Towards a Grounded Theory of Social Enterprise Places:

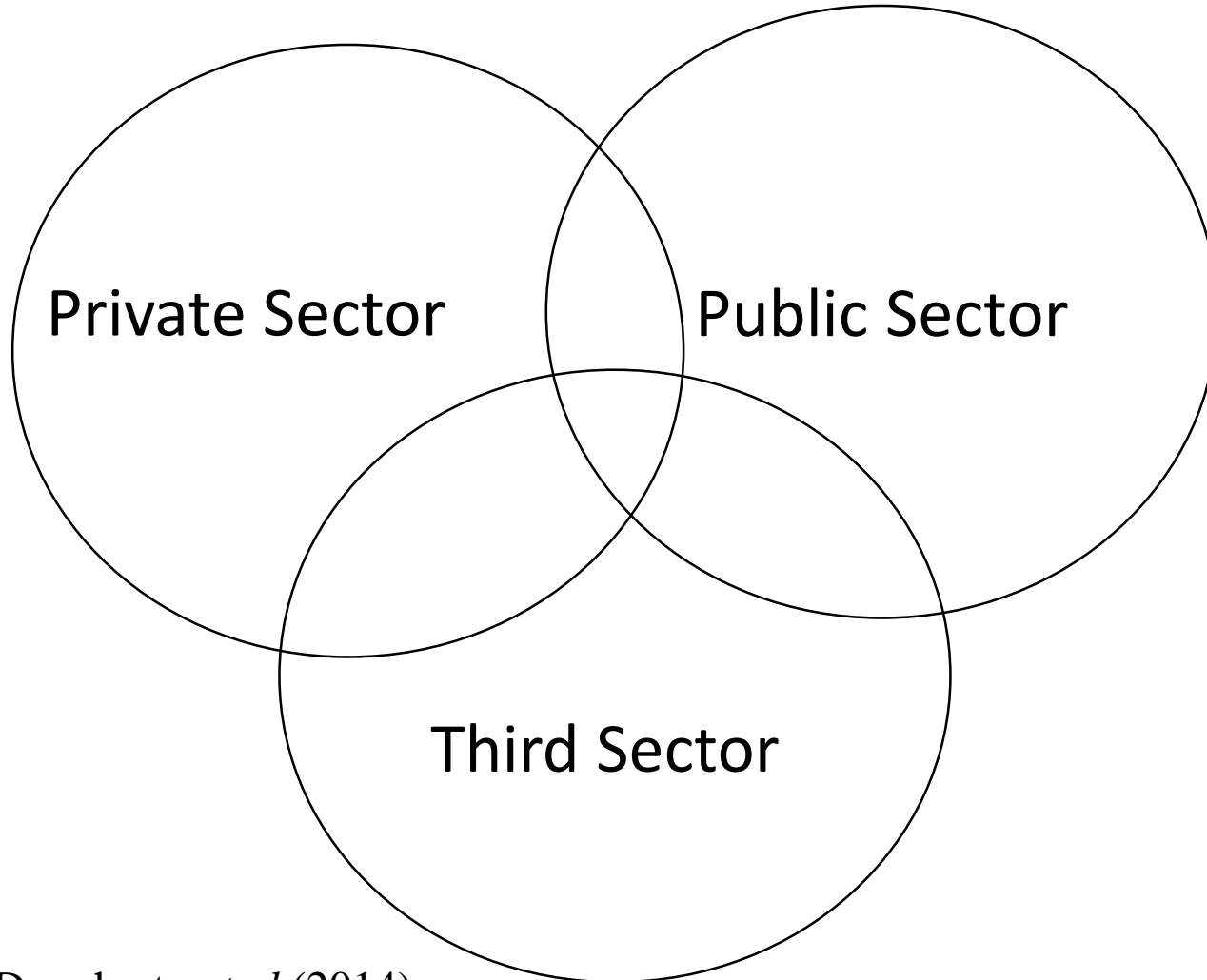# Building Legitimacy and Markets for Social Enterprise

Dr Anthony Samuel (Cardiff University Business School)

Social Enterprises are Businesses That:

- Have a clear social and/or environmental mission set out in their governing documents

- Generate the majority of their income through trade

- Reinvest the majority of their profits

- Are autonomous of the state

- Are majority controlled in the interests of the social mission

- Are accountable and transparent

https://www.socialenterprise.org.uk/What-is-it-all-about

Introducing the Hybrid Social Enterprise and the Challenges

Private Sector

Public Sector

Third Sector

Dougherty *et al* (2014).

Factors	Key Issues
Finance	Poor financial performance is punished
	Traditional sources of enterprise funding are hard to access
	Grants and donations are becoming scarcer and harder to get
	Measuring the financial value of social impact is difficult
	Reluctance to incur debt
	Low rates of return for investors
	Financial pressures can compromise social mission
	Administration to access funds consumes considerable resource
Measuring Social value	Measuring the financial value of social impact is difficult
	Financial pressures can compromise social mission
Commercial Viability V Social Value	Competing objectives
	Mission drift
	Hard to dedicate full systemic attention to both commercial and social viability
	Complexity in dealing with a multitude of perspectives in management decision making processes.
Human Resources	Leadership Skills
	Staff motivation and moral issues
	Managing diverse workforce (Volunteers, full time staff and clients)
	Limited resources
	Flexibility and freedom of staff
Social Capital	Increasing competitive environment
	Less opportunity to collaborate
	Limiting localized networks leading to cognitive dissonance
Governance	Lack of time and appropriate skill sets by board members
	Poor ad hoc strategising
	A call for stewardship as a model of governance
	Essential to engage all stakeholders
	Engagement and commitment can be low
Stakeholders	Essential to engage all stakeholders in decision making
	Hard to achieve agreement in decision making

In 2014 Social Enterprise UK rolled out Social Enterprise Places (SEP).

This is in essence a geographical areas where social enterprise activity and investment is thriving:

There are now 26 accredited Places in the UK

Alston Moor
Social Enterprise Town

Salford
Social Enterprise City

Conwy
Social Enterprise County

Wrexham
Social Enterprise Town

Gwynedd
Social Enterprise Borough

Digbeth
Social Enterprise Quarter

Coventry
Social Enterprise City

Bristol
Social Enterprise City

Cornwall and Isles of Scilly
Social Enterprise Zone

Plymouth
Social Enterprise City

Solent
Social Enterprise Zone

Gateshead
Social Enterprise Borough

Durham
Social Enterprise County

Sunderland
Social Enterprise City

Oxfordshire
Social Enterprise County

Cambridgeshire
Social Enterprise County

Great Yarmouth
Social Enterprise Borough

Greenwich
Social Enterprise Borough

Sutton
Social Enterprise Borough

Croydon
Social Enterprise Borough

SOCIAL ENTERPRISE PLACE
Business where society profits.

SEUK's Five Goals to be awarding the SEP label (Social Enterprise Places UK, 2017)

1. Significant social enterprise activity occurring in the area

2. An established SEP stakeholder group must be active

3. Commitment to support and grow social enterprises in the area

4. The measurement of social enterprise activity in the area

5. Opportunities to share knowledge and best practice with other SEPs.

Social Enterprises have obvious connections with macromarketing, for example, both seek to contribute to issues pertaining to quality of life, social justice, access to markets and economic regeneration.

Very little attempt has been made by the discipline to understand their unique characteristics and challenges faced.

This paper responds to Peterson's (2016) call to address the shortfall of research dedicated to meso level marketing dynamics (the spaces and places of SEPs) and different industries (SEs).
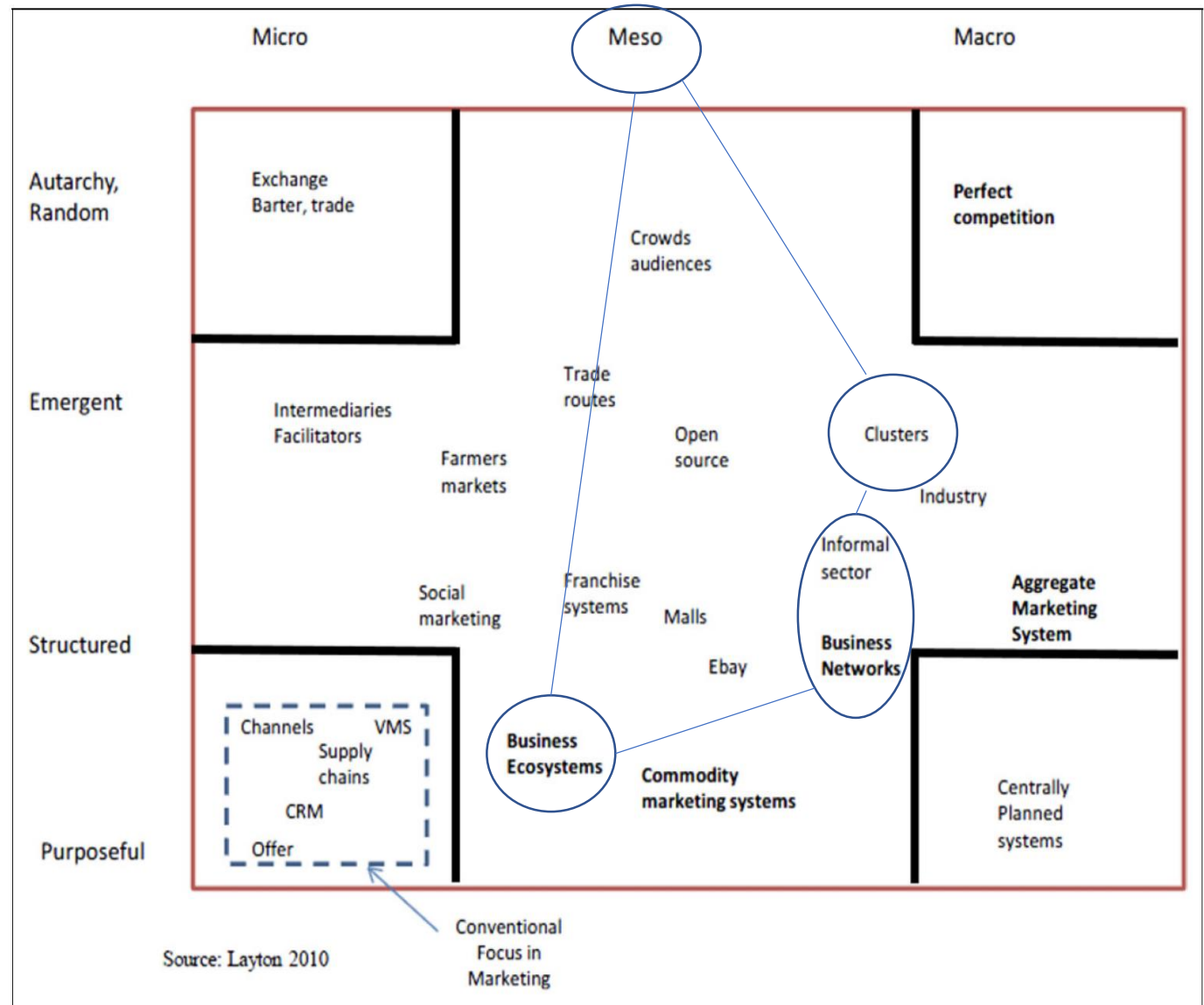

Figure 1. Enhanced Figure of Marketing Systems Depicting the "Macro Cross".

Given the 'newness' of SEPs and the lack of academic work dedicated to them they were deemed suitable to explored through a pragmatic application of Grounded Theory (GT).

Social Enterprise Places was inspired by Fairtrade Towns.

It appeared suitable for data collection and analysis to follow the same macromarketing research procedures that Samuel and Peattie's (2016) used to develop grounded theories from their research into Fairtrade Towns.

A desire to consider the phenomena without theoretical bias.

Grounded Theory as a Macromarketing Methodology: Critical Insights from Researching the Marketing Dynamics of Fairtrade Towns

Anthony Samuel[1] and Ken Peattie[2]

Abstract
This article details and justifies Grounded Theory as a methodology for researching into significant and emerging macromarketing phenomena, through an exploration of its use to investigate the marketing dynamics of the Fairtrade Towns Movement. The paper describes the research journey undertaken from the initial consideration of Fairtrade Towns as an under-researched and challenging topic, through to the final production of new theory rooted in the reality of the research context. The philosophy and systematic processes that underpin Grounded Theory are explained, along with examples of how the key processes of data collection and analysis were undertaken. The insights generated in this paper demonstrate Grounded Theory as a suitable, yet underused, research approach available to macromarketers. It is revealed as a methodology that can bring rigor and confidence to research into emerging macromarketing themes, and the paper concludes by considering its potential for application in key spheres for future research.

Introduction: Grounded Theory, Underused in Macromarketing?

Grounded Theory (GT), developed in 1967 by Barney Glaser and Anselm Strauss, is a widely used qualitative research method (Bryant and Charmaz 2007; Strauss and Corbin 1998). Although initially intended specifically for sociologists, it is employed across various disciplines and is particularly strongly represented in health and nursing studies (e.g. Montgomery and Bailey 2007; Robrecht 1995) and psychology, and eventually became used in management fields (Goulding 1998). A central focus of GT is that it seeks to generate theory and ideas (Glaser 1978) from data that is "systematically collected and analyzed throughout the research process" (Strauss and Corbin 1998, p. 12). This interplay between data and analysis is central to GT (Charmaz 2006; Glaser 1978), making it particularly valuable in emerging areas of study that present limited opportunities to start from a given theoretical perspective. Strauss and Corbin (1998) argue that because GT formulates theory directly from the research data, it offers clarity of insight into new and only partially understood phenomena.

practice. Some studies represent a formal or more textbook application of GT, while others only adopt certain elements to inform and enrich other types of enquiry. In this study our interest is in its application as a complete and coherent methodology.

Both in the broad field of marketing (Hunt 1994), and specifically in macromarketing (Dholakia and Nason 1984), discussions have addressed the need to embrace a wider range of methods and to generate new theories. GT appears to have the potential to address such a need. However, Goulding (1998) argues that in marketing scholarship GT is both misunderstood (particularly in terms of being considered atheoretical) and underused compared to other interpretive methodologies such as phenomenology, hermeneutics, and semiotics. The claim of underuse also appears to apply within macromarketing, and can be examined by a search for references to the methodology

[1]Faculty of Business and Society, The University of South Wales, Pontypridd, UK
[2]Cardiff Business School and Sustainable Places Research Institute, Cardiff University, Cardiff, UK

Data Collection

Semi-structured interviews with key representatives / leaders of six SEPs covering the full spectrum of different types of SE Places.

- **Plymouth** Social Enterprise City

- **Digbeth** (Birmingham) Social Enterprise Zone

- **Wrexham** Social Enterprise Town

- **Oxfordshire** Social Enterprise Region

- **Alston Moor** Social Enterprise Village and the World's first Social Enterprise Place

Also: Emerging ethnographical participation (helping Cardiff become a SEP)

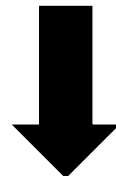# Coding for Grounded Theory

Line by line Coding (all 6 interview transcripts)

⬇
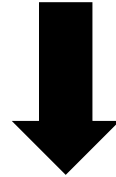
Focus Coding (Built from line by line codes)

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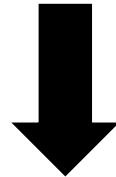
Thematic coding (Built from focus codes)

⬇

Four initial core categories emerge

The data collected and the four core categories that emerged following this study are yet to establish a valid and theoretically saturated GT, IE one that describes the relationships between all core categories (Gibson and Hartman, 2014).

Core Category 1: SEPs use place attachment and place branding

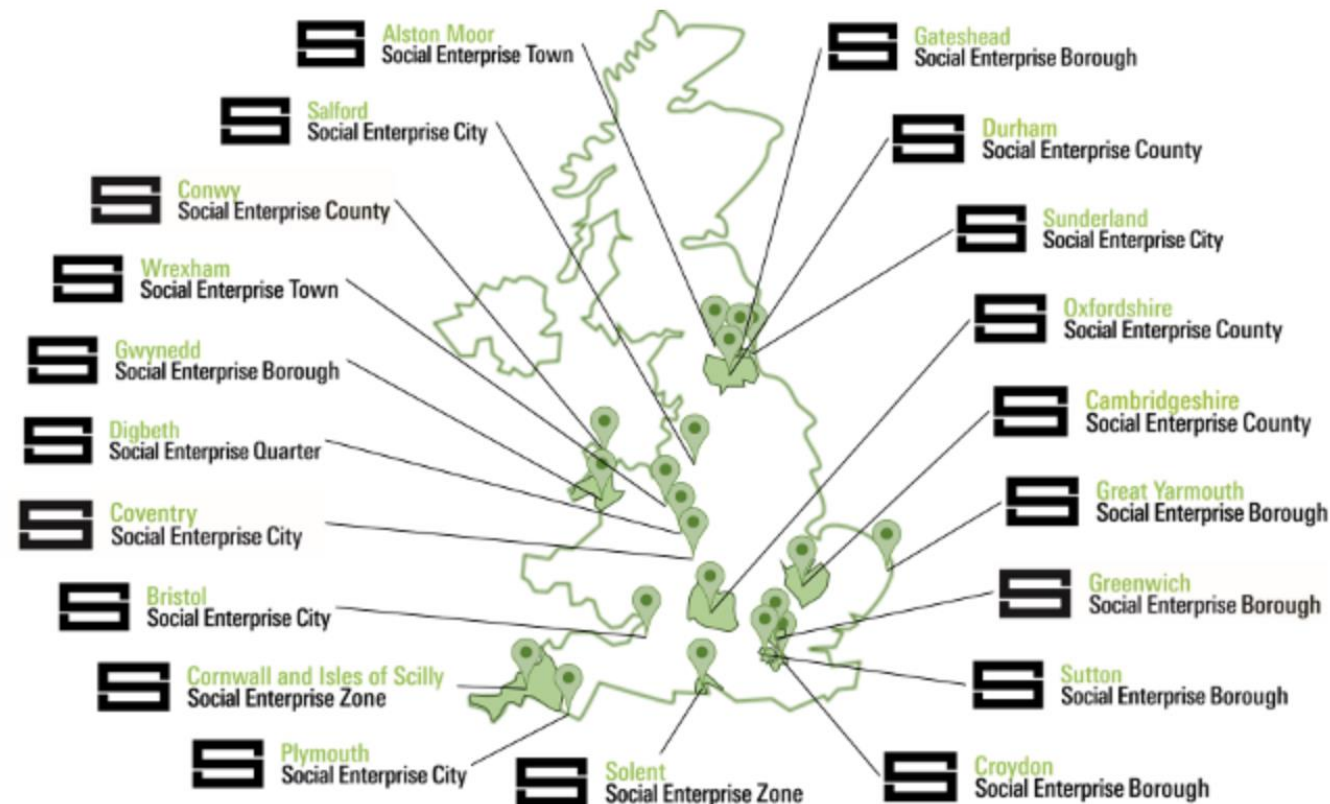*Core Category 2: SEPs lead new actors to the sector*

Core Category 3: SEPs develop Inter-trade and collaboration

Core Category 4: SEPs are a natural extension of communities of practice
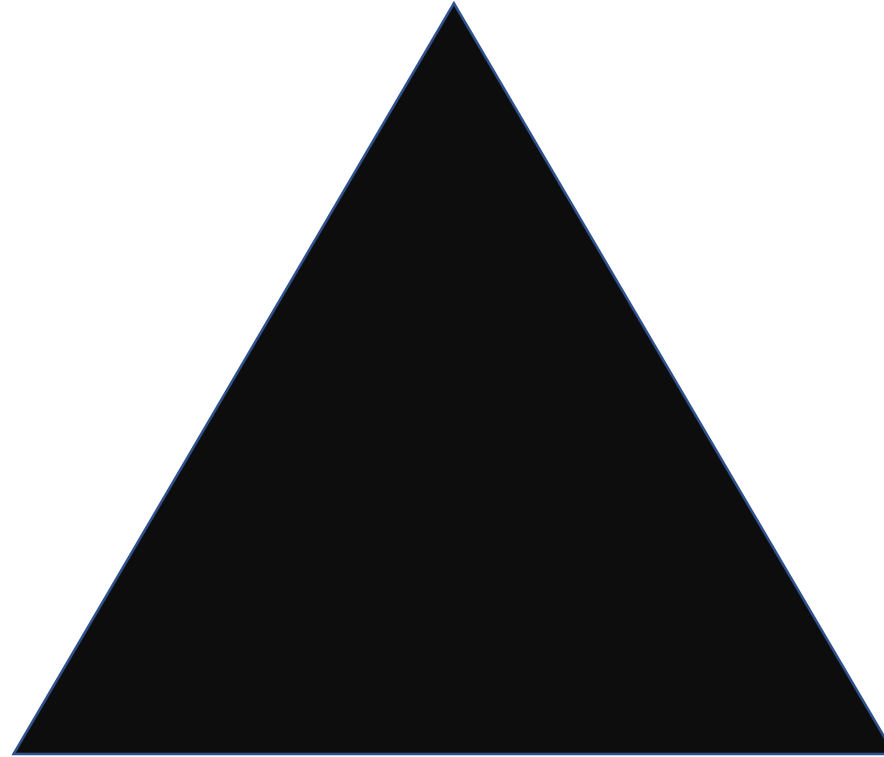
20 More places 20 More Interviews

There are now 26 accredited Places in the UK

Some Future Options: More Data

SEUK Publications / News / web based discussion etc.

Publications / News / web based discussions etc from 6 places

Existing SEUK Interviews (6 places)

New potential theoretical lenses emerging from the study :

- Novel empirical insights into Boundary Objects (can place be one)

- Novel application / Conceptualization of Container Places

- Novel forms of Place Branding

Core Category 1: SEPs use place attachment and place branding

Core Category 2: SEPs lead new actors to the sector

Core Category 3: SEPs develop trade and collaboration

Core Category 4: SEPs natural extension of communities of practice

Place as a boundary object: More Data

Boundary Objects are tangible or intangible artefacts that span sociological groups which, although they may be practised differently by those groups, **afford some common frame of reference for them both** (Star and Griesemer, 1989).

"*they are both plastic enough to adapt to local needs and the constraints of the several parties employing them, yet robust enough to maintain a common identity across sites*". Star and Greisemer (1989, 393)

Thank you for your time: Do you have any questions or advise?