors, without being motivated. Although some of the donors or funders can be motivated by the personal experience, the other people are required for more compelling activities to raise awareness and motivate them in order to support the VCOs. As already discussed, the VCS can be considered a highly competitive field, with VCOs competing for a limited pool of potential funds, and combined with funding cuts, it has increased demand for many services of the VCOs, and there is also austerity; the organisations operate in a very challenging environment that creates a huge risk. As a result, the VCOs focus on being creative in the sector. Therefore, participant (13) raises the issue that the effect of being less creative can create a negative impact on his organisation in the sector:

 *"We have to try and be quite creative in how we still keep housing people who maybe need a little bit more, chaotic maybe, but how do we still provide a level of support that still gives a safe environment for people to live in, so that is one of the challenges. We have to be creative in how we use our staff and time. But even currently, because of this continuation of austerity, it does make it more difficult, so we have tried a few different ways of doing that because we are still obviously constantly trying to be creative."* (P13)

### 5.8.2 Organisational Learning in the VCS

Organisational learning can be considered as another aspect in strategic entrepreneurship. As discussed in Chapter Two – Literature Review I (Theory), the organisational learning is an organisation that facilitates the learning of its members and continuously transforms itself by avoiding risks or mitigating the risk. The organisational learning is developed to enable the organisations to remain competitive in not only the mainstream business environment but also in the VCS. Participant (5) discusses the importance of avoiding risk:

*"The world that we are in is very much risky, it is all about risk but, I do not think, I do not know how many themes risk have attached to them. It is how you mitigate the risk, and we are in an environment in which if we feel that something is too risky, we walk away from it. If a tender came up that we did not feel that we could do, [at] the level that we feel appropriate, we would walk away from it."* (P5)

Therefore, the question of *"How the voluntary and community organisations in the South-West region transform themselves in order to be competitive and mitigate or avoid the risks?"* arises in order to identify the relationship between risks and organisational learning aspects in the VCOs. Therefore, table (21) below illustrates the cycle of organisational learning from the responses of the participants:

| Cycle of Organisational Learning | Definition | Evidence in the South West of England |
|---|---|---|
| 1) **Concrete Experience** | Individuals or people who are involved with entrepreneurial activities can start with some sort of prior knowledge such as technical entrepreneurial breakthrough. | Increased ability by a wide number of VCOs of all sizes that have been pursuing entrepreneurial activities with a strategic purpose. |
| 2) **Observation and Reflection** | The experience that has been discussed by the parties involved is then observed and reflected upon. | No sufficient observations and reflections have been noted as this is a novel process for the South-West |

| | | region. |
|---|---|---|
| **3) Formation** | It replaces abstract conceptualisation with formation by introducing routines in a particular structure. The formation of the organisation is made based on the experience. | Tentative attempts to promote conceptualisation of strategic entrepreneurship in a more formatted structure. The role of the borough council is still regarded as very significant. |
| **4) Testing the New Situation** | It involves active experimentation with testing the new situation. This part can be the final stage for the cycle of organisational learning, which identifies how well developed the new structure is. | An assorted number of entrepreneurial activities in certain areas, such as health, can be defined with a mixed rate of success. |

**Table 21:** The Cycle of Organisational Learning from the Responses of the Participants via NVivo 12 (Source: Apostolakis and Arslan 2016; 2018)

Most of all, it is the capacity of local residents who in many cases are immigrants, such as in the case of the representative below, to claim voluntary activity with a tendency to see things in an entrepreneurial and innovative manner. As the participant declared,

"…*to come to your other question, yes we have some special strengths as a charity when you compare with other similar charities because we are not a charity that covers all different communities. We just cover some particular community [and] that is why people who support us feel that they belong to our community*…" (P1)

Moreover, strategic identification becomes part of the VCS's routine operations as one representative of a large-scale local VCO claimed:

"*Our professional aims are clear. We are here to help re-invest the skills and experience of people used to dealing with life's challenges and to open up opportunities they might*

*otherwise miss. It is our mission to provide high quality services for the benefit of the community whilst finding new and innovative means of generating income"* (P6)

Strategic entrepreneurship is widely evident in the whole of the South West of England, as it seems that despite the fact that they appear not to be well connected in a strategically holistic manner, they could contribute to long-term standing and continuity. As a representative of a nation-wide voluntary name as they put it, it is this discrepancy of ideas within the sector that might enhance opportunities of learning and minimise risk existence; however, it does not set conditions for effective performance (Apostolakis and Arslan 2016; 2018).

### 5.8.3 Strategic Opportunity in the VCS

The opportunities can be identified after assessing the risks and the ability to transfer them in order to remain competitive of the VCOs. On the other hand, strategic opportunity can be identified through: **(a)** the appearance of new or stronger competitors, **(b)** the emergence of unique innovative attributes, **(c)** the necessity of social need in a specific demographic composition, particularly for where the VCOs operate, **(d)** changes in politics, policies and regulations, and **(e)** changes in the economy.

Therefore, there are the questions of *"Has your organisation been involved in the process of creating strategic opportunity?"* and *"Can you explain the process for the creation of strategic opportunities that supported your organisation to have achieved significant attainments to date?"* However, the results are split by the participants over whether it can be called opportunities or needs due to the nature of the VCS. Therefore, table (22) represents what it can be called from the perspectives of the participants:

| Needs/Opportunities | Participant No. |
|---|---|
| **Needs** | P1, P2, P7, P8, P9, P10, P11, P17, P23, P24, P25, P26, P27, P28, P29, P30 |
| **Opportunity** | P3, P4, P5, P6, P12, P13, P14, P15, P16, P18, P19, P20, P21, P22 |

**Table 22:** Perspective of the Participants on Needs or Opportunities (Source: Author)

The table above represents that there is a 16 – 14 splits of whether opportunities exist in the VCS or should they be called needs. As in table (14) in section 5.1 Introduction to the Participants and Roles in the Voluntary and Community Sector (VCS) in the South-West of

England, the participants who name opportunities are generally involved in the social enterprise side in the VCS in the South-West region. A social enterprise can be considered as an organisation that applies commercial strategies, although they are considered as VCOs, to maximise social impact alongside profits and improvements in financial, social and environmental well-being. Therefore, social enterprises can provide income generation opportunities that meet the basic needs of people who are vulnerable.

On the other hand, as represented in section 5.1, the participants that consider *"need"* are generally from the charitable organisations, such as small charities, foundations and the association side of the VCS. Therefore, participant (8) stresses why charitable organisations (mainstream VCOs) cannot consider "*strategic opportunities*" and consider them as *"needs"*:

*"Charitable organisations are filling the gap but then not able to go back to the government and help make strategic change. Because if it is a government department like social services, they would be able to influence any strategic change for the future, but the charities are not able to do that. Because the government is making all these directives but they are not consulting with the charities about it, and we cannot [give] feedback into the government to say what going right and what is going wrong by the charities taking up the shortage for what the government should be doing."* (P8)

However, not every organisation agrees that opportunities should be considered as needs. Particularly, some VCOs in the South-West region explore the opportunity as to how the mainstream businesses operate. Two examples can be given in the VCS that the organisations explore as opportunity and use in a strategic way. The first example can be the hospitality area in the VCS. The marketing manager of the organisation discusses that his organisation found an opportunity in the hospitality sector in that there are a number of unsold hotel rooms, and they represent basically a wasted asset after 24 hours of the day is passed, as they cannot be sold again and it can be the opportunity, somewhat, on what can the industry do to make use of these and also give something back. Consequently, the idea is to take those unsold rooms and offer them to charities. According to Participant 9, it is a successful decision; therefore, the local authorities, hotels and catering companies joined in order to give this service:

*"Our main opportunities is really, because at the moment we are still [a] very young charity so our aim is constantly to grow and find ways that we can both increase awareness of what we do and increase [the] number of hotels and charity partners. So, that is a sort of*

*manifesto itself in different ways. We established our social media webpages and stuff, our app in terms of numbers and engagement and all that sort of thing."* (P9)

The second example can be given from a charity that is a partner with the Royal Bournemouth and Christchurch hospital in order to support these hospitals. The organisation has come out with the strategy *"one chance to get it right"* or *"ambitions into action"* or *"the end of life care strategy"* (P8). Therefore, that would filter down the workloads of the hospital, particularly with the patients who are more likely to pass away. The aim of the organisation is to support patients fulfil their last wish. Although the aim of the organisation is heartbreakingly sad, the strategy worked and the central government and local authorities are giving more attention supporting the same organisations that focus on this area in order to reduce the workload of the hospitals. Therefore, Participant 8 states,

*"We follow the strategy that the government outline. At the moment, most strategies from the government is all about [the] choice of patients. That is what most strategies are. The very focus is giving choice to patients."* (P8)

As a result, it can be seen whether it is a need or an opportunity; the VCOs in the South-West region try to find new ways to support vulnerability and also, they are establishing a name and are growing in a similar way to mainstream businesses.

### 5.8.4 Generation of Ideas in the VCS

As discussed in Chapter Two – Literature Review I (Theory Chapter), Generation of ideas can be considered as the process of creating, communicating or developing ideas that are abstract or concrete. The process includes the route of constructing the idea from the identified strategic opportunity, then innovating the concept, service or product, and developing the process and bringing the concept to reality.

Therefore, the questions of *"How does your organisation generate new ideas? Can you give some examples of your projects?"* and *"What do these stakeholders do in order to generate new ideas or money? Could you give me some examples of ideas your organisation has implemented?"* are asked by the researcher.

Once the strategic opportunities are identified, the members of VCOs focus on generating ideas in order to fill the gap, support the need, as well as expand their organisation within reason. As Participant 20 points out, *"We have got really experienced members of the support*

*team who are constantly looking for ways to improve that support, ways to expand business within reason."* (P20).

Through the interview process, based on the responses, the researcher identifies five main actors that can bring or generate the idea. These actors can be stated as central or local governments, board of directors from the VCOs that are bigger in size, middle managers, volunteers, and finally the most important people are those who live in that local area or have a direct or indirect relationship with VCOs in the South-West region. Therefore, table (23) below represents the density of actors that responded:

| Actors | Participants |
|---|---|
| **Central and Local Government** | P3, P4, P5, P7, P8, P12, P13, P14, P15, P16, P18, P19, P20, P21, P22, P23, P24, P25, P27, P30 |
| **Board of Directors** | P1, P2, P3, P4, P5, P6, P7, P9, P12, P13, P14, P15, P16, P18, P19, P20, P21, P22, P24, P25, P27 |
| **Middle Managers** | P3, P4, P5, P7, P9, P12, P13, P14, P15, P16, P18, P19, P20, P21, P22, P24, P25, P27 |
| **Volunteers** | P1, P2, P3, P4, P5, P7, P8, P10, P11, P12, P13, P14, P15, P16, P17, P18, P19, P20, P21, P22, P23, P26, P28, P29, P30 |
| **Local People** | P1, P2, P3, P4, P5, P7, P8, P10, P11, P12, P13, P14, P15, P16, P17, P18, P19, P20, P21, P22, P23, P26, P27, P28, P29, P30 |

**Table 23:** Density of responses from the participants for the actors that can bring or generate the idea (Source: Author*)*

The table above represents some of the VCOs that meet the local authorities regularly in order to discuss where the gap is, what the trends are and what messages do the organisations hear from the people. Therefore, the people call in a lot of the time about one specific issue and the organisations have a conversation with them. As Participant (7) discusses, *"It is got to be about listening to what is happening to people and what is going on for people in their lives that informs us about what we do"*. The organisations start to collect on other trends and other issues that are happening:

*"There may be other services somewhere else in the county that have been discontinued and have finished. We would not be aware of them but we start to pick that up through our conversations with people and think, ooh, there is a gap there. So that organisation has stopped doing that, is there anything that we can do to fill that gap and to deliver that service"* (P7)

Furthermore, Participants (12), (14) and (20) argue that staff and the board of directors try to get the name of the organisation where the opportunity is:

*"Some of those ideas will be brought about by experience of those managers working for other bodies, but also keeping [an] eye on [them] through [the] locality, through local authorities, through other support groups really, and also national discussions around supported housing, and some of the issues that other providers are actually facing, which may be quite similar to what we are doing."* (P20). Consequently, if people or local authorities are looking for the type of services that are needed, these organisations will try to provide or expand their services through discussing with these actors whether VCOs are capable of providing them: *"We have strategic away days, we have two a year where we as officers and our board come together to look at the marketplace and make decisions about where we are going and what we are going to do."* Participant (14) suggests, *"It might be [that] we will look at the numbers and our board will give the decision. So that is at one level, the board, the organisation and if we can provide"* (P12). The numbers that are discussed by P8 can be achieved through enough resources of the VCOs.

### 5.8.5 Resources in the VCS

Resources can be defined as the service and other assets used to produce goods and services that provide for human needs and wants. In this research, resources can be identified as how VCOs manage and allocate their scarce resources. In the business environment, there are three categories of resources recognised **(a)** tangible, **(b)** intangible resources and **(c)** capabilities. As discussed in the previous sections (See: Section 5.8.1 – Risk in the VCS and 5.8.2 – Organisational Learning in the VCS).

The question of *"Can you explain what are your resources and what do you do in order to get the funds? (Please refer to your human and financial resources including potential issues you might have)"* is asked by the researcher. Consequently, table (24) below illustrates the

codes of tangible and intangible resources and capabilities that are used by the participants frequently that the VCOs possess in the South-West region:

| Tangible Resources | Intangible Resources | Capabilities |
|---|---|---|
| **Cash or Turnover** | Building or Property | Paid Staff |
| **Charity Boxes** | Being Credible to the Banks | Volunteers |
| **Contracts** | Partnerships or Relationships | IT staff |
| **Donations** | | Board of Directors |
| **Endowment** | | Middle Managers |
| **Funds** | | |
| **Grants** | | |
| **Income or Revenue Stream** | | |
| **Private Borrows** | | |
| **Products** | | |

**Table 24:** The Resources of the VCOs in the South-West Region (Source: Author)

Table (24) above represents the codes that are identified by the findings from the participants. As the table shows, cash or turnover, charity boxes, contracts, donations, endowments, funds, grants, income and revenue stream, private borrows and products are the codes of tangible resources. Building or property, being credible to the banks, partnerships and relationships are intangible resources; and paid staff, volunteers, IT staff, board of directors and middle managers are the result of capabilities. The detailed description and findings of intangible and tangible resources from VCOs in the South-West region are discussed in the next section.

### 5.8.5.1 Tangible and Intangible Resources

Resources can also be considered as the assets of the organisations. To understand the value of resources of the VCOs, it can be beneficial to understand the long-term benefits to an organisation. However, these benefits may differ from social enterprises to mainstream VCOs. Table (25) below shows the frequent responses that are found by the author throughout the interview process. The findings in the table below, show social enterprise and mainstream VCOs as not being separate but as organisations as a whole in the South-West region:

| Tangible Resources | Findings | Participants |
|---|---|---|
| **Cash or Turnover** | Although not every organisation possesses the same income, each of the VCOs project £23-24 million turnover in the South-West region. Those VCOs have a split between tenders that are successful and with what they fund their activities with. | All 30 participants answered that cash and turnover are a tangible resource |
| **Charity Boxes** | VCOs have charity boxes in various places in the South-West region. The charity boxes are one of their biggest incomes and are the source of their resources; therefore, VCOs are trying to reach and be close to them, and whoever wishes to have a charity box for their offices, shop or restaurants, the organisations are happy to give them a charity box. | (P1), (P2), (P3), (P4), (P8), (P10), (P11), (P17), (P23), (P27), (P29), (P30) |
| **Contracts** | The contracts are one of the most significant resources in the sector; therefore, VCOs are 90-95% dependent on local authorities for funding. If the VCOs breach the contract, all the local governments could next week stop the funding and the VCOs would have a big issue. Mainly, all the contracts are with the local government; the VCOs have got various contracts with them. Consequently, one of the main purposes of the VCOs is delivering a good service to the people in the communities, doing what the contract wants and keeping the promises, and keeping good relationships with those central and local governments. | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27) |
| **Donations** | Donations are another significant resource for VCOs; therefore, the organisations | All 30 participants answered donations as |

| | provide other services, such as skills and learning through employment services, and government work programmes, through these donations. | one of the siginficant tangible resources in the sector |
|---|---|---|
| **Endowment** | Endowment or an endowed fund can be similarly considered as charity boxes, as well as a donation for the VCOs. According to the responses of the participants, each type of VCOs are dependent on endowment. Consequently, endowment is where the VCOs have a large sum of money, which is invested, and the income generated is fed back into grants to the community, and managing the process of those grants and trying to grow that endowment. The VCOs in the South-West region have £2.5 million of endowed funds that have been built up over the last number of years, so it is managing that asset. | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27), (P28), (P29), (P30) |
| **Funds** | As discussed in section 5.5 (Funding of the VCS), not every one of the VCOs receives funding. However, for the organisation that relies on funding, it can be considered as one of the main assets for their organisation. Particularly, the government funds have a significant role and that is devolved through the local authority through the contracts and tenders. They get government funds for specific pieces of work, and that is the work that the VCO has done. Therefore, the funding process can be process of possessing an idea (or pile up an idea) and receiving funding to do that. However, | (P3), (P4), (P5), (P7), (P8), (P9), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P24), (P25), (P27), (P30) |

| | participants discuss that it is not as easy as it used to be because everybody is going for the same bit of funding. | |
|---|---|---|
| **Grants** | Majority of the VCOs are looking at the income that is being generated through grants. Consequently, where there are some grants around, the VCOs are into tender bidding from trusts and various other occasions. The participants believe that the trust directory is out there for all to consider, and organisations are much more heavily dependent upon grant sources. What the VCOs try and do is to not sit on the outside and just get grants because that will only last as long as the grant lasts and then that will finish. As a result, what the organisations try and do is align their service to an opportunity and see stakeholders and when they have a problem that is an opportunity. | (P3), (P4), (P5), (P7), (P8), (P9), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P24), (P25), (P27), (P30) |
| **Income or Revenue Stream** | All rent, payment, and universal credit are a significant part of the organisations' income. There are other revenue streams, so that it works through the ground funding and tenders and bids that they put in, andthrough commissioners that could be through "learning and skills", which is a department set up by the government, so then it filters its way down. | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27), (P28), (P29), (P30) |
| **Private Borrows** | The other element that the VCOs possess is access to private finance. The organisations are now able to own £25 million of private borrowing. This is from banks and that is built up over time. Consequently, this is | All 30 participants answered private borrows as one of the siginificant tangible |

| | probably one of the main sources of finance for the VCOs in the South-West region. | resources in the sector |
|---|---|---|
| **Products** | The products that the VCS produces or sells can be considered as the income for the VCOs in the South-West region. | (P6), (P10), (P11), (P28), (P29) |

**Table 25:** Tangible Resources of the VCOs in the South-West Region (Source: Author)

Intangible resources can often bring greater long-term value than tangible assets that run out more quickly. For instance, building and property, being credible to the banks, and relationships and partnerships can generate more income than tangible resources. Consequently, table (26) shows how the participants respond on intangible resources:

| **Intangible Resources** | **Findings** | **Participants** |
|---|---|---|
| **Building or Property** | Particularly, the housing organisations hold approximately 1800 units of accommodation, homes, and a block of flats. It might be a night shelter for homeless people that houses 40 only in the Bournemouth, Poole and Boscombe areas, and they vary from might be a street property, or a home of multiple occupation. Therefore, it is a mix of accommodation. Some of it is owned by housing and homelessness organisations, some of it is leased and managed on behalf of others. At the minute it's sort of about 50/50 of that sort of split, and, in particular, these organisations have got a management contract with another housing association called Liverty. So they manage about 500 of their properties for them, and they are basically consolidated to a different part of the country and wanted somebody locally to manage their properties. | All 30 participants answered building or property as one of the siginficant intangible resources in the sector |
| **Being Credible to the Banks** | According to the participants, having credible | (P5), (P12), |

| | VCOs are essential in managing inflationary expectations in the sector as in mainstream businesses. It is also important for local and central government to provide a contract that the VCOs can achieve. | (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27), (P28), (P29), (P30) |
|---|---|---|
| **Partnerships or Relationships** | Partnerships and relationships can be considered as a significant intangible resource from the participants' point of view. According to the responses, it is not just the staff but it is all the volunteers and all the people that VCOs work with in the communities because it is about generating intelligence and information. So they are significantly important. Therefore, when the VCOs possess good relationships, they can get new opportunities, and new funding for those people. | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27), (P28), (P29), (P30) |

**Table 26:** Intangible Resources of the VCOs in the South-West Region (Source: Author)

The detailed description and findings of capabilities of VCOs in the South-West region are discussed in the next section.

### 5.8.5.2 Capabilities

Capability can be considered as the power or ability to do something. Capacity to give attention to the development of capability for the VCOs is likely to lead to effective positive outcomes. In the broader context, the capability for VCOs is also significant in order for capability and capacity building to be successful in the sector. Table (27) shows the frequency of responses that are achieved by the participants:

| Capabilities | Findings | Participants |
|---|---|---|
| **Paid Staff** | The expertise and skills of the paid staff is important to do the routine job. Therefore, | (P5), (P8), (P10), (P11), |

| | | |
|---|---|---|
| | VCOs recruit based on the values and attitudes. | (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27), (P28) |
| **Volunteers** | VCOs consider that the volunteers in the organisation are an essential resource. Because they share the organisational values. They believe in what they are trying to do and the difference that the organisation is trying to make and establishing those core values in the organisation because they need to understand why they do it and they are on this journey together. As a result, the staff are certainly stakeholders in the organisation. | All 30 participants answered efficient volunteers as one of the siginficant capabilities in the sector |
| **IT staff** | IT staff is significant in order to publicise the events, reaching out to volunteers and collecting funds, as well as donations. Therefore, VCOs give importance to appointing skilled IT staff. | (P5), (P8), (P10), (P11), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23) |
| **Board of Directors** | Not all VCOs establish a board of directors; however, the majority or the organisations understands the importance of working as mainstream businesses and works similarly, as all decisions are taken by the chairman and the other trustees but obviously when they make a final decision. The VCOs make | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27), (P28), |

| | decisions based on the comments and feedbacks from the community; therefore, this can be considered as an invisible process from the participants' point of view. | (P29), (P30) |
|---|---|---|
| **Middle Managers** | Middle managers are in charge of facilitating any changes needed in the VCOs and creating an effective working environment. They administer day-to-day routines, monitor performance and make sure everything is done in compliance with the sector's needs. | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22), (P23), (P27), (P28), (P29), (P30) |

**Table 27:** Capabilities of the VCOs in the South-West Region (Source: Author)

### 5.8.6 Innovation in the VCS

VCOs in the South-West region apply innovation on various occasions. Therefore, innovation can be divided as product and process innovation in the VCS. The organisations are continuously involved in the innovation process in order to transform. Consequently, organisations need to be brave on what they have to perceive and how bad things are so they are able to make changes. For the VCOs, continuous innovative changes can be either difficult, or some organisation are not able to innovate due to their lack of capacity. Therefore, these organisations avoid doing that activity because the truth can almost be too much to see or bear, but not doing it is wrong, so these organisations ensure there are innovative attributes. Specifically, the VCOs in the South-West constantly try to educate themselves as a consequence but always with the clients at the forefront. It is probably about how the collaboration occurs with the clients and the other organisations, and how to come to decisions where the VCOs want to put in effort and encourage new ideas. As a result, the questions of *"What has been the most innovative decision you or your organisation has made to date?"*, *"Can you give me some examples of innovation of your organisation?"* and *"What has it involved and how?"* are asked by the researcher to the participants.

All 30 participants agree that their VCOs are involved in innovative processes depending on the capacity or sizes of their organisations. In addition to this, 30 participants believe that the most innovative decision starts with supporting volunteering work:

*"I think maybe the most innovative decision was to decide to support volunteering, so recognising that benefit through being [a] volunteer can be very life changing as well. So, for me, it's about how kindness to others means, to have become my own challenges. And I think, that is quite innovative really in the charity sector. It's always all about helping someone or solving that particular problem. Here is the person in need; you have got more than them to make something; whereas, this is more about recognising the value of helping others. I think that's quite innovative and quite worthwhile"* (P17)

Then, the innovative activity differentiates from the various types of the organisations in the sector. Social enterprises, due to their form, are able to become somewhat diverse. Therefore, social enterprises are able to do cross subsidising due to their charitable as well as person-in-need focused organisational models. On the other hand, the VCOs in the South-West region, such as charities, foundations, associations or non-profit organisations, apply innovative attributes that are already there into more meaningful ones, which are there for these organisations to follow:

*"I find it very difficult to answer if I am honest. I cannot say [if] anything is so innovative or off the scale but I think what we do is a little bit of what we [are] good at. We know what works. I would not call that innovative, I could call [it] tried and tested. I do not think we have done anything so "wow".* (P22)

Although, it seems social enterprises apply innovation easily on their processes compared to mainstream VCOs, participant 13 discusses the effect of austerity over innovative attributes on his organisation:

*"It has got harder and harder over the last 2-3 years because of the impact of the austerity, the minus 1% rents; it's all compounded so we are having to stop doing some of those nice to do things."* (P13)

According to the responses of the participants, there are distinct characteristic differences between social enterprises and mainstream VCOs based on innovative attributes in the South West region. Therefore, table (28) and table (29) illustrates the most innovative process that the VCOs in the South-West region apply in order to transform themselves based on the strategic entrepreneurship.

| Innovative Decisions | Responses | Participant |
|---|---|---|
| **The Factory** | *"Opening 'The Factory' was a massive innovative step. We bought it and refurbished it. There are conference facilities, catering facilities, coproduction areas for small start-up businesses; some businesses are already situated there. I believe that is massively innovative for an organisation to join to."* | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22) |
| **Floating Support Services** | *"These are where a person can be living in any piece of accommodation in need of support but a person goes in to engage with that person, for the length of time that they need the support and then it moves on somewhere else, so that is the floating support service."* | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22) |
| **Learning and Work** | *"Learning and working as a department is innovative because it is not our core revenue. So it was not the core of who we were as an organisation, so I think we are quite raving on and going and developing that as an offer and seeing the links between our customer base who do not have the income of people necessarily working, and looking how we link to training them and get back into work so that we generate [our] own rent really by effectively supporting them into paid employment."* | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22) |
| **Recoop** | *"Recoop is the prison organisation, running services inside an outside jail. This is the work we do. That is a gap in the market. Going to the prison [are] more older people. The prison itself is not physically constructed in a way that is good for older people, then* | (P5), (P12), (P13), (P14), (P15), (P16), (P18), (P19), (P20), (P21), (P22) |

| | | |
|---|---|---|
| | *the needs, because they are getting old. I mean in some cases that could be 85 and 90 year olds in prison. Their need is different to others. In that case we go to a governor in a jail, we might go to governor or more senior responsibility, talk to them about the cost, providing the two go together, we can then design some or we can then implement something to fill that gap."* | |
| **Apprenticeship** | *"In apprenticeship schemes so we get these young kids coming in. They spend some time with us, they get work experience, in the production facilities, they get work experience in the administration and we give them, we like to think we give them the tools to go away with that they would have never experienced otherwise. For us having a business that helps us to fulfil that and we share that with our customers and that is what the customers like. They like to know we are trying to make a difference just by running a business. Our focus, our primary aim is about making a difference."* | (P6), (P24), (P25) |

**Table 28:** The Most Innovative Decisions of Social Enterprises (Source: Author)

As identified in Chapter Three (Literature Review II – Policy), due to the legal form, a social enterprise can apply mainstream commercial strategies to maximise improvements in human and environmental well-being through applying innovation. This can include maximising social impact alongside profits. The social mission of the social enterprises is the core to their success, as any potential profit, but income and profit are involved in the mix; therefore, they seek for long-term innovative solutions. On the other hand, mainstream VCOs are a type of non-profit organisation with a diverse legal form that centres on philanthropic goals as well as social well-being. Table (29) below represents how product and process innovation could be seen in charitable organisations in the South-West region:

| Innovative Decisions | Responses | Participant |
|---|---|---|
| **Doubling the Size of the Charity** | *"Charity core services have not changed over the last 8 years but the fact [is] that our staff team has more than doubled. That is pretty innovative. We are doing what we are doing well, and, therefore, we are able to kind of attract the support from the people that are able to help us increase that service. The need for our services is very evident. So, we are seeing 40% increases in referrals year on year. So, the need is very much there and the fact that we are growing and that we are meeting that need in a way that is managed because obviously we are very conscious that we cannot grow too fast."* | (P1), (P2), (P3), (P4), (P7), (P8), (P9), (P10), (P11), (P17), (P23), (P26), (P27), (P28), (P29), (P30) |
| **Social Prescribing** | *"Social prescribing is probably one of the most innovative decisions that we have made. Actually, changed direction particularly to become [a] more social prescribing service rather than [an] individual. We are expanding, diversifying into a whole new area because social prescription is [the] sort of means by which social isolation and loneliness will be addressed in a wider community, in a wider sense. We already have the infrastructure and the support and the training and safe guards and so on to do that."* | (P8), (P10), (P11), (P17), (P23), (P26) |
| **NHS Projects** | *"Our charities have got the NHS project, which is a six weeks project for clients that give some sorts of skills around CBT (Cognitive Behavioural Therapy) and things like that to hold them until they can either* | (P8), (P10), (P11), (P23) |

| | | |
|---|---|---|
| | *come to the long term counselling service or it might be decided that that's enough for them right now. So, I think a lot of what we do is very innovative."* | |
| **Volunteer Projects** | *"In our charity, we get our volunteers to manage themselves and then we take the leadership role so we are saying to them 'this is what we need help with' and then the team leaders who are managing their volunteers, then decide with their volunteers how to deliver that. So that is quite [an] innovative process for here."* | (P3),  (P4), (P7),  (P23), (P26),  (P27), (P28),  (P29), (P30) |
| **Night Shelter** | *"The night shelter, bringing in health so having a GP surgery, a GP's practice room in the night shelter was quite innovative at the time, so people that are homeless can not only find a roof and food, they can access medical services which they would not normally be able to."* | (P11), (P17), (P23), (P26) |

**Table 29:** The Most Innovative Decisions of Mainstream VCOs (Source: Author)

## 5.9 The Summary of Data Findings and Analysis Chapter

Data findings and analysis chapter explains the main categories that resulted from the manual coding in NVivo 12. The main conclusions are listed below:

- The VCS was on a rise between the years of 1997 and 2010 due to the changing legislations and regulations that emerged from the various governments. Due to the world's economic financial crisis, it has resulted in the government taking some actions, such as an austerity programme, and this has limited the resources and funding,

- Limited resources and funding have led the VCOs to find their own strategic activities to possess some shares from the pool, and resulted as the birth of applying strategic entrepreneurship in the VCS. In particular, six strategic entrepreneurship aspects have been identified and discussed in the introduction and in both the literature review chapters, such as risk, organisational learning, resources, strategic opportunity, generation

of ideas and innovation. Thematic analysis guides the researcher to identify the codes (in NVivo term nodes) and they are later designed as themes. The contextual information proves that strategic entrepreneurship can be seen in the VCS in the South-West of England with different outcomes and different practices,

- These six aspects directly and indirectly resulted from the competition on the limited pool of resources and funding. Therefore, competition is based on contracts, tendering process, funding, finding the right staff or volunteers, involvement of the private sector, limited resources and increasing complexity on the sector,

- In consequence of having the most deprived areas on education, health, crime and housing, according to Bournemouth Borough Council (2015) and Indices of Deprivation (2019), the environment of the South-West of England also has an impact upon the vulnerability, competition and finding the application of strategic entrepreneurship. Therefore, based on the responses of the participants, the environment represents eight substantive environments, such as business, financial, geographical and physical, and in-terms of deprivation, micro, online, political and social environments,

- Due to the nature and the characteristics of the organisations in the VCS, it is unable to possess shares in the organisations; therefore, there are no shareholders in the sector. However, the organisations highly rely on the stakeholders, as do all mainstream organisations. These stakeholders are divided as internal and external stakeholders,

- Due to the high competitiveness in the sector, all the stages of strategic initiatives and entrepreneurship activities can be seen in every stage of the voluntary activities in any area of the sector. Entrepreneurship is generally lead by the uniqueness of the organisations in the VCS in the South-West of England,

- Risk is inevitable in each stage of the businesses. The organisations need to be aware of this in order to avoid risks; therefore, this can be achieved by the organisational learning. The orchestration of the resources, through a unique combination of distinct resources facilitates the organisational learning and avoids risk,

- Possessing strategic opportunity that is based on needs, specifically in the VCOs and generating new idea from those needs or opportunities facilitates innovative practices and other forms of strategic and operational outcomes,

- The relationship between the strategic entrepreneurship and the VCS in the South-West of England is identified,

- Innovation is regarded as novel organisational processes that are achieved by some organisations in the South-West of England that can create a unique outcome to be used in order to gain advantage or create wealth.

Chapter Six (Research Discussion) represents the practical theory that interconnects all the core categories that are discussed in this chapter. Furthermore, the empirical results of this research with the existing research will be compared in the next chapter by the researcher.

# Chapter Six

## Research Discussion: Application of Strategic Entrepreneurship into VCS in the South-West Region: Theory Development

### 6.0 Overview of the Chapter

As identified and discussed in the first literature review chapter, the existing literature on strategic entrepreneurship has largely been researched at firm-level organisations which concentrate on reaching a higher performance, increasing profitability, achieving wealth creation as well as competitive advantage (Agarwal et al. 2010). However, there are other theoretical implications that give eligibility for the application of strategic entrepreneurship into VCS context.

Organisational learning, generation of ideas, risk profile, resource availability, innovation and identification of strategic opportunities are aspects of strategic entrepreneurship that can be applied to both mainstream VCOs and social enterprises.  This will improve the strategic and effective use of resources from limited funding and capability, bringing an innovative mind-set to product and process to the entire sector. This approach has possibly not been pursued by the VCS in the South-West, but they may now be in the process of establishing   learning and minimising risks, that was not the case. This may indicate that the application of strategic entrepreneurship, as a combination of pragmatism and innovation is beginning to permeate into the everyday life activities within VCS, thus allowing an increasing share of attention in the policy arena.

In the previous chapter (Chapter Five), the research findings which are generated from semi-structured interviews, subsequently manually coded, provide a platform to advance the discussion. This chapter continues with the creation of the conceptual framework based on the single case study of Voluntary and Community Organisations (VCOs) in the South-West of England.

In this chapter, the three conceptual frameworks developed are supplemented by a critical discussion that compares qualitative results based on findings in this research allied to existing scholarly work. This discussion chapter assists in addressing the research aim and objectives as well as the research questions that are outlined in the Introduction and Methodology chapters.

This chapter starts with section 6.1 (Integration of Core Categories), 6.1.1 (The Nature of Mainstream VCOs and Social Enterprises), 6.1.2 (Contribution to VCOs in the South-West of England), 6.1.3 (The Contextual Boundaries to the Theory) and 6.2 (The Comparison of Private, Mainstream VCOs and Social Enterprises) and provides a reminder of policy and activity similarities and differences of both organisational types in the VCS. After that, it follows a similar structure to the findings in chapter (Chapter Five). The chapter concludes with the development of three conceptual frameworks (a framework for mainstream VCOs, a framework for strategic entrepreneurship and a framework that combines both in the VCS in South-West region) (See: Section 6.3 - Development of the Conceptual Frameworks) and responses to the research questions (See: Section 6.4 - Responses to the Research Questions).

## 6.1 Integration of Core Categories

The approach and concept of selective coding is discussed in Chapter 4 – Methodology (See: Section 4.3.1 – Coding: Using Thematic Analysis through NVivo 12). This section illustrates the main outcomes of the research that are integrated using the conditional matrix tool and visualised using two instruments as contextual maps and the integrative diagrams. Two elements help to locate each of the categories within two dimensions (Corbin and Strauss 2008) namely, vertical and horizontal:

a)  **Vertical dimension:** The tool represents the wider business context of relationships between categories such as the type and group of categories in the context of the presentation in Chapter 5 – Findings and Analysis.

b)  **Horizontal dimension:** The tool represents the cause and effect connections between the categories such as the process and outcomes of the type and group of categories as presented in Chapter 5 – Findings and Analysis.

## 6.1.1 The Nature of Mainstream VCOs and Social Enterprises

As discussed in the introduction and literature review chapter (Chapter 2), strategic entrepreneurship at a private firm level and strategic entrepreneurship in public organisations have been identified by the various scholars (Luke and Verreyne 2006; Klein et al. 2013). Although, family businesses are considered as organisations that belong to private sectors, Webb et al. (2010) discussed the opportunities and challenges created when an organisation attempts to stand out in both exploration and exploitation with family involvement and Lumpkin et al. (2011), discussed the role of family in nurturing entrepreneurial ventures and

on the significance of adapting strategic entrepreneurship in maintaining strength and viability of family businesses.

Despite public organisations being under researched compared to private organisations, the model of strategic entrepreneurship is predicated by the public sector and implemented as three case studies involving organisations that are owned by the public (Luke and Verreyne 2006). In addition, Klein et al. (2013) concluded that entities that create and capture value in both public and private sectors and from a capabilities point of view cover significant insights on behaviour of the public organisations.

Nevertheless, social entrepreneurship typically attempts to bring cultural, social and environmental aims associated with the VCOs in areas health care, community development and the mitigation of poverty (Dey and Teasdale 2016). The assumptions are made from various scholars (Santos 2012; Doherty et al. 2014; Young and Lecy 2014) in terms of the relationship between social entrepreneurship and social enterprises and therefore, social enterprises as an activity are generally equated with social entrepreneurship (Peredo and McLean 2006).

As discussed in the policy chapter of the literature review (Chapter 3), despite social enterprises in the U.K being considered under VCS, they are distinguished from their voluntary and community counterparts (mainstream VCOs). Therefore, in the core of social enterprises, most scholars agree that they entail the integration of commercial aims and social welfare (Wry and York 2017). The shared pursuit of social and commercial aims differentiates social enterprises from both commercial organisations where social responsibilities are supplementary to financial concerns and their non-profitable nature depend on funding support and follow social goals (Dacin et al 2011; Besharov and Smith; Wry and York 2017). The social and commercial aims are consequently followed by the integration of social and commercial logics within the social enterprise (Battillana and Lee 2014).

The mainstream voluntary counterparts (mainstream VCOs) such as charities, associations, foundations may or may not possess various forms compared to social enterprises (Zahra et al. 2015). They also differ from the organic structure of the mainstream VCOs with less emphasis on commercial aims and more on philanthropy and social well-being (Dees and Anderson 2003; Dees 2007). Specifically, the mainstream VCOs and social enterprises distinguish the *"Acts"* promulgated by the government, therefore, VCOs are considered

under **Charity Act** and social enterprises are formed under **Social Value Act**. According to the charity Act, the definition of a charity is an institution which is established for charitable purpose only and must provide a public benefit (Charity Commission for England and Wales 2013). Although some organisations are named as *"foundation, associations or trusts etc."* this has no significance and does not provide any information about both the work of the charity, and how the organisation is structured. Therefore, these organisations can be also considered under Charity Act. However, social enterprises are considered under the Social Value Act in the U.K. According to the act, the economic, environmental and social well-being in connection with public services contracts and connected with purposes associated with these areas (Cabinet Office 2016). The law offers more opportunities for social enterprises in order to consider how their services can benefit people living in the local community (Cabinet Office 2013) and **Social Enterprise UK** is formed as the national body for the social enterprises as discussed in the Policy Chapter of Literature Review (Chapter 3). Hence, in this research, the mainstream VCOs and Social Enterprises are discussed as two different entities within VCS as well as in the scope of this research when representing the discussion for the application of strategic entrepreneurship in the VCS in the South-West region, although both entities are structured under VCS.

In the findings and analysis chapter (Chapter five), the researcher contacted thirty participants from various types (i.e. 12 participants as the members of social enterprises; 13 participants as the members of charities; 2 participants as the members of associations; 1 participant as the member of a foundation and 2 participants as the members of statutory organisations) of organisations within the South-West region and in fields (i.e. education, housing, homelessness, health, hospitality, community, art, stationery and rape crisis) in which they operate. As discussed above, based on the definition of the charity act, the foundations and associations are included in the mainstream VCOs when applying strategic entrepreneurship. Statutory organisations, on the other hand, cannot be considered under VCS, because of being a part of local government. Local government has a remit from national government to ensure that social services meet the needs of the local residents. Statutory organisations are formed under the *"Special Act of the Parliament"*. Therefore, they are established in some areas in order to guide VCOs whether the needs of the local residents are being met and, they monitor that services that the statutory organisations have commissioned from both other statutory bodies and the VCOs meet those needs. As a result, statutory organisations can be the guiding part of applying strategic entrepreneurship in VCS.

### 6.1.2 Contribution to the VCOs in the South-West of England Arises:

The researcher claims that strategic entrepreneurship should be identified separately for social enterprises and mainstream voluntary counterparts due to the reason of how these organisations are formed.

As a result, in this research, three contributions arise:

**Contribution (1):** As various scholars (Defourny 2001; Dees and Anderson 2003; Dees 2007; Dey 2014) discussed, social entrepreneurship is relevant to social enterprises, however, this research claims that strategic entrepreneurship can also be applied on social enterprises.

**Contribution (2):** In contrast to what social entrepreneurship scholar (Zahra et al. 2008) claimed, it is possible to apply strategic entrepreneurship to mainstream voluntary counterparts (charities, associations, foundations etc. due to their different forms).

**Contribution (3):** This research provides three conceptual frameworks that can be used for **(a)** mainstream VCOs, **(b)** social enterprises, **(c)** a conceptual framework that combine both entities.

### 6.1.3 The Contextual Boundaries to the Theory

The application of strategic entrepreneurship to the VCS in the South-West of England is identified in Chapter 5 – Findings and Analysis chapter. The chapter illustrates the context of the cause and effect relationship between strategic entrepreneurship and the VCS. Therefore, in this research, the context unfolds in three layers as input, process and output.

a) **Input**, shows the relationship between risk and organisational learning aspects with its relationship with resources; and strategic opportunity and generation aspects with its relationship with innovation.
b) **Process,** maps how VCOs in the South-West of England can use their resources effectively in order to sustain the social need and develop their product or process innovative attributes.
c) **Output,** which illustrates the development of a conceptual framework that shows the current situation in the VCS.

The researcher distinguishes the general context from the process of how VCOs deploy their strategies, funding, and the relationships between the service providers and donors. The

general context represents the views of the participants about the VCS as well as where their organisations stand in the context. Moreover, it recognises the immediate context to the interrelationships that are identified between the process of strategic entrepreneurship and the process of resources and innovative attributes.

As a result, as Chapter Five (Research Analysis and Findings), immediate context been shown to affect the understanding and perceptions of participants based on strategic management and entrepreneurship fields. Overall, the contextual map sets the boundaries to the cause and effect relationships identified between the research objectives and research questions in this research. Through contextual map, mainstream VCOs and social enterprises issue informs their local contextual information to a central contextual map.

## 6.2 Comparisons of Private, Mainstream VCOs and Social Enterprises

The table (30) below summarises the factors and aspects that are identified in this research and their implication to strategic entrepreneurship with a comparison of private sectors, mainstream VCOs and social enterprises. Each of the factors and aspects is then discussed in detail with its implications in later sections.

| Aspects | Private Organisations | Mainstream VCOs (including Foundations, Associations etc.) | Social enterprises | Section |
|---|---|---|---|---|
| **The Competition** | Competition in the private sector is considered high. | VCOs are formed to help vulnerability; they are significantly impacted by competition. | Competition is considered high for social enterprises not only within the VCS but also in the competition between the public and private sectors. | 6.2.1 |
| **The Environment** | Private organisations can have distinct characteristics from different environments. | Mainstream VCOs are generally established in the most deprived areas. | Social enterprises are established in order to bring social value to the environmental well-being. | 6.2.2 |
| **The Stakeholders** | Creditors, directors, employees, government and its agencies, owners (as shareholders), suppliers, unions | Volunteers, central or local government, statutory organisations, donors, foundations etc. | Board of directors, paid staff, volunteers, central and local governments, public organisations, tenders, donors, customers, communities etc. | 6.2.3 |
| **The Funding** | The funding can be provided from | The funding is mainly provided | The funding is generally provided from contracts | 6.2.4 |

| | personal savings, bank loans, and private equity through angel investors throughout the life cycle of a private organisation | from fundraising and from donors and communities. | between private firms, and central or local governments, and from the personal investments of a social enterprise, and fundraising. | |
|---|---|---|---|---|
| **Strategic Management Evidences** | Business strategy can be highly significant in order to achieve competitive advantage. | Strategic management evidences are relatively low; however, it can vary due to the size of the organisations. | Strategic management evidences can be seen in social enterprises to improve efficiency while maintaining their effectiveness level. | 6.2.5 |
| **Entrepreneurial Evidences** | Entrepreneurial evidences are significantly high in the organisational level. | Entrepreneurial evidences can be seen in mainstream VCOs; however, a more entrepreneurial mind-set could be applied. | Fundamentally, social enterprises are using business models to address the main social and environmental issues. | 6.2.6 |
| **The Context of Strategic Entrepreneurship** | Private organisations in strategic entrepreneurship endorse advantage and opportunity-seeking behaviours in order to gain competitive advantage (Withers et al. 2018). | Strategic entrepreneurship can be seen in various mainstream VCOs; however, it depends on the sizes of the organisations. | Although social entrepreneurship is claimed to be the decent context for social enterprises, strategic entrepreneurship can be seen in these organisations. | 6.2.7 |
| **Risk** | Risk is inherent in an entrepreneurial venture; therefore, it is the same as in private organisations. | Risk is always faced by mainstream VCOs in all areas of its work and plan. | Risk is always faced by social enterprises in all areas of its work and plan. | 6.2.7.1 |
| **Organisational Learning** | Organisation learning can be significant for private organisations to transform themselves in order to remain competitive. | Organisation learning can be in the hands of an individual in order to avoid risks and the effective use of resources. | Organisational learning can also be significant for social enterprises to transform themselves in order to remain competitive. | 6.2.7.2 |
| **Strategic Opportunity** | To be aware of the identification of strategic opportunities is a significant aspect for strategic | Although it depends on the sizes, strategic opportunities can be risky for mainstream | Social enterprises can seek individual or governmental strategies as well as their own strategies, the same as most private | 6.2.7.3 |

| | | | |
|---|---|---|---|
| | entrepreneurship as well as at the private firm level. | VCOs. Therefore, strategic opportunities can be identified by the individuals or governmental strategies. | organisations have achieved. | |
| **Generation of Ideas** | Idea generation can vary where the organisation is leading and in the business model of that organisation. | Generation of ideas can be low in order to mitigate the risks. | As in private firms, the generation of ideas can vary for each of the social enterprises according to their business model, sizes and in the areas that they operate. | 6.2.7.4 |
| **Resources** | Resources play a significant part for the private organisations as in every sector. | Resources play a significant part for the mainstream VCOs as in every sector. | Resources play a significant part for the social enterprises as in every sector. | 6.2.8 |
| **(a) Tangible and Intangible Resources** | Tangible and Intangible resources play a significant part for private organisations. | Although it may change the size of the mainstream VCOs, they have very tight intangible and tangible resources to use as their resources. | Social enterprises trade their tangible and intangible resources for a social purpose that reinvests over half of their profits for further environmental and social aims. Therefore, resources play a significant part for social enterprises. | 6.2.8.1 |
| **(b) Capabilities** | Capabilities of the organisation, which are built on a resource base, are significant to entrepreneurial behaviour and the performance of the private organisations (Klein et al. 2013). | According to the size of the mainstream VCOs, some organisations may lack skills that affect the capabilities of those organisations. | Social enterprises create opportunities for the expansion of a range of capabilities (Wongtschowski 2015). | 6.2.8.2 |
| **Innovative Attributes** | Private organisation search for being innovative in order to remain competitive. Therefore, innovative attributes can be the key for these organisations as in strategic entrepreneurship. | Although it cannot be easy for mainstream VCOs to mobilise resources in order to be innovative, some organisations try to seek strategies in terms of becoming innovative. | Private organisations and social enterprises seek to become innovative in order to remain competitive. Therefore, innovative attributes can be the key for these organisations as in strategic entrepreneurship. | 6.2.9 |
| **Value Creation** | Particularly, | High public | As in mainstream VCOs, | 6.2.10 |

| | according to the various scholars, value creation is the primary aim for any business entity. For a private organisation, value creation can be selling the product or services. | awareness, good governance, appropriate behaviour and culture, transparency and accountability can all be considered as value creation in mainstream VCOs. | high public awareness, good governance, appropriate behaviour and culture, transparency and accountability can be considered as value creation for social enterprises. | |

**Table 30:** Comparisons of strategic entrepreneurship aspects between private sectors and mainstream business as well as social enterprises (Source: Author)

### 6.2.1 The Competition in the VCS in the South West of England

The organisations, including public, private firms as well as VCOs, face highly challenging competitive environments (Ireland and Webb 2009). Therefore, mainstream VCOs and social enterprises are facing competitiveness. Consequently, the majority of the participants in the VCOs in the South-West of England believe (Chapter Five, See: Section 5.2 - Rise of the Competition in the VCS) that competition is considered as inevitable not only for the VCS but also for any sector that the organisations are in.

The aim is to create a system that allows a variety of VCOs to process a high-quality service and create value, enabling the distinctiveness of small and large VCOs to develop and progress (NCVO 2019). Strategic entrepreneurship has indicated a wide selection of significant innovations and entrepreneurial activities adopted in the pursuit of wealth creation (Kuratko and Morris 2018). The decision makers need to increase the exploration of new opportunities while making the best use of the generation and application of advantages to create organisational value (Kyrgidou and Hughes 2010). Likewise, as the basic characteristic of strategic entrepreneurship, it is believed by the majority of the participants that mainstream VCOs have the responsibility to become more effective and efficient in order to survive in the sector and continue their activities. There is always competition within the VCS, which is due to the desire of the organisation to put a footprint in the area in order to support social services and wellbeing.

Unlike the mainstream VCOs, the social enterprises need to be more effective and efficient in order to respond to social issues. Therefore, this can be important for the perspective of the participants in the social enterprises because it is believed that these organisations have a *"social heart but [a] business head"* (P5). It sometimes can be difficult to place VCOs as

"voluntary" due to the competitive environment in which they operate and the necessity to cover increasing expense levels to ensure survival. According to Senior (2011), the mechanics of the private sector value take over the structure and shape of the VCS that is contracting with instances, such as management regimes, expertise in competitive tendering, and expertise on a management mind-set; and profit motives through an active promotion of social enterprise. Therefore, distinguishing between profit making entities and the VCS becomes increasingly difficult as the demarcation lines become blurred.

However, this makes a distinction between mainstream VCOs and social enterprises that are buying a contract from private contractors, central or local governments; and providing services that are cheaper than the other social services. Another competition can be discussed; the changing expectations from people that use the services. Particularly, social enterprises can respond to the changed expectations of the people in the environment.

**6.2.2 Environment in the VCS in the South-West of England**

Compared to the private sector organisations, VCOs can be established with a distinct characteristic from different environments. Therefore, the biggest difference between the private sector organisations when compared to VCOs can be established and formed as they explore opportunities or the needs of the customers in order to be maximising their profit. However, VCOs are generally formed based on the intensity of deprivation, vulnerability and the social needs of that specific environment. As represented in Literature review II (Chapter 3, See: Section 3.4.3 - Indices of Multiple Deprivation (IMD) in South-West Region of England), particularly in the South-West region, the VCOs are formed based on the environment and issues that leads from deprivation. Therefore, VCOs, including social enterprises, can serve in diverse areas with diverse forms.

The people who live in the environment of where the VCOs are situated believe that these organisations are the benefactors. However, from the VCOs' perspective, the organisations cannot only become a benefactor, but also need to run as a business, as these organisations need IT, finance, middle and line managers, the same as every other business. Therefore, VCOs need employees as well as volunteers that have a vocational mentality and are committed to what the organisations do, as in the mainstream businesses. For instance, it is expected from the people that they purchase and be involved in the service when the VCOs are providing a service or selling a product. As a result, that is what makes VCOs a business,

which also leads to not only it being a successful business but also to the high reputation of the organisation.

The role of VCOs in delivering public services continues to be a live issue for VCOs and commissioning bodies, such as statutory organisations and regulators due to the reasons of an evolving and changing environment in funding. Therefore, this is the where the boundaries lie between the VCOs and commissioning bodies (Senior 2011).

The external environment affects the individual and organisational abilities to explore, create and exploit opportunities in different ways. For instance, for the long-term survival, organisational performance and development paths of the organisations (Tavassoli et al. 2017). As a result, interconnectedness and dynamism are the most significant environmental factors from a strategic entrepreneurship perspective (Hitt et al. 2011).

### 6.2.3 Stakeholders of the VCOs in the South-West of England

A successful entrepreneurial activity creates value for customers, tenders, funders and other stakeholders (Wright and Hitt 2017). Unique entrepreneurial activity leads to benefits for individuals, and for organisations, as well as for society (Hitt et al. 2011). The performance of the organisations in strategic entrepreneurship should rather include the multiple outcomes of stakeholders, in that employees, individuals and customers are very important (Ağca et al. 2012; Kantur 2016). The stakeholders in the private sector can be complex. The creditors, directors, employees, government and its agencies, owners (as shareholders), suppliers, and unions are considered as the main stakeholders. As in the private sector, the social enterprises have their own board of directors, paid staff, volunteers, central and local governments, public organisations, tenders, donors, customers, communities. Although, the VCOs are formed as independently constructed organisations, they have a direct link to the volunteers, central and local government, statutory organisations, funders and donors. However, the main difference between the private sector and the VCOs is that they are not owned by the shareholders.

An effective social enterprise combines all these stakeholders in the sector in order to create value for social need. Therefore, stakeholders play a significant role in every sector and that is where the opportunities and needs arise and where the organisation can fill the gap. Hence, stakeholders play a significant part in becoming strategically entrepreneurial.

As in the VCS throughout the UK, the mainstream VCOs in the South-West region want the best people to be employed in the organisation. They cannot afford top wages, but they can pay a fair wage, because these organisations can increase money to progress in their further operations. As a result, this can be discussed as an issue for mainstream VCOs in order to divide strategically.

**6.2.4 Funding of the Voluntary and Community Sector (VCS)**

The VCS receives funding from various sources, such as private donors, and central and local authorities, as well as the statutory organisations that are linked to public authorities. The private donations and purchases are considered as the main source of income of the sector, providing over 40% (around £16.5 million) of the VCS' total income. Therefore, contracts and funding generate almost as much of the VCS' income. Three quarters of all VCOs do not receive any income from the state (NCVO 2019). However, the response of the participants in chapter six (See: Section 5.5 - Funding of the Voluntary and Community Sector (VCS)) shows that the majority of the VCOs in the South-West of England rely on funding from the government or individual donors.

At the private firm level, the funding can be considered as an important resource, even though it is not as similar as the VCS. This can be provided from personal savings, bank loans, and private equity through angel investors through the life cycle of a private organisation.
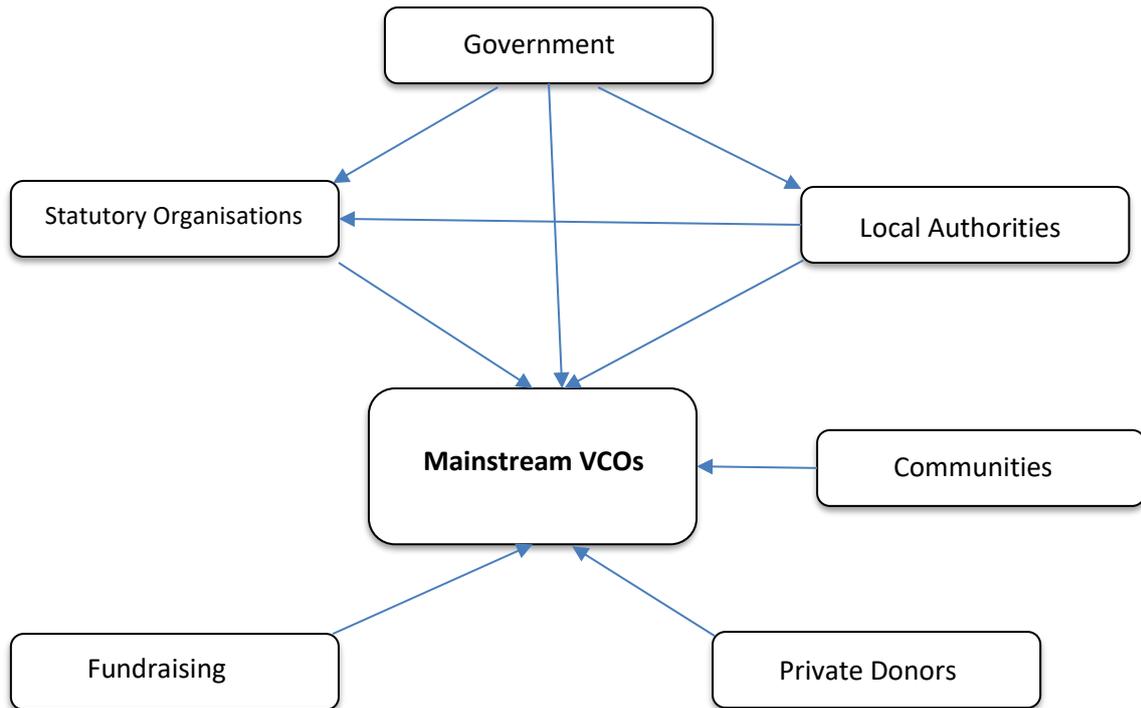
**Figure 12:** Schema of the funding stream of mainstream VCOs in the South-West region (Source: Author)

The mainstream VCOs in the South-West region, such as charities and foundations, are mainly providing funding through fundraising from donors, communities, and governmental agencies such as statutory organisations. The statutory organisations procure VCOs with some of the funding with targets that are given from the government. Therefore, it does not provide enough strategic flexibility to mainstream VCOs particularly in the South-West region.
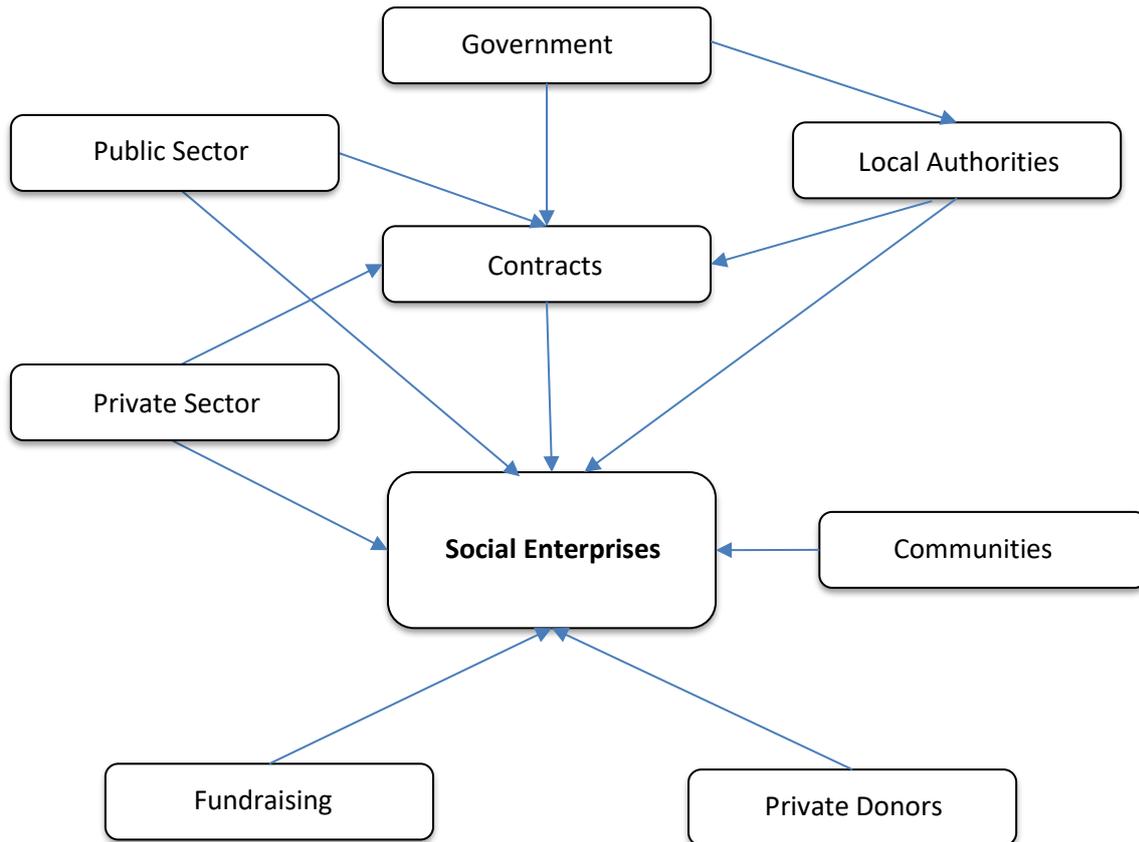
**Figure 13:** Schema of the funding stream of social enterprises in the South-West region (Source: Author)

The scholars in the social entrepreneurship area discuss the importance of funding (Dees 1998; Dees 2007; Defourny 2001; Dees and Lumpkin 2007; Dey 2014; Dey and Teasdale 2016). However, in the literature of strategic entrepreneurship, the emphasis of funding for entrepreneurs and decision makers for the organisations, in order to find funding for strategic directions, is not debated.

Unlike the mainstream VCOs in the South-West region, the social enterprises can be strategically flexible to achieve funding as P18 discussed:

*"We are flexible than a lot of larger organisations. I think, the size and flexibility we have within our organisation allows us to do that. Other associations wouldn't perhaps be able to be that flexible and they see us as a safer local provider in a local area with other providers with different pressures and services depending on the area."* (P18)

The funding is generally provided mainly from contracts between private firms, central or local governments, and the personal investments of a social enterprise in order to cover and continue their social activities for the environment and ability to fundraise.

### 6.2.5 Strategic Management in VCOs in the South-West Region

Strategic management field usually involved a range of strategies to become a sustained competitive advantage, which is the ability of the organisations to create and appropriate more value than the competition on a sustained basis (Foss and Lyngsie 2011). Strategy designs the scope of the organisations where they can reach and manages the resources of the organisation in order to develop a competitive advantage, which is called the advantage-seeking behaviours of the organisations (Ireland and Webb 2007). Based on the findings from the participants, there is a competition within the VCS. Therefore, both mainstream organisations and social enterprises seek for strategies in order to survive in the competitiveness. The observable competition that is seen is to be undercut, and by providing a service that is cheaper than the other VCOs, and to meet the changed expectations from the people that use the service by persuading the *"what"* and *"how"* of the organisation provides it. Therefore, all these approaches are hugely competitive from the point of view of the participants. Particularly for social enterprises, employees and/or volunteers can move from area to area and want to put a footprint in the sector and buy the contract.

The aim of strategic management is to improve the future performance of the organisation and to raise efficiency in order to form a vision for the future. Therefore, strategies and action plans are also important to reach that purpose (Amit and Shoemaker 1993; Barney and Hesterly 2012; Dogan 2015). The mainstream VCOs can rely on funding and fundraising than future performance. Although they form a vision and mission by providing charitable services, the main strategy is to generate revenue for the existence of the organisation. As the social enterprises are formed like business-like entities, these organisations can create vision and mission to generate revenue and profit in order to reinvest for social needs.

Organisational planning, coordination, control and application of the future activities of the organisation are provided by strategic management (Barringer and Bluedorn 1999; Bogdan 2014; Dogan 2015). Mainstream VCOs can play an important role in local planning arrangements in order to make the overall response more accessible and effective for the community. Likewise, social enterprises provide organisational planning, coordination,

control and application in order to be more effective and respond to the demand of the community.

Strategic planning created by the top management teams or by the directorial level of the organisations is applied and monitored by the strategists who will serve in the lower levels (Dogan 2015). It is occasionally dictated by the statutory organisations or by other private donors that fund the organisations for mainstream VCOs. Unlike the mainstream VCOs, the top management team of social enterprises can guide the organisation under which circumstances and where to serve; therefore, strategic planning serves at the lower levels.

Strategic management helps "strategic thinking". In this sense, the truest tactics and strategy are tried in order to be determined and they are applied (Dogan 2015). Particularly, fundraisers can find ways of maximising income while as beneficiaries providing charitable services for mainstream VCOs. Social enterprises can provide strategic management in terms of tactics in order to survive. Investments for the social need can be given as one of the examples.

Competition in creation and selection of strategies are utilised by strategic management (Tantau 2008; Dogan 2015). The provision of services is not directly connected to marketing and fundraising success. On the contrary, the provision of services can be described as the ability to be marketing those services to the donors, and the environment that the organisation is based in, for mainstream VCOs. Social enterprises apply competition in the creation and selection of strategies in order to compete for the contracts. Therefore, strategic management evidences stay at the heart of social enterprises.

The importance of the fact that an organisation is based on teamwork that reaches its goals is highlighted by strategic management. It is determining the strategies that are performed with a wide participation in top management, and the most optimal decision-making technique for the organisation is selected (Dogan 2015). The size and the capacity can be varied in each of the mainstream VCOs; therefore, determining strategies can be different and mostly rely on statutory organisations. Compared to mainstream VCOs, social enterprises can determine strategies and the investment where they believe that they can bring social value. Therefore, this can be achieved both from authorities and through the top management team.

Strategic management helps the determining and solution of the problems in the organisation to be more efficient (Dogan 2015). Mainstream VCOs help determine the solution of the problems inside and outside the organisation; however, the strategies can still be limited when compared to private firms. According to the participants, social enterprises can provide business solutions in order to for these to be determined in the organisation more efficiently.

### 6.2.6 Entrepreneurial Evidences of VCOs in the South-West of England

The fundamental point of strategic entrepreneurship is that it is a general account for strategizing including a conventional strategy discourse that has to be entrepreneurship, and therefore, it is the entrepreneurs who reconfigure existing ideas or products or create new organisations (Mathews 2010). As a consequence, entrepreneurship is a substantial driver of the organisations in the creation of wealth (Palzelt and Shepherd 2009). Hitt et al. (2011) define entrepreneurship as a social process through the individuals and decision makers in established organisations or in the top team management, which are creating wealth by combining resources to exploit opportunities. An opportunity is a gap in an area in that the potential exists to do something better and thereby to create value (Wickham 2006). According to Ireland and Webb (2007), entrepreneurship creates newness, units and organisational renewal, which is called opportunity-seeking behaviour. Therefore, the entrepreneurs engage in investments that organise resources and reconfigure activities (Mathews 2010).

Some entrepreneurs focus more on creating organisations around opportunities that are derived from societal issues, such as health care, poverty, energy, drug and alcohol abuse, homelessness and education (Zahra et al. 2008; Zahra et al. 2009). In the VCS, a gap can arise from the needs or in an area where the private organisations cannot reach, such as finding a solution to drug and alcohol abuse or helping people in prison, such as is the negative image in people's minds.

Based on the findings in the previous chapter, VCOs in the South-West of England focus on being entrepreneurial by capturing the opportunities that have arisen from needs because it is believed that there is a problem to be solved. VCOs try to explore a unique way to solve that problem, and, therefore, there is a very close link to entrepreneurship. Most people, who have experience in the VCS, which is without distinguishing their organisations as mainstream VCOs as charities or social enterprises, consider themselves as entrepreneurs. Therefore, they

set up a new organisation because they believe that they have a passion and drive to do something different that is not determined by individuals or other organisations. Strategy is involved in order to help in creating a solution for the entrepreneurial approach.

The majority of mainstream VCOs in the South-West of England focus on becoming business-like through becoming entrepreneurial and different in their way of thinking. At the same time, organisations need to establish strategies in a more business-like way in order to survive. The organisations need to be more structured to hold the resources and utilise their innovative manner in order to gain flexibility within the limits of commercial freedom.

### 6.2.7 The Context of Strategic Entrepreneurship

The combination of strategic management and entrepreneurship fields are well known, (Ireland et. 2001; Hitt et al. 2001; Ireland et al. 2003; Hitt et al. 2011; Kantur 2016; Tavassoli 2017; Mazzei 2018) and it is discussed that innovation, opportunities, resources and risks are the core aspects that can be seen in both fields (Companys and McMullen 2007). Strategic management and entrepreneurship are independent constructs, and their combination creates value for customers or the environment, and that helps the organisation to gain and maintain position, resources and advantage over competing organisations (Schendel and Hitt 2007). For an action to be believed as strategic entrepreneurial, it possesses both strategic and entrepreneurial actions. However, when the combination occurs at the organisational level, then it is possible that an organisation can demonstrate strategic entrepreneurship by engaging in a separation, sequencing or temporal cycling of actions, which processes cognition or capabilities (Simsek et al. 2017). Strategic entrepreneurship balances resources exploration, and exploitation achieves continuous streams of innovation (Ireland and Webb 2007; Kraus et al. 2011).

Strategic entrepreneurship has as their commonality the exhibition of large-scale or otherwise highly consequential innovations that are adopted in the organisations' pursuit of competitive advantage (Kuratko 2009). Therefore, in strategic entrepreneurship approaches, innovation can be **(a)** strategy of the organisations, **(b)** product offerings, **(c)** served areas, **(d)** internal organisation such as processes, structure and capabilities, and **(e)** business model (Ireland and Webb 2007).

The usage of strategic entrepreneurship as a construct consists of four linear, sequential and alternating strategic and entrepreneurial activities. Organisations that follow the linear

sequence of activities are apparently strategically entrepreneurial and should achieve wealth creation (Kyrgidou and Hughes 2010). Therefore, strategic entrepreneurship holds central elements and there is a respective emphasis on the various aspects, and, therefore, such elements include the nature and necessity of risk as a dominant aspect (Gelard and Ghazi 2014). As in all entities, organisations are less prone to pursue more risky strategies, which are balanced by the environment (Tavassoli et al. 2017).

### 6.2.7.1 Risk in the VCS

As discussed, Chapter Two – Literature review (See: Section 2.4.4 - Risk), risk is inherent in entrepreneurship as well as when it is establishing strategies. However, risk is considered as a term with a specific meaning and it is differentiated from uncertainty (Schendel and Hitt 2007). As discussed in literature review I, risk varies in the VCS in the South-West region, such as uncertainty, cost, time, lack of knowledge, reputation and in the unclear outcomes of the organisations. However, the risk that emerged from the data shows that both mainstream VCOs and social enterprises also provide different types of risks that are not identified in literature review I, which the VCS faces. This includes overpromising that leads to a lack of support and losing contracts, and that leads to losing funding, risk of a lack of capacity of the experienced employees and volunteers that causes them to be creative when responding to the social need. Data risk also emerged from the data, particularly changing GDPR (General Data Protection Regulation), as well as protecting privacies in VCOs that deals with drug and alcohol abuse, rape etc. Finally, there are political risks that create the changing legislative environment.
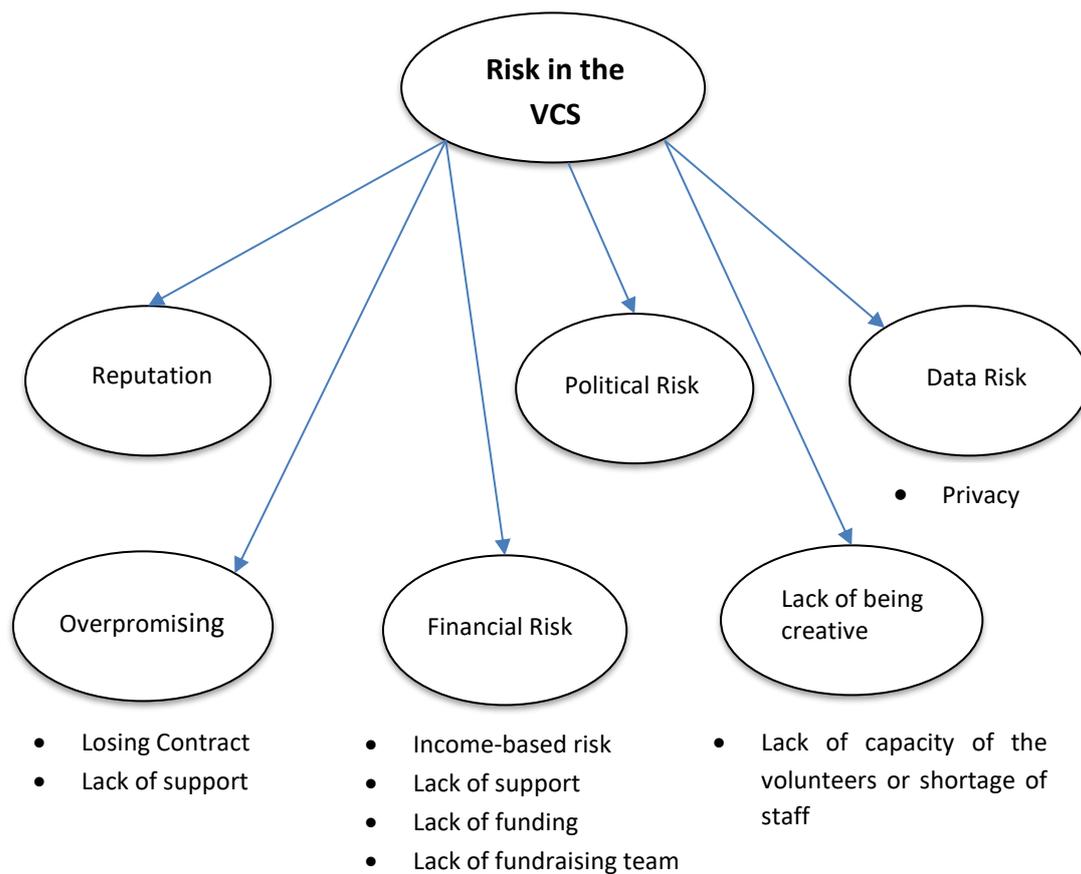
**Figure 14:** Types of risks that the VCOs face in South-West region (Source: Author)

Uncertainty and reputation are always considered as a key risk that VCOs can face. For instance, political uncertainty denotes lack of information about exogenous conditions, which regulate whether there will be a sufficient demand from the environment (Tantau 2008). From both mainstream VCOs and social enterprises, perspectives increasing demand on funding provides challenges; and decreasing budgets from private donors and public sector budgets and local authority cuts create a significant effect on the organisations that work in it. However, reputation in the VCS is considered as the most valuable asset and it determines the difference between success and failure. Risk can be discussed as a major issue for all organisations and should be considered alongside other major risk areas, such as strategic, data, political and financial risks as well as overpromising, as an issue for the VCS.

Income-based risks, lack of support, funding and a fundraising team can lead both mainstream VCOs and social enterprises to financial risks. According to the participants, financial risk can be derived from the various circumstances. One of the circumstances is the changing political environment, changing legislations and decreasing pool of funds from the central and local authorities and private donors. As a consequence, increasing financial risk

could affect the VCOs with either a closure of their departments or the organisation closing entirely. Therefore, this also links to a lack of being creative for VCOs for experienced staff or volunteers.

Organisations use methods to decrease the risk and to increase their competitive position by researching and assessing risk factors to minimise uncertainty or creating new techniques that are useful in other domains (Tantau 2008). Increasingly, both mainstream VCOs and social enterprises implement a best practice process to observe and measure the effect of risk in order to mitigate the potential loss. Due to the capacity of the social enterprises, they can implement best practices to mitigate the effect of risks compared to mainstream VCOs particularly in the South-West region. However, mainstream VCOs can still embrace the risk factors and deliver the best possible benefits to the environment in the South-West region.

### 6.2.7.2 Organisational Learning in the VCS

As discussed in the Literature Review I (Chapter two, See: Section 2.4.5 - Organisational Learning) and in the Findings and Analysis Chapters (Chapter five, See: Section 5.8.2 – Organisational Learning in the VCS), the organisational learning focuses on building a knowledge base over time and deploying a stock of knowledge to achieve the success of the organisation for creating wealth (Ketchen et al. 2007) and also reducing the risk by establishing knowledge and experience. Therefore, organisational learning for organisations (whether the organisations intentionally choose to or not) is a fundamental requirement for their existence. Some organisations deliberately advance organisational learning and developing capabilities that are consistent with their strategies and efforts. Other organisations may acquire habits, choices of efforts and attention that are counterproductive (Kim 1997). By varying effort, an organisation decides on performance between entitlement and the capability level. Similarly, the variations in the reliability of performance can be seen as choices of knowledge or risks that can be set intentionally within the choice of available alternatives in the organisation (March 1991). Therefore, figure (15) below represents how effective social enterprises are using the cycle of the organisational learning.
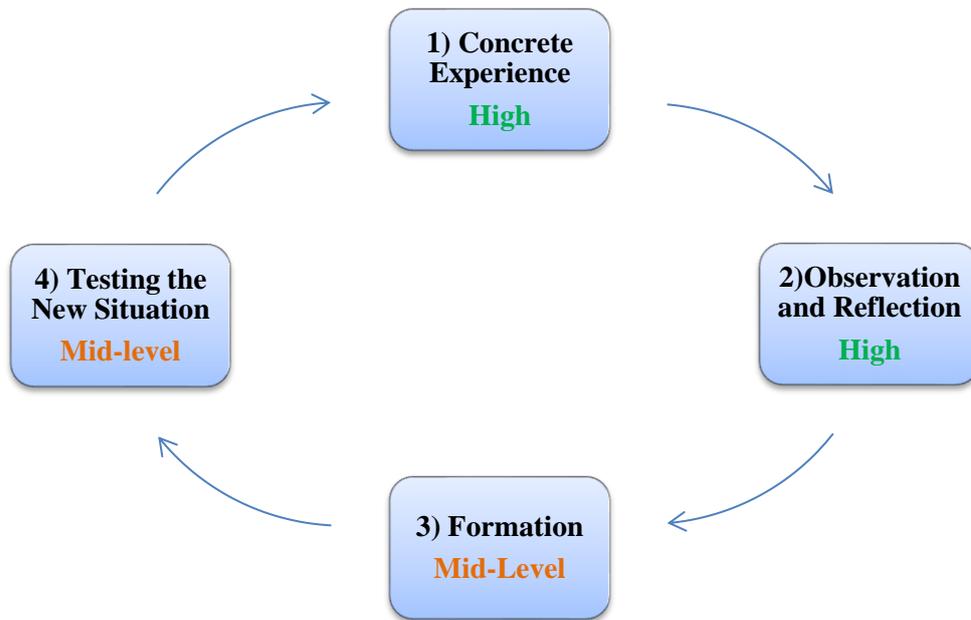
**Figure 15:** The Cycle of Organisational Learning for Social Enterprises in the South-West of England (Source: Author)

Concrete experience can be considered as the involvement of the existing experience. Therefore, for social enterprises, concrete experience is high for assigning similar experiences, tasks and reacting to similar circumstances. In the observation and reflection step, communication channels are open from the top management team level to the volunteer levels, and, therefore, considered as high. The formation step in social enterprises can be mid-level due to the size and capacity of the social enterprises in the South-West region. Consequently, testing the new situation depends on whether social enterprises can transform themselves.

From the perspective of social enterprises in the South-West region, the organisational learning takes into consideration knowledge from the top management team to middle managers and then paid staff and ends with volunteers to achieve that knowledge. Therefore, social enterprise is prone to developing staff and volunteer talent to improve scope and performance and to expand their capacity to create results.
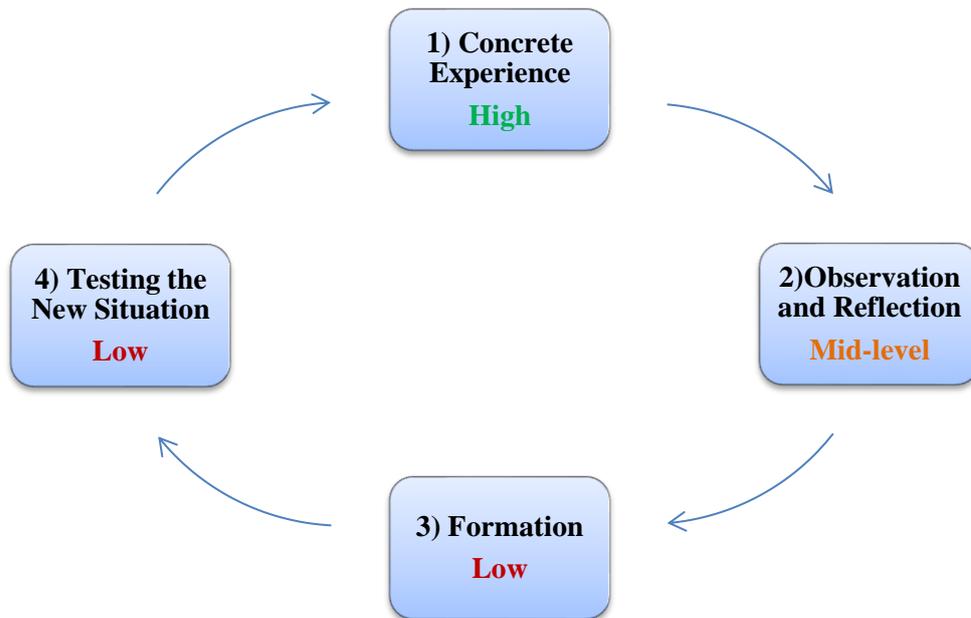
**Figure 16:** The Cycle of the Organisational Learning for mainstream VCOs in the South-West of England (Source: Author)

In mainstream VCOs, these paths can vary according to the structure of the organisation that leads to creating opportunities in order to respond to the social impact. Particularly, for small sized charities in the South-West region, the organisational learning process cannot be the case due to solely focusing on fundraising. Therefore, concrete experience can still be considered as high in mainstream VCOs. Depending on the size and capacity, observation and reflection can be transferred from the top management team to the volunteer level or remain only at the top management level. Although they are fully aware of competition, and changing and adapting new strategies in the VCS, they believe that the old way of doing things is the best way due to the limited capacity on knowhow as well as the resources and innovative attributes. Therefore, the formation and testing of the new situation remains low in the South-West region.

As discussed, and found in the cycle of the organisational learning, the VCOs can avoid uncertainties, which leads to the risks and creating opportunities through adopting the cycle. The cycle of the organisational learning has four elements:  concrete experience or knowledge; observation and reflection; formation of abstract concepts from the observation; and testing of such concepts in new situations (Lynch 2015).

### 6.2.7.3 Strategic Opportunity in the VCS

VCOs can create strategic opportunities. Whether it is the homeless, people living on the streets, people with disabilities, children with a disadvantage, and those coming from a marginalised background where the vulnerable people are stuck in the cycle of not being able to get out of the loop to try and further their education, and their supporting achievement. Having the organisational model that is learned through knowledge can change and fulfil these.

### 6.2.7.3.1 Relationship between Opportunities and Resources

Exploring and exploiting opportunities involve different resource sets (Ireland et al 2001; Hitt et al. 2001; Ireland et al. 2003; Wickham 2006; Ireland et al. 2009; Ketchen et al. 2007; Kyrgidou and Hughes 2010; Hitt et al. 2011; Crisan-Mitra and Borza 2014; Kantur 2016). Opportunities are explored and exploited by being innovative as well as the effective use of resources and capabilities of the organisation that leads to being entrepreneurial. The strategy involves how to shift the resources in order to capture the opportunities. Consequently, opportunities sometimes arise from the needs, and lead to creative, valuable inventions and innovations (Schendel and Hitt 2007; Ireland and Webb 2009).

Opportunities in both mainstream business and the VCS involve the investment of scarce resources with the hope of future returns. Although the opportunity in both mainstream and the VCS may seem similar, the mainstream businesses are likely to focus on breakthroughs and the new needs; however, VCOs focus on serving basic and long-standing needs more effectively (Austin et al. 2006). Both mainstream businesses and VCOs are concerned about suppliers, entry barriers, customers, substitutes for the economics and rivalry, even though the degrees in the dynamics of the sector differs between the commercial and social sector (Porter 1985). Therefore, the main focus between the mainstream businesses and the VCS is the economic return and social return, respectively (Austin et al 2006).

In most cases, small organisations generally encounter issues in acting strategically due to a lack of funding, fundraising, contracts and even the capacity of paid staff or volunteers to exploit opportunities in a strategic management manner; and prosperity through strategic entrepreneurship is substantially augmented (Crisan-Mitra and Borza 2014).

**6.2.7.3.2 Importance of Exploring and Exploiting Opportunities**

According to Schendel and Hitt (2007), exploring and exploiting opportunities are often necessary to sustain advantage. Even though the advantages are significant, organisations can prefer to collaborate with organisations in order to remain complementary (Crisan-Mitra and Borza 2014).

Strategic opportunity is involved when decision makers observe the reactions to reconfigure the organisations without confusing the benefit and risks balance. As identified in the findings chapter, particularly for VCOs, this is due to their capacity and dependency on more incomes. This can be explained from the findings and the structures of the organisations. According to findings, VCOs are strongly dependent on funding, fundraising and contracts from the private organisations, and governmental agencies, such as ministries, NHS or statutory organisations as well as local authorities, although it is argued that the VCS is an independent sector. Therefore, it cannot be easy to reconfigure the organisations where opportunities are identified. However, in the VCS, strategic opportunity can be achieved by conceptualising the key elements to develop the organisational proposition, and then transfer the experiences to members, employees or volunteers in the organisation.

When the strategic opportunities are identified and significant attainments are developed, the VCOs can establish a new service or develop the existing services where the strategic opportunities arise. For instance, the services can be where the organisation has moved into. Therefore, the organisations can build a significant part of their business there that leads to significant growth in that area and an advantage for the organisation. The process is market driven or proposed from donors, such as local authorities, as an organisation that is appraising risk, and making decisions to mitigate those risks, making them less vulnerable by moving into a grant stream, expanding the area of operation, and bringing in the different stakeholders to extend the innovation.

**6.2.7.4 Generation of Ideas in the VCS**

Today, the unprecedented level of complexity posed by the competitive environment makes a unitised approach to innovation increasingly difficult, and increases the importance of a generation of ideas and knowledge sharing that spans organisations and even sectors or countries (Ketchen et al. 2007). Therefore, variety seems to be as relevant to innovation as it is to social systems (Ketchen et al. 2007). Risk and organisational learning can be associated

with the effective use of resources. On the other hand, strategic opportunities and generation of ideas can be reflected in the innovative attributes of the organisations.

The generation of an idea is influenced by the type of products produced, delivery of services, and size and the extent of the organisational support for entrepreneurship (Sebora and Theerapapatvong 2010) that is the basis of strategic entrepreneurship. In the VCS context, the generation of ideas can hold an interconnection to strategic opportunities: these are strategies that are imposed by central, local authorities or statutory organisations, as well as by the needs of the environment. In both, at the mainstream VCO and social enterprise level, the generation of ideas can be derived from various circumstances. As the findings show, the actors of idea generation can be derived from central and local government, and from statutory organisations that apply strategies particularly for mainstream VCOs. In addition to this, local people, and other donors, board of directors, a top management team, middle managers, employees, and volunteers generates new ideas to become a tool for innovative attributes in both social enterprises and mainstream VCOs.

Baron (2007) believes that the generation of ideas involves the development of **(a)** an activity that is new or does not exist, and **(b)** an activity that is not new but is also useful or appropriate. The example can be given as a generation of ideas that happens when an organisation identifies a strategic opportunity or a gap, which leads to a strategic opportunity that is found, and then the idea to be generated in order to fill the gap. Therefore, it can be considered as a key element for the organisations to be innovative. The findings of this research show that the VCOs in the South-West regions try to transform their organisations strategically to keep their activities fresh and exciting; therefore, it helps them to expand within different groups and societies. Both mainstream VCOs and social enterprises try to generate ideas, as well as strategies that are useful and appropriate. For mainstream VCOs, transforming the organisations with the development of ideas that are new or do not yet exist can be questionable, compared to social enterprises due to a lack of capacity, resources and capabilities.

### 6.2.8 Resources in the VCS

A number of organisations try to obtain particular resources; therefore, organisations willing to pay for resources have a cost. The cost of a resource is an indication that an organisation creates new value (Wickham 2006). As a consequence, a resource is defined as the stocks of

available factors that are possessed or controlled by the organisation. These resources are then converted into final services or products by means of a wide range other than the organisational assets and a linking mechanism, such as management information systems, trust between management and labour, technology and incentive systems (Amit and Schoemaker 1993). In the context of the VCS (not only in the South-West region but also in the entire country), the trust between management can be linked to donors, and fundraisers as well as the volunteers in the environment that the VCO works in. According to Wickham (2006), the value of resource lies in the way the organisation uses it, which raises the question of how innovative the value will be with the resources and how to make the resources work.

Hitt et al. (2001) argues that reputation can be an important resource to help the organisation take advantage of information asymmetries. Particularly for VCOs, reputation plays a significant role; this is in order to determine effectively resources in order to capture the social need.

The distinct role for mainstream VCOs, such as charities, is a distributed mechanism through which economic outcomes are made more equal, regardless of an unstable resource. However, for strategic entrepreneurship, the distinct role can be described as the mechanism through which resources and skills of the society are allocated to the most valuable activities (Santos 2012).

### 6.2.8.1 Tangible and Intangible Resources

**Tangible resources** such as financial assets and technology, and **intangible resources** such as reputation and managerial skills are discussed as the strength or assets of the organisations (Eisenhardt and Schoonhoven 1996). As discussed in the findings and analysis (Chapter 5), the resources of the VCOs can be found in various forms through social interactions. VCOs acquire, develop and deploy competencies, social networks and the other assets that give eligibility to the organisations.

### 6.2.8.2 Capabilities

The capabilities imply the capacity of the organisation to deploy resources, usually in combination, use organisational processes in order to bring into effect a desired end (Amit and Schoemaker 1993). These efforts involve a deployment of resources to explore the opportunities and exploit current advantages (Mazzei 2018). The capabilities of VCOs built

on its resource base, and being prone to innovate, are important to entrepreneurial performance and behaviour.

*"Capabilities can abstractly be thought of as "intermediate goods" generated by the organisation to provide enhanced productivity of its resources, as well as strategic flexibility and protection of its final products or services"* (Amit and Schoemaker 1993, pg.35)

In this case, VCOs in the South-West of England (and particularly social enterprises), can be more flexible than the various larger organisations. Therefore, the size and flexibility that the VCOs possess, allows them to organise their resources. As a result, these can be achieved by the capability of the VCOs through developing functional areas.

### 6.2.8.3 Resource Orchestration Process

The research objective one, *"to examine how the application of strategic entrepreneurship can enhance the use of resources for organisational benefit"* is identified in the introduction chapter (Chapter 1) by the researcher. The strategic entrepreneurship stresses the importance of the practice of the resource orchestration process to support the exploration and exploitation of strategic opportunities to sustain organisational performance (Baert et al. 2016). The resource orchestration process stresses the role of action in mobilising and leveraging resources to achieve strategic objectives (Hansen et al 2004; Sirmon et al. 2011). Research orchestration process is shown in figure (17) below:

```
┌──────────────┐      ┌──────────────┐      ┌──────────────┐
│              │      │              │      │              │
│  Structuring │ ───▶ │   Bundling   │ ───▶ │  Leveraging  │
│              │      │              │      │              │
└──────────────┘      └──────────────┘      └──────────────┘
```

**Figure 17:** Resource Orchestration Process (Source: Author)

Research orchestration process comprises of **(a)** structuring the resources such as acquiring, accumulating and divesting; **(b)** bundling resources to build capabilities such as stabilising, enriching and pioneering; and **(c)** leveraging capabilities in the marketplace (in this case, the marketplace can be considered as the VCS in the South-West region), such as mobilising, coordinating and deploying resources in order to create value (Sirmon et al 2007; Baert et al.

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2016). Two examples can be given for the resource orchestration process from two different organisations (a charity and a social enterprise) in the VCS in the South-West region:

**(a)** A unique hospitality charity that is based on Bournemouth and they partner with hotels all over the U.K. The resources are provided from 135 hotel partners. As the structuring processes show, the charity agrees that unsold rooms from the partner hotels are considered as a wasted asset for them. Then in the bundling process, what can the charity do to make use of these and also give something back. Therefore, the idea would be to take those rooms and offer them to other charities. Thus, for them, it is to recognise their best staff and volunteers; those who are most committed and constantly go beyond the norm for their causes, and they can give them something tangible without costing the charities too much. In the leveraging process, hoteliers are sitting on unsold rooms and wasted assets. The hospitality charity mobilises, coordinate, and deploy these assets in order to create value. The VCS possess millions of volunteers all over the country and VCOs love to be able to give something tangible back but cannot do so due to budget constraints.

**(b)** A social enterprise that operates in Housing areas in the VCS in Bournemouth, Reading and Plymouth areas. The structuring process starts from holding 2000 units of accommodation including their rents and service charges that are part of the income split of the organisation and acquiring 55% of their resources on property through rents and 45% of their resources on the grants side. In the bundling process, the social enterprise enriches their capability on housing through investing in more properties to decrease the homelessness issue in the area that they operate. Besides, they established a section named as "The Factory" in order to provide an office for start-up organisations and entrepreneurs to build their firms. As a result, in the leveraging process, the social enterprise increases its name and creates value through providing a place to work for entrepreneurs to set up a business, as well as the regional economy and to solve the homelessness issue.

### 6.2.9 Innovation in the VCS

As discussed in Chapter Two - Literature Review I (See: Section 2.4.3 - Innovation as a Process of Strategic Entrepreneurship), Schumpeter (1936; 1950) defined entrepreneurship as a theory of "creative destruction", that was described as entrepreneurship constantly changing

into a new way by adding innovation. Furthermore, strategic entrepreneurship involves behaviours that establish implementation based upon entrepreneurship; these are not only creative behaviours such as invention (the development of a new idea for innovation as well as strategic entrepreneurship) but also commercialisation or monetisation of the invention (Mazzei 2018).

The key factor of strategic entrepreneurship, as in the entrepreneurship field, is innovation. In other words, innovation is vital for all organisations. Therefore, without innovation, the organisations are not entrepreneurial and challenged to increase their level for organisational performance (Covin and Slevin 1999; Ireland et al. 2009). Generation of novel and useful ideas are involved through innovation; consequently, some successful organisations need to discover how to bring new services to the environment (Ward 2004). As mentioned above, innovative attributes are the key of strategic entrepreneurship, which shows the means through which an opportunity is exploited. Innovation, in most cases, shows essential changes from past strategies, organisational structures business models and capabilities of the organisations (Dhliwayo 2014). Therefore, there is research objective two, *"to investigate how the application of strategic entrepreneurship can enhance the use of innovative ideas, practices and techniques"*.

| | **Voluntary and Community Sector** |
|---|---|
| **Exploration** | Innovation process begins with exploration as the first stage. The VCS explore the challenges and opportunities of a certain task arising within the area they operate. |
| **Screening** | In the screening stage, the organisations screen for suitability for the challenges and opportunities of a certain task. Screening process of VCOs can be past strategies, capabilities of the organisations, or strategies that are identified by the donors, local authorities as well as by statutory organisations. Then the organisations move to the organisational analysis stage. |
| **Organisational Analysis** | Organisational analysis informs both challenge and analysis in their work and is used by the management and trustees as a tool for internal reflection and assessment. The internal reflection and assessment that organisations analyse can push VCOs to innovate |

| | |
|---|---|
| | and improve their work. |
| **Development** | The ideas that have passed the organisational analysis stage are developed as a possible concrete project by the VCOs. They can address weaknesses or gaps that are highlighted and make informed decisions about resources and services. |
| **Testing** | The services or products are tested within the organisation. Those can be whatever the cost, benefits, and risks are, which the organisation faces, and usability in the sector. |
| **Project** | At the final stage, once the opportunities and challenges are identified by the organisation, the task that gained its attractiveness from the VCOs is used as a strategy, product or service in the area. |

**Table 31:** Evaluation of Strategic Entrepreneurship through the Innovative Process (Source: Author)

As the global environment continues to change rapidly, innovation is the requirement for the on-going survival of the organisations and their continuing success; therefore, innovation comes in various forms. To give an example, some innovative attributes comes from a singular significance or some only in combination with other innovations (Schendel and Hitt 2007) due to its importance for survival and success in the various sectors and should be understood as rapidly creating the multiple forms of innovations (Wright and Hitt 2017).

### 6.2.10 Wealth Creation in the VCS

Hitt et al. (2001) states that wealth creation is at the heart of both entrepreneurship and the strategic management fields. They also discuss that the outcomes from wealth creation (from the entrepreneurship field) and exploiting current advantages, while concurrently exploring new ones (from the strategic management field), can be tangible (such as enhancement of the wealth of the organisation) and intangible (such as the intellectual and social capital of the organisations). Therefore, as the research objective four, the researcher identified, *"to provide insights for the effective application of strategic entrepreneurship to contribute to the development of wealth creation for the VCOs in the South-West of England"*.

In particular, successful strategic entrepreneurship activities not only create wealth for the individuals, organisations and their investors, but also help to fulfil individual needs and personal satisfaction, increasing the reputation of the organisations, and, therefore, effective strategic entrepreneurship produces various benefits for multiple entities and individuals

(Wright and Hitt 2017). As discussed, wealth creation can be a primary aim for any business entities that will lead to them gaining a competitive advantage. However, competitive advantage has not been discussed by the participants, as both mainstream VCOs and social enterprises in the South-West of England are to provide services to their community. The example of wealth creation in the private sector can be selling a product or delivering services. Similar to private sector activities, the VCS seeks for high public awareness, good governance, appropriate behaviour and culture: transparency and accountability can be considered as wealth creation for the entire VCS in the South-West region. Therefore, they still believe in sharing and complementariness factors due to the financial, resources and capability constraints. As a result, their main aim is to create wealth by their activities for themselves and their society and environment. Thus, competitive advantage remains out of the scope of this research.

## 6.3 Development of the Conceptual Frameworks

Strategic entrepreneurship is considered as opportunity-seeking (entrepreneurial) and advantage seeking (strategic planning) behaviours and taking actions aimed to create wealth (Hitt et al. 2001; Krause et al. 2012). Hence, the strategic entrepreneurship drivers are entrepreneurs that concentrate on developing actions that lead to opportunity-driven decision making (Kansikas 2012). Consequently, research objective three arises: *"to develop a conceptual framework based on the empirical findings that could justify the effective application of strategic entrepreneurship within the VCS in the South-West of England"*.

As discussed in the Chapter Two – Literature Review (See: Section 2.2.4 - Advantages and Criticism over the Initial Frameworks for Strategic Entrepreneurship), one of the major advantages of the initial frameworks of strategic entrepreneurship is to explore new opportunities and create newness with advances from the organisation, and, most importantly, society then benefits from the new value proportions in order to serve better any demands of society (Schendel and Hitt 2007). Strategic entrepreneurship is a newly recognised field (Tülüce et al. 2015); therefore, the best conceptual framework that fits the purpose is also discussed by the various scholars (Ireland et al. 2001; Hitt et al. 2001; Ireland et al. 2003; Ireland and Webb 2007; Ketchen et al 2007; Kraus and Kauranen 2009; Agarwal 2010). From the perspective of these scholars, opportunities, resources, risk and innovation aspects are the core of both the strategic management and entrepreneurship fields (Mazzei 2018).

For instance, the organisations today face a highly challenging competitive environment and, in any context, and once one risk is resolved another one takes its place (Ireland and Webb 2009). Each aspect can be considered as similar in the VCS as it is in mainstream businesses. Therefore, figure (18) below represents the conceptual framework of the application of strategic entrepreneurship and the effects of the themes in mainstream VCOs.

**Figure 18:** Conceptual framework of strategic entrepreneurship for mainstream VCOs (Source: Author)

The data that emerged from the themes and the changing need of the environment are affected from changing the organisational, financial, geographical and physical, deprivation, micro-environment, and political social environments. Competition mostly relies on the existence of the big names, the competition on experienced or the right staff and volunteers, tendering process and funding process, as well as the provision of services. Central and local authorities, statutory organisations, private donors, communities and fundraising are other factors that affect the application of the strategic entrepreneurship process for mainstream VCOs. Figure (18) above shows that the factors (Changing need of the environment, competition funding and external stakeholders) are highly involved in the input process for the mainstream VCOs level.

Changing needs of the environment, competition and external stakeholders are the factors that affect the needs or identification of strategic opportunities. In mainstream VCOs, risk issues are also affected by competition and funding. Due to the lack of knowledge and experience in the organisational learning process, mainstream VCOs generally listen and follow the guidance, expertise or strategies from central and local authorities, statutory bodies, private donors and communities. Generation of ideas is also linked to these factors.

In process, resources can rely on the assets of mainstream VCOs and generation of ideas, as well as the funding that is provided by the central and local authorities, statutory bodies, private donors communities and the fundraising of the organisation. Innovation is supported by the generation of ideas and effective use of resources. Therefore, effective innovative attributes can lead to wealth creation. Wealth creation can lead to two outcomes, as a positive effect to the organisation as well as to the environment. On the one hand, the positive outcome of the environment can respond to the changing need of the environment, and, on the other hand, the positive effect to the organisation can lead the organisation to survive, by increasing awareness to the cause and the organisation itself. Therefore, it guides the organisation to gain a better place in the competition.

As a result of the figure above, this could be gained through networking, collaboration between the factors and the mainstream VCOs; and guiding, training and mentoring for the entrepreneurial mind-set in the South-West of England. Therefore, figure (19) below represents the conceptual framework of the application of strategic entrepreneurship and the effects of the themes in social enterprises in the South-West of England.
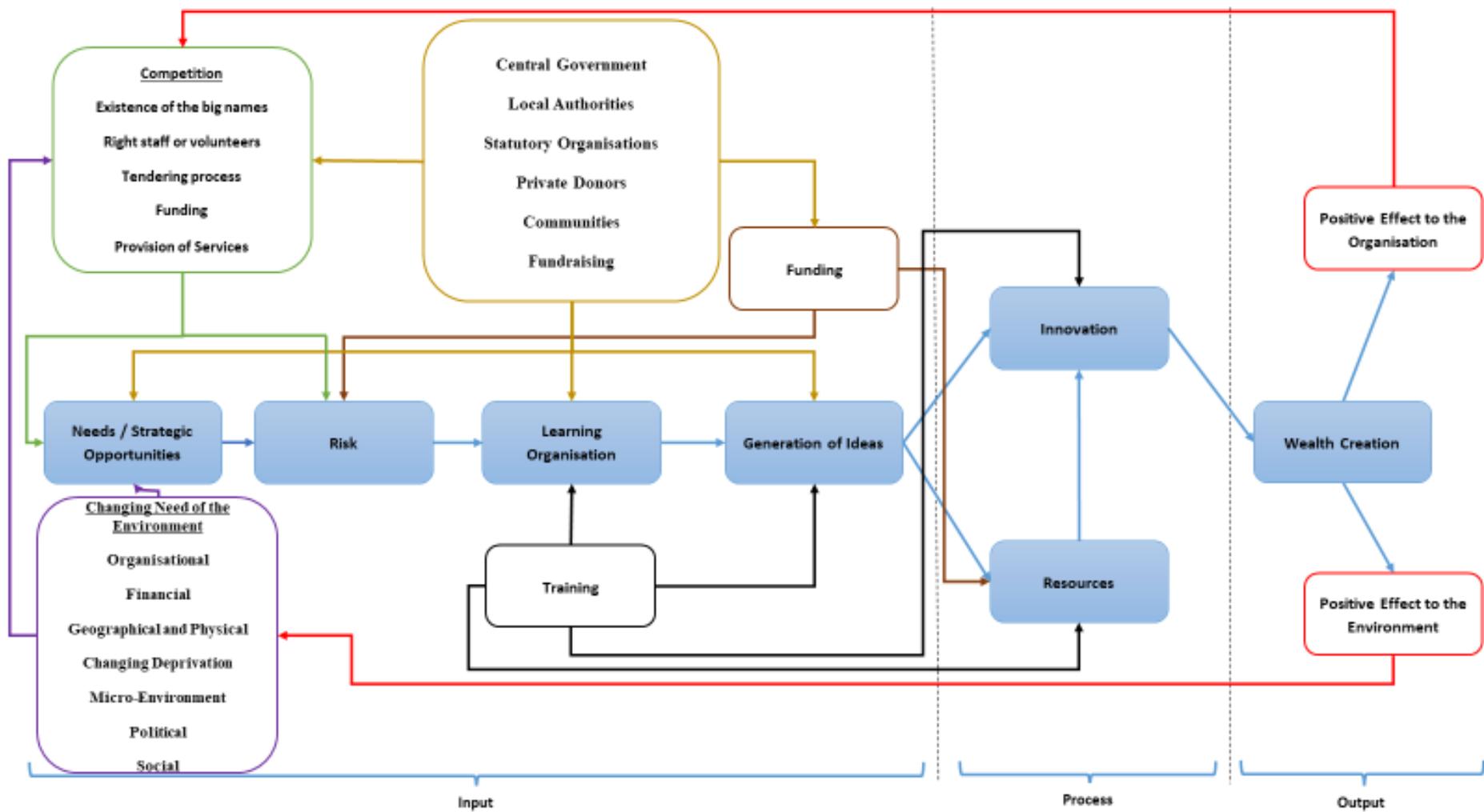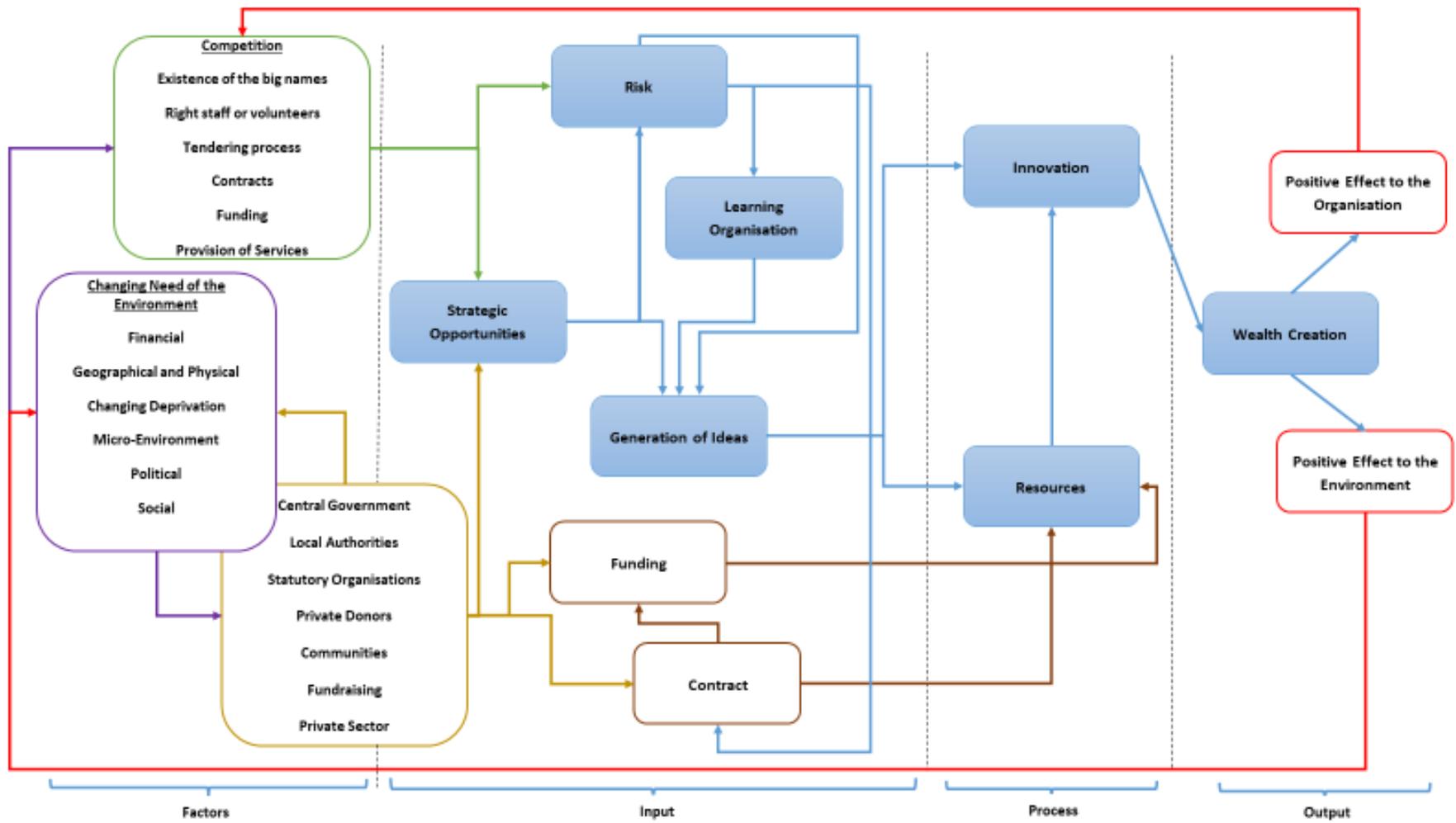
**Figure 19:** Conceptual framework of strategic entrepreneurship for social enterprises (Source: Author)

With the data that emerged from the participants alongside the literature (See: Section 3.1.1 - Social Enterprises and its Voluntary Counterparts), the second conceptual framework shows similarities and differences from the first conceptual framework of mainstream VCOs. The biggest difference from the first conceptual framework is that the factors are not entirely involved in the input process in the second conceptual framework. Social enterprises are still guided by the different actors from the factors; however, they obtain more independence and are able to stand on their own feet compared to mainstream VCOs.

As shown in figure (19) above, central and local authorities, statutory bodies, private donors, communities and private sectors affect strategic opportunities, funding and the contracting process. Strategic opportunity is not solely affected by needs but also the ability of the social enterprise and changing landscape in the competition. Once the strategic opportunities are identified, it moves to its risk aspect. Changing landscape of competition has a relationship with risk. In order to mitigate the risk, social enterprises try to use the mechanism of the organisational learning and the generation of ideas, effectively. Organisational learning leads to a generation of ideas from the knowledge and past experiences. Training is not involved in this conceptual framework due to the effective use of the training skills of social enterprises that can guide their top management teams, employees and volunteers.

Once the idea is generated, that leads to the effective use of resources and innovative attributes in the process stage. Resources also can be gained through funding as well as the contracts or the assets of social enterprises. Effective use of resources can help the innovation process to run successfully. Successful innovative attributes of social enterprises lead to wealth creation.

Similar to the first framework, wealth creation can bring two outcomes to social enterprises, such as a positive outcome to the environment and to the organisation. On the one hand, the positive outcome of the environment can respond to the changing need of the environment. On the other hand, a positive effect to the organisation can lead the organisation to survive, increasing awareness to the cause and most importantly trust for securing future contracts and funding from the donors. Figure (20) below represents the revised conceptual framework of strategic entrepreneurship that is discussed in the Literature review I (See: Section 2.5 - The Development of the Initial Conceptual Framework for Application of Strategic Entrepreneurship into the VCS in South-West of England) that comprises all the factors for mainstream VCOs and social enterprises that involves the strategic entrepreneurship process.
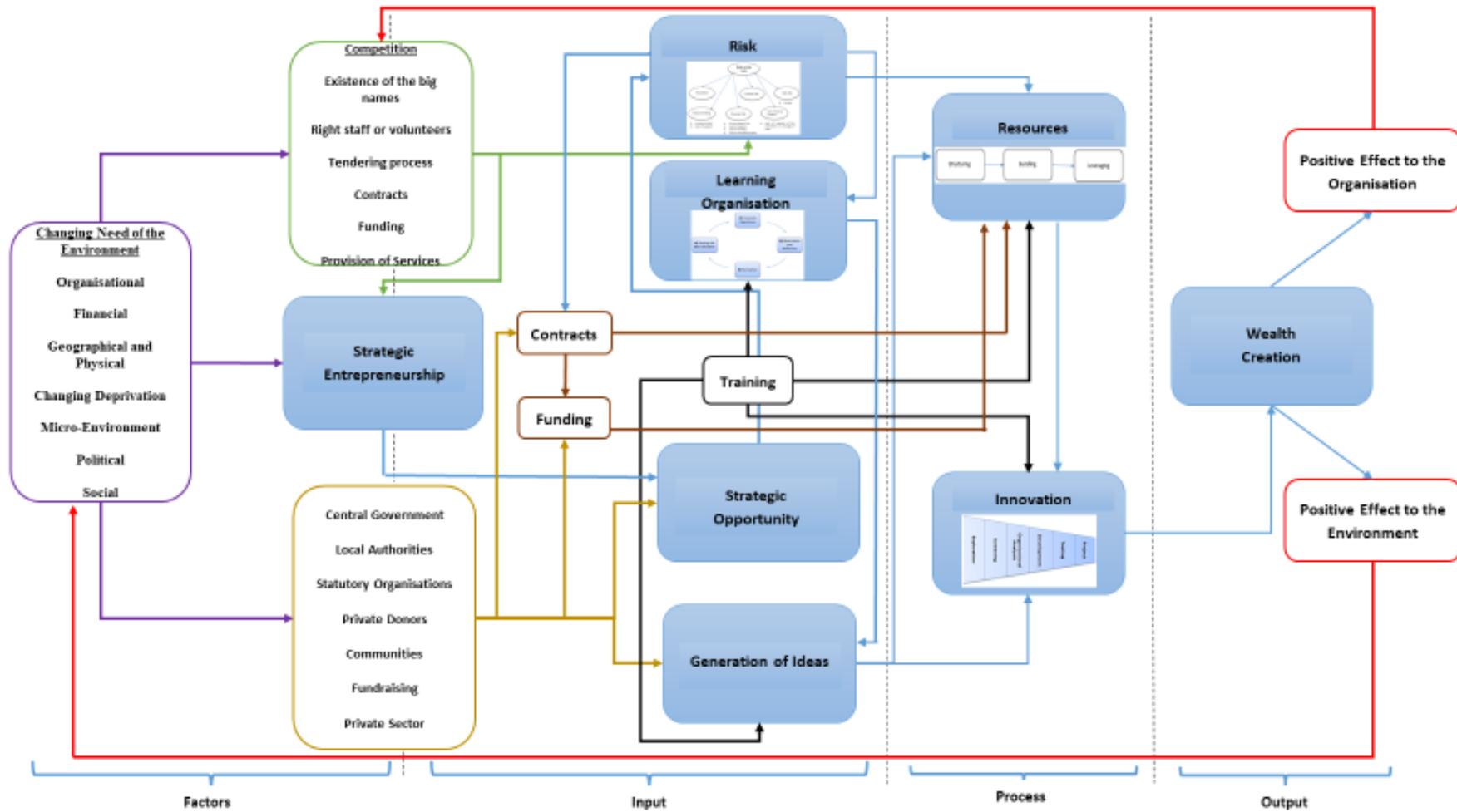
**Figure 20:** Revised conceptual framework of strategic entrepreneurship for the VCS in the South-West of England (Source: Author)

The third conceptual framework is articulated from the findings of this study that are discussed alongside the first and the second literature reviews. This conceptual framework was guided by the initial conceptual framework that was discussed in chapter two. In the initial framework, the researcher discussed that the risk and organisational learning aspects can only affect the effective use of resources, strategic opportunity and generation of ideas, which could lead to effective innovation attributes to achieve successful wealth creation. However, the findings of this research have resulted in a revised conceptual framework, which indicates that there is a greater complexity to the process where the six identified aspects of strategic entrepreneurship are interrelated as a group and with the factors that identify them. Training can be important for establishing experiences and knowledge in organisational learning and the generation of ideas to guide the effective use of resources and innovation.

Luke et al. (2011) argues that the strategic entrepreneurship, as a concept, remained theoretical, and the two aspects, *"networks"* and *"internationalisation"*, which are identified by Ireland (2001), remain questionable and inconsistent, as discussing the aspects of *"internationalisation"* and *"networks"* are not preferred from several entrepreneurs because they desire autonomy and independence in order to develop the idea on their own rather than from external collaboration. According to Cooper (2002), networks serve as an information source that can help entrepreneurial organisations to identify potential opportunities. However, the utmost value of networks for entrepreneurial organisations is the provision of resources and capabilities in order to compete effectively (Hitt et al. 2001). Networks provide information to the organisations; moreover, with this information, organisations can find resources and flexibility to the organisations (Genc 2012). The researcher believes that autonomy and independence can be preferred from individual entrepreneurs. However, particularly the aspect of network can be significant for decision makers in any organisations as well as for VCS, for both for mainstream VCOs and social enterprises. Networks are the bridge between individuals, groups and the factors where VCOs operate. As Genc (2012) states, networks include relationship with competitors and suppliers, which is significant for the organisations to obtain resources and new competences that can be absolutely attractive for the VCS. As the findings show, the participants discuss how networking and creating partnerships can be important for their organisations, achieving more resources and exploring funding.

**6.4 Responses to the Research Questions**

Research question 1, which is based on research objective 1, focuses on measuring the current and potential resources and capabilities of VCOs of the South-West of England. The findings from the participants found that both mainstream VCOs and social enterprises use various tangible, intangible assets and capabilities that are provided by them or from outside sources, which are mainly central or local authorities, from the local services, a contract and collaboration with private firms. Research question 2 focuses on the importance of resources in formulating strategies that correlate with entrepreneurial activities in the South-West of England. In the literature of resources, the model of **Resource-based View** has been discussed from various researchers (Wernerfelt 1984; Barney 1991; Peteraf 1993; Wernerfelt 1995; Priem and Butler 2001), and most importantly from the VRIO Framework (Value, Rarity, Inimitability and the question of Organisation's ability to exploit resources or capability). This was established in the strategic management field (Barney 1991; Barney 2001; Barney et al. 2001; Barney et al. 2011: Barney and Hesterly 2012) to achieve competitive advantage in firm-profitable organisations. However, competitive advantage cannot become the scope of the VCS in the South-West of England, although the competition is significant from the data that has emerged. The findings address that both mainstream VCOs and social enterprises seek to identify strategies to make effective use of resources. This can be provided by the organisation itself, or the strategies that are imposed by different factors. Therefore, the researcher believes that the "Research Orchestration Process" can fit better the structure; and bundle and leverage the limited intangible, tangible and capabilities of the VCS to create wealth.

Research question 3, which is based on objective 2, requires the researcher to discuss the innovation attributes that can be defined and identified for VCOs in the South-West of England. The research found a number of activities: **The Factory** for entrepreneurs who are in start-up stage of their organisations, floating support services, **Learning and Work** adapting vulnerable people to life, **Recoop** for establishing an environment for old offenders to spend time in prisons, and apprenticeship relating to social enterprises. In addition, there is doubling the size of the charity, social prescribing, NHS projects and a night shelter relating to mainstream VCOs. Research question 4 requires the importance of innovative attributes in formulating strategies that correlate with entrepreneurial activities. Therefore, evaluation and the development of entrepreneurial and innovative ideas (Lynch 2015) with exploration, screening, organisational analysis, development, testing and project stages have been used by

the researcher. Consequently, these stages can allow both mainstream VCOs and social enterprises to innovate in order to avoid social challenges and innovation that can bring incremental ways to create wealth. However, social enterprises can be quicker than mainstream VCOs when there is the opportunity of being mission-driven. Therefore, networking and engaging with the users could lift the entrepreneurial activities in the VCS in the South-West region.

Research question 5, which is based on objective 3, focuses on the discussion on the core principles of strategic entrepreneurship into an exploration of research about the VCS, which can be evolved. The researcher identified six aspects (organisational learning, risk, generation of ideas, strategic opportunities, resources and innovation) of strategic entrepreneurship that could fit in to the VCS context. Based on the finding, the themes, and factors that affect these aspects are discussed within strategic entrepreneurship. These themes and factors can be explained as competition, the changing need of the environment, the central and local players that link to that environment, funding, contracts particularly for social enterprises, and training particularly for mainstream VCOs. Question 6 focuses on the benefits of creating a framework based upon strategic entrepreneurship for the VCOs of the South West of England. Therefore, there are three conceptual frameworks that are represented by the researcher that show the strategic entrepreneurship process in mainstream VCOs, and social enterprises and one that combines both. The benefit of the application of strategic entrepreneurship can support the sector to change. These strategies can adopt training to establish an entrepreneurial mind-set throughout the region and increase volunteering. In addition to this, maximising income through strategies and funding generation through the organisations themselves or providing promising solutions to generate funding will support the current resources efficiently.

Research question 7, which is based on objective 4, requires a discussion on enhanced resources, after the application of strategic entrepreneurship provides wealth creation to the VCOs. Wealth creation outcomes are identified based on this question. There is a clear need to work more effectively within the sector to exploit needs and opportunities to provide social value that will create wealth. For instance, both mainstream VCOs and social enterprises are seeking to achieve contracts to deliver services from central and local bodies or from private donors to establish an alternative income stream. Research question 8 focuses on the discussion on enhanced innovation attributes after the application of strategic entrepreneurship provided further opportunities, such as wealth creation to the VCOs.

Therefore, strategic entrepreneurship is related to wealth creation outcomes, such as high public awareness, good governance, appropriate behaviour and culture; transparency and accountability are the outcomes of effective and enhanced use of resources and innovative attributes.

**6.5 The Summary of Research Discussion Chapter**

The discussion chapter discusses and illustrates the substantive theory that is discussed via the thematic analysis in this research. The theory explains the role of strategic entrepreneurship in the VCS in the South-West of England. The theory suggests that the interaction between strategic entrepreneurship and the VCS stimulate and facilitate the process of the effective use of resources and an innovative attribute that are discussed in the findings (Chapter 5) and in this chapter (Chapter 6). A critical reflection on the existing research findings demonstrates the overlaps and intersections between both strategic management and entrepreneurship fields in the results. In addition to this, the results on the six aspects (innovation, generation of ideas, strategic opportunities, organisational learning, risk, and resources) of strategic entrepreneurship can be applied onto the empirical field. However, no previous study has explored how strategic entrepreneurship can be combined in the field of the Voluntary and Community Sector (VCS), in both nationwide and region wide. This research provides these insights, by specifically investigating the intersection between strategic management and entrepreneurship fields and by reflection on practices across the VCS. In particular, the distinct type of organisations in the sector is identified, which prove that depending on the organisational commitment of the VCOs this provides innovative differences by using their resources and funds effectively, and this can lead these organisations to achieve high profit in order to reinvest for the social need.

# Chapter Seven

# Conclusion

## 7.0 Overview of the Chapter

This conclusion chapter summarises the thesis that are identified and discussed in line with the four objectives of the research outlined in the introduction. The first section reflects the research process and the approach taken by the researcher. The second section discusses the summary and the implications of the findings. The third section focuses on the evaluation of the conceptual framework that is discussed in the literature review, and the final framework is based on the responses of the participants. The fourth section explores the contribution, both in theory and practice, and the originality of the research followed by its limitations and the direction for the future research.

## 7.1 Reflection on the Research Process

This research represents the process and aims to conceptualise the qualitative results by thematic analysis with a single case study within the South-West region. It aims to connect empirical data and context identified in the area of Voluntary and Community Sector (VCS). Consequently, it is a fascinating field in the application of strategic entrepreneurship to change the Voluntary and Community Organisations (VCOs) operationally and strategically. According to the findings, the successful application of strategic entrepreneurship to both mainstream VCOs and social enterprises in the South-West of England, relies not only on the six aspects that are discussed throughout the thesis, but also on a different variety of elements such as the effect of collaboration and partnership within the sector. This fascinated the researcher and drove the research.

Throughout the research, the researcher was conscious of the importance of the subject of strategic entrepreneurship and VCS in the South-West of England. Therefore, the choice of contextual setting and the exploration of theoretical gaps in literature provided an opportunity to combine the interests of the researcher with contemporary research objectives and gaps. Strategic entrepreneurship literature characterised the personality of the researcher, during the research. As strategic entrepreneurship in public and private sectors have already been explored by previous researchers, narrowing down the research to VCS fulfilled the desire of the researcher for the strategic entrepreneurship context.

The research primarily comprises logic and the analytical ability to connect information and "read between the lines", which was particularly appealing to the researcher. Selecting VCS in the South-West Region is predicated by the level of deprivation requiring the application of strategic entrepreneurship as a vehicle for supporting the operational capacity of the VCOs, together with the application of the core principles of entrepreneurial process with a strategy focus. This has provided a rich vein of information and data to support the research.

In addition to this, the research process was set up to make the collection of data simpler and the VCOs in the South-West region were particularly willing to discuss the research which assisted in the process as to how could it be done more strategically to benefit the sector. In conclusion, most charities, foundations, social enterprises and even statutory organisations that give guidance to the VCOs in the South-West region, are open to discussion on the topic. In consequence, finding participants was not difficult from a research point of view.

Although it was challenging during the data analysis phase and writing up the discussion, the literature review and the data collection phases can be considered as smooth and efficient during the setting up by the researcher. Due to the nature of the strategic entrepreneurship concept, the research method was a simple task to identify. Therefore, the qualitative methodology was selected by the researcher as building a theory rather than theory testing. The justification for qualitative methodology lies in the state of new research on VCS. Analysing and establishing the data was challenging due to transcribing (30 participants, 217 pages and 96666 words of collected data) and, the use of the data analysis software "NVivo 12" due to the lack of experience of the researcher and the nature of the thematic analysis. However, these challenges have increased the expertise and experience of the researcher on qualitative methodology.

Furthermore, evidence from self-reflection collected as part of the chosen research method, together with initial notes and memos helped the researcher to go through the cycle of critical analysis and the process of maintaining the construct, internal and, external validity and reliability of the data and to develop the theory.

## 7.2 Summary and Implications of the Findings

The main purpose of this research is to develop three substantive conceptual frameworks of strategic entrepreneurship as identified in Objective Three, applicable to VCS in the South-West of England. These conceptual frameworks illustrate the relationship between the main

aspects of strategic entrepreneurship and both mainstream VCOs and social enterprises in the sector.

The research shows that certain factors such as central government, local authorities and statutory organisations play an important role promoting strategies or specifications that the particularly mainstream VCOs in the South-West region should follow. According to qualitative evidence gathered through the semi-structured interviews, application of strategic entrepreneurship provides numerous benefits to both mainstream VCOs and social enterprises in the South-West region. For instance, social enterprises can achieve extensive socio-economic benefits such as increasing the ability of employers and volunteers to improve management capability with a view to increasing assets, in addition to improving social awareness, social capital creation, brand awareness in the organisation's location, and establishing collaboration and partnership. Mainstream VCOs can also benefit from or adapt to how social enterprises are progressing and can achieve better business knowledge and practice, in addition to generating more income to reinvest in their social cause.

According to the findings, strategic opportunities are created based on the needs of the VCS in the South-west region. The opportunities are either identified by the organisation itself or by influence from the authorities to fill the needs gap. Then it can become a strategic opportunity for those organisations which can be considered in three stages, as opportunity recognition, discovery and creation. Although identification of opportunities is fully embraced by the social enterprises, for mainstream VCOs it can vary according to their ability to fulfil the opportunities.

The findings reveal that competition is increasing not only in the private sector but also in VCS. The majority of participants believe that applying strategies is vital for the VCOs and those entrepreneurial activities should be established in accordance with the size of the organisation. Therefore, application of strategic entrepreneurship can be vital for their survival. Competition and internal and external stakeholders' involvement can be considered factors for the sector. Risk is highly considered throughout the sector and VCOs focus on the factors that mitigate risk.

The findings show that a cycle of learning can be an important tool for both mainstream VCOs and social enterprises. Learning from experience, where the organisation faces risk and how to avoid it, and what the organisation has done and how it has achieved it.

The findings reveal that the generation of ideas is another vital aspect in the innovative process for the VCS. The involvement in generating ideas enhances the innovative process for the VCOs although the degree of involvement varies within the type of VCOs in the South-West region. For example, according to the findings, social enterprises are more involved in the generation of ideas stage as they possess the more "business-like" organisational model. On the other hand, mainstream VCOs such as charities, need to try to involve and train their paid employees and volunteers to become more structured and engaged in order to generate more ideas.

Both mainstream VCOs and social enterprises use different strategies to sustain their programmes. It was found that the willingness of the owners or the top management teams was very important for improving the effective use of resources together with their ability to innovate. It was revealed that a majority of VCOs were willing to use certain strategies resulting from their organisations economic advantage, such as increased funds, profit and the achievement of more contracts, which has the result of creating wealth. In contrast a minority lack the capacity to develop a strategic capability and entrepreneurial mind-set. Furthermore, VCOs in the South-West region are willing to establish and understand all aspects of strategic entrepreneurship due to their sense of dedication and being more strategically involved.

According to findings from the participants, the researcher found out that collaboration and establishing networks with other partners plays a significant part in the VCS context. Collaboration can also occur with the clients and policy makers, particularly in establishing funding and fundraising activities, an awareness of the name of the organisation and increasing value for the social good. This can be linked to the organisation's ability to use the internal and external stakeholders effectively. Therefore, both mainstream VCOs and social enterprises generally train clients, volunteers and other partners to raise awareness, share responsibility within the environment and establish relationships between VCOs clients, funders and volunteers.

Findings reveal that VCOs in the South-West region face a lack of support and limited funding. They lack resources, creativity, a shortage of staff and a lack of capability amongst the volunteers. Specifically, local mainstream VCOs do not have the skills required to develop the strategies to maintain a sustainable business model. Therefore, mainstream VCOs are under are pressured with a constant stream of challenges obviating the opportunity to develop long term strategies. However, the findings reveal that the owners or management

teams involved in VCS have better expertise particularly in social enterprises, particularly in relation to the organisation of long-term strategies. Both mainstream VCOs and social enterprises' paid staff and volunteers need to be better trained to establish an entrepreneurial mind-set in the VCS to serve the sector and to apply the strategies allied to the development of strategic entrepreneurship.

## 7.3 Evaluation of Three Conceptual Frameworks

The research provides all the necessities of the doctoral degree in the form of original work, maintaining professional practice and advancing an independent and critical approach to the thinking process. Therefore, originality is a subjective issue that counts for a variety of elements specific to a single case study (Silverman 2000).

Independence of thought and professional research practice are key concepts whereby building research on the basis of existing research from previous scholars is not a matter of imitation as long as new insights have been gained. In consequence, this research utilises the historical background of both strategic management and entrepreneurship together with the critical evaluation of the key aspects of strategic entrepreneurship that have been identified by notable scholars in this subject.

The gaps that are identified are fully discussed and addressed. As discussed in section 7.1 (Reflection on the Research Process), the methodology chapter critically evaluates and in accordance with the current effect of strategic entrepreneurship aspects on wealth creation, the generation of ideas, strategic opportunities, innovation, risks, resources and organisational learning.

The scope of the conceptual framework is clearly identified by unit of data collection and analysis. The findings presented relationships and interactions between the aspects of strategic entrepreneurship that can be studied and verified in both similar and different contexts. The three conceptual frameworks can be acknowledged as workable due to the transparency of the data analysis process. The conceptual frameworks that are utilised in this research, fully present the context in both theory and practice within the empirical context.

The qualitative methodology of this research with its thematic analysis, emphasises the theoretical development of new insights, which conceptualise the application of strategic entrepreneurship into the VCS. Therefore, three conceptual frameworks have emerged from

the data represented by the application of strategic entrepreneurship in **(a)** mainstream VCOs, **(b)** social enterprises and **(c)** a revised conceptual framework for both type of organisations.

As the first conceptual framework shows, the themes/factors that are identified are significantly involved in identification of needs and strategic opportunities, organisational learning and the generation of ideas through the imposition of strategies. Therefore, this creates a risk in the independence of mainstream VCOs and gives the authorities the opportunity to exercise control. As a result, this can impact the motivation to identify their own strategies. As findings show that, some mainstream VCOs do not receive funding from central or local government or statutory bodies allowing them independence in management and the provision of their own strategic development. However, the majority of organisations still depend on funding to permit an accumulation of resources to enhance the provision of social value. Thus, mainstream VCOs' managers or owners should ensure that training and mentoring are followed up with all members and volunteers in order to establish knowledge, generate new ideas and the effective use of resources as well as innovative attributes. This could be done with or without the involvement of external factors and lead the organisations to survive, contributing to environmental well-being.

The second conceptual framework shows the overlaps and differences in the varying factors and where they either stand alone or interact in relation to social enterprises in comparison to the first conceptual framework. Thus, whilst these factors still play a significant role in social enterprises, they are not entirely dependent on them. Due to their "business-like" organisational structure, they can provide their own strategies to gather funding and contracts, from central and local government or private donors to enhance the provision of social value. This provides the independence to apply strategic entrepreneurship in social enterprises in order to engage commercial strategies to maximise improvements in financial and social impact together with providing profits for external stakeholders and contributing to environmental well-being.

The third conceptual framework can be regarded as a revision in that it encapsulates the concept of strategic entrepreneurship across the whole VCS in the South West of England. This revision identifies six aspects of strategic entrepreneurship (risk, organisational learning, strategic opportunity, generation of ideas, resource and innovation) which obtain greater degree of complexity and interrelation than seen in the that illustrated in the literature review (Figure 6). This has been derived as a result of the construction of the first two conceptual

frameworks. The revised conceptual framework also provides further insights by specifically investigating the interaction between the six aspects of strategic entrepreneurships and the factors that affect VCS in the South-West region. Therefore, it identifies and demonstrates the importance of the capability of both social enterprises and mainstream VCOs in establishing their own strategies also utilising networking, collaboration and partnerships. It is found that these interactions show the significance of networking in strategic entrepreneurship in the VCS. These finding support Ireland et al. (2001) and contrasts with the findings of Luke et al. (2011).

An evaluation of the empirical results and theoretical frameworks compared with existing knowledge (Discussion Chapter – See: Chapter Six) clearly indicates that this study provides new insights which contribute to both theory and practice. The next two subsections provide an overview of these contributions.

**7.4 Contributions to Theory and Practice**

The sections below discuss the contribution of research to theory and practice as well as providing recommendations to the management team that are proposed by the researcher.

**7.4.1 Contributions to the Theory**

As discussed in Chapter two, Literature Review I (See: Section 2.4 - Particular Aspects Arising for Strategic Entrepreneurship), about why the Lynch (2015) aspects (risk, innovation, resources, generation of ideas, strategic opportunity and organisational learning) were selected as the basis for the conceptual framework for this study, the researcher also identified several contributions to these aspects.

First of all, this study discusses and supports the applicability of these aspects in the VCS. Therefore, three conceptual frameworks (mainstream VCOs, social enterprises and a framework that comprises both) were designed by the researcher. First, the two frameworks represent how the factors are involved in both the mainstream VCOs and social enterprises. The third conceptual framework shows a road-map on how the VCS in the South West of England may evolve. In these conceptual frameworks, Lynch's (2015) aspects were put into a robust structure for the VCS by the researcher. It should be noted that the third conceptual framework – the overall road map - can be applied to both the public and private sectors.

Secondly, this study is significant because it provides a strategic explanation: **(a)** to the importance of increasing competition in the VCS, **(b)** to the ability to respond to the changing needs of the environment, and **(c)** to the factors that influence the strategies in the VCS. Finally, if Lynch's (2015) aspects - risk, strategic opportunities, resources, innovation, generation of ideas and organisational learning – are applied in the VCS, then contracts, funding and training could be considered as sub-aspects delineating these six aspects. As a result, this will contribute to better explain wealth creation in the VCS.

Moreover, this study makes a number of other contributions to theory and the field of strategic entrepreneurship. First of all, it provides a background of how the fields of entrepreneurship and strategic management are combined and how their combination (strategic entrepreneurship) can lead the organisations to wealth creation and to achieve a competitive advantage at firm level (Ireland et al. 2001; Hit et al. 2001; Ireland et al. 2003). There have been few studies of the integration of strategic entrepreneurship in not-for-profit organisations, generally called VCS or third sector. The literature on strategic entrepreneurship mainly focuses on its effect at corporate firm level and specifically on their performance. This research focuses on how the application of strategic entrepreneurship increases the organisational performance in VCS in the South-West of England and considers the relationship between tenders, funders and owners, and how that affects delivery. Thus, this is the first study of strategic entrepreneurship conducted at VCOs level. Throughout the research, VCOs in the South-West region are divided into two types of organisations, mainstream VCOs combining charities, foundations and associations, and social enterprises. This is due to their distinct differences as defined in UK law and their organisational models. Therefore, three frameworks (a framework for mainstream VCOs, a framework for social enterprises and a framework which combines both) have been developed in this research to provide a starting point for the thematic analysis on strategic entrepreneurship in VCS.

Secondly, from the various scholars' points of view (Dees 1998; Defourny 2001; Dees 2003; Defourny and Nyssens 2006; Dees 2007; Zahra et al. 2008; Zahra et al. 2009: Defourny and Nyssens 2010), social entrepreneurship is a vehicle to discover and adopt new approaches to solve social problems and therefore, it is believed that social entrepreneurship is particularly applicable for social enterprises. This element of the study contributes to the application of strategic entrepreneurship at the level of social enterprise. It identifies factors relating to the exploration of strategic opportunities, the generation of ideas, the effective use of increasing resources by the adaptation of certain strategies, the attributes of innovation, the relationship

between the central and local governments and establishing networks in order to achieve more contracts and funds.

Thirdly, this research makes a contribution to how strategic entrepreneurship can be applied to mainstream VCOs. In literature, the way in which strategic entrepreneurship can affect the mainstream VCOs level has been ignored. For instance, there is a lack of empirical evidence with reference to how strategic entrepreneurship affects the accumulation of resources and innovative attributes in order to create wealth for mainstream VCOs. Also, how government and statutory organisations influence the strategies which need to be applied in the sector. Moreover, the research tends to focus on those factors that create a necessity for strategic entrepreneurship in the VCS. Thus, this research fills all these gaps in the literature by contributing to strategic entrepreneurship and by developing a framework to analyse the context of the research.

### 7.4.2 Contributions to the Practice

Understanding strategic entrepreneurship can be important for VCS in the South-West of England and the managers of VCOs so that they can establish effective strategies including articulating organisational goals, exploring priorities in both mainstream VCOs and social enterprises, and developing robust plan. Additionally, the development of training to allow the identification of changing trends in the sector and which will allow an appropriate response strategy to be executed. This research provides an insight into how the strategic entrepreneurship can be used. Furthermore, the three conceptual frameworks developed could aid both mainstream VCOs and social enterprises to implement strategic entrepreneurship, as they provide a basis for formulating strategies in order to increase resources and innovative attributes.

Based on findings, the research represents some key insights that VCOs can use to conduct effective aspects of strategic entrepreneurship. These strategies are designed to consider the issues surrounding VCOs in the South-West region such as those surrounding risk, the involvement of authorities and the lack of resources and capabilities particularly where demand for them is high. Strategies proposed are that VCOs should be considered as below:

- The organisations should adapt their learning processes to identify what their risks are and how to either avoid or mitigate them based on previous experience.

- The organisations should use innovative methods to achieve wealth creation through the effective use of resources. Therefore, this could one of the strategies that VCOs in the South-West region should seek to accomplish. Two examples are given from a mainstream VCO and a social enterprise in chapter six (See: Section 6.2.8.3 - Resource Orchestration Process), where the VCS finds a new way to originate new strategies without the involvement of the other factors.

- VCOs need to introduce strategies to collaborate with or partner organisations from other sectors.

- The organisations should introduce low cost methods such as training for volunteers and mentoring to increase the expertise of their members and the abilities of their volunteers. Social enterprises focus on training and mentoring however, mainstream VCOs need to pay more attention to this aspect of their operation.

- VCOs need to ensure follow up is available for both training and mentoring. As identified from the data that explained in chapter five (See: Section 5.8.1 - Risk in VCS). One of the themes that was discussed was the lack of capacity of the volunteers and the shortage of skilled staff. Therefore, the organisations in VCS need to focus on establishing skilled staff and volunteers through training and mentoring in order to develop strategies without being dependent on certain factors demonstrated in the conceptual frameworks. This should be focussed on establishing an entrepreneurial mind-set.

- Organisations need to train all members from the top management team to volunteers on how to adopt strategic entrepreneurship to create wealth.

- Collaboration should be increased between the firms and VCOs to increase social awareness.

### 7.4.3 Recommendations to the Management Teams in VCS in the South-West Region

Based on findings, recommendations to management teams concerned with developing strategies for VCOs in the South-West region are illustrated as below:

- Provide funds and contracts by applying strategic entrepreneurship to increase resources and accumulate innovative attributes, since a lack of these are the issues for VCS in the South-West region. This can be achieved by all internal stakeholders becoming fully aware of what the needs are and the strategic opportunities that exist within their environment. This should include mitigating risks, establishing knowledge experiences and generating new ideas to capture contracts and funding to achieve wealth creation.

- Top management teams, donors and partners need to focus on long term investments within the organisation.

- Provide training and mentoring for both paid and non-paid employees of VCOs.

- Encourage both mainstream VCOs and social enterprises to apply strategic entrepreneurship to raise funds and increase resources through exploring strategic routes that will guide innovation.

- Create a link between the central government, local government and statutory organisations for those charities that receive no funding from these organisations, so that all parties can collaborate in the delivery of strategic entrepreneurship.

- Advise central government or local authorities to encourage all VCOs to become strategically and innovatively effective organisations.

## 7.5 Limitations and Direction for Further Research

As discussed in previous chapters and sections, the research mainly focuses on the application of strategic entrepreneurship in the VCS in South-West of England by exploring six aspects, namely, risk, strategic opportunity, generation of ideas, innovation, resources and organisational learning. However, it is clear that various parties and entities are involved in VCS other than members of charities, foundations, associations, not-for-profit organisations, cooperatives and social enterprises. There are a number of individuals, firms and organisations representing VCS stakeholders involved in developing, establishing and guiding strategies. These include ambassadors, auditors, clients, private individuals and communities. Additionally, vendors, contractors, customers, fund holders, and governmental agencies contribute to the process. Examples of this are Homes England, local authorities, private donors, statutory and public organisations and supply partners. In other words, there is a wide scope for future study of VCS to include the wider network.

This research mainly focuses on which themes can affect the six aspects of strategic entrepreneurship discussed above and concentrates on how the application of strategic entrepreneurship can help to improve resources and innovative attributes in mainstream VCOs and social enterprises in the South-West of England. Future research can focus on aspects of strategic entrepreneurship individually such as "Risk issues while applying strategic entrepreneurship into VCS" by obtaining data from the other participants such as local authorities and governmental agencies.

The research identified six aspects relating to the organisational level of VCS that has manifested certain implications to both theory and practice in relation to local authorities and counselling agencies which support the organisations. However, this research has not investigated their relative significance and it would therefore be helpful to include them in future research.

This research has not focussed on the influence of entrepreneurs in VCS, providing scant detail in relation to analysis and commentary. Therefore, future research could also consider this issue while investigating strategic entrepreneurship and its impact throughout the sector.

As this study is limited to the South-West region of the U.K, future research can be conducted in other regions as well as different countries to examine and test the application of strategic entrepreneurship. Furthermore, based on the research findings (Chapter 5), the different forms of strategic entrepreneurship can be applied in various contexts, although this research is the first to investigate the application of strategic entrepreneurship in VCS.

As a methodology, this research is qualitative by nature. Therefore, more research should be conducted on the quantitative aspect of the conceptual frameworks and for each of them in the other regions of the U.K. Empirical data would need to be collected to develop further hypotheses to expand knowledge and begin a new research stream.

The research findings and themes show that there is a need for the application of certain strategies in both mainstream VCOs and social enterprises. However, there is a lack of information on the influence of authorities and therefore, future research could focus on the relationship between the VCOs and authorities in more detail. Findings also do not highlight how much influence these authorities have for imposing strategies in either a certain region or throughout the U.K.

The research has made a contribution from the point of view of the statutory organisation in one particular area by investigating how these organisations can influence the VCOs, particularly small sized charities. Nevertheless, more empirical studies are needed to identify what factors can affect these processes and how they influence the VCS. Future research can use different disciplines to examine "What other factors can affect strategic entrepreneurship in the VCO level?" which can be considered as one example for future research.

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# Appendices

## Appendix A: Selected Definitions of Entrepreneurship

(Please see the next page)

| Author | Definition |
|---|---|
| Schumpeter (1934) | Entrepreneurship is seen as new combinations including the doing of new things or doing of things that are already being done in a new way. New combinations include **(1)** introduction of new good, **(2)** new method of production, **(3)** opening of a new market, **(4)** new source of supply, **(5)** new organisations. |
| Kirzner (1973) | Entrepreneurship is the ability to perceive new opportunities. This recognition and seizing of the opportunity will tend to "correct" the market and bring it back toward equilibrium. |
| Drucker (1985) | Entrepreneurship is an act of innovation that involves endowing existing resources with new wealth-producing capacity. |
| Stevenson, Roberts & Grousbeck (1985) | Entrepreneurship is the pursuit of an opportunity without concern for current resources or capabilities. |
| Rumelt (1987) | Entrepreneurship is the creation of new businesses, new businesses meaning that they do not exactly duplicate existing businesses but have some element of novelty. |
| Low & MacMillan (1988) | Entrepreneurship is the creation of new enterprise. |

| | |
|---|---|
| Gartner (1988) | Entrepreneurship is the creation of organisations, the process by which new organisations come into existence. |
| Timmons (1997) | Entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic approach and leadership balanced. |
| Venkataraman (1997) | Entrepreneurship research seeks to understand how opportunities to bring into existence future goods and services are discovered, created and exploited, by whom, and with what consequences. |
| Morris (1998) | Entrepreneurship is the process through which individuals and teams create value by bringing together unique packages of resource inputs to exploit opportunities in the environment. It can occur in any organisational context and results in a variety of possible outcomes, including new ventures, products, services, processes, markets and technologies. |
| Sharma & Christman (1999) | Entrepreneurship encompasses acts of organisational creation, renewal or innovation that occur within or outside an existing organisation. |

# Appendix B: Definitions of Strategy in Organisational Context

(Please see the next page)

| Authors | Definitions |
|---|---|
| **Drucker (1954)** | Strategy is analysing the present situation and changing it whenever necessary. Incorporated within this is finding out what one's resources are or what they should be. |
| **Minzberg (1967)** | Strategy is the addition of the decisions taken by an organization in all aspects, as much commercial as structural, with the strategy developing in accordance with the learning process of the firm's manager. |
| **Ansoff (1979)** | Strategy is a set of rules for decision making under conditions of partial ignorance. Strategic decisions concern the firm's relationship with its ecosystem. |
| **Minzberg (1979)** | Strategy is a mediating force between the organization and its environment: consistent patterns in streams of organizational decisions to deal with the environment. |
| **Schendel and Hofer (1979)** | Strategy provides suggested directions for the organization, which allows the company to achieve its objectives and to respond to opportunities and threats in the external environment. |
| **Porter (1980)** | Strategy is the company choice as to key decision variables such as price, promotion, quantity and quality. The company, to have good performance, must be correctly positioned in its industry. |
| **Porter (1985)** | Strategy is a set of offensive or defensive actions to create a defensible position in an industry, to cope successfully with competitive forces and thus get a higher return on investment. |
| **Ansoff & McDonnell (1990)** | Strategy is a set of rules for decision making to guide the behaviour of an organization. There are four distinct types of rules: standards by which the present and future performance of the company is measured (objectives, targets); rules for the development of relationships with the external environment (product strategy and |

| | |
|---|---|
| | marketing, or business strategy), rules for establishing relations and internal processes in the organization (organizational concept); and rules by which the company shall conduct its activities in the day-to-day (operational policies). |
| **Mintzberg & Quinn (1991)** | Strategy is the deliberate search for an action plan to develop and adjust the competitive advantage of a company. The differences between the organization and its competitors are the basis of its competitive advantage. |
| **Porter (1996)** | Strategy means performing different activities to those performed by rivals or performing the same activities differently. |
| **Mintzberg, Ahlstrand & Lampel (1998)** | Strategy is the mediating force between the organization and its surroundings, focusing on decisions and actions that come naturally. Strategy formation is not limited to intentional processes but can occur as a pattern of actions formalized or otherwise. |
| **Barney (2001)** | Strategy is the theory of the firm on how to compete successfully. It also considers performance as a factor influenced by strategy, as it can be considered that to compete successfully means having a satisfactory performance. |

## Appendix C: Early Works from Scholars that Identifies the Link between Entrepreneurship and Strategy

(Please see the next page)

| Author | Journals/Books | Early Linkages between Strategy and Entrepreneurship |
|---|---|---|
| • **Mintzberg (1973)** | California Management Review | The notion of entrepreneurial strategy making has been introduced. |
| • **Schendel and Hofer (1979)** | **Book:** Strategic Management: A New View of Business Policy and Planning | The entrepreneurial choice is the centre of the strategy concept has been argued. |
| • **Bulgeman (1983)** | Management Science | Interrelation between strategic management and entrepreneurship in the large businesses has been examined. |
| • **Pinchott (1985)** | **Book:** Intrapreneuring: Why you don't have to leave the Corporation to become and Entrepreneur | Entrepreneurship residence and active inside the large business has been elaborated: "intrapreneurship" term has been identified. |
| • **Covin and Slevin (1989)** | Strategic Management Journal | Entrepreneurial strategic posture concept has been identified with examining the business competitive orientation. |
| • **Guth and Ginsberg (1990)** | Strategic Management Journal | The first corporate entrepreneurship typology as a strategy for large businesses has been introduced. |
| • **Stevenson and Jarillo (1990)** | Strategic Management Journal | Establishment of clear links between entrepreneurship fields and business |

| | | |
|---|---|---|
| | | management. |
| • **Chittipeddi and Wallett (1991)** | Journal of Small Business Management | It has been argued that the organisational future will be entrepreneurial. The leadership, strategies and structure will reflect the entrepreneurial thinking with flexibility, innovativeness. |
| • **Day (1992)** | The State of the Art of Entrepreneurship | The linkages between strategic management and entrepreneurship have been examined and one possible configuration of their interrelations haven been offered. |
| • **Sandberg (1992)** | Entrepreneurship, Theory and Practice | The interchange opportunities between entrepreneurship and strategic management have been investigated. According to the investigation: Innovation, new business creation, opportunity seeking, risk assumption, top management teams, group processes used in strategic decisions have been posited. |
| • **Lumpkin and Dess (1996)** | Academy of Management Review | Covin and Slevin (1989) work has been expanded and notion of entrepreneurial orientation construct have been created. |
| • **Barringer and Bluedorn (1999)** | Strategic Management Journal | The relationship between entrepreneurial |

| | | intensity and strategic management practices has been studied. |
|---|---|---|
| • **Meyer and Heppard (2000)** | **Book:** Entrepreneurship as Strategy: Competing on Entrepreneurial Edge | The first scholarly book addressing the interface between strategy and entrepreneurship to disclose the components of a business. |

# Appendix D: Comparisons of Strategic Entrepreneurship Frameworks

(Please see the next page)

|  | **Ireland et al. (2001)** **Ireland, Hitt, Camp, Sexton** | **Hitt et al. (2001)** **Hitt, Ireland, Camp, Sexton** | **Ireland et al. (2003)** **Ireland, Hitt, Sirmon** | **Ireland and Webb (2007)** | **Ketchen et al. (2007)** **Ketchen, Ireland, Snow** | **Kraus and Kauranen (2009)** |
|---|---|---|---|---|---|---|
| **Innovation** | Innovation | Innovation | Applying creativity and developing innovation | Continuous streams of innovation | Collaborative Innovation | |
| **Networks and Alliances** | Networks | External Networks (Alliances) | | Alliances, Mergers and Acquisitions | | |
| **Internationalisation** | Internationalisation | Internationalisation | | | | |
| **Organisational Learning** | Organisational Learning | Organisational Learning | | Organisational Structure | | |
| **Resources** | | Resources | Resources to be managed strategically | | Resource-based View | Resources and Capabilities |
| **Growth** | Growth | | | | | |
| **Entrepreneurial Leadership** | Top Management Teams and | | Entrepreneurial Leadership | | Managerial Mind-set for broader | Entrepreneur |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Governance | | | | capabilities | |
| **Entrepreneurial Culture** | | | Entrepreneurial Culture | Organisational Culture | | Organisational Structure |
| **Entrepreneurial Mind-set** | | | Entrepreneurial Mind-set | Balancing opportunity-seeking and advantage-seeking behaviour | Balancing Opportunity-seeking and advantage seeking behaviour | Environment |
| **Strategy** | | | Flexibility to use appropriate resources | | | Strategy |

# Appendix E: Indices of Deprivation - Bournemouth

(Please see the next page)

| | Health Deprivation (2010 Ranking) | Health Deprivation (2015 Ranking) | Ranking in Bournemouth | Education Deprivation (2010 Ranking) | Education Deprivation (2015 Ranking) | Ranking in Bournemouth |
|---|---|---|---|---|---|---|
| **Bournemouth** | | | | | | |
| • **Boscombe (Central)** | 239 | 593 | 1st | 3972 | 1548 | 3rd |
| • **St. Clements** | 1055 | 1361 | 2nd | 7794 | 2848 | 8th |
| • **Boscombe (South)** | 1855 | 1645 | 3rd | 12577 | 10226 | 31st |
| • **Drummond Road** | 1666 | 4031 | 8th | 12778 | 6812 | 20th |
| • **Argyll Road** | n/a | 12114 | 38th | n/a | 16435 | 59th |
| • **Honeycombe Chine** | n/a | 13236 | 42nd | n/a | 11786 | 38th |

# Appendix F: Participant Information Form

(Please see the next page)

# Participant Information Sheet

**Title of the Research Project:** Strategic Entrepreneurship for Resources and Innovation: The Case of Voluntary Organisations in the South-West of England.

You (or your legal ward) are being invited to take part in a research project. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

This doctorate research is conducted by Emre Arslan, Postgraduate Researcher in Business Strategy, Dr. Christos Apostolakis, Senior Lecturer in Business Strategy, and Dr. Kaouther Kooli, Lecturer in Marketing, in Bournemouth University within the Faculty of Management.

The aim of this project is to identify entrepreneurship as a vehicle for supporting the operational capacity of the voluntary sector organisations in the areas of Poole, Bournemouth, Boscombe and Christchurch. More specifically, the project is concerned with how entrepreneurship can be applied to the voluntary sector organisations and social enterprises to enhance their current and future operational, financial and other resources, as well as organisational innovation attributes to achieve wealth creation.

In this project, the participants have chosen via open invitation (via telephone or email) for participation to the interviews while explaining the content, aims and benefits of the research. Once the potential participants have accepted to participate, the researcher will carry out the interviews in the participants' premises for their convenience. The interviews will last approximately 25 - 30 minutes. Data will be collected through approximately 30 semi-structured, face-to-face or telephone interviews of approximately to evaluate the current and future activity of voluntary sector organisations and social enterprises in Bournemouth, Poole, Boscombe and Christchurch areas.

The responses of the participants will be recorded on a tape with their consent or by taking notes. The interviews will contain questions about actions towards applying entrepreneurship to the participating organisations at present and in the future, establishing the case study. For example, the interviewees will be required to explain their involvement in innovative activities and assess them.

You will be given this information sheet to keep (and be asked to sign a participant agreement form) and you can still withdraw up to the point (e.g. where the data are processed and become anonymous, so your identity cannot be determined, when transcripts are anonymised, etc.) without it affecting any benefits that you are entitled to in any way.  You do not have to give a reason. Deciding to take part or not will not impact upon/adversely affect your education or your work.

All the information that we collect about you during the course of the research will be kept strictly confidential. You will not be able to be identified in any reports or publications. All data relating to this study will be kept for a minimum of 5 years at a Bournemouth University password protected secure network in accordance with the Data Protection Act 1988.

In some circumstance the nature of the research will make it difficult to safeguard confidentiality of data, which should be explained to participants here. This explanation should include how their data and/or identity would be shared and the consequences they may face in such instances.

You should be able to tell the participants what will happen to the results of the research (e.g. when the results are likely to be published, whether they can obtain a copy of the published results), and add that they will not be identified in any report or publication.

Depending on the nature of your proposed project, you may need to include a statement indicating that the data collected during the course of the project might be used for additional or subsequent research (if this is the case, then this should be explicit on the participant agreement form).

For the further information please contact names below:

- Emre Arslan, BA, MSc, FHEA

  Postgraduate Researcher in Business Strategy

  Faculty of Management
  Bournemouth University
  Executive Business Centre, EB501
  89 Holdenhurst Rd
  Bournemouth
  BH8 8EB
  United Kingdom
  earslan@bournemouth.ac.uk

- Dr. Christos Apostolakis

  Senior Lecturer in Business Strategy/Supervisor

  Faculty of Management
  Bournemouth University
  Christchurch House, C106
  Talbot Campus
  Fern Barrow
  Poole
  BH12 5BB
  United Kingdom
  capostolakis@bournemouth.ac.uk

- Dr. Kaouther Kooli

  Lecturer in Marketing/Supervisor

  Faculty of Management
  Bournemouth University
  Executive Business Centre, EB401
  89 Holdenhurst Rd
  Bournemouth
  BH8 8EB
  United Kingdom
  kkooli@bournemouth.ac.uk


I will be happy to provide you with a copy of information sheet and, if appropriate, a separate signed participant agreement form to keep.


Thank you in advance for your time to read through the information.

Kind regards

Emre Arslan
Postgraduate Researcher

# Appendix G: Participant Agreement Form

(Please see the next page)

# Participant Agreement Form

**Full title of project:** Strategic Entrepreneurship for Resources and Innovation: The Case of Voluntary Organisations in the South-West of England.

**Name, position and contact details of researcher:** Emre Arslan
                                                 Postgraduate Researcher
                                                 earslan@bournemouth.ac.uk

**Name, position and contact details of supervisor:**

                                     **1)** Dr. Christos Apostolakis
                                         Senior Lecturer in Strategy
                                         capostolakis@bournemouth.ac.uk

                                     **2)** Dr. Kaouther Kooli
                                         Lecturer in Marketing
                                         kkooli@bournemouth.ac.uk

| | **Please Initial or Tick Here** |
|---|---|
| I have read and understood the participant information sheet for the above research project | |
| I confirm that I have had the opportunity to ask questions. | |
| I understand that my participation is voluntary. | |
| I understand that I am free to withdraw up to the point where the data are processed and become anonymous, so my identity cannot be determined. | |
| During the task or experiment, I am free to withdraw without giving reason and without there being any negative consequences. | |
| Should I not wish to answer any particular question(s), complete a test or give a sample, I am free to decline. | |
| I give permission for members of the research team to have access to my anonymised responses. I understand that my name will not be linked with the research materials, and I will not be identified or identifiable in the outputs that result from the research. | |
| I agree to take part in the above research project. | |

Name of Participant                    Date                    Signature

_____     _____     _____

Name of Researcher                    Date                    Signature

_____     _____     _____

*This form should be signed and dated by all parties after the participant receives a copy of the participant information sheet and any other written information provided to the participants. A copy of the signed and dated participant agreement form should be kept with the project's main documents which must be kept in a secure location.*

# Appendix H: Interview Questions

(Please see the next page)

**Interview Questions**

1. Can you give brief information about your organisation and your role in this organisation regarding health/housing-homelessness/general?

   _____
   _____
   _____
   _____

2. What is unique and entrepreneurial about your organisation? How did you come up about it?

   _____
   _____
   _____

3. Can you tell me about particular risk/risks that you/your organisation face? How did you overcome them? What did you learn from your experience?

   _____
   _____
   _____

4. Can you tell who the main stakeholders within your organisation are?

   _____
   _____
   _____

5. Can you give some information about the environment (such as location, physical environment, people and support from external environment) your organisation works in?

   _____
   _____
   _____

6. Can you explain the process for creation of strategic opportunities that supported your organisation to have achieved significant attainments to date?

   _____
   _____
   _____

7. How do you generate new ideas? Can you give some examples of your projects?

   _____
   _____
   _____

8. What do these stakeholders do in order to generate new ideas or money? Could you give me some examples of ideas your organisation has implemented?

   _____
   _____
   _____

9. What has been the most innovative decision you or your organisation has made to date? Can you give me some examples of innovation of your organisation? What has it involved and how?

_____

_____

_____

10. Can you explain what are your resources and what do you do in order to get the funds? (Please refer to your human and financial resources including potential issues you might have) Do you get governmental or other type of funding and how?

_____

_____

_____

_____

11. Do you believe that competition exist in voluntary sector? Who are your competitors?

_____

_____

_____

# Appendix I: Example of A Transcript

(Please see the next page)

**R: So can you give me brief information about your organisation and your role in this organisation?**

**P13:** Yeah well BCHA, Bournemouth Churches Housing Association, is a homelessness organisation dealing with homelessness and supported housing and social housing and has been around about 50 years. So it's a registered provider of housing so it's regulated by what is now called the Regulator of Social Housing. So we help generally lots of single people and maybe families and run a series of large shared housing schemes to long term rented housing. My role is chief exec at BCHA.

**R: What is unique and entrepreneurial about your organisation? And how did you come up about it?**

**P13:** Yeah I'm not sure there's anything totally unique about the organisation because unique is quite a big word really isn't it. But yeah BCHA generally has a high, in housing association terms, first of all it's a charitable housing association, not all housing associations have a charitable sort of status and focus. About half of our accommodation, half of our properties are supported housing so that's quite a high percentage, but we do a mix of what's known as supported housing and general housing. So that's a little bit different, people either do all supported housing or do a very small part of supported housing because supported housing is one of the most challenging business areas because of austerity and all those sort of things. And we're dealing with quite a vulnerable group of customers that generally society, I suppose, doesn't always get concerned about. So if you're talking about unique I suppose still holding on to working with that sometimes more challenging customer group is what it is about. I think also although we're a housing association we focus very much on the person, so the housing is a useful means but we don't just sort of act as a letting agent, obviously we're charging rent and collecting rent, but actually we care about the person getting further on with their life so we tend to focus on how can we help people move on from their situation into longer term work and try and raise their aspiration I think is one of the terms we use and try and find different ways. So we try and put around the person and the house a few more other opportunities and so I guess that's another area we'd see as slightly different from other people. We have employment and skills areas, we run allotments, we've tried a bit of social

enterprise to try and help get people back into work, sometimes it works, sometimes it doesn't but it's business isn't it.

**R: Yeah, yeah, yeah. So can you tell me about the particular risks that your organisation faces and how did you overcome them?**

**P13:** Yeah well I mean a key risk, we're in a sector that although we're an individual organisation so we fit between the private and public sector, so third sector or, you know, it's not so much voluntary sector I suppose, it comes under the classification of voluntary sector but we get paid to do our work as well as our volunteers so it's one of those definitions, I think, that's difficult to place something like BCHA in and because sometimes the not for profit sector we're referred to, which is very misleading because every business has to make a profit otherwise it doesn't survive so I think that's the key. But I mean we do get impacted by governments, more so than I expect, I used to work in the private sector, so the impact of the last 5/6 years of this particular coalition and the conservative government has had a massive impact because the austerity agenda is very much hitting the poor and the vulnerable local authorities are cutting back on commissioning support contracts. So because half of our business is around supported housing we have to try and be quite creative in how we still keep housing people who maybe need a little bit more chaotic maybe but how do we still provide a level of support that still gives a safe environment for people to live in, so that's one of the challenges. We have to be creative in how we use our staff and time because a lot of our time and support is one to one but sometimes we have to try a bit more group work and use of phone and text and things like that a little bit, it's not quite the same as face to face but we've had to be creative in ways of providing a safe housing environment and still taking some of the more difficult customers that other organisations won't. But even currently because of this continuation of austerity it does make it more difficult so we've tried a few different ways of doing that because we're still obviously trying to build houses as well. So I think one of the different things we're trying to do is… one of the issues is you may have a contract to provide support when people are say first homeless or in more need, the big problem in the south and south west is the shortage of housing so when we've spent millions of pounds or the government and local authority have spent millions of pounds supporting people to just get their lives a little bit back on track, Moving them on from the say larger shared housing schemes, there's quite a shortage because of all the benefits and welfare reforms, the government introduced something called universal credit, it's one of those massive things where all the evidence says it doesn't work even though the concept of it is

fine, you know, everyone being given their money to, you know, whether it's from benefits or whatever. But what it's done is made more private sector landlords in rented accommodation nervous about taking people on benefits so therefore simple supply and demand, there's a massive demand and a shortage of supply and that's the problem. So we've been trying to create more affordable solo units where people are maybe slightly more self-contained but in a slightly shared house, but have still got a bit more of their own independence. Because if you just put 6 people/strangers together in their mid-30s or whatever into an environment it's a bit of a challenge isn't it. So we've had to try different models of getting a bit of self-contained units in those sort of areas, and it seems to work because people have their own space even though it's not a full 1 bed flat or anything like that. And also we try to do a bit of social enterprise and so I suppose that's where we've tried to... we've set up a repairs arm of the business. We started off originally doing some gardening and cleaning to help give people jobs and then we've grown that more into a maintenance team but it's not always profitable because it's always difficult to, you've got skilled people, are you going to keep them fully occupied all the time like any business. We've tried a few other things like second hand furniture and other things to try and generate additional income as well ourselves, so not just rely on contracts and rental income but try and generate some of our own, but whether you call it a social enterprise or just a business enterprise you're still competing in a marketplace aren't you. The social element is what you do with the funds really, so the idea is to create something that makes money and then reinvest back into BCHA to help fund some of the gaps so that we can employ more people to help people move on in their lives, particularly around debt and financial inclusion, that's one of the big problems for lots of people and we've got to help people manage their money and so we're trying to get enough resource to employ some people to help people. It's all right government introducing something where all their benefits goes directly to them whereas in the past the housing benefit element used to go straight to the landlord so people get a lot more money in their pocket and therefore they need to understand how to manage it because a lot of people haven't been used to having to pay their rent directly. But no money was put in to train people and educate people, so organisations like us have to be creative, you know, we do that otherwise we don't get the rent paid and then we evict people and that's not great for anybody is it, no wonder you get more rough sleeping on the street, you know, because that's more visible isn't it. So yeah we get affected by government agendas and then local authority agendas that is a big challenge. We work with a number of local authorities across the south west, some do care and others don't and often the frustration for

me and others in this organisation is some people say no they can't do it and yet other authorities say yes they can, so people hide behind legislation but obviously when you get local authorities under the same national rules, it's about a mind-set isn't it, have they got the heart to do it and have they got the creativity to make something happen? Because we try and work in partnership, they're some of the main stakeholders that we have obviously because they're the one commissioning support contracts or we're working with them to house more vulnerable people, so that's one of the big challenges.

**R: So can you tell me who the main stakeholders are?**

**P13:** Yeah, yeah well the main stakeholders, apart from our customers because they're living in our houses and they've got to pay their rent so they're a stakeholder in my view, and then we have local authorities, we may have health commissioners, local authority will be commissioning schemes, they'll be referring people to our housing. If we're building new houses we will work with what's now called Homes England, it used to be the Homes & Communities Agency because they will, for new builds we can get some grants from them, which is technically repayable but it's normally interest free, and that obviously helps us build houses and then charge a lower rent because we don't have to borrow as much money. So you don't get loads of grants but you might get 15% of the value of the property or something like that. So it just means that because our focus is on affordable housing, we then borrow 85% from banks and everything like in any other business and because we're there to… because we're balancing a, running a viable business but we're not there to maximise profit, we're there to make the right profit but also our aim is to keep rents as low as we can afford to so people on low paid, on minimum wage and things like that need to be able to afford rent don't they? And again because we're in the south rents are quite high, not as bad as London but you can work out the sums for yourself. If you're someone working full time working on minimum wage, there's not much money left after you've paid the rents for a 1 bed flat in Bournemouth.

**R: Yeah exactly yeah.**

**P13:** And therefore that's why we need more affordable housing, more social housing because if people who are working full time can't afford, even with being very conservative and tight with their money, there's something wrong with the society we live in, in my view. Employers should be paying more money or we should be having more houses, you know, building more houses and making that happen to bring rents down and house prices down,

it's just 2 very simple models. So if the large employers aren't paying the right wages indirectly they're being subsidised by you and me if we're paying tax, because I think we'd all agree if someone's working a full week they should have enough money to live on shouldn't they, and clearly that's not happening at the moment. So that's one of the big challenges, and we're there to try and influence these stakeholders in our own small way. So consultations come out, we do try and find some resource and time to feed in to them because if we don't who else does? Not that they listen, but you've got to try haven't you.

**R: Can you give some information about the environment that your organisation works in? It can be the physical environment or the town or people vulnerability.**

**P13:** Well yeah we work from Portsmouth down to Plymouth with a range of housing schemes. Where we're providing supported housing they'll be scattered into larger buildings around areas. In there you'll have a, it will be like a small business really because there will be 5 or 6 staff maybe if we're providing 24 hour services, you may have anything from 10 units of accommodation up to our largest scheme is 46, which is en-suited accommodation with sort of cluster kitchens and things like that in there, and they'll have a team of staff, they'll have income from rents and service charge plus a contract probably from the local authority. So they have to work very much almost as their own team with a manager within the wider framework of the whole organisation, and then we'll have people who are working mobile, mobile workers really who are providing something like a floating support helping people stay in their own homes. So they may spend an hour a week with people just in a whole range of accommodation, not necessarily our own accommodation just people who are needing a bit of help to live their lives basically and with it, trying to prevent homelessness as well, you know, so there's a whole, we spread out a whole range of things. Plus we use the building we're in here in Bournemouth to provide some employment and skills training, and we run some courses about building confidence, self-esteem, helping people get into volunteering and then into work.

**R: So can you explain the process for creation of opportunity that supports your organisation to achieve?**

**P13:** The structure of the organisation is we have a board of trustees/ directors, but they're volunteers, although the board we have had and have got now are very skilled people who just want to give something back really, so a whole range of people who are in work. So they appoint me as a chief exec, I'm accountable to the chair of the board, and we will work

together with them to set business plans and objectives, strategic objectives. We tend to come up with 5 year business plans but every 3 years probably do a major review of it and so that's from a strategic point of view, that's where we will look at the external environment, try and look at government policy, local policy, supply and demand in our sphere of work really and set a load of objectives to improve the way we work around building houses, helping create communities and develop communities and also within that trying to become more efficient as a business because you've got to create more capacity when the outside environment is less income coming in. We're very much a people organisation, we've got to employ staff so there's a lot of wages to pay isn't there and that's the balance, when your income, to a degree, is partly dictated by a regulator, the Regulator of Social Housing, they dictate the rents we can charge and things like that. There was some intervention from Mr Osbourne and Mr Cameron where they decided that we have to reduce our rents by 1% for 4 years, which is quite mad when you think all the costs, the other biggest cost we have is repairs and maintenance, and we're housing people for short periods of time relatively speaking , as oppose to long periods of time because of the group of people we're helping, we're helping people who are in need of support as I said earlier, so we will have a lot of change of tenancies. Every time there's a change of tenancy there's certain legal obligations to do before you re-let a property, so the cost is always going up. The problem with the sector we're in is that there's some very big businesses who are called housing associations, some of them now have 80,000 to 100,000 properties, it's big business isn't it when you think about that, down to some very smaller players, we're one of the smaller/medium players with about 1700 units of accommodation so it's a reasonable sized business. But yeah we all get, unfortunately, sometimes caught within the whole larger business areas where maybe some of them are not using their money as well as they could do, but that's part of the business we're in isn't it.

**R: Yes absolutely. So how do you generate new ideas? Can you give some examples?**

**P13:** Well we will have away day sessions with our board and senior management team, that's a key area. Normally a couple times a year we'll be developing business plan ideas and then developing new ideas to feed into that. We have a senior leadership team, about 9 of us from different areas of the business, so we will have some focus once or twice a year developing new ideas, again we're always monitoring the external environment quite a bit, keeping in touch with the… as I say, you have to keep in touch with the whole political environment and what's happening around homelessness and housing. Generally we're

looking… we're in an environment that is always changing so actually you have to, we always say to new staff here if you've come here for a steady role, this isn't the place to be, so there's a culture really of continuous improvement and creating new ideas. Just recently actually in our supported housing and health team they're actually working on an innovation project where the director for that area has brought all the team that are running the supported housing schemes and looking for them to come up with new business proposals, we're looking to allocate up to 50k to sort of pump prime it, to invest in it, we've got to find the 50k yet but we're giving them an incentive to develop a business model for how we can increase/broaden our income streams because we believe health should be putting a lot more money into the housing area, because the work we're doing is supporting people, it's stopping people, certainly people with mental health issues and things like that, ending up in more expensive accommodation. We have clear evidence that we stop people going down to the hospital and accident & emergency because of our interventions. So actually we're sort of saving the public purse quite a bit of money but because the public purse is split into too many different areas, you know, it's not joined up, it's very difficult to get people to put money into the prevention agenda. So if you go back 10 years there was a lot of money going back to the prevention agenda, a lot of that has gone down massively, it's gone down to probably about 30% of what it was 10/12 years ago, the money that's being invested in that area, so you can see we've got to find other ways of generating income. So we're developing things that maybe seen as a bit more commercial by some of our staff. Sometimes local authorities have a statutory obligation for people or people have a bit more adult social care commitment and people will spot purchase buy beds, so we sell some of our beds effectively for people to house people, unaccompanied asylum seekers and what have you is another area where there seems to be… no the risk for us is we have empty beds and no one buys the bed effectively and the support, but we're sort of moving into that market a bit as opposed to tendering for contracts which happens a lot in our business. So it's making better use of our facilities, and as there's less commissioning of support and we've got the property then we can generate other income. But then we've got to price it right slightly more commercially because you've got to price it for the risk, the fact that you may not have that bed filled every day, there's no guarantee is there, it's just like any business, so we've got to be creative.

**R: So what do the stakeholders do in order to generate new ideas or funding?**

**P13:** Well I suppose if you're talking about our external stakeholders.

**R: Yeah.**

**P13:** Then we try and work in partnership, in some areas they work well with providers of services, others lock their door and make their own ideas up. No what I'm saying… and we see that and it's very frustrating so there are some local authorities when they're deciding, when they come round to their budget year, they phone us up and tell us they're going to cancel a service, but they don't talk to us before about could there be a better way of delivering the service. Because we're realising that we're going to get cut so we're always thinking about how could I keep that service going if I lost 20% of the income, that's just built into us. Other areas they call you in and say look this is our problem how can we work together to make it happen, so it works both ways. We try and put ideas in but there's some local authorities, which are our main key stakeholders, but we have put cases into health, we've put some proposals into health, and we do a bit of work working with GPs/ doctors and we're trying to, and there's one or two GP practices that are really keen to work with our customer group because again if we can bring health services to the customer that's much better than the customer waiting to go to the doctors because most of us aren't very good at going to the doctors. But with some of our customers may have addiction issues or mental health issues, if we can make it easy by doctors going to our services, if we've got a 40 bed shared housing scheme, if a doctor can go in there and run a surgery in there then more people might go in and see them might they and then if you can intervene and pick up illnesses and do stuff early, that's better for everybody's health and wellbeing isn't it, and at the moment we're trying to get some medical equipment into one of our services. So we're putting bids into grants and trusts because then we can use our charitable status and try and persuade them. So one of the GPs we work with is quite happy to offer a, we've got a medical facility we're building into one of our services in the middle of Bournemouth and it will also be accessible for people who are sleeping on the street. So again if you can make it easy for people to come in you've got GPs who are willing to deal with slightly more chaotic people because it's about mind-set, they're people and they're ok but sometimes people have a fear for some reason, but yeah we're looking to try and get some medical equipment so they can do a lot of actual analysis and treatment without having to send people on a long waiting list. Because if you're homeless you're not exactly going to be able to get a letter from the doctors very easily are you to say in 3 weeks' time come for an appointment. I mean I sympathise with the health service, it's not a criticism but actually if we can be creative and so we've just got to persuade some grants and trusts to give us 50k to buy the equipment, but

then the GPs are willing to put more time in to this service and then we could certainly see 100 people comfortably a year based on the number of people who live in our services and that could save the health service quite a bit of money actually. Whether we'll then get them to pay for more GP time is the challenge, but it's an innovation in that context.

**R: So what has been the most innovative decision that you or your organisation have achieved to date?**

**P13:** I suppose the issue was we bought this factory down at Alder Hills on the border of Poole and Bournemouth where we brought it back into life, it was an old factory that had been owned and run by Remploy which was very much involved in supportive employment. We managed to get money in to refurbish it and start to create an environment where we could create training jobs, we ran a bit of retail for a while but we had to close that because we lost a bit of money on that, but we were doing sort of end of line new furniture as oppose to second hand furniture, but not quite enough. We ran a training academy in there, training people up on painting, decorating, carpentry things like that, particularly people who were a bit too old to go to Bournemouth & Poole College and things like that, so trying to get them upskilled and ready to get back into work. We still run a café and catering service there. We're now running a bit more of a co-working hub up there, so helping small businesses start up, whether they're charities or non-charities, but an out of town one as oppose to the in town one. The aim there being a) to help businesses, but also they pay rent and it's for us to try and make a profit to generate the income under the social enterprise arm. It's where we based our new leaf repairs team as well, and we also built some conferencing facilities so we hire out rooms for conferencing instead of people going up to hotels they come up to this nice factory site up at Alder Hills. So I think that's probably the innovation, it's not been quite… again, it's generated some income but we want it to generate more income, there's plenty of more desks to rent out. If we could get another 20%, you know, we get about 40% use of the conference rooms, if we could get 60% of it… and then if we could rent out another 20 desk spaces suddenly that almost turns into profit because we're running just above breakeven. So then suddenly you make a fair bit of money that we can then reinvest into either building some more houses or as I said, developing some of our other services around health and wellbeing. So I think that's probably innovation. We've taken on an allotment that was a bit of spare ground and we've supported that, we've worked with a lot of people, we now run horticultural training down there so people can get qualifications as well as working out there and then that helps them move on in their life. So it's a small innovation arguably, but it has a

massive impact. It's always been a difficult one to… we've subsidised it for a while, but this year is the first year we've made a profit out of it, so perseverance pays off. That's the benefit, the organisation because it's quite diverse, we are able to do a bit of cross subsidising because of our charitable, person-focused thing. It's got harder and harder over the last 2-3 years because of the impact of the austerity, the minus 1% rents, it's all compounded so we're having to stop doing some of those nice to do things. But then that focuses us on trying to make the factory more business focused, slightly more commercial approach. So it's that balance, we are a business, we have to make a certain level of surplus to keep the banks happy because the banks lend us money to build houses, and like anybody else if you're paying a mortgage or anything like that, they see what your income is, can you repay the mortgage, it's no different to us. Banks are willing to lend us capital money, so capital money is quite easy to access for us. Revenue money, you know, to pay the wages of people to provide the support is really quite hard. So we're just sort of slightly focusing our business to say the focus on the bottom line surplus is actually more critical because we've got lots of opportunities to build some houses, not always in Bournemouth because there's not a lot of land, but in Plymouth and other places, and we are looking to redevelop some sites we've got in Bournemouth because we can't complain about affordable housing if we can't do it ourselves. BCHA doesn't own all of its stock because it started from nothing, so it leases properties and houses, people in lease properties simply because the private sector won't always rent to people who don't have a good reference or history, so that's one of the challenges.

**R: So can you explain what are your resources or what do you do in order to get…?**

**P13:** Yeah well I suppose we've covered a lot of that, but rental income, you know, because we have tenancies, residents, the rental income is paid, you know, we're housing people who are in work as well as not in work. Service charges is another income. We have to bid and tender for contracts to provide support, which are through the normal procurement processes but local authorities will send out because they want to run some services. We then also generate income through a range, sometimes through bids and grants. A few donations, not a lot of donations, and then we will provide other services through skills and learning through employment services, government work programmes we bid and tender for because we're that other part of our business is about working with people to help them get back into work. So it's a variety of income streams I suppose, and then we are trying to generate some of our own income through the social enterprise arm of BCHA, you know, the factory and things

like that, so that's where we're at. We are embarking now, because of our 50th year, we are launching a campaign, just launched a campaign called Bechangemakers where we're trying to put a bit more emphasis on raising awareness of the positive side of homelessness and things like that, what you can do if you help people when they're in chaos. Not everyone is a drug addict or an alcoholic, whereas that's what people would perceive, I think, of rough sleepers and people like that, there's a lot of ordinary people who end up not being housed and therefore the sooner you can intervene the better. So we have set ourselves that challenge to have a significant fundraising campaign, engaging more with our suppliers and the general community, so telling stories, success stories and all those sort of things, and we're making some progress on that at the moment, persuading some businesses to become partners with us for a small fee and things like that. We're trying to get Bournemouth University more engaged and students, we're working with Ian Jones a lot. But it is, it's about educating people and then maybe becoming the charity of the year for some of the businesses which we are doing, but again you've got to invest some resource in that, so we're having to employ someone to really push it out, so it's investing to get that return. But we recognise we've got to try and find, because the demand for services is going up, the income streams are stretched.

**R: So the final question will be, do you believe competition exists in the voluntary sector?**

**P13:** Oh definitely yeah. Yeah, yeah, yeah. I mean housing associations compete. There's something called a section 106 when private builders, when they're building up they have to allocate a certain proportion for affordable housing and then they tout it out to housing associations. But the system is that we all bid a price for those houses, so you might have 3 or 4 housing associations bidding for the same houses to the developer. Of course the developer wants to max out what he gets, he's got to sell them at a slightly cheaper price but there's not a fixed price. Do you see what I mean?

**R: Yeah.**

**P13:** So the mad thing is we're all competing to have an affordable house. We haven't done a lot of that recently but we have recently bid something and we ended up paying a bit more because we were competing against someone else. The houses were worth having and we could still make it stack up, but if you think about it it's competition. Then when we're bidding and tendering for support contracts, there's a lot of us bidding and tendering, so

that's competition isn't it? So yeah, we believe we do a great job so therefore, like any business, you're going to think you can win everything. You can't and you wouldn't bid for everything these days because it's got to stack up. We won't bid for things that we don't think… we won't go and buy business, and some people do, we just lost a tender recently on a scheme that we were running pretty well but local authorities still tender it out, but we also found out subsequently in the whole thing that they've underbid and they've gone back to the local authority to ask for more money, well that's wrong isn't it, so definitely competition. But then the commissioners should have said this is too cheap to run that service, so I think the problem is the quality of the commissioning and the procurement is an interesting question isn't it, because if you get one price that is lower than anybody else you should ask a question shouldn't you about quality and services, especially when you're talking about the sector we're in. Yes and then within the charity sector there are probably too many charities that are too small, you know, we look about, are we too small, should we be merging with someone else or not for value for money, cost of sales, we benchmark ourselves a bit. But the problem is if you merge in with someone else do you lose the fundamental ethos of what your business was all about, and in the sector we're in lots of housing associations, as I said earlier, are more about the letting side of it as oppose to what's more costly working with people who need a bit more help and the risk of the rents not being paid as much, it's trying to get that balance. But yeah there are lots of charities, and even smaller charities, when you put a bid into the lottery or Comic Relief or things like that you're competing aren't you? Because we're all bidding and we won't all be successful and some of us will be doing, there will be a number of charities doing similar things and so sometimes… I understand it both ways really because if you've founded a charity, you're really committed to it aren't you, so that's what the voluntary sector is good at and so your hearts in it and therefore you're not always thinking would I be better joining up with someone else. I think there is more joining up happening. But competition is not a bad thing is it really, whatever sector you're in. I mean I feel we have more obligation to be more effective and efficient because we're dealing with public money I suppose than when I was in the private sector where waste wasn't such a big problem really to be honest, if you're a publicly quoted company maybe it is but it's an interesting dynamic. We want the best people here but we can't always pay top wages, we want to pay a fair wage, because we need to make that money go further, I think that's the key, because we've got the social heart that goes with the business head, you know, so often we talk about social heart business head and it's true, because people just think charities are all do-gooders, well you can't be a do-gooder and run a business can you because you've still

got lots of… our business is no different to any other business, we need IT don't we, we need finance, we need good managers, isn't that what every business needs? But we need people that have got a bit of a vocational mentality as well, and that's what we have, a lot of our staff are really just very committed to what we do, but every business wants that don't they? Even if you're making widgets you want people to really buy into the business because then you'll be a better business won't you, because people will take care in their job and be concerned about the quality and the reputation and that's important for many organisations. We're in an area where, yeah, reputation is important, we get caught up in safeguarding issues don't we if people, we're dealing with vulnerable people, you know, we have got to be careful about how we deal with that, it's an important thing that we train people properly and they do a good job and generally that happens most of the time, so far for a long time. But we have to look out because people are always looking to blame people aren't they these days, so you can be helping people and doing lots of good stuff but someone can complain. We don't get too many so that's quite good. Ok.

**R: Yeah.**

# Appendix J: Example of A Transcript

(Please see the next page)

**P7:** I've been working here for about two and a half years, so my, and I've been working in the voluntary sector all my career, so I've seen different sides of social enterprise from the different organisations that I have worked in, a couple locally here in Bournemouth, my boss, the chief executive here, has been here for 32 years, he started the organisation and he will have a view as well on social enterprise and we are a social enterprise here, we're an accredited social enterprise organisation, but as you said there is lots of challenges with that and with different types of approaches and models and so on. So, I can give you a little bit of background around what we do here and some of my previous experience, if you feel it is worth getting in to more detail regarding Help and Care I can certainly arrange that in the New Year maybe to meet with our chief executive if that will help.

**R: That will be good.**

**P7:** Yeah, ok. So, how do you want to start?

**R: So can you give a brief information about your organisation?**

**P7:** Yeah sure. OK so the organisation is 32 years old, so it started around 1985, it started with a view to the local voluntary sector trying to understand what the needs of older people were, particularly in this area around Southbourne and Pokesdown and so on. Our current chief executive was tasked to do a little bit of research in the area, to do some focus groups with people in the area to understand what their needs were, what their wants were, and then to maybe support communities to meet those needs, to develop services, and that piece of work was extended and expanded and suddenly then it became something that has now grown in to this organisation. Our work is very much linked to those early days, as I said it's about community development, so helping support communities to support each other, and our mission is to help people live the lives that they choose, so it's very much around people having choice, people having support to make decisions about their lives, particularly around living independently, around their health, and around any social care and support that they might need from the community, so there is an element of social justice there as well, so a lot of our service is about advocating for people and helping them challenge the system, helping them speak up if they are having difficulties around living their lives on a daily basis, so some examples might be where we have people who are having difficulties with their

landlord, and they are not in a position, maybe through illness, or through vulnerability to have that conversation or to fight that battle with their landlord, so we will have advocacy workers who will go in and support them with that, so I'll give an example. One case I was involved in a year or two ago was where there was a gentleman who was separated from his wife and he lived in a local authority flat but his wife who lived somewhere else became very ill, so he during the week, he lived in a caravan on her property to care for her, and he came back to his own flat at weekends for a break, but he continued to look after her. The neighbours where he lived suggested that the property was vacant, he may have had other people living there, and so on, so they gave a false representation to the local authority about what was happening to his vacant flat. He himself had mental health issues, so he, when the local authority called him in to have a conversation about his flat, he struggled to have that conversation, it became quite a heated conversation where he got quite angry, he felt that he was being treated unfairly, and he was in an interview that was being recorded, there was two officers at the council challenging him, and he couldn't deal with that situation. We got involved, and we were able to speak up on his behalf and to cut a long story short, as a result of that case, the local authority changed their policy and procedures about interviewing vulnerable people regarding their housing that there should be every effort made to have other people present to support them. So that is an example of where social justice, it's about supporting people and we are helping him live the life that he chooses to live, he wanted to support his wife and to be able to have his property to go back to to rest and recover and recuperate and then go back to look after his wife so that's one example of the type of work we do. So within that in relation to, our services are not just for older people, we started looking just after older people but it is now for all adults in the community and all across Dorset, we have lots of staff across all the villages and towns in Dorset whose responsibility it is to help people who live in those areas to continue to live independently to seek any help they might need. Because sometimes a lot of the time people who face crisis don't know where to turn. They are fine until something happens, something goes wrong, and they need support and very often it is not there and they don't know who to turn to and we try and provide that support. So the organisation has grown and we deliver services that are mainly contracted by the local authorities so they will give us some money to deliver those services in the community. During that time, throughout those last 30-odd years we have had a number of social enterprise activities so one that we had once upon a time, we don't have any more, was we got involved in housing, so we had an estate agent but the idea was to make sure there was more ethical maybe than that sector normally operates so for an older person

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or a vulnerable person who needed to sell their property or buy their property that it was something that was safe and there was no unfair charges and costs and it was done in a way that was helpful to the person and there wasn't a risk there of being too expensive for them. So that operated for a number of years. The problem with that is that social enterprise, some of the learning from that was that's a very difficult market to work in because by the very nature of it it is competitive, it is ruthless, and having this ethical approach is very very challenging, it's not that it can't be done, but you, the challenge that we face in social enterprises to do it properly, you need to invest significant amounts of money and that is where the problem is because charities often don't have significant amounts of money. So we tried that, one that is currently operating that we have had for a number of years is something called Handy Works Plus, so it's on the same basis in that we provide services for people to minimise risk to them in the open market, so we provide home maintenance and improvement services so we have self-employed contractors, plumbers, electricians, carpenters, gas engineers who choose to work with us, and we have a membership scheme so for £30 a year you can become a member of Handy Works, and it will give you access to these tradesman, and their list of prices are something that we have agreed with the tradesman so they are slightly less than the open market, so most people, if their boiler breaks down, they will open the Yellow Pages, and they will look in there and say plumber, and they will go I will have that plumber. They don't know who he or she is, they don't know their reputation, they don't know the quality of their work, and there is a risk that they could be charged significantly more money than is the norm, or they might get a poor service. What we are saying is, the contractors that we have on our books, we know them, we have interviewed them, we have police checked them, there is no financial transaction between the customer and the contractor, we do all the financial transactions so we take the risk away. We have oversight of the job and of the cost of it, so there are lots of safeguards in place for the customer there. So that is a social enterprise in the sense that there is very little profit in that, little or none, but it is all about putting back in to the community so the money is reinvested in to the service and it is not there to necessarily make a profit at the expense of the customer or indeed the contractor, it just pays for itself. The benefits are ultimately it is a safe service for people. so again, on one level it is social enterprise because it is not about margins and profits and so on, but equally it doesn't make the money that you would like to make to reinvest into the organisation as a whole, which some other enterprises do, and there lies the challenge for us and when we have had conversations with people who are very experienced in social enterprise I think the feeling is now that you have to invest big, you have to invest

big, so somebody my boss was talking to last year who is a social entrepreneur I guess said that charities would invest £25,000 and think that that is a great job, you need to invest £225,000 to be a proper social enterprise. That's the challenge, we will never be in that place. Now there is a lot of opportunities for organisations like ourselves to go in to partnership with bodies who will contribute some of that money upfront, something called a social investment bonds, which are very prominent now and so on, but they can be very complicated and risky to get involved in because there is always the need for some sort of return to the investor, and that is something that we tend to steer clear of because we are not in a position to risk any of the money or reserve that we do have, so we like to be enterprising, and that means that we like to have different types of service, innovative services like our Handy Works one, and others that are creative, and a matter of social goods service to people, but in the traditional sense about it being enterprising in terms of it generating a lot of income to reinvest in to our organisation, we don't do it at that level, and I'm not sure we ever will. I worked at another organisation locally, a very big, have you had some time with BCHA, Bournemouth Churches…?

**R: Yes.**

**P7:** So I worked there for a long time and they obviously have their sequel.

**R: Yes, Height, RECOOP.**

**P7:** Yes so Heghthead has gone now I think. RECOOP, I used to manage RECOOP, and sequel solutions was the big one. And again, RECOOP doesn't make money, but sequel was designed to, there was a number of businesses so they have their factory up at Poole, have you seen that? That started when I left so I don't know too much about it. They had their maintenance division, that was their main one, but they've also dabbled in other things like recruitment agency, training and development agency, childcare services, some worked, some didn't. And in terms of the maintenance arm I guess that works in that they deliver their own maintenance to their own property and that is good, but again whether it is making lots of money to reinvest in to the organisation as a whole I don't know, I'm no longer involved. But I know because I was there while sequel was being developed it was a huge challenge, absolutely massive challenge and lots of risk and lots of pain.

**R: So what are your strengths as an organisation because you said that there are so many social enterprises out there, so what makes you different?**

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**P7:** We won an award last year from the social enterprise mark organisation I think it was, and that was very much around recognising that we have been here for a long time, and whereas lots of organisations have not, often they disappear and they go away, we have managed to remain local for 30 years and continue I guess to reinvent ourselves to make sure that we are up to date and delivering the needs that people want. So lots of organisations are very specialist and they will do a particular piece of work and then the funding won't be there anymore. We are very diverse, so we have services like the advocacy service I was saying, and the Handy Works but we also have, we are involved in a number of community interest companies which deliver something called Healthwatch, I don't know if you are familiar with Healthwatch. It is a watchdog for people who use health and social care services, so the government obliges every local authority to have one of these services. So if you go in to hospital, you have a bad experience, you might make a complaint to the hospital but not feel like you have been heard. This Healthwatch body will hear your complaint and see if there is any trends around a particular complaint that you have or the problems that you have experienced and challenge the hospital about changing their processes so that it doesn't happen again. So we operate in seven different regions in the south of England, partnering with some of those Healthwatch services, so that means that we get to do our social justice work and we get to work in partnership with lots of organisations but it also means that it is another revenue stream for us as an organisation, so we are diverse and we are kind of creative that way. It is very challenging when you are like us and other organisations when you get money from the local authority to deliver services that you just work to what the contract tells you that you have to do. We put ourselves in the position where we will deliver the contract and work in partnership with the local authority but we will also challenge them, and we will also work in partnership with them in a role to try and improve what they do, or work together to develop something new. We will sit at tables where strategically we are helping the hospitals or the healthcare trust, or some national bodies to think about where they are going to spend their money, how they are going to do it differently, we currently, we deliver, are you familiar with MacMillan, the cancer organisation. So we work in partnership with MacMillan and another organisation, Dorset Advocacy to deliver advocacy services to older people who have cancer. Services are delivered by people who have had cancer themselves so they have this peer support so if I am in recovery from cancer, I will use my experience to help somebody who has just had a diagnosis of cancer, during their journey of treatment and recovery and so on, so that is quite different, there is not so much of that going on nationally but it has a national profile so it has won awards, our staff go and speak at

conferences and events because we have created something very different and very bespoke for a particular client group, older people with cancer. So there is a little bit, there is something around our innovation and ability to respond to different needs that makes us different from other organisations. We were just doing some work recently around exactly this, what makes us different, what is our unique selling point, and lots of the organisations are very specialist in what they do, they are very clear, we don't say we are specialist, it's very broad, we want to help people live the lives they choose. That could mean anything so that makes us a little bit different because that means we can have conversations with different people at different levels who are responsible for making services and policies. That means we can have a broad conversation and not just one specific, specialist conversation and that has been responsible for making sure that we are still here 30 years later, even though it has been very difficult, because sometimes there are good times, and financially there are really bad times. There have been times, there was a period a few years back before I joined where all staff took a pay cut, we had to really close down a lot of what we were doing just to survive because it was the time when the economy crashed and lots of services and funding that we had just disappeared overnight. So instead of just closing doors and saying we have done our bit, all staff agreed to a pay cut because we are here to help people in the community and we want to continue doing that. So that is what got us through the bad times, and then at the moment it is kind of going like that at the moment, not that it is not difficult out there, but we have just positioned ourselves so that we are able to survive at the moment where lots are closing down and not continuing to deliver the same type of service that they always did.

**R: What is entrepreneurial about your organisation?**

**P7:** About us? Again similar to what I said I think it's just about not, we tend traditionally to see what is going to happen in the future and the direction of travel and we start having conversations with partners and organisations to raise their awareness about what will happen and how the sector needs to respond and how we need to prepare ourselves for the future. So very often we will be having conversations about things that will come to light five years later, so for instance, the current one is in the two or three years that I have been here, my boss has been talking about there is a group of people in Dorset who currently have enough money to be able to buy their own care and support, so they are not dependent on the council, ok, they can fund their own care and support. But that care and support is so expensive that those people run out of money very quickly. So they might go in to a care home, sell their

house, and remain in it for one or two years, then there is no money left, so they then have to go maybe to an inferior care home or go and live in a flat on their own, so it can all go wrong, and we were doing some work on this four or five years ago really, saying this is going to become a problem in the future, and just last week there was a meeting called by Dorset County Council because they said we have got this big problem, there is all these people now coming to us saying we have run out of money, we can't pay you any more for our care, what are we going to do? So we have put ourselves in the position where we have got some services to help people who are in that position, or we want to work with the local authority to develop those services. Our entrepreneurial bit is about recognising the next big challenge that society is going to face and preparing ourselves and making others aware that these challenges are coming. We are entrepreneurial in the sense that what we have done very well over 30 years is to get people in a room and be very creative so partners that maybe wouldn't normally come together, we have been very good at getting people in a room to think about what new services we could develop so there was, my boss was just telling me yesterday, there was a service that we have been delivering for 24 years that started with him and somebody from the local authority and somebody else had gone for a few pints of beer in the pub across the road 25 years ago and it has been delivered right up until last week and it has just finished because the council has stopped funding it, but that was literally over a few pints of beer, 24 years of service was developed for carers across Dorset county, so we have supported thousands and thousands of people in that 24 years. That was a service that Dorset County Council didn't know that they needed but we knew they needed it, they didn't know the struggles that people who are caring for a loved one who was sick, the council wasn't aware to the extent of that problem was, but we did, because we communicate with those people on a daily basis around the county so we were able to go to them and say if you give us a small amount of money you will be able to reach all of these people, and that is what we did for the last 24 years. So that is the innovation, that is the entrepreneurial bit. Again, not entrepreneurial in the sense that it is a big financial windfall for us but it brings money in to the system that allows us to support people and that is what we are about. You know it is not about profit, it is about the here and now and helping people here and now.

**R: So you said that you need so much investment in a social enterprise and you might do with money in the future, so we can consider this as a risk. Can you tell me the other particular risks in the sector?**

**P7:** In the sector. Well one of the reasons that lots of organisations can't continue to operate is that they as I said, maybe they are specialist in one area, or they put all their faith in one funding pot, so there is something that BCHA would have had a lot of this money. There was something called Supporting People over the last 10 or 15 years which was primarily from the government to help house people like the people that BCHA deal with, homeless people, ex-offenders, drug and alcohol addicted people, and there was lots of money from the government, really, really lots of money, almost too much money. So what happened was lots of organisations said oh we will have some of that, and they existed solely on that money. It seemed to just keep coming, so there was maybe about 10 years of that, which was great. Then it stopped, overnight it stopped. An organisation like BCHA can weather that storm because they are a big organisation and part of my work was to say how can we deliver these services on the money that is shrinking and shrinking. Lots of other organisations couldn't do that because they didn't diversify, they didn't have other income streams, BCHA is a big landlord, it has all that income to help them survive, but lots of other organisations disappeared so one of the risks is putting all of your eggs in to one basket, as they say, too much dependency on one funding stream. The other big thing that has happened over the last few years, and this would affect BCHA and organisations like ourselves and others, is that there are big, large companies, nationally now, who come in and are dabbling in the sector so, you are familiar with Virgin, Virgin Airlines, Virgin Money, there is Virgin Housing, there is Virgin Healthcare, so they for instance, when I was at BCHA, we were looking at a bid, I think it was in the Cornwall area, somewhere down in Devon, so we were going to tender for a housing project but Virgin Housing came in and because they are big, they can undercut the rest of us who were bidding and tendering, so they were always going to win. So over the last few years, and we feel it now, still, recently, there has been an organisation, we looked at a piece of work with Dorset County Council, and they said we want you to deliver all this for this amount of money. And we said we can't do that, we couldn't afford to pay our staff. You are asking for too much there. We could do it for this, and they took it away and said ok, let's see what we can do with that, and the next thing we found out is that they had given it to another organisation who are doing it as the council wanted but they could not physically do it within that amount of money. So they are supporting it from their other work elsewhere in the country. So there is a lot of that going on and it means that there is a number of problems there. It means that they are delivering these contracts and these pieces of work not to the true value, not to the true cost, which means that quality suffers. So they are paying staff poor wages so that means that they get poor staff, the quality of the work is not good, so their

management is not local, their management will be somewhere else in the country. It means that there is outside organisations coming in, sometimes that isn't a bad thing, but if you look at us, or BCHA, or other organisations, we have been around this part for a long time, we know, we are very local, we are partners with lots of other organisations, we know how we can work together to deliver things well locally, but if you get the company coming in from the north of England somewhere, they don't have those relationships, they don't have those links, they don't know the area. Dorset is interesting because it is very rural, so you get these companies coming in and they suddenly realise they have to send their staff over to Lyme Regis, to Sherborne and everything else, the travel time, so there is lots of those things that are risks in the sector at the moment. Not enough money anymore, decreasing money, outside organisations coming in and organisations just specialising in one area and then that money dries up and they are gone. So they are big risks. And obviously just the whole government approach at the moment around reducing funding, local governments, local authorities having less funding, they are all day to day risks for us because they don't have the money to give to us to deliver the services. The other big risks are that, they are not risks, they are dynamics, you have got all that reducing money but for instance in Dorset they have got older people, you have got more of them, you have got homelessness services that are closing down but there are more people physically on the streets I mean you just need to walk through Bournemouth and you can see there is a major problem there, it is just getting worse and worse, so they are risks because very often and this is especially in the homelessness world, government might take the view that organisations are not doing a good enough job, so we have tried giving BCHA and YMCA and all these other organisations lots of money to do work, but there is more homeless on the streets, so we will give it to someone else, and that happens very often as well, and actually the problem is not BCHA or YMCA, the problem is that there are more people and less beds. So that is a massive risk. Government change is always another risk. Every time the government changes there are new policies, new people, new approaches, that all changes. Obviously at the moment, the big one, from the government, is the universal credit, so the benefits are changing for people. We are starting to see lots of queries coming through about that because people can't afford to live or they are waiting 8 weeks for their benefits to get sorted and they can't pay their rent in the meantime or they can't feed themselves, so there is a lot of that, it is a big risk at the moment for the communities and organisations to try and meet those needs.

**R: Right. So when you see the risk, do you generally take it or is it, it is too risky, I don't want to?**

**P7:** No there are risks but they are very managed risks. So we have a board of trustees that we report to, and it is their responsibility to analyse the risks. So we make a proposal, they will look at the risk, and if there is a risk that it would compromise the long term goals of the organisation and its ability to function they just won't take it. But there may be small pockets of risks that we would take but those risks would be minimal I guess, and managed, because in our instance, you don't build up something for 30 years and risk it all on one venture. So we have had risks recently. So those Healthwatch services that we deliver, we deliver 6 of those, or 7 of those, across different local authorities, well the government took the view, I won't go in to details because it is complicated but the government decided, or the revenue, the tax people decided, that those services should be taxed, whereas previously they weren't. They wanted 6 or 7 years' worth of money back. Now that meant all of those services would fold, they wouldn't be able to deliver, but they were developed originally 6 or 7 years ago on the principle that they were not, they didn't have to pay tax, ok. So we, because we had 7 of those businesses, took a decision to challenge the tax people, and that was a big risk because the cost of challenging a government department, very, very expensive, you have to get the best lawyers and the best solicitors and the best legal people, but it was on a point of principle, and also that there was to just roll over and let them win their case, would still be a big risk for us because all those businesses would have to close down. So that has been going on for about 3 or 4 years. So we took a decision about 2 years ago to challenge that in the courts, and it went to tribunal earlier this year and this was, my understanding, this was the biggest risk period in this company's history in 30 years, but we won it, we won the case. So that was a risk that the board decided to support and that in the long run has paid off. The tax people have said they won't challenge us, they haven't admitted defeat, they have said they won't challenge us, but they are not accepting that it was the right outcome and they may pursue the same approach somewhere else in the country with other companies, similar companies, but on our one, they said they won't challenge but they haven't admitted that they were wrong either. So it is still a little bit uncertain, but for us to invest tens of thousands of pounds in challenging the government effectively, that was a risk but one that was deemed appropriate to take. So yeah, so not, generally not very big risks. Part of risk management is we own this building for instance, so this was bought 20 years ago or something for a very good price, and a part of that was about risk management, it was about saying if we ever got

to a stage where the company and business was in trouble we would always have this asset to sell on and that would help us out. So that is part of the risk management strategy.

**R: So can you tell me who the main stakeholders are in this organisation?**

**P7:** So our stakeholders are other charities, other organisations we work very closely with, as I said a number of times, the local authorities, the local government, because they contract us a lot. But also we work with them to develop their policy and their thinking and their strategies, and the communities that we work with. Because this is all about us working for communities across Dorset, Bournemouth, Poole. So they are our, I guess you could argue they are our primary stakeholders. And we align ourselves with other organisations nationally so we can learn from them or we can contribute to their thinking and their development and present at conferences or contribute to papers that are written. So we have worked with a wide range of stakeholders and there is a big emphasis on it, you see it on the wall up there, collaboration. We have a big emphasis on partnership working and we don't assume that we are the best and we know everything, we are constantly learning. That is what I love about working here, we are constantly debating and talking and challenging and listening to others and pulling people in to help us to shape our thinking and talking to our staff to help us understand what is going on out there in the communities where they work, so there is constant talking with stakeholders and collaborators so that we remain fresh and up to date.

**R: So can you give me some information about the environment here in Bournemouth or the area that you work?**

**P7:** So for our sector and for the charity sector in Bournemouth it is challenging, it is an interesting area, as we discussed, for instance, there is a noticeable homelessness problem, there are large areas of deprivation. So I think people think of Bournemouth as being a very, it is a very nice place to live, but people think of it as being a place for people to come and retire to, and there must be lots of money around, a very nice place to live, but there is Boscombe, there are other areas around Bournemouth that are very deprived areas, they are often very ignored and left behind and don't get the investment of the support that they need. There is lots of challenges around housing in Boscombe, for instance, around poor landlords who don't look after their properties and don't look after their tenants. That is a big, big issue. There is a perception that all people with drug and alcohol problems are dumped in Boscombe. You just need to read the Daily Echo on a regular basis to see that. They are real, noticeable challenges, I think one of the things that we are aware of is that because

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Bournemouth is small, and it is perceived to be very, community, there is lots of people around, and it is very vibrant, actually there is a huge issue with loneliness and isolation so just because somewhere is urban and small and busy doesn't mean that there is people who are not alone and that have been forgotten about and don't access services and support, there is lots of that. So, one of the issues that I came across when I started working here, early on, I went to do a talk at a church in Westbourne and it was a group for bereaved people so people who had lost their husband or wife, and they had come together at this support group, and they asked us to go along and talk about some of the services that we offer, but when I was speaking to the people, what I realised, a lot of them were very wealthy people who lived in Westbourne in very big houses, but because their husband had died, they now had no connection with the golf club which is where they used to do all their socialising, or whatever other clubs, they would all evolve around the husband, but because he was gone, people were alone in their big house and getting older and having health problems and so on. That was a real eye opener for me, because I, you know, having worked in BCHA to me, was the poverty that I saw through homelessness and all that. This is a different type of poverty, it is not financial poverty but it is a poverty around interaction and friendships and so on. So that's something, something around perception about an area like Bournemouth which can detract and distract from the real problems that are going on. For organisations like ourselves there is a, it is just about having just enough money and staff and resources to do all that needs to be done. The other challenge that we have is that we need to make sure we keep working together to make sure we are spreading ourselves in the right way because there is nothing worse than organisations duplicating each other's work and that can be very silly. So the organisations do come together very often and talk about the pieces of work that they are doing so we can support each other so for instance we have a volunteer service here, so non-paid people who come in to help us deliver some of our services. So we have, every week, we make 40 hours' worth of telephone calls to lonely people across the whole county. So people who may not speak to anybody from one end of the week to the next, we will have somebody come in and phone them up and speak for an hour, or two hours on the phone to just give them that interaction but also try and determine if there is anything that is changing for them in their health that we can help with. We have volunteers who go out and bring people out for walks and get them exercise and mobility or go and do shopping or just big groups of people out for a coffee and bring them together so they can communicate with people that they might not otherwise get to meet. What we have realised is we have got so many people who need those services and we don't have enough volunteers but there are other organisations just

down the road and locally who have volunteers in those areas so we work with them and say, ok, we have got ten people in Poole who want this service, we don't have the staff, can you look after it, can you send your volunteers there? Or they will come to us and they will say, there is somebody in Pokesdown who needs support why don't you do it and help and care. Sometimes organisations can just keep their services to themselves. We recognise that it is important to talk to others and help each other out because it is the people in the community who are benefitting. So that's what we're doing, a lot of work with that at the moment because there is so much demand and we don't have enough volunteers to service it. So work with the other organisations is important to make sure that we are all maximising what we can do in the community.

**R: So how do you generate new ideas?**

**P7:** Ha!

**R: Do you sit together and discuss?**

**P7:** Yeah, yeah. I think again what is unique about us is that our chief executive because he started the organisation 30 years ago. He has seen lots of things happen over the years and things come around again and again so he will remember things from the past and say let's not do that because it has been done before and it doesn't work, or we had this idea ten years ago which was too ahead of its time, but now is the time to maybe pursue it. It is about listening to other people, it is about understanding what is going on in the communities, listening to our staff, listening to the people in the communities, talking to the other organisations, the collaboration bit, that's where we get our intelligence. So we have got a number of people at the back there who are call handlers. So they take 25,000 calls every year, from people all over Dorset. So me and my chief executive meet with them regularly, we met with them this week, to say, what are the trends, what are the messages you are hearing from people. So people call in a lot of the time about one specific issue, but we have a conversation with them, what else is going on for you in your life? And we start to pick up on other trends and other issues that are going on and we will log them on our system and record them. So we will start to hear early on if there is something that is, so universal credit for instance has started to hit people, maybe that we didn't think would be affected by it and we are starting to keep an eye on that. There may be other services somewhere else in the county that have been discontinued and have finished we wouldn't be aware of them but we start to pick that up through our conversations with people and think, ooh, there is a gap

there. So that organisation has stopped doing that, is there anything that we can do to fill that gap and to deliver that service? So yeah, lots of, it's got to be about listening to what is happening to people and what's going on for people in their lives that informs us about what we do. So one of the big pieces of work that we are doing at the moment is something called Health Coaching. So lots of doctors, doctors are very, very busy and they only have ten minutes to meet with each patient and lots of patients, the same patients will come in over and over again, and the doctor can only do so much with medicine and advice before you know, they have no more to offer. So what we do now is we have got staff who work in the GP surgeries and the GP will send those people who are constantly coming in to our staff and we will have one hour, one and a half hours with those people and we will say, ok, and what else is going on for you? The doctor will look after your medical problems, but what else is going on in your life? Very often people will have depression, or they will have anxiety, or they are lonely, or they have relationship problems, there are all sorts of other stuff going on that a doctor can't fix but we can help with. So if it is about loneliness we can help them get engaged with other people or other organisations or our volunteers so that they are engaging with the community. If it is something like depression or anxiety we can help people to start learning to live with those conditions because our staff are trained to do that. So that is a big piece of work that is going on at the moment but that has come from conversations going on nationally around the same people are making demands of doctors over and over again and that is what is causing a lot of the problems in terms of people not getting well and getting better because often it is not always about medication it is about the other parts of their life. So we picked up on that trend 5-6 years ago from talking to people nationally and we worked with one of the local, the Clinical Commissioning Group, who commission all the health services to say what can we do locally to try and meet this need and it has taken four years to get this right but it is only in the last year it is really working, so we have got staff in a number of GP surgeries and the GPs absolutely love it because those people who have been taking up all of their time are no longer taking up their time, they are not even coming to the surgery in some instances, they are getting the support elsewhere so it is good, so they get that medical support but they get their other needs met in different ways. So that is from talking and listening and working in collaboration with people and saying what can we do about this.

**R: So what has been the most innovative decision your organisation has ever made?**

**P7:** I am trying to think what my boss would say. Employing me?! [Laughs]. Erm, I don't know, I think there is something about spending some money to buy this building is one, because that gives us a lot of security so we know that if something went wrong and we suddenly lost a lot of money we could have this to sell so that was important. I don't know if it was innovative but it was important. Innovation-wise, I don't know if there is one single one. Lots of the work that we have done over the years and the services we deliver were quite unique and ahead of their time, the bit about the estate agents, the bit about the maintenance service we have, and some of them may have been very very small decisions and small pieces of work but they led to greater partnerships and they led to our reputation being really good with important decision makers locally so it led on to other work and other opportunities. Again, there was one piece of work that way back, I think it was about 15 years ago, Help and Care did a project called Gay and Grey, so it was about looking at the needs of older gay people in Dorset. Now 15 years ago that wasn't a conversation to be having, you know, a little bit different now, but 15 years ago talking about the needs of gay people wasn't really happening, talking about the needs of older people certainly wasn't happening, and so there was all these people in rural Dorset who lived in small villages and towns who may have been gay but would not dare talk about it or come out because of the attitudes. So we with Bournemouth University I think it was did a bid piece of research and a report and it even made the national newspapers and an MP was talking about it and so on, because it was quite innovative and different. But that still references, I was at the university last week meeting with Professor Jane Murphy, I don't know if you are familiar with her. I can't remember which Faculty she is in. Kind of the Health and Social Care side. But me and the chief exec were there and we were talking to her and she was aware of that report because the university were a partner 15 years ago but it was a valuable piece of work and still referenced, and we still use it. And that then made us, that brought us to the attention of people nationally, and some of those relationships are still there with national organisations that sometimes we still. So the innovation has very often has been quite small but the benefits have continued to be here, and long and doing the work that we do. So we are not an organisation where I can say there is a big, big project over there that is generating thousands and thousands of pounds for part of our social enterprise, you know really, if you think of innovation and you think of doing something really different you think of the Big Issue. That is a good social enterprise, it was very different and it was very unique and look at the size it has become now, it is very well known, it does a lot of good for lots of people. We don't do anything on that scale but I don't think innovation or social enterprise has to be big, it can be very small and local.

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**R: So can you explain what are your resources? And what do you do in order to get funding?**

**P7:** So most importantly our resources are people and that might sound a bit corny, but, it is not just the staff but it is all the volunteers and all the people we work with in the communities because it is about generating intelligence and information. So they are very very important, and our relationships and our partnerships are our resources. But we are 90/95% dependent on local authorities for funding, so it is big risk. So if we upset all the local government next week they could stop our funding and we would have a big problem on our hands so I have got lots of contracts, obviously all the contracts with the local government, we have got lots of contracts with them and my job is to make sure that we deliver a good service to the people in the communities, do what the contract says, what we promised to do, and keep the relationships with those people in a good place. So I spend a lot of my time driving around Dorset, Bournemouth and Poole, talking to the people who contract us and make sure that they are happy with the job that we are doing for them. Can we do it better, and what else can we do, is there new opportunities, it is all about relationships. So that is opportunity, because we have got good relationships so we can get new opportunities, new funding for those people, but it is a big risk as well because if that funding dries up we are very dependent on it. So like I was saying earlier, lots of organisations are dependent on one funding stream, we are dependent on a number of them, but they are mostly coming from local government so that is still a risk for us but as I said, this place is a resource that we can fall back on if we are on if we were in hard times. And some fundraising, it is a small part of what we do, but we have fundraising, we have a charity shop in Southbourne which is brand new really, and we bid to the government and the lottery and other bodies for pieces of funding as well to do pieces of work and so on.

**R: The final question is, you have already given the answer, but I need to ask, so, do you believe that competition exists in the voluntary sector?**

**P7:** Oh god yes. It is a big problem. It is one of the risks that maybe I didn't highlight earlier. You would have heard this when you were at BCHA because that is where I really noticed it. You are pitched in competition with your partner organisations and you know, on one day, so if I was at BCHA, I would have a very good relationship with the YMCA or some of the other organisations, but I will use that as the example. So I have a great relationship with the YMCA, we would meet regularly, we would do work together regularly, we do the same

thing, we are trying to help homeless people, lots of good stuff we do together, at winter we used to open up lots of extra beds to bring people in, but the next day, we would be in an interview against each other trying to win the same contract. And trying to say to the people who are interviewing us, I will do a better job than they YMCA. That is not good partnership stuff, you know. And then the next day I will be in the same room again with the YMCA and saying now let's be great friends! And it is the same for us here.

**R: That is business.**

**P7:** It is and that is the problem that the charity sector, the voluntary sector and the public don't see this. So when the public hear the voluntary sector they think none of us get paid and we are all volunteers. They think that charity has had bad publicity in the last few years so, Kids Company, that are an organisation, they obviously collapsed and they were exposed as doing their business in a very bad way, and there was lots of bad publicity around chief executives of big organisations getting very big pensions and redundancy payments and big salaries. Most charities are not like that, they are like this. You know, so there is not big money around, there is not big salaries, no pensions or anything like that. So there has been a big, charities have had bad press. What the public doesn't see is that behind it there is business competition all the time and we are always struggling just to survive really for most organisations, so it is a pity that they have had that bad press because it means that we don't get a lot of the time maybe the funding or the support that you would like to get from the communities. So that has been a shame. It is very difficult. Particularly, we can make a good case here, but when I was working at BCHA, trying to get public sympathy for homeless people and people who are drug and alcohol dependent or who are just out of prison, it is very difficult, it is very difficult to get people to give you money for those services from the public, because a lot of the public don't see them as deserving. They see them as a problem, you know.

**R: The most important thing I think is convincing people.**

**P7:** Yeah, very hard. It is somewhat easier for us here because we talk about older people or people who are vulnerable in a different way, but when you are specialists like BCHA, it is very difficult on an ongoing basis to keep shouting on behalf of the homeless, or the drug and alcohol addicted people, very difficult. So they do a great job doing that. So yeah, I think it is very competitive, lots of it is very much like a business, it is a business, it has to be run like a business. We have to make sure all our staff get paid, we have to make sure that we have

enough money kept back to pay people redundancy if we have to close down tomorrow, we have to run it like that, but sometimes you have to be ruthless as well in terms of competing. We partner with a lot of organisations so we have good relationships with a lot of our partners, so for instance, there is an organisation, called Dorset Advocacy, I don't know if you are familiar with them. They were set up on the same day that we were set up 30 years ago or whatever, so there is a long history with us and them. But their chief executive phoned me yesterday and said there is an opportunity to do some more work around the cancer advocacy work that we are doing. He said, there is a nice sum of money available, advocacy is their specialism, that is what they do, so he could have gone and gotten that piece of work to himself, and that would be fine, but he picked up the phone to us and said we have got a good partnership, do you want to share some of this with us? So you know, last year we won a big contract with them that again if we had been in competition with each other they would have won, we wouldn't have won, but we have chosen to do it together because we think we can do it well together and do it across a wider patch together. So we do it in partnership. So where we can we take the competition out of the equation, because it is in everybody's interest to do that. So we are not, some organisations are aggressive and try to take over. We are very much around if we can do it in partnership with people we will. So there is a new organisation that is delivering, we were just on about this yesterday. There is an organisation that has been brought in by Public Health to deliver a service locally, ok, we think we could deliver that service and we think we could do it better because we have been here for a long time. But, this organisation has been asked to do it. Now, we have a decision to make about whether we sit back and we don't cooperate with them, because they are not from here, they are from somewhere up in the north of England. So we could be silly and say let's not support them, or we can say, let's get them in, have a conversation, help them to do their job because it is going to help the people in Dorset, and that is what we are doing. So we have immediately sent an email to them saying welcome to Dorset, we are local, we have got lots of intel and knowledge about the people of Dorset and might be able to help you do your job, come in and talk to us. I have just seen an email come back just a few minutes ago, they have said ok, let's find a date. That is the right way to do things.

**R: Yeah.**

**P7:** Is that ok?!

**R: Yes, thank you for your time.**

**P7:** I hope that all makes sense!