



**LISBOA
SCHOOL OF
ECONOMICS &
MANAGEMENT**

Mestrado

Ciências Empresariais

Trabalho Final de Mestrado

Dissertação

**Motivations and Critical Success Factors of
Social Entrepreneurship Initiatives: a Case Study**

Filipa Alexandra Leong Ruela

Junho - 2014



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Orientação:

Professor Doutor Nuno Fernandes Crespo

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To those who work towards a better and more inclusive society, thank you.

To my family, for their endless support and encouragement.

To my friends, who are always there and with whom I share the best and worst of times.

To the scouts movement, where I became passionate about the social sector and learned that we must leave this world a little better than we found it.

Abstract

Within the last three decades, social entrepreneurship has emerged as a relevant field of practice and research. By using management skills and market-based methods to address social problems, social entrepreneurship shows a high economical and social potential and has been the target of increasing attention. Despite its growing popularity, academic research in this area is still disperse and fragmented, far from being consensual.

This case study seeks to fill a gap in the existing literature and its purpose is to identify which main motivations and critical success factors are associated with social entrepreneurship initiatives. Obtained results identify five key motivations, which include (1) achievement orientation, (2) personal fulfillment, (3) contribute to a better society, (4) closeness to a social problem and (5) focus towards financial sustainability. Additionally, five critical success factors were also identified: (1) good acceptance of the concept by the public, (2) motivation and commitment of employees, (3) social entrepreneur's leadership skills, (4) training and development of employees and (5) collaboration with private sector organizations.

Key Words: social entrepreneurship; social entrepreneur; motivations; critical success factors

Resumo

Nas últimas três décadas, o empreendedorismo social emergiu como uma área relevante de prática e investigação. Ao utilizar competências de gestão e metodologias de mercado para combater problemas sociais, o empreendedorismo social apresenta um elevado potencial económico e social e tem sido alvo de cada vez mais atenção. Apesar da sua crescente popularidade, a investigação académica realizada nesta área é ainda dispersa e fragmentada, estando longe de atingir o consenso.

Este estudo de caso visa complementar uma lacuna da literatura existente e tem como objetivo identificar as principais motivações e fatores críticos de sucesso associados a iniciativas de empreendedorismo social. De acordo com os resultados obtidos, foram identificadas cinco motivações chave, que incluem (1) orientação para o êxito, (2) realização pessoal, (3) contribuir para uma sociedade melhor, (4) proximidade de um problema social e (5) foco na sustentabilidade financeira. Adicionalmente, cinco fatores críticos de sucesso foram também identificados: (1) boa aceitação do conceito pelo público, (2) motivação e dedicação dos colaboradores, (3) capacidade de liderança do empreendedor social, (4) formação e desenvolvimento dos colaboradores e (5) colaboração com organizações do setor privado.

Conceitos Chave: empreendedorismo social; empreendedor social; motivações; fatores críticos de sucesso

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1. Introduction

Social Entrepreneurship has emerged as an active area of practice and research within the last three decades (Choi and Majumdar, 2013). The language of social entrepreneurship may be relatively new, but the phenomenon is not. We have always had social entrepreneurs, even if we did not call them that (Dees, 1998).

In the last decades, the rising number of third sector organizations has led to an exponential increase of awareness concerning the potential contribution of social entrepreneurship to the economy and the society. Government involvement is not always enough to answer social needs, and that has broadened the reliance in social organizations by vulnerable social groups (Sharir and Lerner, 2006).

In line with the increasing attention that social entrepreneurship has received as an academic field, this study focuses on motivations and critical success factors of social entrepreneurship in order to answer two central questions: “what are the main motivations and critical success factors behind social entrepreneurship initiatives?”. By using a multiple-case study approach, this paper intends to fill a gap in existing literature on both topics, which have received little attention from scholars in this field so far.

This study is structured as follows. First, a literature review is presented in chapter 2, focusing on social entrepreneurship as a concept, social entrepreneurs and social ventures. References to motivations and critical success factors are also included. The third chapter concerns research methodology: two sub chapters explain case selection, data collection and analysis. This is followed by chapter four, which involves a brief characterization of the four social organizations selected for this case study. Case findings and discussion are presented in the fifth chapter. Finally, chapter six displays the conclusions, practical implications, limitations and future research associated with this exploratory study.

2. Literature Review

This chapter presents three sections regarding social entrepreneurship. It starts by reviewing the literature concerning social entrepreneurship as a concept, which is sometimes classified as controversial (Dacin, Dacin and Matear, 2010). This first section includes definitions of social entrepreneurship itself, as well as references to its primary goal. A brief approach to social ventures is also included.

The second section focuses on the social entrepreneur. It is shown that a social entrepreneur may be individual or collective (Spear, 2006) and the main motivations to engage in this process are mentioned and supported by existing literature.

Finally, the third section concerns the performance of social ventures and their critical success factors. Measuring the performance of social ventures and knowing the variables responsible for their success is extremely relevant to the social industry (VanSandt, Sud and Marmé, 2009; Wronka, 2009).

2.1. Social Entrepreneurship

2.1.1. Defining Social Entrepreneurship

The concept of social entrepreneurship has different meanings across authors and researchers (Dees, 1998). Professor Gregory Dees, from Duke University, was a pioneer in building social entrepreneurship as an academic field. According to this author, social entrepreneurship combines “a social mission with an image of business-like discipline, innovation and determination” (Dees, 1998: 1). Its development as an area of research is similar to the development of commercial entrepreneurship research (Mair and Martí, 2006). Interest in commercial entrepreneurship was crucially stimulated because community leaders believed that it was a defining trend of the 21st century. Similarly, it has also been observed that the rising interest in social entrepreneurship by influential people contributed to its acknowledgment and development as an academic field of study (Williams, 1999; Mair and Martí, 2006). Despite the increasing attention, no unifying

framework of social entrepreneurship has yet emerged and many competing definitions exist to date (Choi and Majumdar, 2013).

Social Entrepreneurship can be defined as a process of combining entrepreneurial and business skills in order to create innovative approaches to social problems (NYU Stern, 2007). Nowadays, markets and governments fail to address innumerable social needs and social entrepreneurship initiatives often appear in order to decrease that gap, by creating ground-breaking solutions to immediate social problems (Alvord, Brown and Letts, 2004, Zahra, Gedajlovic, Neubaum and Shulman, 2009).

It is not enough to create an entrepreneurial activity. Social entrepreneurship means also to apply practical and sustainable approaches to benefit society in general, with an emphasis on those who are poor and marginalized (Schwab Foundation, 2005). This process of value creation combines resources in new ways and intends to explore opportunities which stimulate social change or meet social needs. In order to do so, it is important to pursue both a financial and a social return on investment (Mair and Martí, 2006; Miller, Grimes, McMullen and Vogus, 2012).

On the whole, most existing definitions imply that social entrepreneurship relates to exploiting opportunities for social change and improvement, rather than traditional profit maximization (Zahra et al., 2009). It is a concept that covers a wide range of societal trends, organizational forms and individual initiatives and the key word “innovation” is central to its definition (Alvord et al., 2004; Roper and Cheney, 2005). Furthermore, by using market-based methods to solve social problems, social entrepreneurship merges two distinct and clearly competing organizational goals: creating social value and creating economic value (Austin, Stevenson and Wei-Skillern, 2006; Dees, 1998).

2.1.2. Primary Goal - Social Value Creation

In order to understand the notion of social entrepreneurship it is important to acknowledge its primary goal: social value creation. Social Value refers to goods and services needed

by the community and available through social organizations. These often promote community development and deal with a variety of relevant social problems (Austin et al., 2006). However, economic value creation should not be disregarded. Although creating social value is the social entrepreneur's main purpose, financial stability is vital to achieve sustainability. Social entrepreneurs embrace sustainability and seek to create enduring social value and to promote progress through responsible innovations (Machan, 1999; Nga and Shamuganathan, 2010). Therefore, the creation of economic value is a necessary but not sufficient condition in the social entrepreneurship world (Zadek and Thake, 1997).

2.1.3. Social Ventures

Social ventures are characterized mainly through the source of income which ensures their activity and can be classified as: non-profit ventures, hybrid ventures and for-profit ventures (Perrini, 2006; Elkington and Hartigan, 2008).

Non-Profit ventures are driven by a strong sense of social mission and often rely on availability of public or private funding to guarantee their activity, which usually involves serving a basic human need. These enterprises are generally small or medium sized, located in urban areas and rely only on external revenues from governments, public or private donations, voluntary acts and services and finished goods (Felício, Gonçalves and Gonçalves, 2013). It is their non-traditional and disruptive approach to social problems which sets them apart from traditional social serving provision (Nicholls and Cho, 2008).

On the other hand, hybrid ventures may also rely on external funds, but can partially generate profit by selling goods and services (Prahalad, 2005). An example of a hybrid venture is the Aravind Eye Hospital, which is located in India and focuses on fighting blindness in developing countries. In order to assist more people who cannot afford treatment, the hospital adopted a "pay as you can afford" pricing mechanism (Rangan and Thulasiraj, 2007). This way, treatment is available for everyone regardless of social status

and patients who can afford the care services become crucial to the social mission and sustainability of the organization.

Finally, there are social businesses set up as for-profit ventures. They differ from traditional commercial ventures by seeking to emphasize both financial and social return. Therefore, although shareholders may receive a return to cover their initial investment, they are not paid dividends and profits are reinvested in the enterprise to serve social policy initiatives (Yunus and Weber, 2009). One of the most well known examples of a for-profit social venture is the Grameen Bank, a microcredit organization from Bangladesh which provides group lending for underprivileged people. Through their efforts millions of small loans have been provided to very poor borrowers, mostly women, who were able to create micro businesses, generate more income, learn how to manage funds and have a better quality of life (Alvord et al., 2004).

The management of social entrepreneurship ventures is challenging and involves integrative thinking, since achieving both financial and social goals is extremely important to their success. Balancing social wealth with the desire to make profits and maintain economic efficiency is a difficult task (Autin et al., 2006; Zahra et al., 2009). Therefore, profits generated by selling goods and services present some advantages as the social entrepreneur can better predict and control organizational funds. If the entrepreneur is successful, it can be an evidence of good management skills and an efficient use of resources, which is important to attract support from social investors and other relevant organizations (Dees, Emerson & Economy, 2001; Zahra et al., 2009; Carroll and Stater, 2009).

There are undoubtedly many socially-oriented initiatives around the world that bring significant benefits to communities. Social entrepreneurship ventures are not supposed to be better or to replace them. They simply offer a fresh approach to social problems and show key features like innovation and business orientation that set them apart from other

social projects (Thompson and Doherty, 2006). The creation of a social hospital and a social bank are good examples of the non-traditional approach demonstrated by social entrepreneurs. They perceive beneficiaries not merely as gift receivers but rather as costumers and seek to adopt a more integrative view of business that blends economic, social and environmental values (Nga and Shamuganathan, 2010; Miller et al., 2012).

2.2. The Social Entrepreneur

2.2.1. Defining the Social Entrepreneur

Throughout the world, socially conscious individuals have introduced and applied innovative business models to deal with social problems. As governmental spending in social services like education and community development has been suffering dramatic cuts, there is a real need for entrepreneurial activities to raise funds and address social issues (Lasprogata and Cotton, 2003; Zahra et al., 2009).

Dees (1998: 4) defines the social entrepreneur as a change agent in the social sector, who plays his role by “(1) adopting a mission to create and sustain social value; (2) recognizing and pursuing new opportunities to serve that mission; (3) engaging in a process of continuous innovation, adaptation and learning; (4) acting boldly without being limited by the resources in hand; and (5) exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created”. Following his work, Alvord et al. (2004) claim that a social entrepreneur is someone who aims for social transformations through innovative solutions and mobilization of ideas, capacities and resources, while Nga and Shamuganathan (2010: 263) define them as individuals who “are committed to their social vision and will find pragmatic, innovative solutions to social problems regardless of ideological or resource constraints”.

The social entrepreneur is a central topic in social entrepreneurship research. Scholars state the entrepreneur has proven to be crucial in initiating, supporting and sustaining social entrepreneurial activities (Ziegler, 2010; Choi and Majumdar, 2013). Although most

literature presents the social entrepreneur as an individual, it is important to acknowledge that a collective of social entrepreneurs may also exist (Bacq and Janssen, 2011).

2.2.2. Individual and Collective Social Entrepreneurs

Most literature regarding social entrepreneurs portrays successful individuals with inspiring stories who were responsible for great accomplishments in the social industry (Dacin and Dacin, 2011). This heroic perspective is rather narrow. A focus on this kind of individuals and cases limits the ability to learn from processes of social entrepreneurial failure, which exist in a large scale but are rarely reported (Light, 2006). Furthermore, it also leads to a lack of recognition of social entrepreneurial activities performed by organizations and collectives. Social entrepreneurship can unveil different natures and involve teams of diverse stakeholders. In fact, research suggests that teams of experts often achieve significant breakthroughs and produce more patents than individual entrepreneurs (Spear, 2006; Light, 2009).

In conclusion, individual entrepreneurs can and do succeed, but so do teams, networks and communities. The latter are important to the social industry and should not be disregarded.

2.2.3. Motivations of Social Entrepreneurs

Social entrepreneurship motivation is a subject that has received little attention so far. While motivation is surely not the only factor leading to social entrepreneurship engagement and behavior, it is a crucial predecessor and therefore worthy of further study (Germak and Robinson, 2013). In contrast, there is ample literature regarding the motivations of commercial entrepreneurs and public social sector workers (e.g. Maslow, 1943; Vroom, 1964; Perry, 1997). This knowledge can contribute to motivational theory development in social entrepreneurship.

On the subject of motivation, Maslow's self-actualization concept (Maslow, 1943) has been associated with commercial entrepreneurs. It states that a need for self-actualization

drives entrepreneurs to start a business, as they want to fully explore their potential. Furthermore, McClelland (1965) suggested the need for achievement is also a powerful motivator since entrepreneurs often have a desire of accomplishing something significant in life. Another relevant theory is Vroom’s expectancy theory (Vroom, 1964). This author believed that if an individual rationally assumed that starting a venture would bring major positive outcomes, he would choose that path over other available ones. Later on, Gilad and Levine (1986) proposed two closely-related explanations for entrepreneurial motivation, the “push” theory and the “pull” theory. The “push” theory states individuals are pushed into entrepreneurship by external negative forces such as job dissatisfaction and unemployment. On the other hand, the “pull” theory argues the opposite and considers that desirable outcomes like independence and self fulfillment attract individuals.

Despite the lack of financial rewards, individuals working in the public social sector are also frequently motivated in their work. Theories concerning public social sector motivations reflect a different reality and involve three components: an attraction to policy making, a commitment to the public interest and compassion (Perry, 1997; Denhardt, Denhardt and Aristigueta, 2009). Miller et al. (2012) state that compassion is in fact a component of social entrepreneurship motivation and should be understood as an orientation towards others and an emotional connection to people in suffering.

The following table presents the commercial entrepreneurship and public social sector motivational theories mentioned above.

Motivational Theories		
Field of Study	Author	Theory
Commercial Entrepreneurship	Maslow, 1943	Self-Actualization Theory
	Vroom, 1964	Expectancy Theory
	McClelland, 1965	Need for Achievement Theory
	Gilad and Levine, 1986	The "Push" Theory
		The "Pull" Theory
Public Social Sector	Perry, 1997 Denhardt et al., 2009	Public Social Sector Motivational Theory

Table I – Commercial entrepreneurship and public social sector motivational theories

Recently, Germak and Robinson (2013: 14) published a study focusing the motivations of social entrepreneurs, in an attempt to fill this gap in social entrepreneurship literature. Through interviews and content analysis they were able to reach an important conclusion: “there exists a unique blend of motivational components in nascent social entrepreneurs that could explain why they engage in social entrepreneurship”. The authors identify five main motivations, which are personal fulfillment, helping society, non-monetary focus, achievement orientation and closeness to a social problem. They also conclude personal fulfillment and achievement orientation are related with commercial entrepreneurship theories, while helping society and closeness to a social problem are related with public social sector theories.

Based on the motivational theories previously described, a list of motivations was presented to the social entrepreneurs involved in this study, in order to determine if they could be applied to social entrepreneurship. The list is featured in the table below.

Social Entrepreneurs' Motivations		
List of Motivations	Base Theory	Author
Personal Fulfillment	Self-Actualization Theory	Maslow (1943)
Personal, Professional and Community Benefits which result from the Creation/Management of the Organization	Expectancy Theory	Vroom (1964)
Take the Mission of the Organization further	Need for Achievement Theory	McClelland (1965)
Need to Create a Business for Unemployment reasons	The "Pull" theory	Gilad and Levine (1986)
Dissatisfaction in a Previous Job		
Creation and Management of an Independent Organization	The "Push" Theory	
Contributing to a Better Society	Public Social Sector Motivational Theory	Perry (1997)
Closeness to a Social Problem		Denhardt et al. (2009)

Table II – List of motivations presented to the social entrepreneurs

2.3. Performance of Social Ventures

2.3.1. Measuring the Performance of Social Ventures

The evaluation of outcomes is a key issue to social ventures. While business enterprises can rely on quantitative measures such as financial indicators and market share, measuring

social value is a greater challenge and there is no obvious measure of success analogous to profit (Austin et al., 2006; VanSandt et al., 2009).

It is crucial for social ventures to be able to measure social performance. As obtaining objective data may raise difficulties, some authors suggest qualitative measurements can be strongly equivalent to quantitative ones. There are organizational variables which can be relevant if measured properly, such as satisfaction of external members and quality of services provided (Delery, 1998; Brown, 2005). Sharir and Lerner (2006:8) also suggested three criteria of success for social ventures which are: “(1) the degree to which the social venture achieves its declared goals; (2) the ability of the venture to ensure service continuity and sustainability by acquiring the resources necessary to maintain current operations; and (3) the measure of resources available for the venture’s growth and development.”.

In order to achieve a more standardized tool the Harvard Business School promotes three main social impact measurement frameworks. Zappalà and Lyons (2009) mention them in a recent study regarding approaches to measure social impact on the third sector. One of them is implementing Social Impact Reports, which are based on data collected in interviews with staff and clients. A more complex alternative for bigger enterprises is OASIS (Ongoing Assessment of Social Impact), an organization wide management information system designed to provide timely and accurate information about social impacts of the entire organization. The third framework mentioned is SROI (Social Return On Investment), a method designed to understand how certain activities can generate value, and more importantly, a way to estimate that social value in monetary terms. Similarly to Return on Investment (ROI), this is a way to gauge the amount of value creation compared to the initial investment. The implementation of these frameworks in social ventures is still in the beginning. Although benefits undoubtedly exist, costs and resources needed are high.

Nowadays, measuring the performance of social ventures is becoming more and more important. The rising number of social enterprises comes along with an increasing competition for social investment. Social investors seek to maximize the impact of their resources and therefore are interested in social performance reports (Armstrong, 2006). Additionally, the availability of timely and precise data is a sign of accountability and can help the social entrepreneur in terms of external legitimacy and ability to attract both human and financial resources (VanSandt et al., 2009).

2.3.2. Critical Success Factors of Social Ventures

Critical Success Factors (CSFs) have several potential uses for any type of venture. Rockart (1979:85), who popularized the concept of CSFs, defines them as “the limited number of areas in which results, if satisfactory, will ensure successful competitive performance for the organization”. Following his work, other authors present similar definitions. For instance, Lynch (2003) describes them as the resources, skills and attributes of an enterprise that are essential to deliver success and Johnson, Scholes and Whittington (2005) state that CSFs are those components of strategy where the organization must excel to outperform competition. CSFs are sufficiently important for managers to give them constant and careful attention, as they influence the accomplishment of the organizational mission (Bullen and Rockart, 1981). Besides that, one should also keep in mind the fact that CSFs are not static but rather changeable according to different times and situations and differ from one organization to another (Rockart, 1979).

Although interest in social entrepreneurship increased over the last decades, little has been written about CSFs of social ventures. There is a gap in the knowledge about success factors and their influence on the outcomes of social organizations (Wronka, 2013). The current situation requires them to be innovative and oriented towards achieving results in terms of efficiency and effectiveness. Therefore, the identification of key factors behind

the social venture's success should be one of the fundamental tasks of their management, as these factors determine which strategic decisions need to be made and which areas, procedures and processes need to improve (Munro and Wheeler, 1980; Nicholls, 2010).

In an attempt to reduce this literature gap, Sharir and Lerner (2006) worked towards identifying CSFs of social ventures. Their field study demonstrates eight variables arranged by their value, which are (1) the entrepreneur's social network, (2) total dedication to the venture's success, (3) the capital base at the establishment stage, (4) the acceptance of the venture's idea in the public discourse, (5) the composition of the venturing team (monetary and human capital), (6) forming long term cooperation on the public and non-profit sector, (7) standing the market test and (8) the entrepreneur's previous managerial experience.

The previous study was conducted in Israel between 1999 and 2001. Following the same goal, Wronka (2013) conducted a study in Poland between 2008 and 2010. She was able to identify ten variables as contributing to the success of social enterprises. These are, according to their value: (1) strong leadership, (2) motivations and commitment of employees, (3) enabling legal/regulatory environment, (4) attractiveness and clarity of the innovative concept, (5) management expertise, (6) key personal qualities for front line service delivery, (7) effective collaboration with the public sector, (8) social capital, (9) local community involvement and (10) keeping and distributing accurate financial records. In order to identify the CSFs of social ventures, both authors started by analyzing secondary sources and selecting several variables divided by three dimensions: individual, intra-organizational and environmental. Based on the results obtained, they proceeded to identify which variables could be considered CSFs and ordered them according to their importance.

For the purpose of this study, a list of CSFs collected from existing literature was organized and presented to the social entrepreneurs interviewed:

Critical Success Factors		
List of Critical Success Factors	Dimension	Author
Social Entrepreneur's Previous Managerial Experience	Individual	Sharir and Lerner (2006) Wronka (2013)
Social Entrepreneur's Social Network	Individual	Sharir and Lerner (2006)
Social Entrepreneur's Leadership Skills	Individual	Wronka (2013)
Human and Financial Capital at the Establishment Stage	Intra-Organizational	Sharir and Lerner (2006)
Motivation and Commitment of Employees	Intra-Organizational	Wronka (2013)
Training and Development of Employees	Intra-Organizational	Aguinis and Kraiger (2009)
Funding from Public and Private Organizations	Environmental	Sharir and Lerner (2006)
Good Acceptance of the Concept by the Public	Environmental	Sharir and Lerner (2006) Wronka (2013)
Collaboration with Public Sector Organizations	Environmental	Sharir and Lerner (2006) Wronka (2013)
Collaboration with Private Sector Organizations	Environmental	Sharir and Lerner (2006)

Table III – List of critical success factors presented to the social entrepreneurs

Some remarks should be made about the list displayed. Most CSFs included were identified as such by scholars and linked to social entrepreneurship. There are, however, two exceptions. The item “collaboration with private sector organizations” was mentioned on the work developed by Sharir and Lerner (2006) but was not identified as a CSF. It was included in this study so that a comparison can be made between public and private sector collaboration. Additionally, the item “training and development of employees” is also featured in this study because it is considered crucial to the success of individuals, teams, organizations and society nowadays (Aguinis and Kraiger, 2009). It will be determined if it can be associated with the success of social ventures.

Concerning CSFs, it is important to acknowledge that variables such as geographic location and surrounding environment are highly influent and, therefore, similar studies conducted in different countries may show significant differences (Rockart, 1979). Nevertheless, results obtained in previous studies are relevant to the social industry and can be taken as an introduction to further studies regarding the topic of CSFs and social ventures (Wronka, 2013).

3. Methodology

The two central research questions of this study are “what are the main motivations and critical success factors behind social entrepreneurship initiatives?” Following the methodology of data collection presented by Yin (2013), this research proposes an exploratory nature and a multiple-case approach in order to better understand this topic.

The case study method was considered the most suitable according to several reasons. First, the focus of the study is a contemporary phenomenon in its real context. Second, the boundaries between the phenomenon and its context are not yet clearly evident. Third, the main research question is exploratory and a “what” interrogation, which means the case study method can be applied (Yin, 2013).

Given the aim to study a complex social phenomenon, the case study method is a proper choice as it allows the researcher to retain a “holistic and real word perspective” (Yin, 2013: 4).

3.1. Case Selection

Eisenhardt (1989) states a minimum of 4 cases should be displayed when using the method of case study. This way, it is possible to guarantee adequate facts to work and study throughout the analysis. Following this author’s input, the total number of cases displayed in this study is 4.

In 2008, IES – a Social Entrepreneurship Institute – was founded in Portugal with the aim to create social value by identifying, supporting and promoting social entrepreneurship initiatives. This institute is currently developing a research project called MIES, a Map of Social Entrepreneurship Initiatives, which seeks to identify Portuguese social entrepreneurship initiatives with high potential. The 4 cases selected for this paper were identified by MIES as innovative, sustainable and responsible for a strong social, economical and environmental impact (IES, 2012).

3.2. Data Collection and Analysis

This study presents an exploratory nature. Therefore, the individual semi-structured interview was considered to be the most suitable data collection technique.

In order to answer the question “what are the main motivations and critical success factors behind social entrepreneurship initiatives?” an interview was designed, including 10 open questions and 2 closed questions. The main purposes of the questions were: (1) to have a description of the social entrepreneurs, the social ventures and the chronological events since the startup of the ventures; (2) to assess the social entrepreneurs’ perspective regarding motivations and CSFs of social entrepreneurship ventures; and (3) to compare the social entrepreneurs’ perspective with existing literature. In order to pursue (2) and (3), the two closed questions included a list of motivations and CSFs collected from existing literature that were classified by the social entrepreneurs according to a five-point Likert scale (Likert, 1932). These lists are featured in tables II and III, which can be found in the second chapter of this study.

For each case a personal interview was conducted with the social entrepreneur. All the interviews were conducted in Portuguese, were conducted in a casual atmosphere and lasted an average of 60 minutes. They were recorded with the permission of the respondents and later transcribed. Data collection took place in Lisbon and Oporto, in Portugal.

Interviews					
Date	Organization	Social Entrepreneur	Position	Location	Duration
16-04-2014	ColorADD	Miguel Neiva	Founder/Manager	Lisbon	55 minutes
22-04-2014	Terra dos Sonhos	Frederico Vital	Founder/Manager	Lisbon	55 minutes
24-04-2014	Espaço T	Jorge Oliveira	Founder/President	Oporto	60 minutes
16-05-2014	Cercica	Rosa Neto	Founder/Vice-President	Lisbon	70 minutes

Table IV – Interviews conducted with the social entrepreneurs

4. Social Entrepreneurs and Organizations Profile

In this chapter a profile of the four cases studied will be presented. For each case information will be provided regarding the social venture, the social entrepreneur and the growth/evolution of the social venture up to the day this dissertation was drafted. A brief contextualization of the work performed is also included.

4.1. ColorADD

Social Entrepreneur Profile	
Name	Miguel Neiva
Age	45
Position	Founder/Manager

Organization Profile	
Name	ColorADD
Foundation Year	2010
Vision	COLOR SHOULD BE FOR ALL!
Mission	The ColorADD® project mission is to facilitate color identification for colorblind, while contributing determinately to their social integration and welfare, turning communication more efficient, responsible and inclusive.
Type of SE Venture	For-Profit
Target Group	Colorblind

Miguel Neiva is a designer from Oporto. While finishing his master's degree in design and marketing he started project ColorADD as part of his master's thesis. After 8 years of research the result was a universal graphic code that could help to identify colors. In today's world it is estimated that 10% of the male population has a specific degree of colorblindness and very few solutions are offered. ColorADD's innovation is unique and this project aims to create a more inclusive society for them.

The organization was created in 2010 and offers a licensing program for organizations that are interested in using the code in their products or services. The price differs from client to client and adjusted is to the size of the organization. Due to its unique nature, the initial idea was to use Portugal as a cluster to test the project and create models that are

exportable and reproducible. Today, the code is used in over 200 different products/services and in a variety of areas such as education, transports, accessibilities, health and hospitals, textile, electronic and gadget applications and so on. It is also spread to several countries such as Japan, England, the Netherlands, Brazil, Chile and the United States of America.

In 2012, Miguel Neiva started a Non-Governmental Organization (NGO) called ColorADD Social, dedicated exclusively to the area of education. It aims at promoting awareness and also at capacitating schools to deal with colorblind students. A screening for colorblindness is performed, something that has never been done before at schools, and a tool kit is given to everyone who takes the test. It also works towards adapting libraries so they become more inclusive, as libraries often use a color system to categorize books.

The ultimate goal is not to reach the 350 million people that are colorblind, but the 7 billion people that exist throughout the world. If the code is universally used, those who are colorblind can be fully included in the society without ever having to assume their condition or suffer from discrimination.

4.2. Terra dos Sonhos

Social Entrepreneur Profile	
Name	Frederico Vital
Age	41
Position	Founder/Manager

Organization Profile	
Name	Terra dos Sonhos
Foundation Year	2007
Vison	We believe in a world were dreams are the main strength and catalysts in the search for happiness.
Mission	To motivate our beneficiaries to believe in the transformational strength of their dreams and in their ability to fulfill them; To support them in their path to find happiness, by giving them tools that help them achieve their goals.
Type of SE Venture	Hybrid
Target Group	Children with Chronicle Illness

Frederico Vital has an academic background in law, marketing and project management & leadership. After practicing law, working in a bank and pursuing a few commercial entrepreneurship projects he decided to create a project that was meaningful and oriented towards others. When talking with some friends about a Spanish foundation called “Pequeno Deseo”, which fulfilled dreams of children with chronicle illness, Frederico felt a connection with the theme and began to further explore the concept and its existence in Portugal. There were no wish-granting associations in Portugal, so he started studying the business model and created one adapted to his vision and to the Portuguese reality.

Terra dos Sonhos was founded in 2007 and, in 6 years, was able to make 520 dreams come true. Unlike other wish-granting associations, this one involves not only the children but also parents, brothers and sisters, teachers, doctors and nurses in the process. But Frederico always had other idea in mind and his organization is going to launch a new project this year called UCIF, which is a happiness intensive care unit placed in hospitals. This unit will assist children and their families in order to provide psychological, emotional and affective tools to deal with their situation, so that they can be as united and happy as possible under the circumstances. If successful, this unit may be implemented throughout the country. They have also other projects in hand that involve supporting children and their families for extended periods of time and not only during the wish-granting days.

Their main goal is to turn negative beliefs into positive ones, which may allow children and their families to reach their full potential and make the best out of the situation they are living in. This may help them achieve a better quality of life.

4.3. Espaço T

Social Entrepreneur Profile	
Name	Jorge Oliveira
Age	48
Position	Founder/President

Organization Profile	
Name	Espaço T
Foundation Year	1994
Vison	We believe social exclusion can be downsized by adopting art, the language of emotions, as a privileged communication instrument
Mission	To modify attitudes, values and skills, by promoting a positive life change and developing self-esteem; To (re)integrate vulnerable groups in society, socially and professionally
Type of SE Venture	Non-Profit
Target Group	People in a Vulnerable Situation

Jorge Oliveira has an academic background that includes nursing, business administration, theatre and creative psycho-pedagogy. He has always worked as a nurse in the drug addiction area and believes that art is therapeutic and can be used to help others. After realizing that using art as a therapy to help his patients in the hospital could only be done outside his working hours and as a volunteer, he decided to create an organization where he could apply his vision to help others.

Espaço T was founded in 1994 and seeks to fight social exclusion through art. It is highly innovative as all their programs are open to everyone, whether they have a physical, psychological or social limitation or not. Their work is based in four main areas: (1) social, (2) education and projects, (3) employment and (4) culture. The social area promotes dozens of artistic workshops each week, provides psychological support and seeks to build self-esteem and confidence. The education area provides formal and informal training and the employment area supports job search and everything associated with the process. The culture area promotes cultural, artistic and social events for the community and the society. The beneficiaries have an active role in all activities and in the last 20 years, over 10.000 people have reached to Espaço T.

Their main goal is to capacitate people to change their lives in a positive way, by supporting them and giving them the tools they need. They also seek social change and a better acceptance of difference by the society, as to contribute to the decrease of social exclusion

4.4. Cercica

Social Entrepreneur Profile	
Name	Rosa Neto
Age	62
Position	Founder/Vice-President

Organization Profile	
Name	Cercica
Foundation Year	1976
Vision	To be a reference institution regarding the empowerment of people with intellectual disability and the creation of inclusive opportunities, so they can be active citizens
Mission	To promote, with sustainability and professional excellence, the quality of life and inclusion of people with intellectual incapacity, by working strategically with families, public entities, employers and other social actors
Type of SE Venture	Hybrid
Target Group	People with Intellectual Disability

Rosa Neto has an academic background in clinical psychology and has focused her career in the social area. She created Cercica in 1976 to offer a solution to children with special needs, as they were not integrated in the public school system or elsewhere. Throughout the years, the organization grew exponentially and nowadays offers a wide range of services in its area of intervention, such as early intervention, resource centers, occupational activities, professional training, job orientation, domiciliary support, assisted residences, among others. Between 2010 and 2012 Cercica was able to give support to 4.666 beneficiaries of all ages, as well as to their families, and has developed a solid structure which includes over 200 employees and 70 partners. Their main goals are based on three aspects, which are the development of skills, the creation of opportunities and the transformation of values. People with special needs must have access to personal development, education and training so they can develop skills, and should have access to jobs if they wish to and are able to execute them. Cercica seeks to take measures towards social inclusion and equality, so that every citizen is able to contribute to society despite their vulnerability.

5. Case Findings and Discussion

This chapter presents case findings and discussion regarding the two central research questions: “what are the main motivations and critical success factors behind social entrepreneurship initiatives?”. General findings will be displayed first, followed by the motivations and critical success factors results. Supporting data from the interviews conducted with the social entrepreneurs will also be included.

5.1. General Findings

Following the interviews conducted with the social entrepreneurs, several conclusions were reached. All respondents show distinct profiles and backgrounds and the organizations also present significant differences such as size and area of intervention. Nevertheless, all social entrepreneurs share similar motivations and beliefs. For instance, they state that contributing to a better and more inclusive society is a key motivation. However, charity-based assistance is not enough. In order to achieve social change it is crucial to capacitate and empower people, especially vulnerable groups. Everyone should be given the chance to be a part of society and have an active role as citizens. On the other hand, interviewees also show similar priorities regarding the management of social ventures. The mission and vision of the organization must be shared by all employees and not only by top managers. A passion for the cause and resilience are important, as the social sector is not always easy to work in and often lacks financial benefits and rewards. The importance of establishing good and durable partnerships is also highlighted, along with pursuing a strategy towards financial sustainability. For the majority of the social entrepreneurs, generating income and resources is a priority, so that the social mission is taken further and a long term intervention is assured.

5.2. Social Entrepreneurship Motivations

Following the methodology previously described, 4 main motivations were identified in social entrepreneurs: (1) achievement orientation; (2) personal fulfillment; (3) contribute to a better society and (4) closeness to a social problem. In open questions, “contribute to a better society” was an item highly mentioned by all the respondents, while the other 3 items presented variations. Regarding closed questions, all 4 items stood out and showed an identical average high score (4,75/5).

Motivations	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	Average	Standard Deviation
Personal Fulfillment	0,00	0,00	0,00	0,25	0,75	4,75	0,43
Achievement Orientation	0,00	0,00	0,00	0,25	0,75	4,75	0,43
Need to Create a Business for Unemployment Reasons	1,00	0,00	0,00	0,00	0,00	1,00	0,89
Dissatisfaction in a Previous Job	0,50	0,00	0,25	0,25	0,00	2,25	0,45
To Create and Run an Independent Organization	0,50	0,25	0,00	0,00	0,25	2,25	0,45
Contribute to a Better Society	0,00	0,00	0,00	0,25	0,75	4,75	0,43
Closeness to a Social Problem	0,00	0,00	0,00	0,25	0,75	4,75	0,43
Personal, Professional and Communitarian Benefits from the Creation/Management of the Organization	0,00	0,25	0,25	0,00	0,50	3,75	0,08

Table V – Summary of responses regarding motivations

In this section, the 4 motivations identified as the most important will be presented, discussed and compared with motivational theories regarding commercial entrepreneurship, the public social sector and social entrepreneurship.

5.2.1. Social and Commercial Entrepreneurship Motivations

Achievement Orientation

This item scored highly in the closed questions and was mentioned by 3 social entrepreneurs in the open questions. The achievement orientation found in these individuals is triggered by the desire to create social value and social transformation. It involves a focus on taking further the mission of the organization. This is consistent with

the need for achievement theory presented by McClelland (1965), which states entrepreneurs are motivated by the desire to accomplish something significant in life. However, commercial entrepreneurs often seek profit maximization, recognition and success (Zahra et al., 2009), which means achievement orientation may be a motivation common to both kinds of entrepreneurs but is triggered by different desires.

There are 350 million colorblind in the world. To reach all of them is difficult. But I don't want to reach 350 million, I want to reach 7 billion people, which is the world population.

If I can do that, I will certainly reach them [the colorblind].

Miguel Neiva – ColorADD

16/04/2014

Our motivation is the same, to accomplish the mission and vision of this organization.

Rosa Neto - Cercica

16/05/2014

Personal Fulfillment

This item was mentioned by 3 respondents in open questions and also shows a high score in the closed questions. Findings suggest this motivation is present in social entrepreneurs and is associated with mainly two things: being passionate about the work developed in their field of expertise, and the fact that work involves projects towards others. Although this is consistent with the theory of self-actualization (Maslow, 1943), research shows the commercial entrepreneurs' search for personal fulfillment may be associated with dissatisfaction about a previous job or a desire to create and run an independent business (Gilad and Levine, 1986). Once again, it is suggested that this motivation is shared by both kinds of entrepreneurs but shows a different nature.

I have a great passion for the cause and for the work we develop.

Miguel Neiva – ColorADD

16/04/2014

I love everything related to art, taking care of others and providing positive emotions to people who need it.

Jorge Oliveira – Espaço T

24/04/2014

Proposition 1: Social entrepreneurs, like commercial entrepreneurs, present achievement orientation and personal fulfillment as motivations, although they are triggered by different desires.

5.2.2. Social Entrepreneurship and Public Social Sector Motivations

Contribute to a Better Society

This motivation was highlighted by all 4 respondents during the interview process. In this case, it is important to mention that contributing to a better society is perceived by the social entrepreneurs not only as a main motivation but also as a duty all people should commit to. For them, a better society is more inclusive, accepts difference and provides means so that everyone can share it and benefit from it. Literature shows public social sector workers and social entrepreneurs identify as a key component commitment to the public interest and feel strongly about contributing to a better society. (Perry, 1997; Germak and Robinson, 2013).

The social impact the project brings goes beyond the special needs of the colorblind. It is linked to community awareness. There are different people, who are not better or worse, which have a different way to interpret color but have the right to share a society in the same way we do.

*Miguel Neiva – ColorADD
16/04/2014*

A problem of today's society is affection and relationships. We are very concerned with our own space and do not interact with others. I wanted to work with people's emotions, which was a big challenge. (...) it is not enough to give just a plate of food. People need to believe they are capable and can work in order to buy a plate of food. That makes all the difference. They become pro-active and independent. We empower them.

*Jorge Oliveira – Espaço T
24/04/2014*

My motivation was to give them everything they deserved as citizens, to fight for their rights. They are people like us and have the right to share this society, in spite of being a bit more fragile. Evolution is seen in the way we treat others. All the privileges we have, educational and personal, must be used to serve the ones who do not possess it.

*Rosa Neto – Cercica
16/05/2014*

Closeness to a Social Problem

Two of the respondents mentioned this item in the open questions and through the follow up of the closed questions, it was possible to understand that all social entrepreneurs had contact in some way with the problem that influenced their path. This particular motivation is related to the compassion often found in public social sector workers. Compassion may be understood as an orientation towards an emotional connection with people in a vulnerable situation and has also been associated with social entrepreneurs (Miller, 2012).

I have always worked as a nurse in the drug addiction area. (...) I give pills and injections but that is not enough. People need affection and I saw that did not happen in hospitals. That revolted me. I truly believe we can spread that message through art.

Jorge Oliveira – Espaço T
24/04/2014

I wanted to give to those who had nothing, or even less than nothing. I say this because these young people, additionally to being mentally disabled, came from very poor families. It was important for me to do something for those who had less than nothing.

Rosa Neto – Cercica
16/05/2014

Proposition 2: Social entrepreneurs, like public social sector workers, present contribute to a better society and closeness to a social problem as motivations.

5.2.3. Searching for a Social Entrepreneurship Motivational Theory

The findings presented above suggest that social entrepreneurs have a unique set of motivations which do not fully match the ones associated with commercial entrepreneurship and the public social sector. Therefore, social entrepreneurship motivations may be presented as distinct and deserving of further theoretical and empirical research. These results are a match to 4 of the 5 motivations identified by Germak and Robinson (2013:14), who suggest social entrepreneurs possess a “unique blend of motivational components”.

Even though these authors also identified a non-monetary focus as a motivation present in social entrepreneurs, reviewed literature and obtained results do not support such statement. According to the results, 3 out of 4 social entrepreneurs show a high concern towards financial sustainability and consider it crucial, giving it the same level of importance as achieving the social mission.

External funding leads to dependence. To seek financial sustainability is crucial and ColorADD created a business model which allows, with all the difficulties it may bring, for us to be independent. I believe the social sector should aim towards self sustainability.

Miguel Neiva – ColorADD
16/04/2014

It is not the primary goal because our organizations have a social mission, but it is at the same level. The concern about financial sustainability is essential to every organization. Social organizations suffered a transition from an only assistance logic to an integrated professional management logic. This includes resource and income creation, which was unthinkable for this sector a few years ago.

Frederico Vital – Terra dos Sonhos
22/04/2014

Proposition 3: Social entrepreneurs show a distinct set of motivations, which include achievement orientation, personal fulfillment, contribute to a better society, closeness to a social problem and focus towards financial sustainability.

5.3. Critical Success Factors of Social Entrepreneurship Initiatives

In this study, 5 major CSFs of social entrepreneurship initiatives were identified. These are, according to their level of importance: (1) good acceptance of the concept by the public; (2) motivation and commitment of employees; (3) social entrepreneur's leadership skills; (4) training and development of employees and (5) collaboration with private sector organizations. The results obtained and a brief description of each follows.

Critical Success Factors	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	Average	Standard Deviation
Social Entrepreneur's Previous Management Experience	0,25	0,00	0,25	0,50	0,00	3,00	0,21
Social Entrepreneur's Contact Network	0,25	0,00	0,25	0,00	0,50	3,50	0,05
Social Entrepreneur's Leadership Skills	0,00	0,00	0,00	0,50	0,25	4,33	0,20
Human and Financial Capital in the Initial Phase	0,25	0,50	0,25	0,00	0,00	2,00	0,53
Motivation and Commitment of Employees	0,00	0,00	0,00	0,50	0,50	4,50	0,26
Training and Development of Employees	0,00	0,00	0,00	0,75	0,25	4,25	0,18
Good Acceptance of the Concept by the Public	0,00	0,00	0,25	0,00	0,75	4,50	0,26
Funds from Public and Private Organizations	0,25	0,00	0,25	0,50	0,00	3,00	0,21
Collaboration with Public Sector Organizations	0,00	0,25	0,00	0,50	0,25	3,75	0,02
Collaboration with Private Sector Organizations	0,00	0,00	0,00	1,00	0,00	4,00	0,10

Table VI – Summary of responses regarding critical success factors

Good Acceptance of the Concept by the Public

Due to its innovative nature, social ventures may face some resistance in the early times. Half the respondents (Rosa Neto/Cercica and Jorge Oliveira/Espaço T) struggled with public acceptance when launching the venture. All 4 social entrepreneurs consider important to promote awareness and to reach a broad public so that the general society understands and recognizes the contribution they are likely to make. Regarding closed questions, public acceptance was rated 4,50. A good acceptance often opens doors and favors partnerships, support from the government and public/private organizations, media attention, among others. These are very important to the development of the venture and allow them to spread their mission and reach more beneficiaries. This variable was also identified by Sharir and Lerner (2006) and Wronka (2013) as a CSF for social ventures.

People's reaction was good. Why? Because it is something that touches people. It is easy to like and understand. We invest a lot in communication and spread inspiring messages, develop actions. All that created a positive perception of the brand Terra dos Sonhos.

Frederico Vital – Terra dos Sonhos
22/04/2014

In the beginning people were skeptical. Shortly after we started our first program, with 20 beneficiaries, it all changed. Several doctors apologized and started sending patients. The acceptance was unconditional and we received a lot of funds from the social security. We hired staff and were able provide better service to more people.”

Jorge Oliveira – Espaço T
24/04/2014

It was very complicated. Bad, terrible even. (...) I remember that when we first went to the beach people ran from us. But step by step we started to educate the community. We gradually showed what we did. It was a process and today the acceptance is totally different.

Rosa Neto – Cercica
16/05/2014

Motivation and Commitment of Employees

All interviewees recognize the importance of this variable and highlighted it during the interview process, both in open and closed questions (4,50). They claim motivations should be shared by everyone and passion for the cause is needed, as working in the social sector is challenging. Work conditions are not the same when comparing to other sectors. A sense of shared mission is essential and a priority to the social entrepreneurs. Wronka (2013) stated the motivation and commitment of employees is crucial to the success of social ventures, which is consistent with this finding.

Unlike other organizations, the resilience has to be high. Not only because things take longer but also because of the different market conditions of the third sector. (...) motivation is crucial and employees must be involved in our cause, share its values. Sharing the mission will allow us to overcome obstacles. And we do have a lot of those.

Frederico Vital – Terra dos Sonhos
22/04/2014

Our team matured together and follows the same goal. Problems are shared and it is good to see them struggling and trying to do their best even through difficult times. (...) our work is done with a lot of passion and soul. Motivation is everything.

Jorge Oliveira – Espaço T
24/04/2014

I feel very strongly about our vision. It is very important to involve the whole team, it is not enough that only the top manager have it. If this is not shared by every employee, it is impossible to move forward in the same direction. Fortunately, we have an excellent team of 220 people who share this philosophy, which is incredible.

Rosa Neto - Cercica
16/05/2014

Social Entrepreneur's Leadership Skills

All 4 social entrepreneurs agree that leadership has an important role in the success of the social venture. Regarding closed questions, this item reached a score of 4,33. In the open questions, most entrepreneurs interestingly focus two common items: transparency and communication. For them, transparency and communication are always present and employees, as well as beneficiaries and sometimes partners, may be included in the decision-making process if they wish to. Although this conclusion was reached, some mentioned self-evaluation regarding this topic is not easy and suggested their employees' perspective may offer an interesting complement. Wronka (2013) also identified the existence of a strong leadership as a CSF of social ventures.

Transparency, passion, teamwork... It's great and the only way we can do this with only 4 people. Everyone is important. Of course I have some additional responsibility as the project creator.

Miguel Neiva – ColorADD
16/04/2014

My leadership involves a lot of communication and no secrets, which is not always considered good in management. Everyone is aware of everything, good and bad. I have always been very transparent. I think it works, as in 20 years our turnover is close to zero.

Jorge Oliveira – Espaço T
24/04/2014

Training and Development of Employees

The importance of training and development of employees was significantly acknowledged by the 4 respondents in open and closed questions (4,25). Social

entrepreneurs state training is important and needs to be provided in different areas, which include the third sector reality, specific departments and individual needs. Although all respondents agree this variable is crucial, it is not always easy to carry it on due to financial constraints and the amount of time required.

As mentioned in the literature review, this variable was not identified as a CSF of social ventures. However, due to the high benefits it brings to organizations in general (Aguinis and Kraiger, 2009), it was considered relevant to include it in this study.

Of course, I have a team with certain needs. We usually participate in initiatives focusing on the third sector, so they can learn more about entrepreneurship and its reality in Portugal. Then there is a more technical type of training which is useful. Impact measures, fundraising and communication techniques, volunteering, it depends on their area. I am attentive to that, it is important to develop our human capital.

Frederico Vital – Terra dos Sonhos
22/04/2014

After the team was selected, we always provided a lot of training. In entrepreneurship, art, communication... It is important to have a trained and updated team.

Jorge Oliveira – Espaço T
24/04/2014

Collaboration with Private Sector Organizations

For the purpose of this study, only the variables classified above 4 out of 5 were identified as CSFs. “Collaboration with private sector organizations” was mentioned by all the respondents in open and closed questions (4,00) and results obtained recognize this item as vital to the success of social ventures. However, “collaboration with public sector organizations” (3,75) was also highlighted by most social entrepreneurs and should not be disregarded. This result may reflect the Portuguese context. The respondents stated there are a significant number of social ventures that compete for the same public sector support, which is not abundant. Therefore, private sector support may be vital.

All 4 social entrepreneurs considered collaboration with other organizations highly important and crucial to their growth and development. Working close with other business companies, hospitals and schools, among many others, allows them to reach more beneficiaries and promote awareness. The achieved social impact is higher.

This item was featured in the work developed by Sharir and Lerner (2006) but was not identified as a CSF.

This project only makes sense in the products of other organizations. Public or private, they are the ones who transport it. I have a code that only makes sense if implemented in communication channels which use color as a factor of identification, orientation and choice. It won't be useful if only I have it. That is why partnerships are so important. This also brings social value to other companies and they can exponentially take it much further.

Miguel Neiva – ColorADD
16/04/2014

It is crucial. Our beneficiaries come from several institutions. They may come here full time but still sleep in shelters, eat in AMI, are medicated in psychiatric hospitals... it starts there. We have over 100 partnerships. Each one offers a distinct contribution.

Jorge Oliveira – Espaço T
24/04/2014

Proposition 4: The most relevant CSFs identified in social entrepreneurship initiatives are, according to their level of importance: (1) good acceptance of the concept by the public; (2) motivation and commitment of employees; (3) social entrepreneur's leadership skills; (4) training and development of employees and (5) collaboration with private sector organizations.

6. Conclusions

6.1. Main Conclusions

In recent decades, the number of third sector organizations increased significantly and so did the awareness regarding their potential contribution to economy and society. However, despite the growing interest in social entrepreneurship, existing literature is still disperse and fragmented (Wronka, 2013). This case study aims at contributing to filling a gap in current literature by answering two questions “what are the main motivations and critical success factors behind social entrepreneurship initiatives?”. Both topics are considered quite relevant in this field of study but have received little attention by scholars so far (Sharir and Lerner, 2006; Germak and Robinson, 2013).

Obtained results show that social entrepreneurs present a distinct set of motivations which include achievement orientation, personal fulfillment, contribute to a better society and closeness to a social problem. These findings are consistent with the work developed by Germak and Robinson (2013). A fifth motivation, focus on financial sustainability, was also identified. Social entrepreneurs embrace sustainability as they seek to create enduring social value through responsible innovations (Machan, 1999; Nga and Shamuganathan, 2010). It certainly is not their main priority, as spreading the vision and mission of the social organization is usually the primary goal, but assuring sustainability is also a concern that should not be disregarded. After all, it contributes to a long term intervention and, because of that, is directly connected to the primary goal of social value creation (Zadek and Thake, 1997).

Regarding CSFs, five were identified in social ventures. These are, according to their level of importance: (1) good acceptance of the concept by the public; (2) motivation and commitment of employees; (3) social entrepreneur’s leadership; (4) training and development of employees and (5) collaboration with private sector organizations. Social ventures are evolving and the current situation requires them to be innovative as well as

efficient and effective when it comes to results. Therefore, identifying CSFs may add great value to their management and support the decision making process, as managers become more aware of their strengths but also get to identify areas which need to improve (Munro and Wheeler, 1980; Nicholls, 2010). Furthermore, the rising number of social enterprises means an increasing competition for social investment. Social entrepreneurs seek to achieve a good performance and those results may bring external legitimacy, which is important to attract both human and financial resources (Armstrong, 2006; VanSandt et al., 2009).

When comparing the results obtained in different countries, differences are clearly found. This can be explained by the strong influence of the environment, as different contexts are shaped by different social, economical and political realities. Nevertheless, the conclusions presented in this study are relevant to other countries and cultures and offer contributions to social entrepreneurship knowledge.

6.2. Practical Implications

Several managerial, policy and theoretical implications may be pointed out. First, managerial implications can be applied to both nascent and established social entrepreneurs. The CSFs presented suggest critical areas that social entrepreneurs should focus and supervise closely, namely concept awareness, human resources, leadership and partnerships. Furthermore, the importance of embracing a focus on financial sustainability in the organizational strategy is also highlighted and should be taken into serious consideration, so that long term social value creation is assured. Regarding public policy, this case study brings awareness to the social entrepreneurship reality in Portugal. It is a very recent field with a lot of economical and social potential. It would be interesting to promote more local, national and international initiatives concerning this field and to include it in more university courses and programs. IES is taking measures towards

creating financial incentives specific to social entrepreneurship initiatives. This kind of actions should also be encouraged and supported.

Finally, the findings presented contribute to social entrepreneurship theory building. Following the work by Germak and Robinson (2013), a connection was established between social entrepreneurship motivations and the self-actualization concept (Maslow, 1943), the need for achievement theory (McClelland, 1965) and public social sector motivations (Perry, 1997; Denhardt et al., 2009). Additionally, new variables were identified as CSFs and complement the work developed by Sharir and Lerner (2006) and Wronka (2013). Obtained results are relevant to academic research.

6.3. Limitations and Future Research

A number of factors limit this study. The small number of cases analyzed limits this research and future studies should include larger samples in order to ensure the representativeness of the results. Furthermore, it is important to note that results reflect the perspective of the social entrepreneurs and the study is conducted in the Portuguese context. Therefore, the generalization of the findings should not be made without caution. Only individual social entrepreneurs were included and the four organizations studied also present very distinct features. Future research regarding social entrepreneurship motivations and CSFs should be extended to different socioeconomic contexts and countries. It would be interesting to explore the dynamics behind collective social entrepreneurship and also to focus on only one kind of social venture, so that results can be linked to non-profit, hybrid or for-profit ventures. Research concerning how social ventures can reach financial sustainability is also a significantly pertinent topic to be further developed. Additionally, finding a connection between the two main topics present in this study – motivations and CSFS - and the social performance/impact of the venture would also be extremely relevant to this field of study.

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8. Appendix

Appendix A - Interview conducted with the Social Entrepreneurs

1 – Social entrepreneurs' brief profile: name, age, academic background, professional career, marital status

2 – How did the organization start?

3 – How was the organizations' growth/evolution until this day?

4 – How was the public's reaction towards your product/service?

5 – What were your main motivations when you decided to start this social entrepreneurship project?

6 – What is the importance of a contact network in the development of social entrepreneurship initiatives? How was your experience?

7 – What is the role of the employees' motivations and commitment in the success achieved by the organization?

8 – Do you provide training and development opportunities to employees? How?

9 – For social ventures, financial sustainability is not the main goal but it is extremely important. How do you deal with this matter?

10 – What is the importance of establishing partnerships with other organizations from the public and private sector? How was your experience?

11 – What was the impact of your initiative to the beneficiaries?

12 – What are the results of this social entrepreneurship initiative so far?

13 – Existing literature identifies some motivations which are usually associated with entrepreneurship and social entrepreneurship. Regarding your particular case, how do you evaluate the importance of the following motivations:

(Please consider a scale from 1 to 5, where 1 = not important and 5 = very important)

Motivations	1	2	3	4	5
Personal Fulfillment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Take the Mission of the Organization further	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Need to Create a Business for Unemployment Reasons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dissatisfaction in a Previous Job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creation and Management of an Independent Organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribute to a Better Society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to a Social Problem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal, Professional and Community Benefits which result from the Creation/Management of the Organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14 – Existing literature identifies some variables which are usually associated with the success of social entrepreneurship initiatives. Regarding your particular case, how do you evaluate the importance of the following items:

(Please consider a scale from 1 to 5, where 1 = not important and 5 = very important)

Variables	1	2	3	4	5
Social Entrepreneur's Previous Managerial Experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social Entrepreneur's Social Network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social Entrepreneur's Leadership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human and Financial Capital at the Establishment Stage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motivation and Dedication of Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training and Development of Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good Acceptance of the Concept by the Public	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Funding from Public and Private Organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collaboration with Public Sector Organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collaboration with Private Sector Organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>