

ANALYZING THE SUCCESS OF SOCIAL ENTERPRISES - CRITICAL SUCCESS FACTORS PERSPECTIVE

Martyna Wronka
University of Economics, Poland
martyna.wronka@ue.katowice.pl

Abstract:

The increasing awareness in recent decades of the potential contribution of social enterprises to the economy and society is hardly surprising in view of the growing number of third-sector organizations, namely, the segment of the economy that is made up of neither public nor business concerns.

Despite growing interest in social entrepreneurship and social economy, the literature in this topic is still fragmented, especially little research was done on critical success factors (CSFs) of social sector organisations. The basic goal behind any action undertaken in an organization management is the will to achieve success. Critical (or key) success factors are the organization's resources, competence and qualification that create its competitive advantage on a particular market at a given time, and are able to determine its possible future success.

The aim of this article is to identify critical success factors of the of social enterprises operating in social setting in Poland. An exploratory qualitative field study included 300 respondents representing different social ventures operating in the Silesia region.

The study demonstrates ten variables as contributing to the success of the social enterprises: (1) strong leadership; (2) motivation and commitment of employed people; (3) enabling legal/regulatory environment; (4) attractiveness and clarity of innovative concept; (5) management expertise; (6) key personal qualities for front line service delivery; (7) effective collaboration with public sector; (8) social capital; (9) local community involvement; and (10) keeping and distributing accurate financial records.

Keywords: social enterprise, critical success factors, innovation, social mission, management

1. INTRODUCTION

The role of entrepreneurship as an essential condition for economic growth is beyond any doubt. The process of increasing welfare of the society needs stimulating entrepreneurship. This is particularly important for transition economies that are characterized by low GDP per capita and high unemployment rate. Regime transformation in Poland that was initiated in 1989 includes not only economic and legal sphere but has also social and cultural dimension and proceeds rather in evolutionary not revolutionary way.

In current times, social economy is becoming more and more often the subject of detailed researches and analysis, which gives hope for its rapid development also in Poland. The need for social economy arises from the fact, that traditional political and economical solutions are no longer good enough to guarantee a minimal quality of life to a rising number of people. Social entrepreneurship is perceived as panacea to poverty alleviation and transformation of the society (Alvord, Brown, & Letts, 2003, pp. 263-267). Therefore, social ventures may appear as an answer to the increasing disproportions between the rich and the poor and a response to the exclusion of large social groups from mainstream social life (Dacin, Dacin & Matear, 2010, p. 42; Di Domenico, Haugh & Tracey, 2010, pp. 684-687). Social economy excels in putting the well-being of individuals and societies in the centre of economical activity. Its goal is to create social ventures (or enterprises), as well as new social entrepreneurship culture, oriented primarily at inclusion of marginalized groups through active participation in it. The specificity of this sector of the economy derives from the fact, that it associates economic activities with social objectives (Rymsza, 2005, p. 3). Social economy covers various forms of economic activity, which principal purpose is not to generate commercial profit, but above all, to create workplaces for people at risk of social exclusion and professional marginalization (Salustowicz, 2007, p. 22).

Previous research emphasizes tremendous influence of social entrepreneurship on the quality of life of the society (Henton et al, 1997, p. 153; Mort et al., 2003, pp. 81-86; Austin et al., 2006, pp. 2-3; Hult et al., 2003, pp. 410-415). What is more, the role of entrepreneurship as an essential condition for economic growth is beyond any doubt. Social enterprises may be seen as a way to catalyze social transformations as they are believed to produce small changes in the short term that are reflected in the form of large changes in the long term (Ireland et al., 2001, p. 53; Thomas, 2004, pp. 251-256). Despite growing interest in social entrepreneurship and social economy, the literature in this topic is still fragmented, especially little research was done on critical success factors (CSFs) of social enterprises. It is generally known, that the basic goal behind any action undertaken in an organization management is the will to achieve success (Ring & Perry, 1985, pp. 279-280). However, one should bear in mind that the framework of organizations functioning nowadays is a world of no fixed rules, no universal management style, and thus of no universal success scheme (Skrzypek, 2007, p. 7).

This paper aims to recognise critical success factors of social ventures. The main aim of the research was to identify factors that influence outcomes of social enterprises. The question that underlies this research was what are the factors that determine success of the social enterprises. From the pragmatic point of view, exploring these issues appears to be of the greatest importance, since it allows for evaluating the effectiveness of the organizations. Therefore, by programming the research on critical success factors of social enterprises, the author aspires to fill in the gap in the scope of the knowledge about success factors and their influence on functioning of social enterprises.

2. FIRST LEVEL HEADING [Arial 12 pt, bold type, left alignment, all in uppercase]

As already mentioned, social ventures have developed from and within the social economy sector, which lies between the market and the State and is often connected with notions such as 'third sector' and 'non-profit sector' (OECD, 2003, p. 64), where traditional enterprises do not want to operate due to the lack of cost-effectiveness, and typical social institutions do not operate efficiently enough (Alvord, Brown & Letts, 2004, p. 263). Social enterprises in general engage in delivery of social services and work integration services for disadvantaged groups and communities. What is more, social enterprises are also emerging in the provision of community services, including educational, cultural and environmental fields (Teasdale, 2012, p. 103). The characteristic organisational forms that social ventures adopt depend on the existing legal frameworks, on the political economy of welfare provision, and on both cultural and historical traditions of non-profit development in each country. As a

consequence, the thirds sector nowadays may comprise both new typologies of organisations, as well as traditional third sector organisations (Tracey et al., 2011, pp. 66-70).

There has been little agreement on definition of a social venture (Lasprogata Cotten, 2003, p. 72; Mawson, 2010, pp. 69-74; Mort et al., 2003, p. 88; Austin et al., 2006, p. 3). Although they embrace a variety of ways of working, it is generally believed that successful social enterprises embody the following characteristics:

- gaining independence and autonomy through trading;
- entrepreneurial, innovative, risk taking behaviour;
- flexible and adaptable practices;
- customers and community focus;
- stakeholder engagement;
- democratic and participative management;
- delivering socially and/or environmentally as well as financially; and
- financially viable, gaining their income from selling goods and services (Dees, 1994, p. 57)

What distinguishes social ventures, laying in the borderland of for-profit and non-profit organizations, from traditional ventures is their social aspect. They may be organized in form of: voluntary organizations, non profits, associations, co-operatives, mutual aid societies, foundations and trusts (OECD, 2003, p. 76). Some of the social ventures such as foundations or associations are created to rise funds for the social support so they are non-profit organizations. However social ventures may also run as a for-profit ventures which means that such social venture offers some goods and services on the market and is to be self-financing.

Definitions of social enterprise are not precise and tend to describe the functions of different types of social entrepreneurship. However, as the idea of economic initiative with social objectives is becoming more widespread all over the world, there are several definitions of social enterprises need to be considered. In order to fully grasp the potential of social entrepreneurship as force for economic change, consensus regarding the concept of “social enterprise” also needs to be reached (Dart, 2004, p. 422). To further demonstrate the lack of consistency present, table below provides a review of some recent definitions of a social enterprise.

Table 1: Sample variety of definitions for Social Enterprises

	Article	Definition
1.	Dees J. G. (1998)	Social enterprises are private organizations dedicated to solving social problems, serving the disadvantaged, and providing socially important goods that were not, in their judgment, adequately provided by public agencies or private markets.
2.	Ligane, A. and Olsen, S. (2004)	A seed-stage or early-stage venture that is designed to be profitable and that has an integrated social mission. The social impact of its operations is greater than the industry standard.
3.	Dart, R. (2004)	Social enterprise differs from the traditional understanding of the nonprofit organization in terms of strategy, structure, norms, [and] values, and represents a radical innovation in the nonprofit sector.
4.	Harding, R. (2004)	They are orthodox businesses with 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 maximize profit for shareholders and owners.
5.	Haugh, H. (2006)	Social enterprise is a collective term for a range of organizations that trade for a social purpose. They adopt one of a variety of different legal formats but have in common the principles of pursuing business-led solutions to achieve social aims, and the reinvestment of surplus for community benefit. Their objectives focus on socially desired, nonfinancial goals and their outcomes are the nonfinancial measures of the implied demand for and supply of services.
6.	Thompson, J., & Doherty, B. (2006).	Social enterprises - defined simply - are organizations seeking business solutions to social problems.
7.	Hockerts, K. (2006)	Social purpose business ventures are hybrid enterprises straddling the boundary between the for-profit business world and social mission-driven

		public and nonprofit organizations. Thus they do not fit completely in either sphere.
8.	Peredo, A.M. & Chrisman, J. J. (2006)	Entails a community acting corporately as both entrepreneur and enterprise in pursuit of the common good.
9.	Korosec, R.L. & Berman, E.M. (2006)	Organizations and individuals that develop new programs, services, and solutions to specific social problems and those that address the needs of special populations.
10	Hartigan, P. (2006)	They are orthodox businesses with social objectives whose surpluses are principally re-invested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners.
11	Hausner J., Laurisz N., Mazur S. (2007)	A social enterprise is a specific piece of the market economy, placing its goals and missions outside the market. A social enterprise is the glue that connects attributes of the social economy of free-market principles.
12	Masetti, B. L. (2008)	Introduce the Social Entrepreneur Matrix (SEM). Based on whether a business has a more market- or socially driven mission and whether or not it requires profit, the SEM combines those factors that most clearly differentiate social entrepreneurship from traditional entrepreneurship.
13	Yunus, M. (2008)	Social enterprise is a non-loss, non-dividend company designed to address a social objective within the highly regulated marketplace of today. It is distinct from a non-profit because the business should seek to generate a modest profit but this will be used to expand the company's reach, improve the product or service or in other ways to subsidize the social mission.
14	Emerson, J. & Twersky, F. (1996)	Social enterprise is a revenue generating venture founded to create economic opportunities for very low income individuals, while simultaneously operating with reference to the financial bottom-line.
15	OECD (2003)	Social enterprises is any private activity conducted in the public interest organised with an entrepreneurial strategy but whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals, and which has a capacity of bringing innovative solutions to the problem of social exclusion and unemployment.
16	EMES (2012)	Social enterprises are organizations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. They place a high value on their independence and on economic risk-taking related to ongoing socio-economic activity

Source: Own elaboration

It is not easy to define social enterprise, due to the diversity of national context or the fact, they are found in many different sizes and legal forms. Therefore, in order to obtain the scope of interest area of study of researchers from the area of social enterprises, 16 definitions found in articles available in electronic databases (EBSCO, Emerald, Google Scholar, and ProQuest) have been analyzed. A set of extracted keywords have then been quantitatively analyzed using the "word cloud". The word cloud give greater prominence to words that appear more frequently in the source text. The technique has recently been popularly used to visualize the topical content of i.e. definitions, as it allows to extract keywords that appear most frequently in the analyzed text. It is considered quantitative method, free from defects relevant to interpretive research methodologies and methods (Klimas & Czakon, 2010, p. 115)

Picture 1: Word cloud for social enterprise



Source: Own elaboration

In spite of different legal forms and different areas of activity, social enterprises have some common features (Germak & Singh, 2010, pp. 86-89; Tracey et al., 2011, pp. 66-70; Mair & Marti, 2005, p. 38; Kelly, 2003, p. 35; OECD, 2003, p. 27):

- they reflect pursuit of opportunities to catalyse social change and/or address social need and serve social mission;
- they contribute to a more efficient market competition and encourage solidarity and cohesion;
- their primary purpose is not to obtain a return on capital;
- they are run generally in accordance with the principle of solidarity and mutuality and managed by the members on the basis of the rule "one man, one vote";
- they are flexible, entrepreneurial and innovative as they meet changing social and economic circumstances;
- they are based on active membership and commitment and very frequently on voluntary participation;
- they are the result of an initiative by citizens involving people belonging to a community or to a group that shares a certain need or aim;
- they pursue an explicit aim to benefit the community or a specific group of people. By doing so, they directly and indirectly promote a sense of social responsibility at local level.

3. CRITICAL SUCCESS FACTORS FOR SOCIAL ENTERPRISES

3.1 The nature and extent of critical success factors (CSF)

Critical success factors (CSF) have quite a few potential uses for any enterprise, whether it is for-profit or not-for-profit, large or small, domestic or foreign. In strategic analysis of an enterprise, critical success factors often initially appear as analytical tools for examining the character of the industry in which the enterprise competes (Gierszewska & Romanowska, 2007, p. 169).

The original concept of critical success factors was formulated as a consequence of revising Parteo's findings and states that, for many events, roughly 80% of the effects come from 20% of the causes. In case of CSFs it means, that there is no need to examine all critical success factors but rather to focus on 20% of them, because those are the factors that will in decisive manner (80%) be responsible for a success or a failure of the enterprise. Such a reasoning might be said to be oversimplified – depending on the sector that an organization belongs to, the ratio of its resources and skills will influence it differently (Hood, 1991, pp. 1867-1870). Scholarly discussion uses the notion of key success factors and critical success factors interchangeably. Fishman points out what well-defined goals are critical to the success of any organisation, but it is equally essential to identify critical

success factors needed to attain these goals (Fishman, 1998, p. 10). For Rockart, who popularised the idea of CSFs, key factors are the ones that provide an organization with success and competitive advantage (Rockart, 1979, pp. 84-86). They are these limited number of areas in which results, if they are satisfying, will ensure the competitive performance of the organisation (Daft & Lengel, 1986, pp. 558-561; Daft, 2001, p. 65). A similar definition is presented by Leidecker and Bruno, for whom critical factors are the characteristics, conditions and variables responsible for an organization's success (Leidecker and Bruno, 1984, pp. 27-29). According to Johnson and Scholes critical success factors are those components of strategy where the organisation must excel to outperform competition (Johnson, Scholes & Whittington, 2005, p. 458), while Lynch claims they are the resources, skills and attributes of an organisation that are essential to deliver success in the marketplace (Lynch, 2003, p. 102).

According to Grunert and Ellegard, there are four possible interpretations of critical success factors (Grunert & Ellegard, 1993, p. 263):

- the requisite components of the organization's management system;
- the unique organization's characteristics;
- a heuristic tool, aimed at sharpening the managers' perception of the organization;
- a description of the crucial qualifications and resources necessary to achieve success at a given market.

Grunert and Ellegard, by concentrating on the latter interpretation, defined key success factor as an organization's qualification that it can invest in (Grunert & Ellegard, 1993, p. 264). Key success factors are what allow an organization to stand out from its competitors, and therefore to establish stable, strong and positive relations with the market it functions on (Dirks & Wijn, 1996, p. 417). Rockart points out that the success factors constitute some specific fields of organizations' activity and they should be constantly observed and analysed by the managers (Rockart, 1979, p. 89). Pinto and Slevin emphasize how important it is to identify these factors – without the identification, they actually become a threat to the organization (Pinto & Slevin, 1987, p. 25; Müller & Jugdev, 2012, pp. 762-766). Bartes and Strzednicki list four possible sources of success factors (Bartes & Strzednicki, 2003, p. 193):

- the organization's own and specific conditions defined by its field of activity,
- the organization's position within a given sector,
- the organization's environment, clients' preferences, the state's economic and political factors,
- present organizational factors, the significance of which depends on the situation.

What should be bear in mind is the fact, that the factors are not static but rather changeable, depending on the situation, the particular point that the enterprise finds itself in (Brotherton & Shaw, 1996, pp. 121-123). Thereby, they determine managers' fields of activity and influence the accomplishment of the organization's mission (Meibodi & Monavvarian, 2010, p. 126). Its number of factors in depends on the size of the organization, on time and on the managers (Jacobson & Choi, 2008, pp. 641-643). Evidently, this kind of argumentation is simplified because depending on the sector where an enterprise is operating, proportions of resources and skills may differ. Determining critical success factors without taking this fact into account may result in mistakes that can lead to serious consequences (Lisiński, 2004, p. 180; Gierszewska & Romanowska, 2007, p. 171).

The fact, that for a social enterprise identification of CSFs will in a considerable degree influence its survival and ability to achieve and maintain competitive advantage, should also be taken into account. Many researchers emphasise, that while identifying critical success factors at first their list should be created, then an appraisal should be made appointing the actual value which in turn will translate into strengths and weaknesses of an enterprise (Strategor, 2000, p. 155).

Determining critical success factors should begin with the identification of the sector of the organisation operates. The next step is concentration on representative, from a substantial point of view, factors. For organisations operating in private sector, numerous publications providing ready combinations of such factors can be found in the literature. Oblój (2001, 49) lists factors such as customer after care and service, marketing and distribution, finances, human resources management, technology (know-how) and production, while Thopmson and Strickland (1993, 132-140) suggest technology, production, marketing, distribution, ability to cooperate and organisational skills. Faulkner and Bowman in turn (1996, 57-61), propose two kinds of skills describing competitive profiles: system and operational competitiveness.

3.2 Critical success factors for social enterprises – theoretical background

Numerous publications provide the reader with ready-made compilations of CSFs in the private sector. Among others, Thompson and Strickland's suggestion is to be mentioned (Thompson & Strickland, 1993, p. 129). Obłój (2001, p. 49) lists factors such as customer after care and service, marketing and distribution, finances, human resources management, technology (know-how) and production, while Thompson and Strickland (1993, pp. 132-140) suggest technology, production, marketing, distribution, ability to cooperate and organisational skills. Faulkner and Bowman in turn (1996, pp. 57-61), propose two kinds of skills describing competitive profiles: system and operational competitiveness. Badri examined service and manufacturing companies in the United Arab Emirates. In both the types of enterprise, factors crucial for success proved to be: staff training, product/service design, management quality and relations between staff members (Badri & Davis, 1995, pp. 41-47). The main conclusion of Hyland's research, conducted in manufacturing firms in Australia in 2000, as a part of a multinational project, was that management support was requisite to an organization's success (Hyland, Mellor, O'Mara & Kondepudi, 2000, pp. 119-121). Terziovski, Soahl and Samson studied Australian manufacturing and services companies. According to their findings, leadership, customer focus, both internal and external, and strategic alliances with suppliers are the factors that determine an organization's success (Terziovski, Soahl & Samson 1996, pp. 465-470).

Before identification and analysis of CSFs it needs to be born in mind, that social enterprises are characterised by already mentioned distinctive features. This features influence not only leadership style or sources of financing, but also in a special way influence organisational culture through unusually high degree of mission awareness and declared values. Unfortunately rarely does the research on CSFs touch upon the third sector organizations. For lack of a comprehensive theory for the study of social entrepreneurship, most studies rely on the business entrepreneurship literature (Bygrave, 1993, p. 259; Dacin et al., 2011, pp. 1205-1207). Therefore, the author made an attempt to find out to what degree solutions elaborated by the private sector can be used in the third (social) sector. The main aim of the research was to identify critical success factors in social enterprises, as well as identification of similarities and differences in terms of CSFs in both sectors.

An analysis of the literature on social entrepreneurship and social enterprises shows that most of the researches focus mainly on identification of activities determining the survival of the organisation (Hisrich et al., 1997, 104). The results of this researches can be categorised in two areas, i.e. descriptive and normative. Descriptive researches concentrates on identification of distinctive features that social entrepreneurs probably have, while normative researches concentrate rather on identifying factors affecting the success of social enterprises (Smallbone, 1990, p. 34).

Whilst the main objective of the company operating in the private sector is to achieve a profit and economic returns, in case of social enterprise the main interest is the added value and social contribution, with emphasis on the sense of mission and service (Kanter & Summers, 1987, pp. 176-180). Another dissimilarity is over-dependence of the social sector enterprises on external sources of funding, due to its inability to demand realistic fees for the services provided to the majority of its clients, in addition to its reliance on volunteers and staff ready to accept below-market wages (Emerson, 1998, 25; Kerlin, 2010, pp. 162-70). The above-mentioned characteristic features and differences appearing between private and public sector, to a large extent influence the specificity of critical success factors. However, some of them apply to enterprises operating in both sectors.

As a result of literature review (Sharir & Lerner, 2006, pp. 7-15; Boyer, Creech & Paas, 2008, pp. 118-132; Mason, 2012, pp. 123-130; Di Domenico, Haugh & Tracey, 2010, pp. 691-697) the author identified the eight most common critical success factors for social enterprises, mainly relating to those operating in Western Europe or United States. These are: (1) *strong leader (leadership)*: engaged into leading and coordinating the enterprise, with the high justification and suitable qualifications; (2) *partnerships*: the ability to negotiate and maintain a core set of relationships for the benefit of the enterprise, especially with local public sector institutions; (3) *triple bottom line planning*: a bottom line that measures economic benefits, but also measures the organisation's impact on people and on the planet. The triple bottom line is a way of expressing a company's impact and sustainability on both a local and a global scale; (4) *attractiveness and clarity of innovative concept*: product proposed to the customers should be able to demonstrate, that a new idea has market potential; (5) *business planning and marketing*: either the leaders of the enterprise have business and marketing skills, or have access to those skills in their key partners; (6) *short and long term benefits management*: enterprise should

demonstrate how it is going to deliver both long and short term benefits for its stakeholders to keep them engaged and committed; (7) *local community engagement*: success of the enterprise depends on the successful engagement of the local stakeholders and beneficiaries; (8) *risk management*: planning of activities in order to avoid risk and impact of extrinsic factors.

As the consequence of literature review and researches concerning identification of key success factors 26 potential factors were identified, which, in reference to Cooper (1989, pp. 319-320) have been attributed to the following main dimensions: individual, intra-organisational (including procedural) and environmental.

4. METODOLOGY AND RESEARCH RESULTS

The object of the research was the subjective evaluation of critical success factors, as viewed by 300 respondents representing different social ventures operating in the Silesian Voivodeship. Sample included voluntary organizations, non profits, associations, co-operatives, mutual aid societies, foundations, trusts and Centres for Social Inclusion. Data was collected in between December 2008 and January 2010 by means of questionnaire survey. The critical analysis of the secondary sources led to the distinction of 26 potential critical success factors, which, in reference to Cooper (1989, pp. 319-320) have been attributed to the following main dimensions: individual, intra-organisational (including procedural) and environmental. Each factors was to be evaluated by the respondents, by means of five-level Likert scale, in which successive levels reflect the level of the respondent's agreement or disagreement with a given phenomenon, opinion, belief etc. First, the importance of particular items in all the areas, as evaluated by the respondents, was examined. Then, the CSFs characteristic for social ventures operating in the Silesian Voivodeship were identified.

The study shows, that on the polish ground ten of the twenty-six success factors can be considered as critical. In the table below the percentage distribution of responses for ten of the highest factors is presented.

Table 1: Table of responses regarding critical success factors

Success factor	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	average	standard deviation	median	mode
Strong leadership	0	0,67	4,33	30,34	64,33	4,58	0,64	5	5
Motivation and commitment of employed people	0,67	0,67	3,33	33,33	62	4,55	0,66	5	5
Enabling legal/regulatory environment	0,33	2,33	12,32	34,33	50,67	4,33	0,81	5	5
Attractiveness and clarity of innovative concept	0,33	0,67	13,33	38,34	47,33	4,32	0,75	4	5
Management expertise	0,67	4	7,67	45,33	42,33	4,25	0,81	4	4
Key personal qualities for front line service delivery	1,33	2,33	8,33	46,33	41,66	4,25	0,81	4	4
Effective collaboration with public sector	0,33	4	11,67	45,67	38,33	4,18	0,81	4	4
Social capital	1,33	1,67	14	48,67	34,33	4,13	0,81	4	4
Local community involvement	0,67	3,33	14,33	48	33,67	4,11	0,81	4	4
Keeping and distributing accurate financial records	1	3	20,34	38,33	37,33	4,08	0,88	4	4

Source: Own elaboration on the bases of empirical data

The research helped to identify a hierarchy of key success factors, as subjectively perceived by the respondents. The analysis of the overall evaluation of the distinct areas for an organization's future success (calculated as the mean of each respondent's rating of the items in the areas) demonstrated that, according to the respondents, strong leadership is the most important (Table 2).

The respondents rated the significance of strong leadership the highest, as crucial to the organizations' success – the mean score amounting to as much as 4.58 points in a five-point scale (Table 2). The following elements proved to be also the highest-rated ones: motivation and commitment of employed people (mean: 4.55 points), enabling legal/regulatory environment (mean: 4.33 points), attractiveness and clarity of innovative concept (mean: 4.32 points), management expertise (mean: 4.25 points), key personal qualities for front line service delivery (mean: 4.25 points).

The choice of the first factor can be explained by the fact, that for the proper functioning of the social enterprises a strong leader is necessary, in the theory of Lewin (1947, p. 23) regarded as a change agent who supports the changes, stresses and implements them and is involved in conducting and coordinating the project. At the same time, he is characterised by high motivation and relevant skills.

Motivation and commitment of employed people is also crucial, because of the fact that the lack of profit as the main motive of activity in the social sector is to a large extent compensated by a high degree of motivation, created particular by an effective and charismatic leader. Indicating enabling legal/regulatory environment as CSF clearly indicates that this area should be an issue of concern to legislators as one of the obstacles for development might be a lack of knowledge among civil servants, or diversified guidelines of using these provisions and mechanisms. Therefore, there is a need to seek mechanisms to facilitate getting around in the existing legal system. Collaboration with public sector agencies includes such important issues as fundraising, the exchange of information and outsourcing of public assignments by the municipality, district, welfare centre, employment office, etc. Non governmental organisations, inter alia, third sector institutions, have a great potential in the work activity for the society and play an important role in providing social services. Hence, there is a need for strong encouragement of public-social partnership, oriented towards real collaboration and solving social problems in the cooperation of various stakeholders and in the long term. Attractiveness and clarity of innovative concept can in turn attract private capital to the project.

The items of the least importance to an organization's success are, according to the respondents, the following ones: enabling political environment (mean: 3.43 points), benchmarking industry standards (mean: 3.53 points) and maintaining an adequate business volume (mean: 3.61 points).

5. CONCLUSIONS

The contemporary organizations, functioning in a turbulent environment, face the need to meet many complex requirements. It is necessary for them to adjust to constant changes. The current situation requires from social enterprises to be innovative and their orientation needs to be modified towards organisations achieving results in terms of the efficiency and effectiveness (Kieżun, 2000, p. 32). The shift in viewing entrepreneurship has been noticeable recently. Entrepreneurship is not only an economic but also a social activity that influence society (Steyart & Katz, 2004, p. 82) and positive outcomes are not the necessary condition of entrepreneurship (Shane, 2003, p. 57; Dey & Steyaert, 2010, pp. 89-93). Therefore, the identification of key factors behind the social enterprises' success should be one of the fundamental tasks of their management, for these factors determine the spheres in which strategic decisions are to be placed, as well as the areas, procedures and processes which need to be facilitated (Munro & Wheeler, 1980, p. 31). These issues are crucial especially for social enterprises which nowadays face significant difficulties regarding their efficiency of their activities.

Presented research results show significant differences in comparison to the results of similar studies conducted in other countries. Analysed the success factors do not have the same importance for organisations operating in different countries (Wronka, Kotowski, 2009, p. 103). This can be explained by the strong influence of environment, both in micro- and macro scale. While the paper has a Polish perspective, most of underlying reasoning and conclusions will be relevant for other countries and cultures yet in author's opinion they are most useful for other countries that are under the transition. Based on the experiences of Silesian social ventures, research contributes to developing knowledge on social enterprises in several ways. First, the author discuss different definitions of social enterprise. Second, broad range of factors that influence the success of social enterprises is explained. And finally, recommendations are formulated for both entrepreneurs and the government on how

entrepreneurial social ventures may contribute to the welfare of society and realize goals of their owners.

Obtained results can be taken as an introduction to further studies designed to identify the causes of this diversity, and create a more accurate model of the environment and social sector organisations and verification of critical success factors (Wronka, 2009, p. 126). The research conducted by the author inspire not only to improve tool identifying critical factors, but also to look for ways to measure their impact. In addition, further studies should include larger samples in order to ensure the representativeness of the results. Theoretical development on the subject of the factors contributing to the success of social enterprises will necessitate further research using qualitative and quantitative methods. Future research might focus on examining the interdependencies among all variables, thereby providing an additional test of the conclusions of the present study.

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