The Development of Hybrid Social Enterprises
and Governance Management
in Thailand

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Abstract

Social enterprises are hybrid organisations with social, environmental, and economic goals that combine business with traditional (for-profit) approaches and voluntary (non-profit) logics. They benefit society by carrying out community-based activities that enhance social, environmental, and economic values. Unfortunately, their 'triple bottom line' approach means they often experience difficulties, including conflict.

While hybrid social enterprises deserve the attention of theoretical and empirical research, only a limited amount of empirical evidence is available that relates to such organisations and their governance. Despite having seen a significant rise in social enterprises over recent years, this situation is particularly true in Thailand. The proliferation of Thai social enterprises stemmed since the launch of the national Pracharath Rak Samakkee (PRS) social enterprise policy in 2015. PRS promoted a new social enterprise structure that enabled diverse sectors to work together under its guidance and governance framework.

This research explores the features of hybrid social enterprises in Thailand, considers their positioning along the hybrid spectrum, and examines how they navigate the dilemmas, paradoxes and tensions associated with their development. The research utilises a qualitative research method using interviews, focus groups, document analysis, and observations. It included four case studies that took place in various parts of Thailand and the collection of empirical data during face-to-face interviews with forty-seven dominant stakeholders and two focus groups. The use of these case studies could be considered the first attempt at understanding the hybridity and governance of social enterprises established in Thailand based on the social enterprise national policy introduced in 2015.

The findings reveal that government policy support, stakeholder involvement, solid practices (including business planning), resource support, and community readiness and capacity are facilitating factors in the formulation and development of social enterprises. With the same operational features as hybrid social enterprises, the case studies revealed that despite their benefits, the paradoxes of their 'triple mission' approach result in challenges in two key areas: balancing goals and conflicting interests.

Understanding the research findings requires the consideration of a combination of stewardship and stakeholder theories. The research findings suggest employing the

PRS social enterprise governance framework can mitigate the tensions inherent in the development of hybrid social enterprises. Likewise, developing competencies in areas like setting governance structure, prioritising and balancing missions, improving organisational performance, and utilising the social and market skills of expert board members were also shown to be beneficial, as was taking a highly collaborative approach to stakeholders in the governance process and empowering their actions. This mix of perspectives reflects the dominance of stewardship and stakeholder governance as they relate to the circumstances of the cases.

This research benefits policymakers, academics, and practitioners by offering insight into the governance arrangements required to recognise and address tensions in multi-purpose organisations and across different stakeholders.

Keywords: Social enterprise, Hybrid social enterprise, Hybrid tensions, Governance, Stewardship theory, Stakeholder theory, Thailand

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Chapter 1: Introduction

Social enterprises are hybrid organisations with social, environmental, and economic goals that combine business with traditional (for-profit) approaches and voluntary (non-profit) logics. The permeation of business goals with corporate social responsibility (CSR) during recent decades has been commensurate with the adoption of market principles in charitable activities and boundaries between organisational sectors have been blurred with a universal concern for the 'triple bottom line' (TBL), focused on social, environmental, and business goals. The more significant aspects of this logic shift are the realisation of the need for environmental sustainability and social responsibility for long-term, sustainable economic growth. At the same time, traditionally, business activities were seen as inherently detrimental to the other dimensions and focused solely on short-term profit extraction.

As a result of these developments, the blending social and environmental goals with for-profit missions has become a vibrant and engaging area of academic research, particularly exploring the impacts of these triple goals and their positioning in the 'hybrid spectrum'. This spectrum is the equivocal zone in which hybrid social enterprises find themselves, which this thesis investigates. It will reveal that whilst this approach of social enterprise positively has its benefits, the additional complexities of having triple missions to tackle with result in these organisations

This study is particularly concerned to understand the establishment and development of Thai social enterprises and the emerged tensions that come with having three distinct objectives. Understanding the research findings requires the consideration of the PRS social enterprise governance framework. The research employs governance theories to understand the mitigate of the tensions inherent in the development of hybrid social enterprises. This study considers the governance arrangement of most of these types of organisations, including how are they able to manage internal and external tensions within their hybrid in Thai social enterprises.

The introduction to the research provides a background on the social enterprise field and aspects more concerning the research-focused, based on the identified gaps. This chapter also outlines the research objectives and research questions. It also presents a summary of the research methodology following with the contribution of the study.

1.1. Research background

SEs are described as organisations that combine social missions of a philanthropic logic with commercial principles (Austin et al., 2006). Having a social aim, social enterprises operate on a societal problem whereas contributing a business-related scheme (Doherty et al., 2014). The social enterprise appears to combine the enthusiasm of 'a Triple Bottom line (TBL)' that have a social, environmental, and business purpose to help to ease social, economic, and environmental problems that face many countries (Ferraro et al., 2015).

SEs combines the efficiency and resources of the commercial firms while having the attributes of non-profit organisation including "passion, values, and missions" (Smith et al., 2013, p.408). Social enterprises have to balance between their "multiple goals" in achieving a social/environmental mission and living up their competencies into the business (Santos et al., 2015, p.38). They must ensure their business generating activities align with the social issues to which they are committed, not losing aspect of their values while simultaneously operating a commercially viable through sales of products and/or services (Smith et al., 2013; Battilana et al., 2015).

Social enterprises present a promising business approach (Nicholls, 2008) by linking the generation of services and products in which also affect social and environmental improvement. Owing the goal plurality, social enterprises place their social/ environmental and commercial goals at their core, these can be characterised as hybrid organisations (Battilana and Lee, 2014; Santos, Pache, and Birkholz, 2015). Hybrid enterprises draw on two or more organisational forms, logics, and identities that belong to specific organisations (e.g., commercial firms, NGOs/charities, state-owned organisations, and cooperatives). The working definition for this study draws on hybrid organisations that combine the organisational forms of both business and charity at their cores, and which apply a business-like focus to social and/or environmental missions.

It is almost 50 years since the development of the first social enterprises in Thailand in the 1970s. These dual/triple-mission organisations, which attempt to pursue both economic and social/environmental aims, have achieved qualified success and are considered by the government to be critical social development drivers. Since 2016, the government established the reform policy of Pracharath Rak Samakkee (PRS, 2018). PRS is a Thai social enterprise that operates for community development and the agricultural sector. It categorised as TBL, doing business with social and

environmental purposes, emphasised on the re-investment of profits for communities or business activities, rather than being driven by the maximum profit for shareholders.

The Thai social enterprises appeared as hybrid organisations aiming to mix three different values: social value generation, environment value creation, and economic value. These three values have been identified in the business plan as varying between actives from being distinctly separate to combined missions. Although the term 'social enterprise' is increasingly familiar in Thai society, it still requires more understanding of the characteristics of hybrid organising. This understanding includes tensions faced by such organisations, with the governance arrangements to manage challenges, and indeed to improve governance in social enterprises.

Understanding the formation of social enterprises is increasing. However, there is still a lack of more in-depth focus on factors for integrating different activities in their business operations and the participation of multiple stakeholders (to incorporate multiple resources, including skills and logistical support) (Dees, 2007). Emerging research seeks to capture the concept of hybrid social enterprise to identify the characteristics of the spectrum in which they operate. This spectrum entails hybrid tensions between the two logics; analysts of this area, including Doherty et al., 2014 and Hahn et al. (2015), clarified and focused on what tensions emerged by the operation of a TBL logic of hybrid social enterprise. The literature identifies governance as a mechanism for governing and managing a social enterprise, studied concerning its governance framework and structure. This study mainly investigates the governance arrangement, which influences the mitigation of various tensions. This research presents a framework that links the three critical aspects of hybrid social enterprise, hybrid tensions, and governance arrangement into the study.

1.2. Problem statement

The literature developed within the period 2010 to 2020 on hybrid social enterprises is still relatively in the process of have been developing and recognised as a distinct category of organisational analysis, being studied with increasing interest by governments, businesses, and scholars (Doherty et al., 2014). Studies on the emergence of SEs have been "overly positive" (Doherty et al., 2014, p.418). However, more critical research focus has now been developed, moving on from defining this new type of organisation to studying its management and governance, and the rise of hybrid structures that pursue the multiple objectives (Doherty et al., 2014; Battilana &

Lee, 2014). The way that social enterprises combined antithetical logics is of great interest for both academics and practitioners.

Also, for social enterprises, organisations who exist to mitigate social problems must pursue their social goals as they can to retain their benefits of its own. SEs have a competitive advantage in terms of sales of specific products, and preferential access to grants that other business cannot access. These allow them to exist in the field to fulfil by their social/environmental missions.

Work on SEs and hybrid organisations seek to understand the restraints of SEs in producing their multi-faceted promises (Doherty et al., 2014; Battilana et al., 2015). SEs operate in a challenging situation integral to their existence of maintaining their social and environmental missions while producing economic benefit. SEs could "run the risk of internal tensions and mission drift" (Santos et al., 2015, p.37). Several studies argue that commitment to social/environmental and financial goals may not be aligned. Supporting by some existed literature has presented a viewpoint of tensions rising between multiple goals (Pache and Santos, 2013; Battilana et al., 2015). Tensions in SEs occur (Smith et al., 2013; Doherty et al., 2014), from combining multiple goals that emanate from divergent logics and challenging the management of the SE missions. (Doherty, Haugh and Lyon, 2014). Primary scholars referring in this study are of the stress of tensions between social/environmental missions and business activities of SEs, making their very existence problematic and paradoxical (Smith et al., 2013; Doherty et al., 2014; Battilana et al., 2015).

This research reviews the current literature on the fields of research of social enterprise and the hybridity of organisational logics to discuss what the literature suggests about the characteristics of social enterprise in the hybrid spectrum. This research then focuses on hybrid social enterprises. It presents different kinds of tensions listed in the theory that be a consequence of the co-existence of multiple logics within social enterprises. The research questions of this thesis were inspired by Doherty, Haugh, and Lyon (2014), who identified the concepts explored in more detail by this thesis.

While hybrid social enterprises deserve the attention of theoretical and empirical research, only a limited amount of empirical evidence is available that relates to such organisations and their governance. Despite having seen a significant rise in social enterprises over recent years, this situation is particularly true in Thailand. The proliferation of Thai social enterprises stemmed from the launch of the national Pracharath Rak Samakkee (PRS) social enterprise policy in 2015. PRS promoted a

new social enterprise structure that enabled diverse sectors to work together under its guidance and governance framework.

The Pracharath Rak Samakkee cannot compete without a business plan, but nor can they capitalise on being existent if the social/environmental missions cannot be placed at as a core their activities. In a circumstance where multiple goals are confronted, result in organisation conflicts and tensions. This research pursues to investigate how Thai social enterprises development and management. Particular questions include what they do in order to manage these tensions, the elements they incorporate in their governance arrangements, and how they manage these. Given the difficulties throughout the managing of these distinctive missions, it is necessary to study how explanations are found.

1.3. Research aims and objectives

The overall objective of this study is to identify factors influencing social enterprise development. It also examines tensions that arise when delivering multi-faceted goals and the governance arrangement of social enterprises as hybrid organisations. In order to explore this, this study aims to meet the following objectives:

1. To explore the factors influencing the establishment and development of a social enterprise in Thailand.
2. To critically review existing theories of hybrid social enterprise and examine the characteristics of hybrid social enterprise in Thailand.
3. To identify the challenges and tensions of social enterprise in Thailand and categorise the tensions of hybrid social enterprise as they exist.
4. To identify critical elements of governance that enable hybrid social enterprises to manage tensions.
5. To use the Thailand social enterprise case to inform existing theories of social enterprise governance.

There are three research questions, as follows:

1. What are the factors influencing the establishment and development of social enterprises in Thailand?
2. What are the hybrid features of social enterprises, and how do they influence tensions emerging in hybrid social enterprises?
3. What are the key determinants of governance in social enterprises, and how do social enterprise governance arrangements seek to manage such tensions?

1.4. Research methodology

A qualitative research methodology with an interpretivism paradigm and inductive research approach is used in this study. The case study with four social enterprises is selected research strategy. It will be studied with purposive sampling design and snowball sampling techniques, categorised by five criteria. The methods of data collection are arranged to examine related to the research questions and acquire in-depth data comprising semi-structured interviews, focus groups, observation, and document analysis, with a mix of computer-aided and manual data analysis.

1.5. Research contribution

The purpose of this study focuses on hybrid social enterprise and governance. The research is expected that will contribute to hybrid social enterprise literature and a better understanding of the TBL purpose and tensions of the field. The research findings could be of interest both researchers and practitioner in business and society, thus leading to further development of the social enterprise sector. Enhancement of the study may help policymakers adjust the understanding of the sector and afford the essential support for the operation of social enterprises. This research will convey an apparent viewpoint for the justifying of social enterprise to building social, environmental, and economic value. The use of case studies could be considered as a pioneering attempt to understand Thai social enterprises based on the reformed 2016 Social Enterprise National Policy. This study conveys new insights into the hybrid social enterprise and sheds light on the governance arrangement to balance between the multiple goals and interests of different stakeholders. Additionally, the researcher is a Thai civil servant and will seek to directly feed feedback from this research into practice, which is of benefit to both policymakers and practitioners.

1.6. Thesis structure

This research structure is organised, as presented in Figure 1.1.

Figure 1.1: Thesis Structure
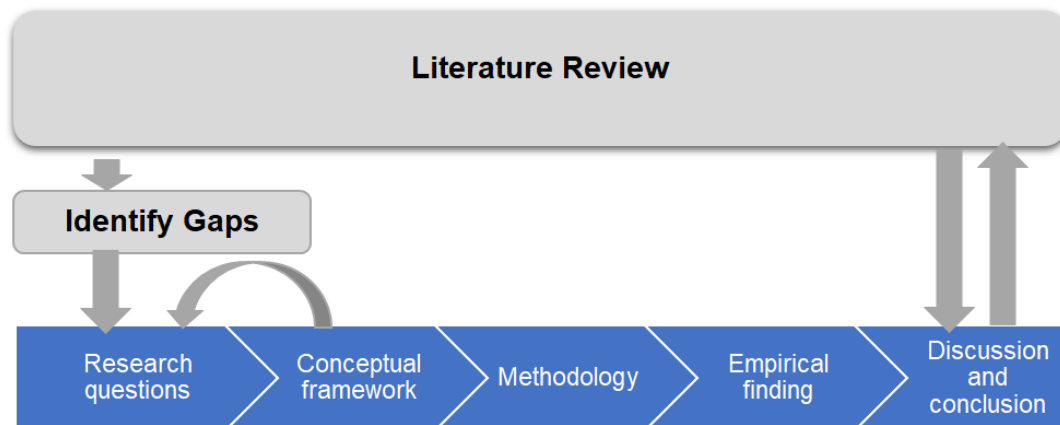
Source: Author

Chapter 2 provides a critical existed literature review relating the social enterprise. This review includes hybrid social enterprise and areas of tensions and governance. There is the theoretical perspective to guide the selection of the TBL purpose of social enterprises as the analytical framework for this inquiry, exploring social, environmental, and economic goals. The gaps identified in the literature determining the focus of the study and generating the research objectives questions.

Chapter 3 provides the background and country context for this empirical case of Thailand. This chapter provides the background of socio-economic and the Thailand government's policies, especially concerning the reform of the social enterprise policy called Pracharath Rak Samakkee Social Enterprise *(*PRS, 2016*)*. It also introduces the framework of PRS, structures, and introduces current circumstances that social enterprise reforms have faced

Chapter 4 presents the research methodology used to achieve the research questions. The methodological choices justified. The interpretivism paradigm with an inductive research approach is introduced as the research philosophy. The case study research design is described as a research approach. Besides, data collection selected semi-structured interviews, focus groups, observations, and document analysis as field work methods. Also, a mix of computer-aided and manual data analysis, are described as a well-suited approach for this study.

Chapter 5 demonstrates four selected case studies in this study comprising Krabi, Nongkhai, Chiangmai, and Chanthaburi social enterprises. These case study descriptions will help within and cross-case data analyses and examining empirical

findings both which will be demonstrated in the three empirical finding chapters as shown following.

Chapter 6 examines the factors influencing the establishment and development of social enterprises. The difference identified data sources are used to scrutinise the development of examination for the case studies.

Chapter 7 identifies the hybrid features of social enterprises and examines dominant tensions that possibly emerge within hybrid organisations.

Chapter 8 provides cases analysis of findings and examining the social enterprise governance arrangements in social. It illustrates how Thai social enterprises attempted to manage and mitigate tensions that arise in multi-faceted missions.

Chapter 9 provides a discussion of the research findings, along with a conclusion of the thesis, the thesis contribution, the limitations and strength of the research, and future research areas for study. Figure 1.2 shows the research map.

Figure 1.2: Research map
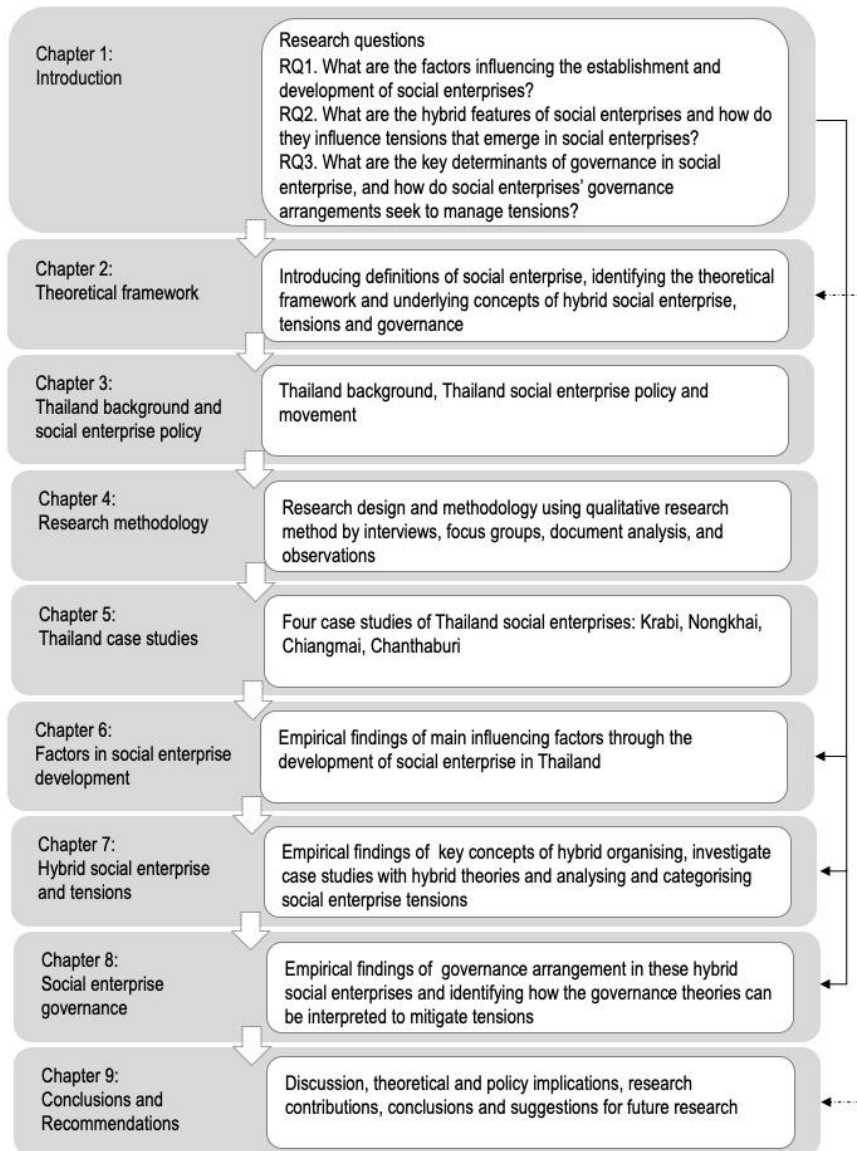
Source: Author

1.7. Summary

The chapter has presented an overall outlook of this research. Starting with the introduction of social enterprise concepts and underlined why the focus of this research area is significant following with presenting of research identified gaps in the existing literature to guide the focused of study based on the research questions. Also, the focus of the research was discussed concerning TBL aims, tensions, and governance, and in hybrid social enterprises. Last, the research contributions were briefly underscored. The next chapter delivers a background of Thailand context and their social enterprise policy.

Chapter 2: Theoretical Framework

2.1. Introduction

Chapter 2 examines literature in the social enterprise field to understand social enterprise phenomena and contribute to the theoretical framework of its study. The chapter explains concepts key to the area of social enterprises, including those that address hybrid organisations, the tensions such as organisations experience, and relevant governance theories. It provides an overview of how the emergence of social enterprises has impacted both academia and practice. It also examines available literature to establish a proper definition of social enterprises. Beyond this, it attempts to highlight the true nature of hybrid social enterprises by differentiating social enterprise from commercial and voluntary activity.

Hybrids draw on two or more organisational forms. A social enterprise is a specific type of hybrid organisation that has double or triple objectives related to its social, commercial, and/or environmental aims. This chapter aims to identify and categorise tensions that form the context of hybrid social enterprise (Battilana and Lee, 2014; Doherty et al., 2014) which arise when social organisations manage multiple objectives. As tensions threaten missions and/or displace goals, this thesis examines the circumstances of social enterprises when balancing double or triple missions and the conflicted interests of stakeholders. This chapter will focus on understanding governance theories and elements of the social enterprise phenomenon. It then looks at governance management in situations where a social enterprise faces an area of tension. As this study explores theoretical perspectives based on this following reviewed literature, the chapter determines a conceptual framework that categorises hybrid features and hybrid tensions.

2.2. Social enterprises (SEs)

2.2.1. Background of SEs

There has been a concomitant change in organisational structures and rise in social trends that lead to the field of 'social enterprise' (Roper and Cheney, 2005). There is an important of the phenomenon of social enterprise and it's developed in academia and practice in which present in this section. It also introduces diverse perspectives on social enterprise and the scope of the area.

The concept of social enterprise is becoming more widespread globally, and there is a long tradition of integrating social and economic value creation in many parts of the world (Dees and Anderson, 2006; Mair and Marti, 2006). Whereas there has been a growth of social enterprises in North America and Europe (Kerlin, 2009), the multidisciplinary attractiveness of social enterprises and their impact on governments, communities, and organisations mean they are experiencing increased interest in other counties in Asia and Southeast Asia (Mort, 2003; Simms and Robinson, 2009).

A social enterprise is central concept of social innovation that responding to social problems that need innovative approaches. It relies on the presence of social entrepreneurs in various organisations and geographical areas and requires the effort of global citizens to find and shape solutions for social issues (Dees, 1998). Social entrepreneurs and their organisations influence social behaviour to bring about systematic change that benefits overall areas of the economic development, civic engagement, environment, human rights, education, and health care (Pirson, 2008; Mensah and Casadevall, 2019).

Social enterprises are promoted in several areas, especially the US and Europe. The different types of social enterprise are categorised based on their characteristics (in terms of their activities, roles, organisational structures), and the socio-economic contexts of the regions that utilise them (Peattie and Morley, 2008).

Social enterprise practitioners develop their activities by building on the strengths in their contextual environment that shape different models and activities. Regional factors have helped shape social enterprise conceptualisation, particularly in terms of organisational forms, environment, and strategic development (Kerlin, 2009). This offers social enterprises the opportunity to increase effort in terms of viability, coherence, and governance in other sectors (Mason and Royce, 2007; Kerlin, 2013). The following examples explore social enterprises in different countries and review their context and emergence.

In the UK, social enterprises are gradually becoming recognised as a sector in local economies and the national economy. Organisations operating in this sector understand that financial independence and mission execution are vital to them becoming sustainable businesses (Kerlin, 2010). The UK has had a very developed support structure for social enterprises (Nicholls, 2010), with income from sales and public grants linked to private donations and volunteering (Borzaga and Defourny, 2001; Nyssens, 2006).

Social enterprises represent a mechanism for enabling economic and social development in communities without direct state involvement or national ownership (Mason and Royce, 2007). The UK has shown strong leadership in this field through a wide range of initiatives which include the investment of resources, the development of support programmes, and offering incentives. The UK government has encouraged the proliferation the policy of social enterprises for the delivery of community regeneration and welfare services.

The influence of the particular sectors from public, private, and citizens are empirically shown that the social enterprise sectors offered business mechanisms to play as a part in the value creation opportunities (Teasdale, 2012). These include solving national problems such as unemployment and welfare issues, with the state sector encouraging the private sector to employ business approaches and contribute solutions that help eliminate these issues (Kerlin, 2010). For example, in successive governments, the Department for Work and Pensions (DWP) has implemented programmes that involve third sector and private organisations competitively tendering to deliver programmes targeted at working-age people and the disabled (Stafford, 2015).

The Department for Business, Energy and Industrial Strategy reported that in 2017 there were 471,000 social enterprises in the UK employed 1.4 million workforces. Social Enterprise UK claims that there are an estimated 70,000 social enterprises that are worth £24 billion to the UK economy. The government have suggested 99,000 social enterprises employ over a million people (DCMS, 2018), and research shows that the SE sector is powerful, yet vastly underestimated part of the UK economy (Kah, 2019).

The government's emphasis on social enterprise to response to a broad range of social problems and to facilitate the non-state provision of services (Teasdale, 2012). Whereas it was established practise for the government to adopt private initiatives in contracting service provisions, there was initially a lack of capacity in service delivery amongst profit and non-profit organisations (Anheir and Kendall, 2002). The initial policy of social enterprise introduced in 2002 was built the capability of third sector organisations to deliver public services by funding initiatives (Alcock, 2010).

Many believe the UK's aim of utilising social enterprises (and voluntary organisations) is designed to facilitate the provision of a sort of public services comprising housing, social cares, and employment opportunities. However, after ten years of austerity and cuts to public expenditure, 'third sector' organisations (which include social enterprises) have struggled to obtain public funding. Local authority grants have mostly been replaced by a commissioning process that favours larger organisations with the resources to tender for contracts. Smaller organisations are at a disadvantage, and while they may get sub-contracts from businesses that win contracts, they often receive terms that offer little or no financial return.

To raise funds in the US, non-profit organisations are compelled to serve public interests by applying business-based production (Kerlin, 2010). This indicates the tendency of social enterprises in the US as mainly non-profit organisations that engage in business and develop income strategies that increase competition for public grants (Kerlin, 2009).

The differences between East Asian and US social enterprises reflect a relative weakness of civil society's role compared to Western contexts. Despite this, East Asia's co-operative movement is growing and has become a key element in shaping the region's social enterprise model (Defourny and Shin, 2011). The Japanese experience highlights three constraints on social enterprise development: the legal requirements of formation, public trust-building, and achieving financial goals within lawfully instituted boundaries. The lack of available finance in Japan is a consequence of an absence of government policy in support of the social enterprise. This dearth of regulation includes a lack of fiscal incentives for donations to social enterprises, and this has resulted in less investment in social welfare enterprises taking place in Japan compared to other developed countries (Defourny and Kuan, 2011). Comparatively, Taiwanese social enterprises appear more likely to adopt social enterprise approaches and tend to pursue both social and financial sustainability in an attempt to enhance their organizational capacity and become self-reliant (Defourny and Shin, 2011).

Southeast Asia provides another framework for social enterprise, that of a wealth-creating organisation that combines financial sustainability and service to achieve development objectives. Southeast Asia has relatively high rates of unemployment and poverty. Some governments and international bodies (including the World Bank) have introduced policies (such as social welfare campaigns and poverty alleviation projects) designed to eliminate these issues. Despite encouraging the private sector and non-profit institutions to adopt fundamental social enterprise frameworks, SE growth in the

region has been slow and failed to address sustainability issues (Pache and Santos, 2013). Their ability to strengthen and enhance the fiduciary relationship within and around organisations and generate resources from both individuals and local communities makes the development and growth of social enterprises both necessary and indispensable. These enterprises must continue to represent the interests of stakeholders while pursuing the goals of democratic governance and volunteerism.

Thailand is a Southeast Asian country facing regional issues of high rates of poverty and inequality. For decades the Thai government has tried to formulate policies that address these issues, but the inflexibility, unresponsiveness, and bureaucratic nature of attempted reforms have meant they remain pervasive (Elinoff, 2019). Encouraging a non-profit sector in the country would be problematic because poorly managed systems often mean that organisations are slow-growing and unsuccessful.

Sagol Jariyavidyanont (2010, pp.45-68) presented the principles of Thai social development as a procedure involving of the following roadmap:

- Creating opportunity of social impact and new markets or products.
- Acceptance of the idea to create social values.
- Resources mobilisation.
- Social programmes.
- Achieving the organisation's mission.

The convergence of aspects of the business sector, the non-profit sector, and the public sector will lead to social enterprises becoming a mechanism to tackle social problems (TSEO, 2015; Pracharath, 2017).

2.3.   Five different approaches to SE analysis

While social enterprise is a relatively new field of academic study, its scope has already been defined (Defourny and Nyssens, 2010; Nicholls, 2010; Kah, 2019). Although it is a global phenomenon (Nicholls, 2006), there are two regions dominate the academic discourse related to the area: The Western Europe and the US. The debate that took place to define social enterprise has prompted the emergence of several approaches (or schools of thought) within these two regions. Although different approaches are often combined in these discourses, they uncover distinctive perspectives (Hoogendoorn, Pennings, and Thurik, 2010, pp.1-30). What follows is a consideration of five approaches: two American schools of thought, two European, and hybrid approach.

2.3.1. American social innovation school of thought

An approach of American social innovation school emphasis on individual social entrepreneurship that is led by the private sector and offers innovative resolutions to social issues (Dees and Anderson, 2006, p.41). Social entrepreneurship is mainly seen as a private substitute for the social welfare traditionally provided by the state in a social-democratic political economy Bacq and Janssen (2011). Public initiatives related to this type of entrepreneurship are recognised as being a different type of social activity.

This school of thought recognises that entrepreneurship is driven by the innovation, evaluation, and utilisation of opportunities to generate profit. Likewise, social entrepreneurship exploits opportunities, but with the intention of establishing innovative approaches to satisfying social needs. They believe that, so long as it used to fund social initiatives, the revenue generated by the commercial activities of social enterprises do not need to be linked to their social missions (Bacq and Janssen, 2011).

This American social innovation school, which the founder of Ashoke, Bill Drayton, suggests their leading characteristics and their role in social enterprises make entrepreneurs "change agents" within society (Dees, 1998). Other social innovation theorists see the entrepreneur in a secondary role and consider the enterprise itself the central actor in a venture.

2.3.2. American social enterprise school of thought

The focus of American social enterprise school of thought is the "earned-income" which is an income generation strategy undertaken by a non-profit enterprise to promote their social mission through commercial activities **(**Defourny and Nyssens, 2010, p**.**34**).** Social entrepreneurship is the concept of the process of generating and managing new businesses that are involved with social missions. Edward Skloot is one of the founders of this school. His new business ventures for non-profit organisations were found in 1980. It became the first consultancy enterprise working for non-market companies. The approach suggests that adopting commercial methods makes non-profit organisations more entrepreneurial and improves their effectiveness. This emphasis on generating income activities and assure the continuity of their service delivery. This approach enables enterprises to be independent of grants and subsidies

2.3.3. The EMES approach

The perspective of the Emergence of Social Enterprise in Europe (EMES) realises social entrepreneurship as a collective initiative whose success is not due to only one person but to an active group of citizens. Its approach sees social enterprise as participatory and autonomous (Hoogendoorn, Pennings, and Thurik, 2010). The network devotes itself to investigating the social enterprise phenomenon using a set of criteria which (allowing for national differences) can be identified as the 'social enterprises' of EU member states (Defourny and Nyssens, 2008). In contrast with with the American Social Enterprise School, the EMES research network promotes the coherent integration of the social and commercial activities of a venture. It sees social enterprise as being driven by citizens who start organisations themselves to bring about benefits to their communities. All members can be involved in the operation and decisions of an enterprise. The organisations within this EMES approach include foundations, associations, and mutual organisations.

As this school of thought also includes co-operatives, it allows for an amount of profit distribution. While these types of co-operatives exist in the United States, they are not subject to the discourse of social enterprise. There are four models separated by the diversity of social enterprises (Defourny and Nyssens, 2017).

1) The Entrepreneurial Non-profit Model (ENP) of non-profit organisations relates to income generating businesses which support social missions. The commercial non-profit approach earns income through donations or public grants.

2) The Social Cooperative (SC) Model of social co-operatives relates to traditional cooperatives of mutual interest which decide to no longer dedicate their activities to members only, but to enlarge their range of beneficiaries. This is intended to respond to a generalised need. Organisations, such as cooperatives, add the "social" designation. This enlargement is sometimes indirect, as in the case of a single-stakeholder social cooperative where the pursuit of member-only interests also has considerable consequences on the entire community. Although the members are the only direct beneficiaries, the SE's work also has positive repercussions on the entire community. The SCs' activities are aimed at the whole community, generating a general interest effect which also benefits non-members.

3) The Social Business (SB) Model is rooted in business activity driven by shareholders' interests, but the model mixes this logic with a social entrepreneurial drive aimed at the creation of a blend value, to balance and better integrate economic and social purposes (Defourny et al., 2020). It is also designed for social responsibilities or Corporate Social Responsibility (CSR). Sometimes, this model is use was used as a tool to drive and support businesses. The activities of the model mix the purpose of business together with its social mission. The SB model is the more hybrid economic model (Emerson, 2006), because the targets of activities balance the benefits of business, the principles of governance and their social goals. Notably this is the model most relevant to case studies in this research.

4) The Public-Sector/Service Social Enterprise (PSE/PSSE) Model evolves the PSE/PSSE model results from the need of national or local administrations to offer public services more efficiently. The Model arises from a movement toward the marketisation of public services which embraces "public- sector spin-offs" to establish private companies operating in the market, but remains under public control. It comes from policies both local and central governments pursue for greater competency in SE missions and lower cost of PSSEs. Most of these SEs are launched by local public bodies to be a partnership with third-sector organisations, to provide services which are outsourced such as those offered by work-integration social enterprises.

These four SE models have assessed the existence of SE models by Defourny et al. (2020) using a sample of 721 SEs from 43 countries through various internationally through various works and typologies of SE. It appears that the existence of three models of SE—which are the social-business model, the social-cooperative model, and the entrepreneurial non-profit model—is strongly supported by the empirical analysis in almost all surveyed countries (Defourny et al., 2020).

2.3.4. UK approach

The UK approach of social enterprise emerged from a legal framework introduced by the Labour Party and the Blair administration in the late 1990s. By promoting social enterprise engagement, the framework does not strictly fall under the definition provided by the EMES research network – a fact that has shaped differences between the two approaches (Defourny and Nyssens, 2010; Spear et al., 201, 2017).

The establishment of social enterprise was to promote working partnerships around the country. The UK government stimulated partnerships among both the private and public sectors of civil society. This was presented with the launch of the Social Enterprise Coalition and creation of the Social Enterprise Unit within the Department of Trade and Industry (DTI, 2002). The DTI (2002, p.4) defined 'social enterprises' as "businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community, rather than being driven by the need to maximize profits for shareholders and owners". The UK government, in 2005, announced the 'Community Interest Company' (CIC), a social enterprise legal form under the Companies Act of 2004; these are employee-owned non-profit SEs

Spear et al. (2009) identified four types of SE in the United Kingdom according to their origins and development paths: 1) **mutuals** which form to meet the needs of a particular group of members through trading activities; 2) **trading charities** which develop commercial activities to fulfil their primary mission or as a secondary activity to raise funds; 3) **public-sector spin-offs**, which have taken over the operation of services previously provided by the state; and 4) **new SEs**, set up as new businesses by social entrepreneurs.

By 2009, the UK sought to expand its social change internationally, with the British Council launching the Social Enterprise Programme to create opportunities between the UK and China. The programme aimed to strengthen the government's role in developing the sector through knowledge exchange and capacity building. It supported aspiring social entrepreneurs by offering skills training, mentoring and access to experts from the UK's SE sector (Spear et al., 2014). Moreover, social enterprises in the UK can be organised by groups of citizens or individuals, and even corporations. They trade within the market, but earnings are reinvested into their business, they are also subject to limited profit distribution. This structure has been criticised for the paucity of reinvested profit (Third Sector, 2015).

2.3.5. Hybrid organising approach

Some researchers view social enterprises as hybrid organisations that combine the structures of multi-stakeholder organisations like business firms and public and third sector entities (Pache and Santos, 2013; Doherty et al., 2014; Ridley-Duff and Bull, 2016). A social enterprise's structure emerges through inter-organisational

relationships, capital, work integration, and community activities. As the approach leverages business activity to benefit society and/or the environment, it can be seen as a means to addressing a range of social, environmental and health and safety issues (Nicholls, 2008). It is not a 'one-size-fits-all' concept and is difficult to understand in terms of organisational structure (Teasdale, 2012).

Throughout the literature, there are many examples of approaches for this unique way of doing business. There is scope to five types of related social enterprises which differ according to their emphasis. These approaches might include cooperatives, community enterprises, charities with trading principles, social businesses, credit unions, fair trade organisations, mutual societies, social firms, and hybrid social enterprise (Martin and Thomson, 2010). A conceptual framework of research will be built on the hybrid organising approach of social enterprise relevant to this study (see Section 2.10).

2.4.   Definition of social enterprise

Definitions of social enterprise mostly mention a blend of social purpose and more traditional business activity. For example, Alter (2007) scopes a specific definition of social enterprise:

> "It is any business venture created for a social purpose – mitigating or reducing a social problem or a market failure – and to generate social value while operating with the financial discipline, innovation and determination of a private sector business" (p.18).

Similarly, the UK-based Social Enterprise Coalition (2007) provides a broad meaning of social enterprise as "dynamic businesses with a social purpose". Primarily, the definitions advocate those social enterprises are regularly concerned about achieving social and financial goals and meeting their social values through entrepreneurial, sustainable finance, and innovative means. However, many people (particularly researchers) have different ideas regarding what 'social enterprise' means. Table 2.1 summarises some of the main social enterprise definitions found in the literature. summarises some of the main social enterprise definitions found in the literature.

Table 2.1: Definitions of social enterprise

Source	Definition
Dees (1998)	Social activity that blends elements of both for-profit and non-profit approaches with innovation applied to a social mission.
Dart (2004)	"A social enterprise is a business venture differs from the non-profit organisation in terms of strategy, structure, norms, values, and represents an innovation" (p.411) to adopt a business as an instrument for social development
Harding and Cowling (2004)	"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" (p.41)
Thompson and Doherty (2006)	"Social enterprises – defined simply – are organisations seeking business solutions to social problems" (p.362)
Haugh (2006, p.5)	A social enterprise is a range of organisations that trade for a social purpose and pursuing business-led solutions to achieve social aims and the reinvestment of surplus for community benefit.
Robinson (2006)	A process of the identification of a social problem and solution with the creation of a social mission-orientation or a business-orientation entity that pursues the double/triple bottom line.
Yunus (2008, p.32)	"Any innovative initiative to help people. The initiative may be economic or non-economic, for-profit or non-profit."
Di Domenico et al. (2009)	Social enterprise is a new legal form differing from the typical legal forms, private corporations and non-profit organisations.
Santos (2012)	It is not-for private benefits that use trading to create a positive social and environmental impact
Van & Vredenburg (2015)	"Hybrid organisations integrate social and environmental goals with traditional motives of profit and shareholder value."

Table 2.1: Definitions of social enterprise

Source	Definition
Seelos and Mair (2005)	Social enterprise creates new models for the provision of products and services that cater directly to needs that remain unsatisfied by current economic and social institutions.
Doherty et al. (2014)	Hybrid organisations that use the dual mission of financial sustainability and social mission
Battilana and Lee (2014)	Social enterprises are organisations that associate the organisational forms of both charity and business at their cores.
Cornforth (2014)	Hybrid organisations that tend to achieve social (and/or environmental) purposes through form of business or trading activity.
Ebrahim, Battilana and Mair (2014)	Hybrid organisations that combine aspects of both charity and business at their core.
Goyal, Sergi and Jaiswal (2016)	Social enterprise is an organisational entity that integrates the social and economic value creation while being driven by the philosophy of "Serve and Survive".
Hai and Daft (2016)	Hybrid organisations serve both social and profit missions
Haigh, Dowin-Kennedy and Walker (2015)	Enterprises that combine two aspects of for-profit and non-profit to solve social or environmental problems while remain economically sustainable.
Pache and Santos (2013)	Hybrid organisations are driving a social mission while striving on a commercial business.
Jenner (2016)	"[An organisation which prioritises] the achievement of the dual social and economic goals."
Barakets et al. (2017)	An organisation that using commercial tools to achieve social benefits, doing a social mission, and engaging in trading to meet missions
Sepulveda, Lyon, and Vickers (2020).	social enterprises as organisations that trade primarily to support a social or environmental purpose, and which often take ownership forms that restrict the distribution of profit to shareholders.

Sources: cited in the table.

While some definitions of social enterprise are quite broad, others are more focused (Dees, 1998). Broadly, social enterprise defines innovative approach with social

focused in the for-profit organisations, an example of which could be commercial ventures with social objectives (Dees and Anderson, 2003). It could also include social entrepreneurship in the 'non-profit' organisations (Austin et al., 2004) or activity that blends elements between for-profit and non-profit motives (Dees, 1998). All these definitions broadly tend to focus on innovative approaches to solving social problems by entrepreneurism. Seldom is there a focus on the outcome of social benefits of those activities.

On the other hand, some researchers offer a narrower definition of social enterprise. For example, Emerson and Twersky (1996) and Robinson (2006) describes that it involves economical schemes that sustainably generate social value. Boschee (1998) refers differently characters of for-profit activities that help in balance an organisation's funds of 'social purpose ventures' that generate profit for its non-profit ventures.

As many organisations pursue business solutions to confront social problems, the terms relating to the social enterprise are often used interchangeably (Thompson and Doherty, 2006, p.362). Social entrepreneurship is recognised as the process by which social entrepreneurs generate and develop social enterprises (Defourny and Nyssens, 2008). Similarly, the European Commission (2015, p.9) outlines a social enterprise as "a business with primarily social objectives whose surpluses are reinvested in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners" (DTI, 2002, p.7).

As these specific definitions suggest, a social enterprise is a business organisation that involves in economic activity to focus on succeeding broader social, environmental or community objectives (Sepulveda, Lyon, and Vickers, 2020). In Europe, the public sector influences collective action by pursuing social goals through contractual agreements (Defourny and Nyssens, 2010). In the US, discourse emphasises market-based perspectives (Dees, 1998; Defourny and Nyssens, 2010). However, another approach has emerged which draws on both European and US perspectives and recognises any organisational form that aims to achieve positive societal impacts as a social enterprise (Teasdale, 2012; Doherty et al., 2014; Ridley-Duff, 2015).
Seelos and Mair (2005) define social enterprise as models creating for the delivery of services/ products that serve needs that remain unsatisfied by conventional economic and social organisations. They also complete their definition by link social needs with sustainable development goals. To clarify this definition further, Fury (2010) states that when a business entity run the solitary objective of maximising profit, it is not a social enterprise, regardless of whether it creates social value. The implication here is that

multipurpose organisation, which often offer diverse services that achieve social needs, can be classified as social enterprises. Additionally, Shaw and Carter (2007, p.421) characterise social enterprises as:

- Making an operating surplus by being directly involved in producing goods or providing services to a market.
- Having explicit social aims.
- Having strong social values and social missions.
- Being accountable to their stakeholders' groups.
- Distributing profits among stakeholders or for the benefit of the community.

Dart (2004) and Barakets et al. (2017) consider a social enterprise to be a business venture that brings communities and individuals for economic and social gain. Such organisations can invest their activities for the benefit of their communities. In addition, the annual World Social Business Summit is stresses four key principles of SE: shareholders in social businesses should not expect any financial return on investment; all profits should be reinvested for the social mission; goods and services should be sold at low prices to reach a high number of poor people; and the absence of public subsidies should guarantee full independence from the state (Defourny et al., 2020).

While definitions of social enterprises differ, they contain common themes which identify social mission (Dees, 1998), business principles, the operating sector, the processes, and resources social enterprises utilise, and innovation (Dacin, Dacin, and Matear, 2010) as the underlying drivers that enable social enterprises to create value.

The definition for this study draws from the works of Dees (1998), Thompson and Doherty (2006), Santos (2012), Pache and Santos (2013), Doherty et. at (2014), Cornforth (2014), Battilana and Lee (2014), Van & Vredenburg (2015), Defourny et al. (2020), and Sepulveda, Lyon, and Vickers (2020). It is as follows:

> Social enterprises are hybrid organisations that combine the organisational forms of both business and charity at their cores, and which apply a business-like focus to social and/or environmental missions.

2.5. Triple bottom line (TBL) value contribution

Social enterprises are often characterised in terms of aims and missions which emphasis three areas of contribution: social, economic, and environmental values (Bull, 2015; Kah, 2019). These areas are reflected both in definitions of SEs and the rationale for developing such enterprises (Faruk et al., 2017). Social contributions represent the rational outcomes created by SEs (El Ebrashi, 2013). Economic contributions are the monetary value created by their social activities (Peattie and Morley, 2008; Ridley-Duff and Bull, 2016; Littlewood and Holt, 2018). Environmental contributions reflect the impact of such enterprises on natural conservation (McLoughlin et al., 2009).

Traditionally, the overriding goal of commercial organisations has been to generate the profit they require to remain self-sustaining. Business organisations are, therefore, typically considered 'single bottom-line' mainstream organisations (Zainon et al., 2014). Social enterprises, however, offer new types of value generation that steer away from simple monetary gain and focus on tangible and intangible social benefits. Such benefits include social and environmental value creation.

Social enterprises are often considered 'double-bottom-line' organisations (Section 3.3.2) which aim to generate both economic and social sustainability (Kerlin, 2010; Ridley-Duff and Bull, 2016). Social enterprises exist for a variety of reasons, including promoting democracy, social justice, empowerment of minorities, entrepreneurship, and sustainable development. Their overriding aim is to work in partnership with their staff, service users, and support groups to achieve beneficial social, environmental, and/or economic outcomes.

Santos (2013) suggested that social enterprises are also viewed as 'Triple Bottom Line' (TBL) entities with social, economic, and environmental objectives. Social enterprises can be reimagined by conceptualising economic activity as a means of achieving societal and environmental (as well as financial) benefits. The TBL business model provides advantage by confronting issues related to economic, environmental, and societal. It does this by motivating relationships among stakeholders to implement a reasonable business model (Boons and Luedeke-Freund, 2013).

Social enterprise models often tackle the three TBL objectives whilst operating in challenging circumstances, particularly in developing countries (Yunus et al., 2010). Social businesses require the competence to manage the interests of numerous stakeholders as well as the skills and resources to reach sustainability and impact the individuals, organisations, and communities they cater to (Kay et al., 2016).

The nebulous nature of social enterprise has led to confusion regarding its value generation. Valentinov (2015) suggests that there are differences at play as a social enterprise is concerned. These include whether to maximise profit or not, whether to capture value as for-profits do, and whether to operate in a fundamentally different manner, as non-profits typically do.

While social enterprise creates value in a similar fashion to traditional, commercial entrepreneurship, what differs is who benefits from the value it generates. As discussed below, social enterprises typically generate economic, social, and environmental value.

2.5.1. Economic value generation

While economic value generation is not a "defining characteristic of social entrepreneurship", it "is crucial for social entrepreneurs to sustain their ventures" (El Ebrashi, 2013, p.190). The economic value generation is essential to a social enterprise as both a means to an end and a goal in itself.

Economic value generation is the objective of all commercial ventures and pertains to creating and cultivating revenue streams. Like all financial entities, until they reach a break-even point, social enterprises assure their finance covering start-up cost and maintain operations. Beyond break-even point, they must meet their business needs by engaging in commercial activity that generates consistent and sustainable revenue. While a business must be financially self-sustaining, it must also offer stakeholders/ shareholders approximately financial return.

Some entrepreneurs typically obtain finance from private organisations. As it is available at interest rates relative to the level of risk involved in launching a new business, the cost of investment is generally high (Bugg-Levine et al., 2012). As a result, these types of entrepreneurs have to continually increase the financial value of their businesses to ensure profitably.

The ability to attract funding plays a vital role in social enterprise (Bugg-Levine et al., 2012). The social enterprise has ability to generate revenue streams that meet its financial achievement rely on its missions and operations. Some social enterprises could be able to satisfy business requirements and secure funding from financial sources (Bugg-Levine et al., 2012). Good fiscal performance could offer social enterprises simpler access to multiple sources and cheaper loans. These create long-

terms investment and easier expansion social enterprises to be more ambitious and confident in its future development.

2.5.2. Social value generation

It has been suggested that the primary characteristic of the increasingly academically visible (Granados et al., 2011) organisations and processes that make up SE and social entrepreneurship (Zahra et al., 2009) is the capability to create sustainable 'social value'. Ultimately, social enterprises desire to create changes with people in sustainable ways (El Ebrashi, 2013, p.202). There are several methods they can do this. For instance, any social enterprise able to offer products and services at a cost a local population can afford delivers social value. Likewise, an enterprise's ability to open training schools and enable people to learn more and pass exams represents value. However, this is also true in less tangible areas like a social enterprise contributing to changing stereotypes. Social enterprise helps society to create and develop new opportunities that, in turn, bring about change in social values (Nicholls, 2006). For many organisations, this desirable goal to create changes in society drive their needs to perform both in financial value and social value sustainability (El Ebrashi, 2013).

In a social enterprise, the precise social value creation depends on its identified social missions. Mostly social missions address to generate a social impact and improve the wellbeing of the populations they target. Examples might include for-profit organisations seek to promote local young for their work opportunities, or microfinancing which support loans for the underprivileged (El Ebrashi, 2013). Likewise, the mission of Work Integrating Social Enterprise (WISE) organisations supports marginalised groups in self-sufficiency (including youngsters without adequate education and the care of the elderly).

There is not easy to create all social missions to be universally acceptable. For example, social enterprises that wants to intervene in areas like reducing racism, promoting family planning, improving the lot of the disabled, and giving power to groups of employees might encounter resistance from some corners of society (Kah, 2019).

2.5.3. Environmental value creation

One characteristic of social enterprise is "an organisation that applies business strategies to maximise improvements in environment and human and well-being, rather than to maximise profits for external shareholders" Robinson and Lo (2005). The strategy in environmental value can be created by several operational areas of social enterprise. The environmental mission within which social enterprises can activate is wide realisation due to increasing globalisation, influenced needs among communities, and a rising environment fund with growing commitment among grants (Mort, Weerawardena, and Carnegie, 2003, p.77). Environmental preservation and sustainable development are the areas where modern corporate social responsibility is most concentrated, and it is naturally very strongly featured in the role of social enterprises (Bornstein, 2004, cited by Nicholls, 2006; Smith and Young, 2003).

The number of environmentally inspired activities inside the (green) social economy continues to increase (Smith and Young, 2007; Bull, 2015; Faruk et al., 2017). Smith and Young (2007) note that in the UK the Department of the Environment, Food and Rural Affairs promotes social enterprises and activities that align with its strategic objectives, which include supporting sustainable rural regeneration, farming, and food production.

The recognition that most economic activity harms the environment has led to growing interest in areas like clean production and the innovative design processes, both in services and products, to minimise the use of natural resources and decrease waste (Urban, 2017). Similarly, the focus of consumption that involve the behaviour changes required to live within the preserved ecosystems and a consideration of how these changes might impact the economy.

Social enterprises continue to grow and influence areas of environmental degradation (Vickers, 2010). Several activities address social and environmental concerns, and these often revolve throughout alternative job opportunity and work initiatives that target underprivileged groups of communities. In Thailand, SEs emphasise the natural resources conservation and the environment protection. One focus is the country's marine resources and mountains that are central to many Thais generating an income. Both have suffered from the impact of environmental issues and require protection (Nitayakasetwat, 2011).

SE stakeholders represent a network of support, resources and expertise that addresses environmental issues through the understanding of multiple stakeholders and share their collaboration (Dees, 1998). One role SEs play is to enhance civic

involvement and inspire goodwill in society by increasing the number of volunteers involved in their projects. Improved social contribution can be achieved by reassuring environmentally friendly practices and contributing people skill, educational, and work experience (Thiemboonkit, 2013).

The emphasis of social enterprise is addressed economic, social, and environmental values which all pertain to dimension of financial, social, and environmental value creation. Despite this, TBL enables investors to "differentiate firms that are effective and well-positioned to guard their market competitiveness" (Ropor and Cheney, 2005). It can though become an adjunct of the traditional profit motive if the economic bottom line remains the overriding concern. This can involve projecting features of measurability and aggregation onto systems for which monetary value is not germane. However, the literature has not adequately addressed the areas related to sustainability. Showing the inherent complexity of TBL and how it is to apply within social enterprises become an interested academic perspective. TBL social enterprise must deliver meaningful understanding on the position and advancement of the three sustainability areas, of which the social and environmental aspects are more complex and require more in-depth analysis.

2.6.   Social enterprise as a hybrid organisation

This focuses on social enterprise that operates as a hybrid of non-profit mission and for-profit financial sustainability (Pache and Santos, 2013; Doherty et al., 2014). The social enterprises that follow a hybrid organisation model are often 'double bottom line' (Battilana and Lee, 2014) or 'triple bottom line' organisations (Robinson, 2006; Cornforth, 2014) that address social, economic and/or environmental issues. Most hybrid social enterprises have three main characteristics: they do business for social or environmental benefit; they have social or environmental aims; and they have social ownership (Bode et al., 2006).

Related to these characteristics, they generally exhibit that hybrid social enterprises are businesses that rather than distribute profit to shareholders, any profit is reinvested into their core activities or social/ environmental advantage (Doherty et al., 2014; Martin and Thompson, 2010).

Social enterprises have defined clear social and/or environmental goals. Examples might be to promote employment opportunities, the delivery of local services, the

production of healthy food, and the recycling of products. They adhere to social/environmental values that include a commitment to social development and environmental protection. They, in turn, are accountable for their broader community members who be served from social, environmental impact (Bode et al., 2006).

The last characteristics to determine hybrid social enterprise is their social ownership with governance and legal structures based on participation by stakeholder groups (Martin and Thompson, 2010). Battilana and Lee (2014) (whose study was the catalyst for a large part of this analysis) narrowed down a vision of the hybrid organisation by recognising that it has different organisational forms, identities, and institutional logics, as discussed below.

2.6.1. The hybridity of organisational forms

Social business hybridity is apparent in several stages of the organisational life of social enterprises (Battilana and Lee, 2014). Two approaches explain how the hybridity of organisational forms should be understood:

- Activity integration or differentiation: the core of organisational activities and the degree of integration or differentiation of the social and economic activities of an organisation. The enterprise undertakes one or two activities to achieve its financial, social, or environmental goals (Battilana and Lee, 2014). Enterprises could have varying levels of activity integration.
- Organisational structure and inter-organisational relationships: organisational structure mainly concerns the distribution of tasks between members (Battilana and Lee, 2014), the control and incentive system, and the governance and Board of Director (BoD) composition. The hybridity of organisational forms also concerns inter-organisational relationships that address areas like access to capital and outsourcing.

These two approaches to hybridity organisation can potentially become points of conflict and cause 'mission drift' - the "process of organisation changes" whereby the organisation "diverges from its main purpose or mission" (Cornforth, 2004, p.4).

2.6.2. The hybridity of organisational identities

Some authors see hybridity as a combination of organisational identities which include "the central, distinctive and enduring feature[s] of an organisation" (Battilana and Lee,

2014; Moss et al., 2011). Hybrids generally combine identities that would not coexist under 'normal' circumstances (Battilana and Lee, 2014). The compound identities within social enterprises might be advantageous and limiting, providing a broader range of individual elements but taking risk of sanction from internal and external organisation who classify with these legal forms (Battilana and Lee, 2014).

This suggests that it is not so much the multiplicity of identities involved in SE projects that allow for instability, but how members identify with them. Two categories of hybrid identity exist: 1) the "holographic hybrids" where multiple identities are common to the entire group so less internal conflict and less risk of mission drift is experienced (Smith et al., 2013); and 2) "ideographic hybrids" where distinct subgroups within the organisation carry its identities (Battilana and Lee, 2014).

This research draws attention to the fact that the makeup of a hybrid organisation can be a point of tension. The presence of managers who fully embrace an organisation's hybridity can positively influence its employees' identification with the hybrid nature of their organisation and limit potential internal conflict (Battilana, 2018; Besharov, 2013

2.6.3. The hybridity of institutional logics

Institutional logics are "macro-level belief systems that shape cognition and influence decision-making processes in organisational fields" (McPherson and Sauder, 2013: p.167). Such logics are the underlying foundation of an organisation's vision and represent tools that enterprise members can use to achieve different goals.

There are two main aspects of institutional logic. The compatibility of logics involves the relationship between their underlying rationales and how consistent they are with one another. The centrality of logics refers to "the degree to which multiple logics are each treated as equally valid and relevant to organisational function" (Besharov and Smith, 2014: p.12). Different combinations of compatibility and centrality can lead to higher or lower levels of internal conflict which, in a social business like a hybrid, can result in mission drift.

More precisely, it can be classified based on different logics, called managerial and bureaucratic. Managerial logic emphasises market-oriented competition, efficiency, effectiveness, and accountability (Hasenfeld, 2015), whereas bureaucratic logic is an orientation of political decision-making, to treat clients equally, minimisation of risk and

maximisation of accountability. Hence, bureaucratic organisations endorse values such as rationality, carefulness, thoroughness, lawfulness and predictability (Coule and Patmore, 2013). In a context such as the USA or the UK, the institutional framework allows non-profit organisations to advocate and represent constituency groups as part of the activities expected of them and thus engagement in these activities helps to confirm organisational legitimacy (Coule and Patmore, 2013).

In certain hybrids, logics are not central, meaning that a single logic dominates the core of their activities. In 'true' hybrids, "multiple institutional demands permeate work activities in the organisational core, rather than being split between core and boundary" (Besharov and Smith, 2014). As such, a distinct set of logics influences the core of their activities. This concept of logic centrality helps to distinguish traditional organisations from social enterprises. The core of a traditional company with a strong CSR policy is influenced by a solely economistic, market logic, while its CSR logic (social and/or environmental logics) is mostly peripheral.

Hybrids that feature elevated levels of logic compatibility and logic centrality can benefit from relatively low levels of conflict. However, hybrids that feature higher levels of logic compatibility and low levels of logic centrality often experience even lower levels of conflict. Conflict can have multiple causes, and conceivably a non-organisational logical conflict could overwhelm social enterprises that have a higher degree of centrality. Moreover, from a mission drift point of view, a high centrality of logics combined with no clear hierarchy results in continual conflict at the core of an organisation and leads to contradictory prescriptions for action.

2.7.   The concept of Public Sector Social Enterprise (PSSEs)

As mentioned in an earlier section (See 2.3.3), while SEs are influenced by institutional factors at the macro level, SEs do stem from all parts of the economy and can be related to different organisational backgrounds—namely, the non-profit, the cooperative and the business sectors—that exist in almost all countries (Defourny et al., 2020). This support by the International Comparative Social Enterprise Models (ICSEM) presents a typology of four different social enterprise models (See 2.3.3), which also separates organisational types into distinct hybrids: 1) entrepreneurial non-profits (ENP), (2) social co-operatives (SC), 3) social businesses (SB), and 4) public service social enterprises (PSSE) (Defourny and Nyssens, 2017). The improvement of SE moverment is sociologically aligned, and network theory gradually replaces

rational-choice theory because of the Public Service Social Enterprises (PSSEs) innovative contexts (Coule and Patmore, 2013).

Public Service Social Enterprises (PSSEs) arise when an enterprise that is funded or regulated by the state operates as a separate entity and is able to exercise independence from state bodies whilst improving access to public goods or services (Sepulveda, 2014). The concept identifies the public sector origin of these organisations as a key feature, emerging as they have from the reconfiguration or externalisation of former public services and with the policy expectation that the newly created social enterprises will be more efficient and innovative than their public sector counterparts (Defourny and Nyssens, 2017). SE align with different forms of wealth creation and PSSE is one approach of SE development. PSSEs evolve from the desire of people in the public sector and charitable institutions to rethink how public services and benefits can be created.

Its characteristics include public servants who assume that enterprising individuals can create PSSEs that work with community leaders and create partnerships with other social enterprises. It offers wealth-creation opportunities through the protection of financial wealth through improved access to higher quality public services (Ridley-Duff, Wren, and Mcculloch, 2020). Bull (2015), however, challenges the concept of PSSE because each SE is constituted through one of the other legal forms. All PSSEs choose between Charitable Trading Activities (CTAs), Co-operatives and Mutual Enterprises (CMEs), and Socially Responsible Businesses (SRBs) enterprise orientations (Ridley-Duff and Bull, 2016), and their three configurations align with the same distinctive SE types (Cornforth, 2003).

The hybrid of social enterprise address issues in reducing environmental mismanagement and poverty reduction, and is the reason that NPM is responsible for linking business, co-operatives, and mutual enterprises on the government policy (Defourny and Nyssens, 2021). Moreover, the disruption of globalisation links worldwide together with technology, social institution, economy, trading, and many missions. The network and system of NPM from distance supposes to be developed and de-localized for the international facilitative and effective of service enterprises (Denhardt and Denhardt, 2015).

Inter-organisational governance and participation for the model of PSSEs are key strategies in achieving high competency in public service delivery (Hazenberg and

Hall, 2016). The concepts of entrepreneurship for new public management needs the relationship between the employee, managers, and shareholders to design a best fit model of service enterprise (Achbar et al., 2004). The legal forms the design of the PSSE model l to align with multi-stakeholder governance, the accelerative changing of technology, and participatory democracy. The result of this concept brings about a reduction in the cost of management and an increase in successful organisation by management teams (Murray, 2010)

Resources require linked cooperation in the connected global economy, so innovative economy and trading requires more sophisticated theory to take care of commodities, the environment, and market mechanisms (Fukuyama, 1995). However, the rise of social enterprise forces the market to play a limited role and work under democratic institutions (Nyssen, 2006). The business sector could generate and distribute benefits for the dimension of social enterprises under government power. Social enterprises are strategic models to protect citizens and social enterprises by crises that ruin economic and financial systems, such as the Asian crisis in 1997 and the UK/US in 2007-2008. Such are examples of tricky situations beyond the control of the state (Harvey, 2010).

2.7.1. Cross-sector models of social enterprise

Cross-sector models offer more factors to conceptualise a position of social enterprise as a way of bridging sectors and combining logics of public providers, businesses, and voluntary organisations. Cross-sector models bring together organisations from divergent sectors with different logics and are a way to understand divergent organisational forms (Di Domenico et al., 2009). This helps in acknowledge the potential for social enterprise in the public and private sectors and provides a guiding approach for social entrepreneurship. A distinguishing feature of many social enterprises is their adoption of 'alternative' mutual governance forms which allow for shared ownership and the participation of their employees and community stakeholders in organisational strategy (Cornforth, 2003). Social enterprises generate bridging social capital and connections between individuals who are dissimilar with respect to socioeconomic and other characteristics, among the double bottom lines and triple bottom lines through SE activities combining networks of different stakeholders across both local communities and broader levels (Kopren & Westlund, 2021). Moreover, cross-sector models are able to link various frameworks and structures to catalyse more streams of support and resources among parties (Ridley-

Duff and Bull, 2019). Cross-sector models are recognised as valuable inter-organisational arrangements by the development of SEs hybridity and by the bridging of the three logics of the state, private, and voluntary/community sectors that serve multiple interests. This model provides a mechanism to understand multi-stakeholder interests and the benefits of adopting hybrid organisational forms across all sectors.

2.7.2. The FairShares Model and Sustainable Development

The FairShares Model (FSM) proposes the empowerment of primary stakeholders using legal innovations in SE constitutions to support the reorganisation of power and redistribution of wealth (Ridley-Duff, Wren, and Mcculloch, 2020). The FSM offers a coherent development philosophy that acts as a bridge between the fields of social enterprise and sustainable development. This innovative model is for supporting sustainable development goals (SDGs) (Ridley-Duff, Wren, and Mcculloch, 2020). "Sustainable development depends on firms spreading financial and manufactured wealth equitably without harming any firm's ability to access wealth it needs for production activities" (Barrbier, 1987; Gidding et al., 2002).

The FSM stated by Ridley-Duff, Wren, and Mcculloch (2020) related to wealth creation that manufactured and financial wealth are situated as something that emerges from (and which are embedded within) human, social and intellectual wealth. Products and services emerge from ideas (intellectual wealth) incubated and refined by networks of people (social wealth) who then organise production (using human wealth). It is this that enables tangible goods to be created (manufactured wealth) and sold in marketplaces (to generate financial wealth).

The conceptualisation of wealth is useful to both SE and sustainable development as it shifts away from finance to the nature of financial wealth creation, which states that: 1) sustainable development is advanced through the pursuit of wealth in its broadest sense; 2) SE contribute directly to different types of wealth creation; 3) the FSM is an effective way to intergrade the wealth-creating activities by SEs into sustainable development; and 4) It integrates CMEs to bring about SDGs by sharing the wealth, benefits, and interests of organisation and community stakeholders equally (Ridley-Duff, Wren, and Mcculloch, 2020). For example, famous restaurants, such as McDonalds, Starbucks, and Burger King sell food and services and they earn high profits. The profits should be shared not only with investors and employees, but also with customers, suppliers, communities, and all groups of stakeholders that engage in

the business (Ridley-Duff and David, 2018). The aim of FairShares is to balance the interests of social enterprise and sustainable development.

The FairShares Association and International Integrated Reporting council (IIRC) identify six forms of wealth: 1) natural, 2) human, 3) Intellectual, 4) social, 5) manufactured, and 6) financial. FSM influences on the co-operation in US, Asia, Europe, and Canada in the PSSEs that prioritised philanthropic social enterprises, communitarian pluralism design, and unitary governance principles (Ridley-Duff and Bull, 2019).

The multi-stakeholder approach in the FSM is one of many attempts to stimulate social solidarity enterprises. Comparatively, in single-stakeholder social enterprises, decision-making power is entrusted to an individual philanthropist, social entrepreneur or to a board of directors/trustees that acts as a sovereign power; Solidarity enterprises operate on a different logic, drawing primarily on the co-operations, involving both producers and users. A common issue is that conflicts of interest between stakeholders will lead to less efficient resource use and cumbersome governance. The FSM departs from other multi-stakeholder models by emphasising interests as well as people. Whereas other multi-stakeholder models focus on which membership group a person belongs to, under the FSM a person can belong to several groups. The FSM advocates membership for four primary groups—founders, labour, users, investors—based on the idea that common bonds can form when stakeholders use shared intellectual property to promote equitable voice rights and wealth sharing (McCulloch and Ridley-Duff, 2016).

2.8. New Public Management, New Public Governance, Citizen Participation

Numerous factors of globalisation impact on Public Service Social Enterprise (PSSEs) in the post-second world war period. The decline and fragmentation of established bureaucracies has brought a progressively more complex system involving the public, private and third sectors (Osborne, 2006). Strategic reform in public management can be characterised by successive models with different principles and values prevalent. the consequences of three public management models—Traditional Public Administration (TPA) to models like New Public Management (NPM) and New Public Governance (NPG)—for the changing demands of public sector (Osborne 2006). Briefly, the situation changes many concepts of NPM and government vision for social

enterprise, so it is a turning point for the initiation of governance principle for improving NPM to fit a new movement of SE.

2.8.1. New Public Management (NPM)

New Public Management (NPM) spread in the late 1970s and early 1980s (Osborne 2006) and it is identified as "an influential set of management techniques drawing on private sector performance criteria and practices" (Lapsley, 2009, 1). The public sector in most countries has been reshaped by reforms under the umbrella of NPM (Hood, 1995). The traditional, hierarchical, legalistic "Weberian" public administrations have been partly replaced by results-oriented public organisations as well as for-profit private firms or by a marketisation of the state itself (Hood, 1995). This approach is the result of combining two different ideas from new institutional economics and the business-type managerialism which is about reforming public sector and is originated from private sector (Hood, 1991; Osborne 2006).

The NPM became one of dominant approaches in public sector management. Improving the performance of public sector institutions increased the competence of these institutions. This approach, management methods from the private sector, including the new institutional economics components such as privatisation, reduced government size, outsourcing and customer focus is used and with the flexibility and softness in management structure and performance measurement. The key elements of NPM could be outlined :1) The acceptance and application of business managerial techniques as a path to increase efficiency and effectiveness in public service delivery; 2) A focus upon entrepreneurial leadership within public service organisations; 3) An emphasis on control and evaluation and upon performance management and audit; 4) A growth in the use of markets, competition and contracts for resource allocation and public service delivery (Osborne, 2006; Osborne, 2010, p. 3).

NPM which represented an attempt to make the public sector more business-like and to improve the efficiency of the public sector (Ferlie et al., 1996), has been criticised for its narrow focus in contributing to the management and governance of public services delivery (Osborne, 2010). Scholars argue that the intra-organisational focus of NPM could not reflect the inter-organisational and interactive nature of contemporary public services provision (Lindsay et al., 2014). Hood (1995) states that these principles are not accepted equally by all member countries of the Organisation for Economic Cooperation and Development (OECD). For example, Japan, the United

States, Germany, and Switzerland compared to countries like the United Kingdom and New Zealand are countries whose governments seem less focused on accepting these reforms in the 1980s (Hood, 1995). He pointed out that the UK offered fertile territory for NPM, because of its combined motive, for a government looking for efficiency, and opportunity, given the absence of checks on constitutional reform.

The concept of decentralisation in NPM was applied to set up this PSSE model to transfer service enterprise to local communities for improving the innovative social services that fit in local contexts of environment and condition (Defourny and Nyssens, 2017). This brings about the vision of employee and community ownership and improves the relationship between employees, managers, and shareholders in organisations. Moreover, NPM could use workforce and community ownership to solve the problem of globalisation by the creation of a social solidarity economy (Sahakian and Dunand, 2014). The social solidarity economy derives from the integrating of political act and social enterprise to establish business techniques such as fair trade, micro-finance, and recovered company movement. Furthermore, NPM challenges the business norm to protect jobs, employees, and communities from the impact of globalisation.

Therefore, NPM reforms understood as a style of organising public services towards the efficiency and efficacy of outputs including more focus on results and added value for money. The reform delegate options and increase flexibility, strengthen accountability and control, service oriented and customer oriented and changed relationships with various levels of government. However, in terms of the economic system, it is necessary to focus on Socially Responsible Business (SRBs) together with the participation of all sectors of society to bring about solidarity in the economy (Hood, 1995). In response to unmet needs or needs that are insufficiently met by the market or the government, social actors frequently propose new types of solutions. Networking (Osborne, 2006; McMullin, 2021) and collaborative arrangements develop among various groups of actors (public, private and third sector). They share resources and skills and exchange ideas and knowledge. As such, social actors may become engaged in collaborative governance structures to help address public and societal challenges.

2.8.2. New Public Governance (NPG)

In contrast, New Public Governance (NPG) refers to a new process of governing by increasing involvement and engagement of the broad range of actors in policy and service delivery (Jenson, 2017; Mendell, 2010). NPG has become an important lens through which the management of public services in the era of collaborative governance (Osborne, 2010; Lindsay et al., 2014). NPG captures a shift in the roles and responsibilities of bureaucracies and the engagement of private agencies, civil society organisations, and citizens which is due to demands for better-quality services, the drive for efficiency, and the contraction in the budgets for some public services (Osborne, 2010). It recognises the broad range of actors involved in service delivery, including individuals and organisations, in diverse processes of service delivery. Moreover, it emphasises how services are increasingly 'co-produced' in collaboration with stakeholders (Lindsay et al., 2014).

The NPG paradigm is also based on the rise of production and innovation networks in public services (Osborne, 2006). Rhodes applied the idea to public administration and public policy to refer the changing boundaries between public, private and voluntary sectors. There had been a shift from 'government to governance', that it was the mix of bureaucracy, markets and networks to mobilised public policy and public sector (Rhodes, 1996: 652). It is associated with the shift from a traditional public administration paradigm, through new public management, where one increasingly relies on the efficiencies of the private market to create public values, towards a more collaborative government represented by the NPG paradigm, where market and community logics, thus performance and procedural values, are combined and values are created by networks of public and private parties (Coule and Patmore, 2013)

This research could bring the way of NPG in which societal rules, norms and actions are structured, sustained, regulated and held accountable by people participation and the network of collaboration among social entities (Osborne, 2006). The public service perspective emphasises the accountability of officials to citizens, whereby officials serve and respond to citizens rather than steering society. It assumes that public officials will be motivated to serve by virtue of a commitment to the public interest and will respond to citizens' expectations of a healthy and responsive public service (Osborne, 2006; Denhardt and Denhardt, 2011).

Public organisations are particularly influenced by these movements, since they can be seen as the leading of policy (Entwistle and Martin, 2005). The role of the state and civil society in co-producing policy responses has reinvigorated resources around public sector and civil society collaboration, exemplified in the idea of NPG (Osborne 2006). Therefore, NPG advocates that networks, partnerships, and other collaborative arrangements can help to overcome fragmentation and to mobilise societal resources (Osborne, 2006).

This EMES International research suggests that governance mechanism brings about the framework of international PSSEs combines with mutual, general, and capital interest for the four models of the entrepreneurial Non-profit model (ENP), the Social Cooperative (SC) Model, the Social Business (SB) Model, and the Public-Sector Social Enterprise (PSSE) Model. Research on non-profit service organisations supports that the legitimation strategies deployed change, depending upon the degree of innovation. For example, incremental service innovators focus on reproducing and preserving existing norms (conforming), while disruptive service innovators focus their legitimation efforts upon advocacy and representing the interests of social groups (manipulation and selection) (Coule and Patmore, 2013).

Politics decide on the underlying core values that are being pursued, and governmental bodies, such as public parties, translate them into policy platforms, policy initiatives and public programmes. To do so, they adopt a certain management paradigm which gives them guidance on how to approach public values, and more specifically, how to approach a certain value trade-off challenge (Coule and Patmore, 2013). Management contexts get defined by the local political context (Stoker, 2006).

Political power and the public sector can also have important roles in determining strategies to deal with these sophisticated issues by 1) privatising service delivery; 2) diminishing the role of state manager in public service enterprise and using tax to subsidise; 3) enacting the law to bring about commitment and participation. Among the situations that change quickly, government needs to decentralise PSSEs to adapt the suitable practice model for specific and unique contexts for each sector, because all sectors have a difference perspective on the resources, performance, competency, weakness of operations, and controlling output.

NPG, especially when found operating in some local governments, influenced public sector reform on improving competency of CMEs, SRBs and SEs. The innovative

attitude of social enterprise service is necessary for the business sector. The management of business norms need to be set for SEs such as private investment, decision making, employee ownership, strategic about cooperative social responsibility strategy, decentralisation, and accountability (Dart, 2004). The output measurement aligns on a culture root, transparency, and monitoring function. The NPM with governance plays the important role to remedy laws and controls to establish a multi-stakeholder and network for outcome driven (Osborne, 2006).

Notably, New Public Governance, claimed to be a response to the shortcomings of NPM, has an inter-organisational focus, building on relations and trust (Osborne 2006). The alignment of citizen groups, business norms, private investment, and the hybrid model will provide the means for NPM to decentralize the decision making to locals for the high potential of service enterprises for all citizens (Dart, 2004).

The global development extraordinarily effecting on NPM, the fluctuation of politics, economics, technology, and environment force the NPM to adjust new styles of management, so only pure NPM principles may be insufficient to solve the problems of PSSEs and macroeconomic (Sahakian and Dunand, 2014). These are the reason that governance principal is necessary for new era of social enterprise effectiveness. Therefore, NPM could be improved by the concept of NPG for the innovative principles to eliminate the weakness of, and develop the competency of SEs.

2.8.3. Social enterprise and citizen participation

Citizen participation has been regarded as "the essence of democracy" and a "force for creating a sense of community and a sense of control over our lives and institutions" (Wandersman, Florin, Friedmann, & Meier, 1987, p. 534). In this way people develop a sense of community, an understanding that community members are connected with each other, that their power is shared, citizen involvement in public decision making, and that their individual actions involve the whole (Baum, 1997). In particular, the process of citizen participation focuses on the structure of voluntary community organisations, the value of empowerment, and the domain of community development. Concerning the processes involved in community-based, they found that citizen participation has wide benefits that can strengthen the social structure of communities and lead to approaches of personal and collective efficacy (*Baum,2015)*.

The purposes of citizen participation include increased knowledge, enhance authority, power, contribute problem-solving ability, communicating information, developing relationships, developing the capacity to act, and preserving or changing conditions. Citizens can exercise different amounts of power in engaging in these purposes. The means of citizen participation include groups and formal organisations, meetings, inquiries, action, and technical assistance. When 'citizen participation' refers to communities, participation poses questions of representation. Some citizens, particularly the better educated and wealthier, generally have greater ability to participate than others. (*Baum,2015)*

Most governments search for ways to involve citizens in the provision and governance of publicly financed welfare services. This cause from three general challenges: first is the challenge of an aging population, second is the growing democracy deficit at all levels—local, regional, and national—and third is the semi-permanent austerity in public finances, made more acute by the global economic crisis. The response to these three challenges varies between countries and across sectors of service provision (Pestoff, 2009).

Social enterprise is an emerging concept in a specific managerial practice and also a type of citizen participation. SE represents a specific type of citizen participation involving actions which lead a way for citizens to act directly and with some power on society. SE must be governed through a multi-dimensional perspective. the EMES approach is based on three dimensions emphasising the social, economic, and political dimension. The EMES approach to social enterprise considers briefly two concerns. The first concerns the need to specify the governance dimension in greater detail. It is clearly a political criterion related to democracy and democratic participation by members and/or clients and citizens served by a social enterprise. the EMES address that "a decision-making power not based on capital ownership". This is a participatory governance based on democratic decision-making of citizen participation (Pestoff, 2009).

The principle of NPG about SEs concentrates on the participation of community, employment protection, equality, social law, and sustainable economic management. NPG from the public sector needs the cooperation of private sector, state sector (government), and third sector to support social enterprises (Defourny and Nyssens, 2017). Although such SEs maintain a commercial structure, part of the value they create accrues to the commons as public goods (Ostrom, 2009). Thus, entrants into

moral markets may not capture the same level of economic value as their purely commercial counterparts (Dart, 2004). Therefore, SEs operating in moral markets often need to expend more effort to build relationships within their community and secure resources from those invested in their social welfare goals.

It is important to emphasise the interface between the government, citizens and social enterprises and to note that co-production takes place in situations that cut across the well-known notions of economic, social and political realities. An individual's decision to become engaged in the broad variety of SE activities is conditioned by the structures of political, social and economic institutions, and can be facilitated by public policy.

The private sectors and all sectors in society such as charity, business, and citizen propose their responsibilities on social enterprise management. The network and decentralisation strategy are significant for public policy, and is the reason that worldwide governments need to adjust rules and regulations for public service social enterprises to align on unexpected conditions. For example, the intangible services and products increase sophisticated problems for competency of government to enact law to controlling and protecting PSSEs (Gray, 2009).

However, citizens are not only consumers and co-producers of public services, but they are also members of the social enterprises, voluntary organisations and social cooperatives that provide such services. This brings issues of governance into central focus, and the governance of social enterprise is clearly a key issue. Moreover, under the NPG conceptual framework, PSSEs need the formalisation of measurement, culture shift, homeostatic control of management, more transparency, network, and legal remedies to establish inter-organisational governance and citizen collaboration to design to enhance quality public services. (Osborne, 2006).

The way in which the third sector or SE can deliver services and have an impact on society is related both to the global forces of marketisation and privatisation, on the one hand, and to the experimentation of new forms of citizen participation and co-production. Co- production is a core aspect of NPG and it not only implies greater citizen participation in the provision of public services, but also greater third sector provision of public services. Third sector provision of public services can, in turn, promote greater citizen participation, greater user and staff influence, and better service quality (Vamstad 2012). It helps to breach the barrier for citizen participation that otherwise exists in public and traditional for-profit services (Pestoff 2009). Thus,

co-production and NPG both have clear implications for citizen participation and the third sector provision of welfare services.

Thus, NPG is incredibly significant in reforming and developing PSSEs by integrating public policy, and business mission through the concept of citizen participation to motivate community management, local enterprise network, employee ownership, and co-operative participation. Finally, the NPM, NPG, and Citizen Participation concept could enhance an improvement of public service of social enterprises with governance. Social enterprise along the hybrid spectrum

Social enterprise is identified through different perspectives on organisational form. This section provides ideas on social enterprises as hybrid organisations in hybrid spectrum

2.8.4. The hybrid spectrum of social enterprise

Building upon this perspective, both Dees (2001) and Alter (2007) proposed the 'social enterprise spectrum' which provides a measure of an organisational boundary in term of its social focus. Non-profit and for-profit organisations are at opposite ends of the scale, while social enterprises (which have both non-profit and for-profit characteristics) fall somewhere in between (Table 2.2).

Table 2.2: Social enterprise on the hybrid spectrum

Features	Purely philanthropic	Hybrid social enterprise	Purely commercial
Goals	Social/ environmental value creation	Social/environmental and economic value creation	Economic value creation
Motives	Appeal to goodwill	Mixed motives	Appeal to self-interest
Methods	Mission-driven	Balance of mission and market	Market-driven
Profit distribution	Invest in social activities or operational expenses	Reinvested in mission-related activities and operational expenses, and retained for business growth	Shared with shareholders and owners
Accountability	Stakeholders	Shareholders and stakeholders	Shareholders
Sustainability aims	Social sustainability	Emphasis on social and economic sustainability	Economic sustainability

Source: adapted from Dees (1998)

The classification of social enterprises on the hybrid spectrum recognises their unique blend of business-related and non- business-related activities. Dees (1998) recommends social enterprises are hybrid organisations that mix the features of both purely philanthropic and purely commercial organisations reflecting in their goals, motives, methods, profit distribution, accountability, and sustainability (Dees, 1998, pp.56-57). For Alter (2007, p.7), the position of social enterprise hybridity is organised by their degree of activity as it relates to main motives, main stakeholder, and profit sharing such as use of income.

Another way of understanding hybrid social enterprise shows that, depending on their organisational type, they fit on a six-band spectrum. As shown in Figure 2.1, SEs fit somewhere between the spectrum's second band (private) and third band (non-profit). A hybrid spectrum based on Alter (2007) categorises social enterprises between non-profit organisations and socially responsible businesses that engaged in income-generating differ from traditional non-profits and traditional for-profits.

Figure 2.1: Social enterprise in a hybrid organisation
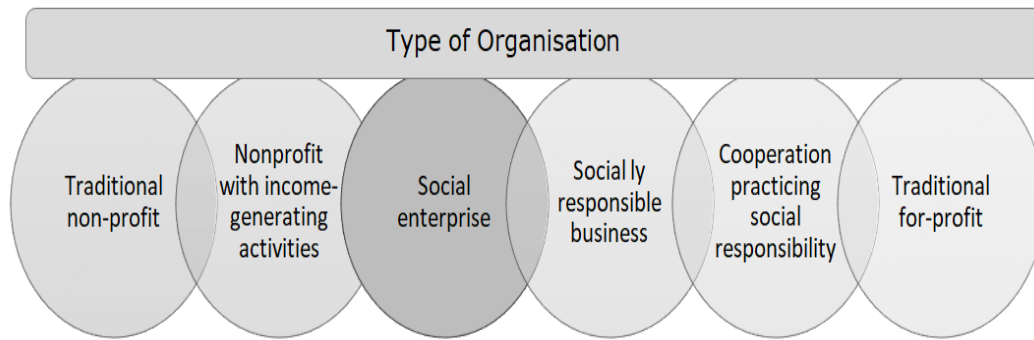
Source: Alter (2007: p.7)

This spectrum approach accounts for organisations that purposes to solve social/ environmental problems but also needs to turn a profit much like any organisation of a commercial venture. This approach can be adapted to SE practitioners' purposes.

2.8.5. Critique of the hybrid spectrum

Hybrids combine different organisational types into a single entity that typically bridges public, for-profit, and non-profit sector categories (Austin et al., 2006; Davies and Doherty, 2018). Their organisation involves specific activities, structures, and processes alongside the combination and understanding of multiple institutional logics and identities (Battilana and Lee, 2014).

A large number of heterogeneous definitions of what does a social enterprise (SE) abound (Ridley-Duff & Bull, 2019). Within the multiple and varied definitions of what constitutes a social enterprise, in this thesis has consider a social enterprise to be a "spectrum of options" (Ridley-Duff & Bull, 2019, p. 76) "between 'traditional non-profit' and 'traditional for-profit' enterprises" (Ridley-Duff & Bull, 2019, p. 76, based on Alter, 2007 and Dees, 1998). For the purpose of this paper, it endorses a definition of one specific model of hybridity of social enterprise, that purposes to solve social/ environmental problems but also needs to turn a profit much like any commercial organisation of a commercial venture (Ridley-Duff & Bull, 2019, p. 77, adapted from Alter, 2007). While the classic approach of most for-profit businesses, social entrepreneurs aim to scale their impact rather than their financial returns (Ridley-Duff & Bull, 2019).

Each sector has a dominant logic and organisational form. The logic in the public sector is based on generating public value which is the value that organization contributed to

society through services, laws, regulation and other actions (Moore, 2021; Brown et al., 2021), and the principle of collective outcome. In contrast, the logic in the private sector prioritises income generation from commercial activities and maximisation of returns to shareholders. However, the non-profit sector is characterised by a logic that supports philanthropy (Figure 2.1), advocacy, and participation. Hybrid organisations that blend the organisational forms, and values of both charity and business straddle the possibly competing demands of the market and public sectors (Ebrahim et al., 2014). As such, they could operate under circumstances of organisational complexity (Defourny and Nyssens, 2010; Davies and Doherty, 2018).

Mason and Doherty (2016) claim that hybrid social enterprises balance social/environmental and financial benefits rather than placing a greater emphasis on one over the other. As such, they put a commercial value on their social/environmental mission (Mason and Doherty, 2016). However, as they rely on commercially generated income to maintain their main operations, they risk prioritising commercial activities over their social mission (Mason and Doherty, 2016). This view is supported by Cornforth and Brown (2013) who recognise the triple mission social enterprises undertake as a source of tension. Social enterprises draw on conflicting logics to generate both commercials, social, and environmental value, and this can find expression in tensions between actors within an organisation (Austin et al., 2006; Doherty et al., 2014).

Importantly, the nature of hybrid social enterprises relies on accountability issues which cause difficulties for their governing bodies (Galaskiewicz and Barringer, 2012). Billis (2010) discussed that it answers critical questions on issues of accountability which are different for three sectors, social entities should know who they accountable for and what principles sectors. Battilana and Lee (2014) also acknowledge that social enterprises may experience challenges related to accountability to their primary stakeholders. As their governing boards must prioritise between social, environmental, and economic values, their structures and processes often face pressure.

Not all scholars agree with the advantages of approaching social enterprises with the hybrid spectrum. Billis (2010) claims that this hybrid approach is problematic since organisations "have a clear cut-off point evident when principal owners take the boundary-shaping decisions (closures, conversions mergers) according to the principles of the different sectors" (p.55). Previously outlined, the categorisation of social enterprises to distinctive spectrum is based on definite goals and principles of

those social enterprises. However, because often the goals and principles are distinctive, and conflicting, there are appeared that problematic to categorise organisations as being on a specific spectrum.

This debate partly represents the underlying objectives of this study- to understand how those operating hybrid social enterprises practically navigate seemingly contradictory rules and manage conflicting principles. For this thesis, the spectrum defines a social enterprise. The following sections focus on the organisational forms approach (proposed by Battilana and Lee (2014) and Doherty (2014)) to build a list of "areas of tension" that can arise in a social enterprise hybrid. As these tensions are a focus of this study, which also will be discussed the logics and potential tensions linked to conflicting organisational identities.

2.9. The areas of tension within social enterprises

This section discusses the intensity, extent, and nature of the conflicts in social enterprises. Changing the world is no easy task, and social entrepreneurs strive to sustain enterprises by bridging several sectors and trying to reconcile contradictory values and objectives.

This research suggests conflicting social, environmental, and business logics produce tensions in social enterprise organisations. As mentioned previously, operating between the different logics of charity and commerce causes tensions and difficulties for social ventures that aim to build economic and social/environmental values (Pache and Santos, 2013; Smith et al., 2013; Mair et al., 2015; Davies and Doherty, 2018). Managers of social enterprises have double or triple missions and are subject to stakeholder pressure when trying to accomplish financial sustainability and produce social/environmental outcomes. As such, they aim to build a strong relationship with groups of stakeholders (Mason, 2010). Organisations attempt to strike a balance by adopting practices from both logics (Section 2.7) (Pache and Santos, 2013).

The tensions inherent to social enterprises and hybrids are intrinsic to the nature of hybrid social ventures and can foster mission drift (Smith et al., 2013). External issues often cause social enterprises to lose their hybrid identity, and, in such cases, mission drift occurs cumulatively, through the conscious and unconscious adoption of micro-processes and small internal changes (Battilana and Lee, 2014). Mission drift is problematic as it often appears to be a formal change in mission or strategy (Cornforth,

2014). In contrast, it can seem related to changes in processes or the shift of service quality that an enterprise offers (Cornforth, 2014; Henderson and Lambert, 2018). An organisation must quickly discern whether what is taking place is merely a temporary adaptation (related extraordinary situations or designed to preserve an organisation's existence), or whether it genuinely represents mission drift.

According to the literature, social enterprises face numerous hybrid tensions, particularly when establishing themselves and trying to grow. As hybridity producing challenges and opportunities cause of tensions related to the multiple missions. This is particularly true when enterprises create operational processes designed to manage conflict (Doherty et al., 2014). A variety of studies outlined the various hybrid tensions that enterprises experience. Mason and Doherty (2016), for example, recognised four core tensions arising in social enterprises comprising balancing social and commercial missions, conflicting interests, producer participation, and resource pressures. Another study by Doherty et al. (2014) showed that social enterprises operate as hybrids between multiple competing logics, and this appears to influence tensions of mission drift, financial pressures, and workforce pressures.

The following analysis focuses on the core tensions identified by Mason and Doherty (2016) and the managerial tensions highlighted by Doherty et al. (2014). Figure 2.2 overviews the interplay between the paradoxes of SEs and the tensions within the organisations. It starts from the assumption that there is an inherent paradox in social enterprises integrating multiple missions. This paradox creates tensions amongst stakeholders and challenges their potential success. As a result, if they aim to achieve simultaneous social, environmental, and economic goals, those working in social enterprises could be navigated such tensions.

Figure 2.2: Core area of hybrid tensions
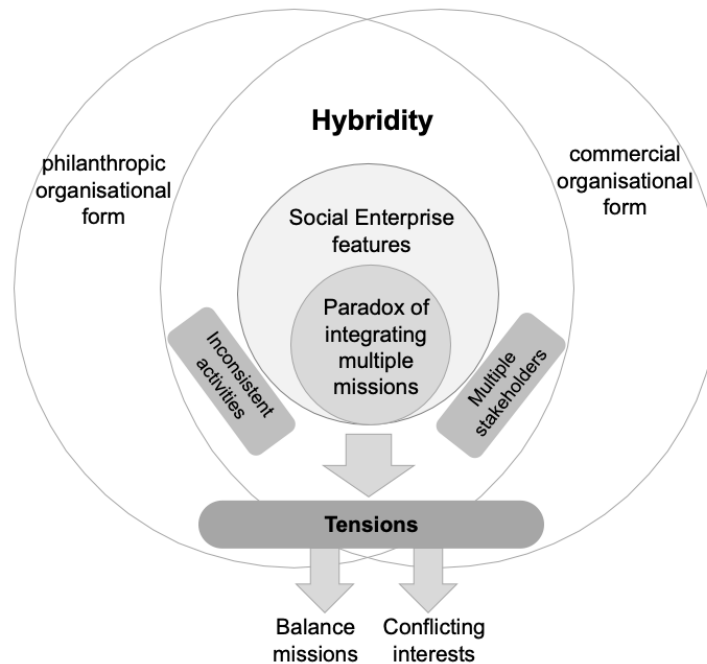
Source: adapted from Alter (2007); Doherty et al. (2014); Mason and Doherty (2016)

The concept of hybrid tensions has arisen as one issue of social enterprise research. Since a movement of organisation that simply represents multiple goals alignment between social, environmental, and financial purposes directly and seamlessly (Van der Byl and Slawinski, 2015). However, the triple goals alignment could raise issues in the broader managerial organisation (Hahn et al., 2015). Addressed by Smith and Lewis (2011, p.382), that paradoxes of organisation exist from integrated elements of multiple missions. Particular researchers argue that there is an intrinsic complexity existent in the effort of organisation to pursue social/environmental missions while drive by business missions (Battilana and Dorado, 2010). This complexity also indicates to the confronting of competed demands related to different aims (Smith et al., 2013; Jay, 2013). The paradox manifests to reflect characteristics of core operations in which create tensions for social enterprises (Smith et al., 2013; Mair et al., 2015).

Figure 2.2 firstly presents social enterprises as having multiple fundamental stakeholders alongside their opposing expectations. This competing regards the pursuit of social and/or environmental prosperity and financial sustainability (Ebrahim et al., 2014; Santos et al., 2015). Next, to achieve their objectives, SEs often engage in apparently inconsistent activities (Battilana et al., 2015). In turn, a persuasion of

these inconsistent activities also leads to a variety of conflicting goals. These include short-term orientation of economic output versus a longer-term vision for realising strategies that create social and/or environmental benefit (Smith et al., 2013).

To scope this study, social enterprises face tensions that manifest themselves in two principal areas: balancing missions and conflicting interests (Doherty et al., 2014; Mason and Doherty 2016). Missions drift might emerge when one mission change in process over one another mission. For instance, some social enterprises experience mission drift when requesting higher financial efficiencies and employing external experts to focus the maximization of commercial practices (Battilana and Dorado, 2010). There could be appearance when social enterprise overly prefers commercial activity above social/environmental goals, and this might eventually restrict their outputs (Cornforth, 2014). Table 2.3 summarises studies of hybrid tensions.

Table 2.3: Analysis of hybrid tensions

Core hybrid tension	Tensions
Balancing missions (Mason and Doherty, 2016)	Ensuring the missions do not drift away from identified multiple-goal accomplishment
	Rebalancing organisational goals to maximise their social impact
	Disagreements on mission priorities held by different stakeholders
	Lack of clear strategic direction of focusing on the commercial aspects
Conflicting interests (Mason and Doherty, 2016)	Conflicting demands among customers, stakeholders, and boards.
	Differing expectations on outcome between different stakeholders
	Inability to align interests for principal stakeholders, board members and managers

Source: Doherty et al. (2014); Mason and Doherty (2016)

2.9.1. Tension in balancing missions

The hybrid of social enterprises means they pursue the achievement of a combine multiple objectives, but in nature, confront with tension in balancing commercial and social/environmental objectives (Doherty et al., 2014). As one mission promotes volunteerism and altruism, the other promotes the models of a competitive business circumstance. This dichotomy might result in goal conflict, in turn, mission drift as one

objective is sacrificed for the other (Perrini, Vurro, and Costanzo, 2010; Doherty et al., 2014). Aside from this inherent conflict, several other factors contribute to mission drift in social enterprises. These include conflict amongst stakeholders in order to prioritise missions, unclear strategic direction, the source of funding, the governance structure of an organisation, which relate to its operational priorities (Cornforth, 2014). Likewise, mission drift is widespread in social enterprises that have a "social mission, as a primary goal that is separate from their original mission" (Cornforth, 2014, p.4). Beyond this, limited access to resources (e.g., capital and labour) force some organisations to decide between chasing economic missions versus social/environmental achievement (Di Domenico et al., 2010).

The social/environmental missions of an enterprise ought to be its absolute priority in comparison to generating income, and this differentiates its activities from the CSR activities of conventional commercial institutions (Wry and York, 2015). Finding an appropriate balance between their social/environmental mission and financial imperatives complicates managing social enterprises (Austin et al., 2006; Smith et al., 2013; Doherty et al., 2014). As they are often unfamiliar with areas like business management, many social enterprises are unable to operate successfully and fail to achieve a financial surplus (Martin and Osberg, 2015). In such cases, some organisations rebalance their aims to maximise their social outcome as defined with communities (Spear et al., 2009). Davies and Doherty (2018) identified causes of extension of hybrid tensions, these include shifting the equilibrium of value capture, (appearing to) prioritise social and environmental objectives over commercial objectives and shifts in the balance of the organisation. To deal with the complexity in their activities, some organisations engage in other activities that focus on different values, and these often foster further hybrid tensions.

As activities compete for management time and resources, an enterprise might experience a lack of clear direction and a shift away from the commercial aspects of its activity. Likewise, as internal units compete for resources, value creation might reduce (Arradon, 2007; Davies and Doherty, 2018). As hybridity of organisational form (Section 2.6.1) may exercise specific legal form and structures, social enterprises struggle with adjustments of the tensions shaped by the triple missions. However, they are unlikely to address these tensions by only reliance on a new lawful form, they might need precise organisational mechanisms that ensure overall strategic direction, governing, and accountability for their multiple missions (Battilana et al., 2012). The majority of social enterprise managers have called for additional regulation to mitigate

their mission drift as well as balancing goals (Battilana et al., 2012). As discussed earlier, this is crucial to dispelling the skepticism that social enterprises' triple missions tend to generate (Section 2.7.2).

2.9.2. Conflicting interests

SEs can experience both internal and external conflicts of interest. Internal conflicts typically stem from the differing roles played by board members, managers, and shareholders. Governing boards need complete agreement from all partners for making important decisions, but this can undermine their capability to respond to shifting market conditions. Individually and collectively, SE stakeholders struggle to determine who they are and what they do, and this can trigger internal conflicts (Smith et al., 2013). Employees might also find it difficult to compromise differing organisational identities (referred to as "belonging tensions") when dealing with different stakeholders (such as investors, donors, clients, and beneficiaries) (Smith et al., 2013; Johansen, 2019).

External conflict, as Crucke and Knockaert (2016) state, can exist when boards select representatives from different groups of stakeholders then confront discrepancies between the interests of distinctive groups. This might reduce social enterprise accountability and decline a triple goal accomplishment. Some external stakeholders struggle with the multiple values that a social enterprise attempts to generate. To enhance stakeholders' understanding, stakeholder involvement and effective communication with these particular groups can be considered but challenging because of the use of different terminology across various kinds of organisations (Teasdale, 2012).

Ebrahim et al. (2014) refer to "upward accountability" as a source of tension directed towards stakeholders like investors and owners that an enterprise can become dependent on because they control resources. They also recognise "downward accountability" which impacts the weaker constituencies of an organisation such as staff, supporters, partners, and beneficiaries (Johansen, 2019). The direction of accountability may lead to tensions, if the interest of those at the other end are ignored. As an enterprise might rely on them for part (or the totality) of their income, where clients .and beneficiaries are separate, clients could be a much more powerful group of stakeholders than beneficiaries.

These core tensions of hybridity are interlinked. While social enterprises are often associated with a variety of issues, they have also become associated with a range of legal forms, resources, and institutions related to prevailing national contexts (Kerlin, 2010). One example of links between these tensions is that a social enterprise's success is not measured purely in terms of revenue, but also on the results of its social accomplishments. Faced with financial competition, some social enterprises begin to place greater importance on reaching financial goals, potentially weakening how successful they might be in their social mission (Thompson and Doherty, 2006; Defourny and Shin-Yang, 2011).

To conclude this section, tensions are inherent to the nature of a social enterprise and mostly a result of the (large and small) decisions they make daily (Battilana and Lee, 2014; Cornforth, 2014). As discussed below, some characteristics of an enterprise can exacerbate such tensions, and this partly explains why some social ventures ultimately compromise their social, environmental, or financial goals.

To solve these tensions, some extant literatures identify two strategies: integration and differentiation (Battilana et al., 2015; Hahn et al., 2015). Integration strategy referes that social enterprises find solutions to tensions that contribution the commercial and the social or environmental logics (Battilana and Dorado, 2010; Smith et al., 2013; Battilana et al., 2015). In contrast, differentiated strategies that find solutions to deal with conflicting demands individually, separating each tension from others structurally. For example, allocating workers based on activity orientation related to social mission activities or financial activities (Battilana et al., 2015). Some tensions are sought solutions by temporary dividing between social missions from economic orientation (Jay, 2013).

Some organisations may decide to remain conflicting goals rather than solve them. Tensions can be potentially controlled to avoid increasing risks of mission drift and conflicting interest (Cornforth, 2014; Ramus and Vaccaro, 2014). This strategy leaves some space for an organisation to rearrange the opportunity to tackle tensions result in productive determinations (Hahn et al., 2015).

The following section will provide an overview of governance in the literature concerned of managing tensions between balancing multiple missions, and conflicting interests.

2.10. Governance

In organisational management studies, governance pertains to organisational rules, processes, and structures employed to govern an organisation. This adaptation to define in social enterprises as "strategic and leadership in operational board-level to enable defined stakeholders to create and maximise social benefit" (Mason, 2009, p.216).

To narrow, the following offers several governance definitions:

> "Systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation" (Cornforth, 2004, p.17).

> "The various institutionalised modes of social co-ordination to produce and implement collectively binding rules or to provide collective goods" (Borzel and Risse, 2010, p.114).

> "A collaborative entity [which] entails the design and use of a structure and processes that enable actors to direct, coordinate, and allocate resources for collaboration as a whole and to account for its activities" (Vangen et al., 2015, p.10).

> "Governance" refers to governing with and through networks, to network steering, there had been a shift from 'government to governance', that it was the mix of bureaucracy, markets and networks to mobilised public policy and public sector (Rhodes, 1996: 652).

Osborne (2006) addressed that "governance" is predicated upon the existence of a plural state and a pluralist state. The latest shift towards network forms of collaboration and horizontal ties between government, business, community, and civil society is largely in line with the move toward to the "process of governance" (Osborne, 2006). Rhodes applied the idea to public administration and public policy to refer the changing boundaries between public, private and voluntary sectors (Rhodes, 1996).

Governance mechanisms let social enterprises to ensure accountability and fulfil the social needs they should meet. Governance arrangements indicate the extent to which members determine the direction and performance of an organisation. Governance also deals with challenges and potential situations of conflicts (Spear et al., 2014). It

requires actors' behaviour to be directed towards the desired end and carries both dominant partners, core stakeholders and beneficiaries at the operational board-level (Mason and Doherty, 2016) and how stakeholders can be represented and involved in formal governance structures (Spear et al., 2009). Such structures help cater to the requirements of the various stakeholders, which could include diverse groups such as shareholders, employees, and customers, as well as governments and entire communities. This mechanism allows social enterprises to consider how to enhance participation from beneficiaries and communities.

The direction and management governance offer social enterprises is vital to create ability to accomplish social and/or environmental purpose because it shapes the structure, processes, and mechanisms that govern their potential arrangements (Baglioni and Calò, 2018). Previous research on social enterprise governance has focused on the effectiveness of governance models in balancing the economic and social missions of 'hybrid' organisations (Doherty et al., 2014). The hybrid structure of social enterprises involves bringing together a broader group of stakeholders in what may be new relationships that are important to improving social enterprise governance. These partnerships might involve external private funding, forcing organisations to adopt stringent financial controls, complying with detailed regulations, and improving overall performance (Smith, 2010).

2.10.1. Governance in social enterprises

The governance mechanisms applied to social enterprises guide decisions about how an organisation will function and are considered key to avoiding mission drift. As the inclinations of governors determine adhered by the competing principles of social enterprises, it is necessary to utilise governance tools that will help avoid problems created by conflicting logics. Governance relevant with tensions emerging in social enterprises addressed by Ebrahim et al. (2014. p.85) that:

> "Social enterprises are unlikely to resolve them without supportive mechanisms of organisational governance, as social enterprises will continue to face internal tensions between the social and commercial aspects of their activities no matter what legal status they adopt".

Another way to use governance structures to avoid mission drift and to manage the external dependencies that cause those conflicted missions is to appoint the people who control an organisation's mechanisms on social enterprise board (Cornforth,

2014). These people would have different interests and competencies that might include expertise and skills and relevant to the enterprise's missions. Those representatives may be selected for stakeholder groups, including workers, board of directors, and beneficiaries (Cornforth, 2014, p.11).

Social enterprises can manage tensions (see Section 3.8) through the dimensions and models of governance (Cornforth, 2004; Doherty et al., 2014). This ensures social enterprises maintain their joint work commitments with different stakeholders and reduces (or addresses) tensions by securing practical strategic plans and social and commercial sustainability (Doherty, 2014; Battilana and Lee, 2014).

A key governance role in hybrids is to evaluate whether their activities integrating in the main groups of missions and in the right beneficiaries. Also, whether the social performance of an organisation explicitly serves those beneficiaries (Ebrahim et al., 2014). It is for this reason that governance systems need to identify processes to enable individuals affected by its decisions to contribute their relationships with the social enterprise (Ridley-Duff, 2015; Defourny and Nyssens, 2016).

Hybrids' organisational features are suggested by Battilana and Lee (2014) that there are five dimensions to manage hybrid tensions respond to social and commercial logics. (1) mission, (2) conflicts composition, (3) organisational design, (4) culture, and (5) inter-organisational relationships. Organisations are more likely to legitimately represent multiple institutional forms and deliver different types of value simultaneously if they integrate these five dimensions of a hybrid's organisation (Battilana and Lee, 2014). As it will ensure their appeal to multiple stakeholders, they suggest that hybrids must maintain their legitimacy by integrating their activities, resources, structure, culture, and incorporating stakeholders into their actions. However, some social enterprises are not integrated their social and commercial activities, but remain differentiated (Battilana et al., 2012).

Governance offers insights into emerging tensions and manifest in organisations. It emphasises on mechanisms to manage both integrated and differentiated activities to reman missions and connects managerial experience with the interface between governance actors and core stakeholders.

In this study, two governance mechanisms exist to tackle tensions and mission drift in social enterprises. As discussed below displayed the board of directors of the governance structure and accountability practices.

2.10.1.1.Board of Directors (BoDs) and governance structures

Governance structures are formal operating procedures for decision making and implementing organisational goals, processes, and resources comprehensively (Van Puyvelde et al., 2016). As in conventional corporate governance, the board of directors is a governance mechanism intended to ensure management and organisational direction remain in accord with the interest of principals. In private businesses, these comprise of shareholders, but in social enterprises, they relate to the social/environmental objectives of the organisation as well as other stakeholders (e.g., local, and national government interests). As Battilana and Lee (2014) conclude that BoDs as mechanism of social enterprise in avoiding mission drift. They go on to suggest that "boards, in particular, are likely to play a key role in ensuring that social enterprises avoid... traps" (p.419). The BoDs, therefore, minimises missions' tensions arising among its numerous stakeholders and interests.

Organisational governance in SEs has several characteristics. First, it involves a group of people responsible for overseeing organisational management. Often called the board of directors or BoDs (the term used in this thesis), this group can also be called a board of trustees, management board, or governing body. Second, board members are responsible to a group of 'official members' of the social enterprise. This wider membership elects board members in one person, one vote. Third, voluntary board membership is a set of unpaid members. These board members do not typically contain the paid directors of an organisation, while board members might afford their times to work as volunteers (Van Puyvelde et al., 2016).

Board members, both volunteer and paid member, regularly have specific skills, knowledge, and experience can contribute to growth of an organisation, however, this is not true in all cases volunteer boards (Barker, 2002; Bridge et al., 2009). Because some volunteer board members are inconsistent with the changeable operations of prevailing business in social enterprises. In turn, such governance boards might do not foster ownership of social enterprise or even promote partnerships with a broader stakeholder. As this It might need knowledgeable board members aid to involve organisational forms beyond the immediate scope of the social enterprise (Etchart and Davis, 2003; Ridley-Duff, 2002). Likewise, voluntary board members tend to bring a more expertise-guideline than those in principles, and this makes a social enterprise difficult to manage (Dees, 2001).

Managing the range of characteristics apparent in social enterprises requires governance structures with various levels of formality, BoDs size, and composition. An organisation's size, its clients, the market it operates in, and the resources it has available also impact governance structure. The size of an organisation directly affects the levels of formalisation and professionalisation it requires. Beneficiary group concerns can also affect important aspects of governance, and these might include the degree of user involvement and the managerialism required (Spear et al., 2014). Smaller organisations can function with a more unofficial governance structure, whilst a complex organisation needs more in terms of managerial skills and expertise (Zadek and Radovich, 2006).

The type of market an organisation operates in, and the resources it has available have an impact on how it manages risk arising from policy changes or service delivery compliance (Spear et al., 2014). Additionally, the structure of hybrid social enterprises' governance boards includes representatives of stakeholders. The board has a role in defining policy and establishing its own governance structure, functions, and processes.

In hybrid organisations, the structure of a multi-stakeholder board could shape its governance model, board member relationships, monitoring system, and systems for ensuring accountability. Should board members design their internal functions and processes to carry out their aims, this might result in distinct types of governance structure emerging (Van Puyvelde et al., 2016). If competing interests clash, the composition and function of a board can prove problematic. A clear constitution which suggests the priorities of a social enterprise will help maintain its values and safeguard its social/environmental mission(s).

Social enterprises are encouraged to carefully consider the governance structure and board composition, this existing review point to the ability it brings to the operation, and how effective it is as a mechanism of achieving organisational goals.

2.10.1.2. Accountability

A definition of accountability is the "duty to provide an account of those actions for which one is held responsible" (Gray et al., 2014: p.38). In governance, accountability emphasises the 'performance' of board members and managers, particularly in terms of how they uphold their duties to stakeholders (Mason, 2009). These mechanisms have developed over the years (Rotheroe and Richards, 2007). For example, Ebrahim

et al. (2014) examined the governance challenges hybrid organisations face when pursuing a social mission using market mechanisms. They conceptualised two challenges to governance: accountability for double objectives, and accountability to multi-stakeholders.

The challenge of accountability for double performances examines the arrangement of organisation in handling tensions generated by double objectives conflicts. The role of BoDs in prioritising and aligning conflicting objectives is vital as they help social enterprises maintain organisational hybridity and avoid potential mission drift. One strategy for dealing with hybrid tensions is adding members to the board with the skills to enhance its performance (Ebrahim et al., 2014). The accountability of multiple principal stakeholders is the role of BoDs in managing tensions generated by multi-stakeholder conflicts. The roles in prioritising interests and integral to effective governance. It should focus on individuals as well as the performance of management teams and the board. Social enterprises face issues of accountability, particularly in the areas of governance and performance. As they often have small boards, limited numbers of staff, under capitalisation, and lack strong external connections for engagement of the board and staff, this is typical of non-profit organisations (Smith, 2010).

A social enterprise can address accountability issues are likely related to its performance of dual objectives and its achievement of the requirements of multiple principal stakeholders. Ebrahim et al. (2014) propose three approaches to solving these tensions: monitoring the relationship between different activities, developing suitable control strategies for supervising manager performance, and establishing participated forms directed to beneficiaries and principle stakeholders.

The legal status of social enterprises is insufficient to ensure their continuity. There is a requirement of "supportive mechanisms of organisational governance" (Ebrahim et al., 2014, p.85) in the form of accountability for people in positions of responsibility and those engaged in the social enterprise activities. It considers the involvement of key actors within a social enterprise in managing tensions. Monitoring the behaviour of managers should also be a priority as it is an effective way to check this issue. Likewise, an enterprise can avoid mission drift by considering the suggestions of its governors.

The formal structure (board–stakeholder representation) of an organisation and its accountability mechanisms for agents and workers make up governance. As the

correct organisational structure benefits social enterprises, they should identify problems with governance mechanisms and propose solutions. The academic literature suggests the principal source of mission drift is rooted in organisational governance and created stress from BoDs who represent different interests and campaign for some over others. Likewise, if they are not primary stakeholders, the managers of an organisation might also engage in such pressure. Corporate analysis refers to this as the principal-agent problem (Van Puyvelde et al., 2016). It is of paramount importance that social enterprises adopt strategies to avoid giving in to such pressure.

2.10.2. Governance theories

This sub-section employs two analytical theories: the stewardship model and stakeholder theory. When applied to organisational governance, these theories focus on whether managers accurately represent their board members' interests or not. They also aid an understanding of the role of social enterprise boards. They are discussed below, and their strengths and weaknesses considered in tables 2.4 and 2.5.

Table 2.4: Stewardship governance theory strengths and weakness

Strengths	Weaknesses
Emphasising the partnership between boards and managers (Cornforth, 2003).	Entailing low control of managerial actions by managers (Huybrechts, 2010).
Improving top management decision-making (Muth and Donaldson, 1998; Cornforth, 2003; Spear et al., 2014).	May excessive in financial maximisation, through sales, dividends, or financial measures, which prioritise financial performance (Low, 2006).
Improving the performance of the organisation (Cornforth, 2003; Low, 2006; Spear et al., 2014).	Governance structure relies less on representing varied interests (Low, 2006).
Using a strategic function for implementing the mission (Spear et al., 2014).	Leading social enterprises to prioritise their own financial survival, regardless of their social/environmental impact (Baglioni and Calò, 2018).
Managers contribute their managerial skills (Muth and Donaldson, 1998).	May overlook the practical systems of sub-unit structures controlling activities, affecting managerial performance and social mission (Low, 2006).
Requiring a forward vision to understand the organisation and its environment (Spear et al., 2014).	
Acquiring expert members who have qualifications, skills, professional backgrounds, business experience, and networks (Cornforth, 2003; Iecovich, 2005; Low, 2006; Spear et al., 2014).	
Boards and managers gain joint meeting and training to operate effectively as a team (Cornforth, 2004; Spear et al., 2014).	
Focusing on quality of relationships within the organisation in facilitating the achievement of the social mission (Mason et al., 2007).	
Board and managers are capable of managing organisational resources for greater returns (Low, 2006; Spear et al., 2014).	

Sources: As given in the table

Table 2.5: Stakeholder governance theory strengths and weakness

Strengths	Weaknesses
Incorporating different stakeholders in the board (Cornforth, 2003; Mason, 2007, 2009; Spear et al., 2014).	Experience tensions because staffs might be accountable to more than one group, who are their main targets (Spear et al., 2014).
Emphasising the variety of social interests (Mason, 2009; Baglioni and Calò, 2018).	The matter of prioritising and shifting away of the needs of different stakeholders and the intended group of beneficiaries (Baglioni and Calò, 2018).
Capturing multidimensional expertise and multiple resources for the organisation (Cornforth, 2003; Defourny and Nyssens, 2006).	Possibly ineffective balance of identified needs, causing mission drift (Baglioni and Calò, 2018).
Emphasising the setting of multiple goals and diverse missions due to having diverse stakeholders (Defourny and Nyssens, 2006).	Tension from negotiating and conflicts interests of different stakeholders (Cornforth, 2003; Spear et al., 2014).
Boards have the power to make a decision on conflicting interests and to prioritise interests (Baglioni and Calò, 2018).	The tension is arising from the broader political climate, which distorts organisational values (Spear et al., 2014).
Organisational interests are explicitly recognisable (Baglioni and Calò, 2018).	The complexity of multi-stakeholder board likely hard to satisfy competing logics (Mason and Doherty, 2016).
Allowing social enterprise to reach a range of societal needs by involving different actors become the organisation's points of reference (Baglioni and Calò, 2018).	Carrying in multiple claims on organisational missions, operations, and performance (Fransen, 2011).
	Managing multiple identities could lead to internal governance difficulties (Smith et al., 2013).

Sources: As given in the table

2.10.2.1. Stewardship theory

While organisations need to consider goal conflicts, they must also consider "stewardship situations" that managers share the alike interests as owners/shareholders and are encouraged to action in the best interest of organisations (Van Puyvelde et al., 2012). The stewardship theory refers that managers and organisation owners are partners having shared common interests (Davis et al., 1997) and want to work in the best interests of their organisations (Cornforth, 2004; Spear et

al., 2014; Van Puyvelde et al., 2016). It emphasises their independent (but complementary) roles and focuses on the positive relations between managers and boards.

As they are agents of shareholders, a function of a board is to ensure that managers manage organisational resources for maximum effect and utilise capital to increase value for principals (Cornforth, 2003). Boards and management work together to improve the strategic direction of an organisation, and managers are responsible for the implementation and success of the board's strategy (Cornforth, 2004). A social enterprise, aligning management and shareholder interests is not primarily intended to maximise value for principals. As such, this traditional corporate approach is not necessarily germane to managing a social organisation (Mason et al., 2007). Nevertheless, it remains true that boards emphasise effective decision-making as it benefits their organisational performance. They typically elect new board members who can use their expertise and networks to enhance decision-making processes and gain access to necessary resources (Iecovich, 2005). However, having non-management stakeholders in social enterprises often lack the knowledge and expertise to challenge management decisions. The stewardship theory emphasises selected experience from external members bring to a role, including diversity expertise. Muth and Donaldson (1998) also believe voting experts onto an organisation's board enhances its performance. Such experts should receive suitable induction, joint meeting, and training to operate effectively as a team (Spear et al., 2014).

The stewardship theory considers the quality of relationships within an organisation and looks at issues like levels of motivation, trust, collaboration, and empowerment (Van Puyvelde et al., 2016). While these elements are not related to the financial aspects of an enterprise, they affect the extent to which it achieves its social mission (Mason et al., 2007). The stewardship model suggests that while managers are generally capable of balancing interests and satisfying organisational strategies, they must align the interests of managers and shareholders to maximise profits (Clarke, 2004). As it suggests mechanisms to bring directors to account (Mason, 2009) and promotes a governing mechanism for use in a collaborative approach, this model explains the human aspects of governance (Slyke, 2007).

As social enterprises are sometimes dependent on external investment, the stewardship model provides potential investors with insights into an organisation's effectiveness (Low, 2006). Social enterprises that achieve their goals feature

governing boards that employ social processes to align business with the goals of their organisation. As they are beneficial in strategic decision-making regarding deploying organisational assets, they also leverage the experience of board members in managed organisations that gaining profit rather than social benefits (Low, 2006). This approach encourages shareholders to empower social enterprise boards to focus on the value of social benefits (Corbetta and Salvato, 2004). Additionally, it allows enterprises to increase fundraising efforts by winning additional investment from organisations that understand the effectiveness of asset management within a social enterprise (Thompson and Doherty, 2006).

2.10.2.2.Stakeholder theory

The stakeholder theory refers that organisation ought to be responsible for many groups of stakeholders more than only the organisation's shareholders or members (Mitchell et al., 1997; Spear et al., 2014). To ensure an organisation is responsive to broader social interests, boards and managers exchange to the representatives of a variety of stakeholder groups (Cornforth, 2003). The board's role is to steer the organisation's objectives and policy by addressing potential stakeholder conflict (Cornforth, 2004). The board is required to manage multiple identities at board level, especially assume significant external organised pressures; for example, in case working with multiple sectors) (Smith et al., 2013).

The stakeholder theory also incorporates 'stakeholder analysis' which identifies individuals or groups of stakeholders who affect an organisation, as opposed to those being affected by it (Mason et al., 2007). Adopting this model allows social enterprises to address social needs to meet a variety of their interests (Baglioni and Calò, 2018). Mason (2009) suggests that the stakeholder model is dominant in social enterprises, and Larner and Mason (2014) recognise that as social enterprises focus on social advantage rather than profit, they must consider the different stakeholders involved in an enterprise's activity. While obtaining an 'optimal' combination of relevant social interests might be challenging (Baglioni and Calò, 2018), it enables an enterprise to prioritise the needs of different stakeholders and address the risks associated with the enterprise losing focus on the needs of its proposed target beneficiaries. Governance mechanisms should ensure board members and managers balance stakeholder interests. Where there are conflicts of interest, boards can decide which interests to prioritise (Pestoff and Hulgård, 2016). Baglioni and Calò (2018) suggest that governance processes should prioritise some interests over others.

The stakeholder involvement is prominent in the public and non-profit sectors, where stakeholder analysis is more common (Cornforth, 2004). In the voluntary sector, there has been an emphasis on 'user involvement'. One group traditionally excluded from stakeholder groups is service users, and, despite the constraints of charity law, considerable effort has been put into adding members of this group to the boards of voluntary organisations (Locke et al., 2003).

Stresses often arise when a political board attempts to resolve the possibly conflicting interests of different stakeholders, and this result in often hampers the ability of a social enterprise to set policy and determine its objectives (Spear et al., 2014). The complexity of stakeholder governance likely difficult for boards to perform competing logics (Mason and Doherty, 2016) and tension also arises when a social enterprise attempts to gain legitimacy amongst a range of stakeholders.

As they might elect shareholders as members, there are constraints on social enterprises as far as which stakeholders can sit on boards. Allowing stakeholders to directly involved in the operations of an organisation might risk a shift away from the interests of the intended beneficiaries and priority given to the needs of some stakeholders above others (Baglioni and Calò, 2018). Conversely, with limited numbers of women and younger people sitting on boards, there are concerns about low rates of member participation and lack of diversity. In response to these concerns, there have attempts to enhance 'multi-stakeholder theories' into organisations which seek to fulfil those concerns with incorporate diverse stakeholders (Borzaga and Loss, 2006).

The multi-stakeholder theory of governance focuses on the actors involved in an enterprise and on relationship management. It recognises the length of time it takes to establish genuine trust amongst various stakeholders (Fazzi, 2012). As social enterprises add several demands on an organisation's mission, direction, and performance, and governance arrangements, these can emerge the tensions an organisation experience (Fransen, 2011). So, it is believed that when a social enterprise implements a multi-stakeholder governance, its benefits are visibly identifiable of those tensions. The processes of governance can also help prioritise the primary interests of an organisation above others (Low, 2006).

Separating board members who become shareholders of an organisation from those that control it is crucial to its success. Likewise, the continued growth and professionalisation of management are equally important. While governance

structures typically include experts on boards, stakeholders at the decision-making level often lack expertise and can derail some activities (Huybrechts, 2010). As such, experts are sometimes not in a position to significantly influence decisions. For example, a lack of expertise in product development, commercial strategy, or social development can have profound effects on decision-making in those areas. Ordinary co-operative board members often have experiential knowledge of areas like service delivery. As such, they add value to an SE and contribute to its improved performance.

Each of these theoretical perspectives is one-dimensional, focusing merely on a single aspect of a board's role in an organisation, which is to maintain organisational performance or obtain stakeholder interests. Researchers suggested that there is no one-size-fits-all perspective for organisational governance (Cornforth, 2004; Kreutzer and Jacob, 2011). Instead, tensions can be addressed by taking a multi-logic perspective and explicitly focusing on those involved in a hybrid. Through analysis, governance arrangements can be made to match relevant hybrid tensions.

2.10.3. Governance strategies effecting on social enterprise

The governance management are used to determine the standard of the best practice for worldwide public service social enterprises. It will be the implementation to facilitate and balance the role of organisation culture and democratic ownership on social enterprises. Because the primarily definition of social enterprise is to support and establish social and environment responsibility in all sections of society, the alternative governance form is necessary on unique contexts of the conditions. The ownership forms, profit of shareholder, community stakeholder, and employee participation play important role to enact the law and regulation, including organisation strategies.

The effectiveness of governance model concentrates on the integration of economic and social mission called "hybrid organisation model" (Doherty et al. 2014; Pestoff and Hulgard, 2016). The hybrid public service social enterprises model in public organisation should has firstly, social responsibilities and governance in business mission. Next, rules and regulations in mission supposed to align on the mechanism of participation and stakeholder. Finally, the policy and strategy of organisation need to generate the mutualisation of employee ownership (Mutual, Taskforce, 2001, 2002). The social enterprise coalition is significant for Communitarian philosophy to share value, individual right, equitable relationship, and corporate governance to establish the best practice of Communitarian (Ridley-Duff, 2007). In turn, the philosophy of communitarian pluralism leverages the power of individual freedom of thought, speech,

and association to reach collective agreements on mutual benefits for the members of a socio-economic enterprise (Ridley-Duff 2007). For example, the policy of PSSEs in UK focuses on market solution, trading income, the visionary of entrepreneur, and TBL, so it automatically brings about good governance to accountability and regulators both shareholders and stakeholders. It will develop a balanced set of relationship for sustainable communities (IFAC, 2003), including cultural norms, rituals, and institutionalised behaviours.   Social and community enterprises can take various legal forms but often adopt civil society sector governance structures which facilitate the democratic involvement of community stakeholders, including employees and service users, in strategy and decision-making (Sepulveda et al., 2020).

Social enterprises have proved a tendency towards leveraging and mixing market and non-market resources deriving from market-exchange, redistribution, and reciprocity relations (Defourny et al., 2020). The conceptual framework of PSSEs could focused on profit and non-profit organisation by comparing the stewardship model with the stakeholder model. For the steward model, public service policy is determined by the agents of shareholders, managers, and board of directors, to design the proper service enterprise on business for balancing business strategies with PSSEs. On the other hand, the power of decision-making is responsive to broader social interests, boards and managers exchange to the representatives of a variety of stakeholder groups. The board manage multiple identities at board level and ensure significant external organised pressures could be solve thought working with multiple sectors.

The strategies of governance management emphasis on corporate ownership, participation of citizen, and the relationship between business and community benefits to reach the best practice of democratic governance. Thus, actual missions and strategies are expected to bring about 1) positive social impact, 2) the ownership role of employees, and 3) innovative model or hybrid model of PSSEs for unique context in communities (Cabinet Office, 2001; Mutual, 2011). The significance of hybrid social enterprise model is to increase the mechanism of membership participation for PSSEs decision-making. In order to the implementation of formal governance arrangements which need to be understood in relation to the specific processes and practices by which organisations seek to engage employees and other stakeholders, notably service users (Sepulveda et al, 2020).

2.10.4. Governance arrangement in hybrid social enterprise

The governance approach is a mechanism of social enterprise strategies and activities that accounts for tensions in goal and mission balance and resource allocation. The board's role is to ensure an appropriate balance between the benefits of the organisation and its obligations to different stakeholders. The motivation of beneficiaries and communities is a leading driver of social enterprise activities and development. Issues arising from hybrid social enterprise governance create some tensions and limitations in terms of sustainable goals, and as a result, social enterprises require suitable governance arrangements to address such problems.

Table 2.6 summarises an analysis of the capability the two theories discussed above to address the tensions found in hybrid organisations (see Section 2.8)

Table 2.6: Analysis of core hybrid tensions and governance theories

Tensions	Governance theory	Analysis of how governance arrangement could help to mitigate the tensions
Tension in the balance of missions		
Safeguarding missions do not drift away from multiple goals	Stewardship	Organisational mission protected by board management
Imbalance organisational goals to maximise their social impact	Stewardship	Rebalance and improving the performance of the organisation
Disagreements on priorities held by different groups	Stakeholder	Setting and prioritising multiple goals emphasising on diverse stakeholders
Lack of clear strategic direction and a lack of focus on commercial aspects	Stewardship	Board has a strategic function and uses business skills to implement its mission
Conflicting interests		
Conflicting demands between the needs of customers and stakeholder board	Stakeholder	Managing and prioritising the variety of interests
Inability to align interests between core stakeholders, board-level partners, and management	Stewardship	Balancing the distinct interests of stakeholders in maximising organisational profit

Source: Author

The boards and managers of social enterprises can understand the hybrid tensions they face using an approach that combines multiple theoretical perspectives (Van Puyvelde et al., 2016). Comparing individual dimensions of stewardship theory and stakeholder theory suggests that boards might face tensions over the control and supervise managers. While social enterprises utilise the effective use of governance, the structure of the two governance models outlined above links governance with issues like balancing dual goals, conflicting interests, and resource allocation (Huybrechts and Nicholls, 2013). Although adopting a governance model is beneficial for a social enterprise, the benefit depends on member participation and the recognition of their rights to fulfil their responsibilities (Mason, 2010). More importantly, organisations that are capable of effective communication while implementing governance models are more able to achieve their organisational social and economic objectives, regardless of the form of social enterprise governance they adopt (Fazzi, 2012).

2.11. The conceptual and theoretical framework

As review above, social enterprises are hybrid organisations that combine the organisational logics of both business and philanthropy at their core processes, and which apply a business-like focus to social and/or environmental missions. Tensions occur when it becomes too difficult to achieve their 'triple missions' using their chosen business model. The discussion in this chapter suggests that the primary causes of tensions are inherent to the span a spectrum on either side of private and third sector organisations. The nature and goals of social enterprises intensify the tensions they experience. Since the logics of each sector shape their operation, when a social enterprise attempts to blend two or more aspects, this leads to tensions which can place it in distress and even cause it to risk.

This analysis displays management between governance theories and tensions. As some tensions manifested in social enterprises can be mitigated by governance arrangements, the empirical data was analysed to determine how such mitigation takes place. This research adopts Doherty et al.'s (2014) two areas of tension. It also aims to understand existing governance theories (the two governance models of stewardship and stakeholders) to elaborate tension mitigation. This will help to examine governance arrangement and identify the governance structures used in hybrid social enterprises in Thailand.

The conceptual framework to be used in this study is presented in Figure 2.3.

Figure 2.3: Conceptual framework for this study
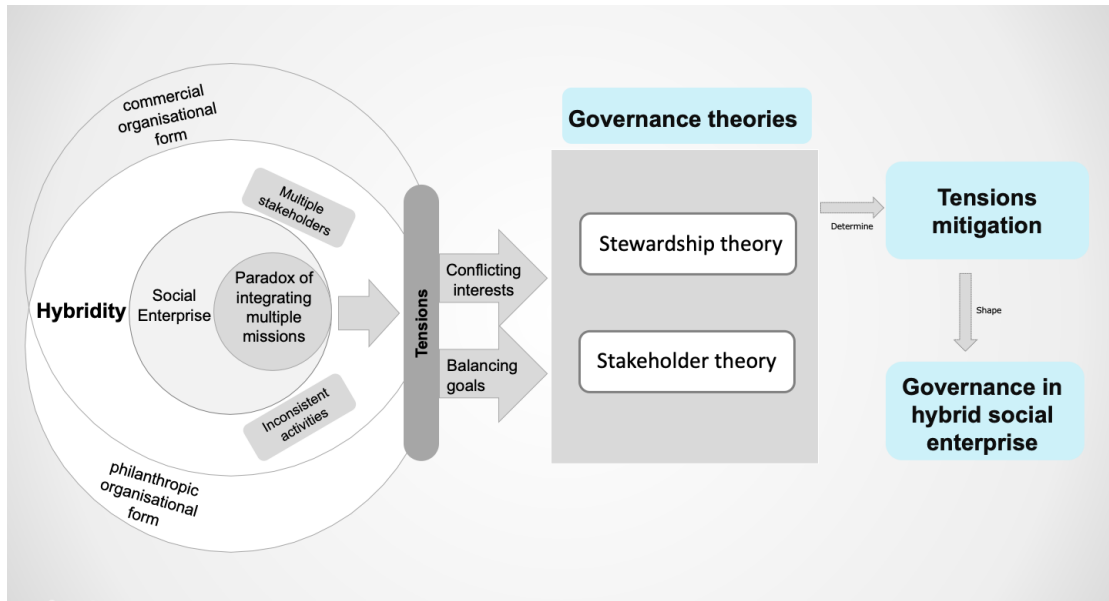
Source: Author

This research seeks to discover how Thailand's social enterprises develop and manage themselves. It considers how they address tensions, which aspects of governance arrangements they utilise, and how they manage these aspects. This conceptual framework shapes the research, which focuses on the hybrid social enterprise as considered by Doherty et al. (2014). It studies the various kinds of tensions apparent in the case studies the research conducted (as described in Chapter 5). To understand the reform of social enterprise in Thailand (which is still relatively novel) the case studies focused on how emergent tensions were mitigated. The governance theories reviewed in this chapter were used to analyse and understand the case studies.

2.12. Conclusions

This chapter presents critically reviewed of the existing social enterprise literature, comprising the definitions and trends that have emerged globally. The identified characteristics of hybrid social enterprise which will be the focus on this study. Hybrid tension was then reviewed, and its existence and forms in hybrid social enterprise identified. The governance theories have been reviewed with reference to literature in this field, explaining theoretical perspectives germane to this inquiry into social enterprise hybrid tensions.

This chapter also highlighted the critical gaps identified in the social enterprise review, which guided to the research aims and objectives, as discussed in Chapter 1. Relevant theoretical and empirical literatures, the hybrid social enterprise and governance aspects were found to be filled theoretical lens for scope this research. Hence, the last section presented the conceptual framework used to guide this study.

In the next chapter will present the background of Thailand and its social enterprise policy which will be used as a context of this study.

Chapter 3: Thailand Background and Social Enterprise Policy

3.1. Introduction

Thailand social enterprise has been selected in this study. The reform of national policy reflects the growth of social enterprises in the country. This policy, called Pracharath Rak Samakkee Social Enterprise, seventy-six new social enterprises have been established based on this policy.

This chapter explains the background and country-specific context for this empirical examination of the case of SEs in Thailand. The socio-economic background is provided, as well as the Thai government's social enterprise strategies and policies over recent years. The last section of the reform of social enterprise policy, Pratcharath Rak Samakkee Social Enterprise (PRS, 2016), is explained as the culmination of this chapter, as a basis for the subsequent case study research.

3.2. The background and Thailand context

Thailand is a country in Southeast Asia comprising 77 provinces, with a population of over 66 million people. During 1980-2020, Over four decades, Thailand has made notable development in lifting from a low-income to an upper-income country. Thailand has been a widely cited successful social and economic development, with sustained growth and poverty reduction (World Bank, 2020). The following sub-sections give an overview of Thailand and its socio-economic background.

3.2.1. Thailand overview

Growth of the economy of Thailand has an average annual rate of 7.5% from 1960 through 1996. After the Asian Financial Crisis, it was dropping to 5% of the period 1999-2005. This growth created jobs in helping millions of people out of poverty (World Bank, 2020). Gains made in multiple dimensions of welfare, for example, children received higher education, and populations mostly covered by health insurance as well as other forms of social security have also expanded. In 1988 to 9.85% in 2018, poverty declined substantially over the last 30 years, from 65.2% (UNDP, 2020). The growth of household incomes and consumption delayed nationwide in recent years. The poverty problem in Thailand affected the number of people living in poverty rising. This underlying stagnation is exacerbated by the impact of the COVID-19 (coronavirus) outbreak, due to which economic growth in Thailand expects to contract sharply in

2020 due to the drop of external demand affecting business and tourism, supply chain disruptions, and weakening domestic consumption (World Bank, 2020).

Thailand's poverty rate was increased from 7.2% to 9.8% between 2015 and 2018. The number of poverties increased from 4.85 million to more than 6.7 million. The increase in poverty in 2018 was extensive, arising in all four regions, and 61 out of 77 provinces. Poverty number increased by over half a million in both the central and northeast regions. The conflict-affected south became the highest poverty rate for the first time in 2017. The number of inequality (measured by the Gini coefficient) increased between 2015 and 2017. The average household consumption per capita grew, but the household consumption of the bottom 40% of the population shrank (World Bank, 2020). The country's economy appears resilient, and according to IMF (2019), it expects to advance at a moderate pace in the coming years, despite domestic political uncertainty. The year 2018 marked changed results since the ascension of a military-led government in 2014; nonetheless, the growth of economic decreased in 2019 to an estimated 2.4.

The National Strategic Plan (2017-2036) (UNDP, 2020) presents the government's 20-year national development plan, setting out frameworks and directions for all public sectors to follow. The plan places the achievement on the vision of "Thailand as a nation of Stability, Prosperity and Sustainability"; a "developed" nation as understood in neoliberal political economy. This emphasis on improving the business environment, boosting the country's competitiveness, and long-term economic performance highlighted within the development of six strategies: Security, Competitiveness Enhancement, Human Resource Development, Social Equality, Green Growth, and Rebalancing and Public Sector Development (DESA, 2017).

3.2.2. Economic background

Thailand has a labour force of 38.9 million people out of its 69.4 million population (World Bank, 2020). Its economy based on agriculture, which contributes 8.1% of national GDP and employs 30.4% of the population. The country is the largest producer of agriculture produces, which is a relative contribution to GDP has been declining as exports of goods and services have increased.

The unemployment rate remained very low in 2019 (1.1%) and projected to maintain the same level in the coming years. Results show that Thailand's official unemployment rate is among the lowest in the world due to low birth rate, lack of social insurance, and the informal sector employing the bulk of the workforce (UNDP, 2020).

The financial services are expanding and contributing to 56.9% of the GDP. Tourism plays an ever more critical role in the economy. Thailand received 35.8 million foreign visitors, which means an increase of 3.3% compared to the previous year (up to November 2019) (World Bank, 2019). Table 3.1 summarises national economic activities in 2019.

3.3. The emergence of social enterprises in Thailand

In order to understand the context of Thai social enterprises, it is crucial to know how they emerged and the role of the government in handling the phenomenon.

Thai social enterprises have long existed in diverse missions for health promotion, eco-products, fair trade, and community finance (TSEO, 2015). Still, they never gained international recognition until one of the non-governmental organisations (NGOs) in Thailand, the Population and Community Development Association (PDA), established in 1972, began to promote family planning, centring on rural regions, to support government policy. In the 1970s, when PDA was established, the Thai social sector regarded activities of NGOs as critics and opponents of the government.

This section will scope the background of social enterprise development in two periods of social enterprises, which is 2010-2015, and 2015-2020 (PRS) (Figure 3.1).

Figure 3.1: Timeline of emerging social enterprise in Thailand
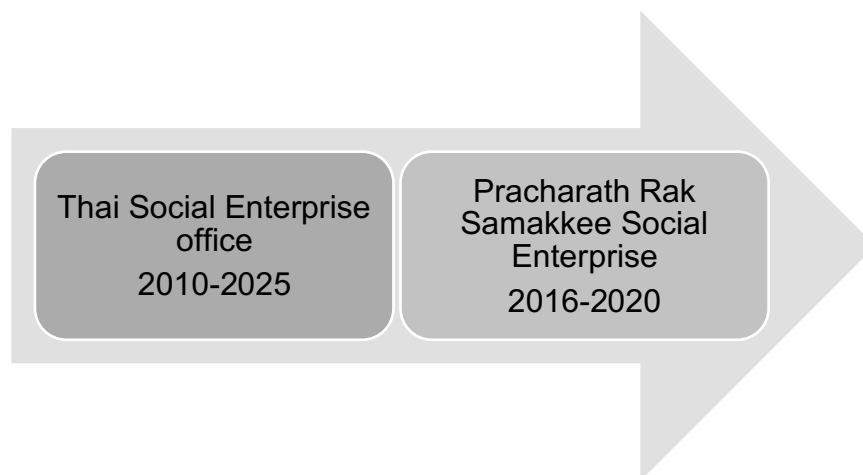
Source: Author

3.3.1. The emergence of the Thai Social Enterprise Office (2010-2015)

3.3.1.1. Overview of TSEO

In 2010, the Thai Social Enterprise Office was established under the Thai Health Promotion Foundation Act, Office of the Prime Minister during the time of Prime Minister Abhisit Vejjajiva. TSEO set up regarding the Thailand Social Enterprise Promotion (2011). Its primary responsibility is to create a supportive environment for every social section able to be part of creating the culture of social enterprise in Thailand effectively, with sustainability. The government issued the Thailand Social Enterprise Master Plan (2010-2014) to support the TSEO (TSEO, 2013). The government also appointed experts to the board of the TSEO.

Thailand has actively focused on developing its social enterprise sector after the government established the Thai Social Enterprise Office. This office designed policies for promoting social enterprises, followed by the Social Enterprise Promotion Act for 2011-2016. This Act facilitated tax relief for businesses establishing social enterprises, as well as tax incentives for impact investments and part of the Twelfth National Economic and Social Development Plan for 2017-21 (TSEO, 2015).

The concept of social enterprises was gaining traction in Thailand by 2011 (Berenzon, 2011). As for defining a social enterprise, Thailand has a formal set of characteristics of SE to operates for-profit and does not rely on contributions, donations, and grants, with significant goals to solve social and environmental problems. (TSEO, 2010).

The definition of social enterprise certified by TSEO is (TSEO, 2015):

> "Social enterprise is a business which has a clear objective to develop a community by solving its social or environmental problems. It must have a central revenue source from producing a service or product which is parallel to its social objective and must not concentrate solely on maximising profit for its partners or stakeholders".

The first Social Enterprise Master Plan (2010-2014) illustrated the mission of promoting acknowledgement and learning about social enterprises in Thailand, enhancing the form and efficiency of SEs and enabling financial accessibility (TSEO, 2010). This plan formed the basis for pursuing more concrete goals, as discussed below.

3.3.1.2. TSEO's social enterprise master plan

Establishing the TSEO created a definition and particular form of Thai social enterprises. This definition paved the way of understanding of social enterprises and

contexts social enterprises (Ekachai, 2011). It also involved the public and private sectors and civil society in addressing socio-economic issues in a more coordinated approach (TSEO, 2010). During 2010-2012, social enterprises were more acknowledged via their objectives and activities (TSEO, 2015). A clearer understanding and position of SEs was devised in law. Social enterprises have been developed in terms of efficiency, and their ability to access finances has been increased, facilitating establishment and expansion, providing more services (TSEO, 2010).

Based on the Social Enterprise Master Plan (2010-2014), TSEO was initially mandated to engage in four areas of SE activity: a learning environment; a new form and capacity; (3) a path to capital and resources; and (4) the generation of pertinent legislation and regulations. In terms of financial assistance, TSEO provided various forms of grants to social enterprises. In March 2011, along with Change Fusion and the UK-based international social entrepreneur support organisation UnLtd, TSEO launched a social enterprise start-up programme with a fund scale of £392,390, to provide seed funding for emerging social entrepreneurs. In 2012, supported by the Thai Health Promotion Foundation, TSEO launched the Social Enterprise Fund as the first social fund in Thailand with £1.1 million.

During 2010-2014, the number of social enterprises increased in many areas, with a 20% annual growth rate (TSEO, 2015). The Regulation of the Prime Minister's Office on Thai Social Enterprise Promotion AD 2011 was issued in May 2011. The regulation defines a "social enterprise" as a private-sector phenomenon, including people, groups of people, and communities, doing businesses with clear primary objectives to develop communities and society or the environment. Social enterprises can have revenue from producing and selling goods and services that have no purpose to maximise profit for shareholders or entrepreneurs or their organisations (Prime Minister Office, 2011, p.3). According to this Regulation, social enterprise is defined by the following characteristics:

- The production, the management, or product do adversely any long-term social and environmental context.
- Applying the Sufficiency Economy Philosophy (Section 3.4).
- Self-sustaining through self-funding.
- The majority of profits from operations will contribute to society in order to achieve the objective of tackling social problems or developing the community, society, and the environment, or otherwise giving back to society.

- Organisations can be in any form.
- Having good governance (TSEO, 2015).

Besides giving a definition and characteristics of social enterprise, this regulation appointed the "Thai Social Enterprise Promotion Board", which has the following authority and duties:

- Create policy, strategy, and a Social Enterprise Master Plan proposed to the Cabinet, to be approved and implemented, with monitoring of implementation.
- Advise the Cabinet to legislate or revise laws and regulations to facilitate social enterprises.
- Promote efficiency, performance, and appropriate forms of social enterprises.
- Promote financial and resource accessibility for SEs.
- Legislate related regulation to promote SEs.
- Report overall operation obstacles and difficulties to the Cabinet annually (Prime Minister Office, 2011, p.10).

A momentous change affecting SEs in Thailand occurred in late January 2016, when TSEO was dissolved after five years of operation. The direct reason for its dissolution was that the Thai government decided not to continue funding it for the following fiscal year, as the new government sought to rebuild the economy mainly through the consolidation of the technology and information industries (PRS, 2017). The following section discusses the recent reform of social enterprises, used as a case study of this thesis.

3.3.2. Pracharath Rak Samakkee Social Enterprise: 2016-2020

In 2016, the government reformed the social enterprise policy. Feedback from previous policy evaluations revealed failures that were used in the revised policy formulation process, which produced the "Social Enterprise Pracharath Project". It was expected that this organisation would lead this social enterprise sector, and incorporate the roles hitherto performed by TSEO. The reform policy emphasised social enterprise development (SED) and local economic development (LED), for the promotion of strengthening community activities to stimulate the local and national economies of Thailand (PRS, 2019).

During 2016-2020, the Thai government played an active part in social policy development by driving the formation of social enterprise policy (CDD, 2019). Government supports the development of the social enterprise from two policies. The

first was evident from the first policy of Thailand social enterprise development in 2010 (TSEO, 2015). And the policy of Pracharath Rak Samakkee in 2016 (PRS, 2019). This policy established a framework for social enterprise development for setting social enterprise organisations. This national policy is thought by the government to be caused by several factors including benefits that social enterprise brings, the necessity to introduce solutions that can solve longstanding issues, and the potential to develop productive partnerships. It highlighted the political vision of how social enterprises could be shaped, to foster and accommodate their growing role in Thailand. This PRS is discussed more in Section 3.6.

3.4. Pracharath policy and Sustainable Development Goals

The Pracharath or 'People and State Partnerships' policy comprises five main features:

- Official units – the governmental units distributed across the country, having necessary knowledge, budget, and duties specified by the law.
- The private sector – organisations operate business management.
- People sector who has the appropriate skills, production skills, and the people's love for their homeland.
- The academic sector – institutes possessing the knowledge, technologies, and research capacities.
- Civil society created its multiple networks.

One of the vital missions of the government is to build a foundation for Thailand 4.0, in which one of the most important mechanisms is mobilisation through the mechanism of Pracharath. Pracharath is a way to enable people to get benefits from the involvement of the government (Pracharath, 2016). Most economic and social problems are always interrelated and tend to affect each other mutually. Public problems of any country are always the most complex ones; thus, they always require tighter cooperation from many sides of society at the same time, among the official units or between the official units and other elements of the society. In the past, people were used to the top-down organisation of relations with state administrations. Today, we must cooperate in every possible way, which can be top-down, bottom-up, vertically, and horizontally. We must consider the holistic picture of the interrelated subsystems that are held together in a matrix. Under the Pracharath concept, the needs of the people are always the focus. The emphasis on participation and official units must encourage the people to think and, at the same time, express their needs and wants freely. The Pracharath strategy also assumes creative cooperation by

pooling the advantages of the government, private, academia, civil society, and people sectors, working together. This joint national power is expected to produce more effective and beneficial results for all citizens, making sure no one is left behind (CDD, 2019).

Thailand attaches importance to the concept of sustainable development, which has long taken root in the country, guided by the Sufficiency Economy Philosophy (SEP), conceived by the late sovereign, His Majesty King Bhumibol Adulyadej. SEP has been developed as the core principle of the National Economic and Social Development Plan since 2002. The current constitution has integrated SEP and sustainable development as integral parts.

The development approach based on SEP conforms with the core principle of the 2030 Agenda for Sustainable Development (UNDP, 2020). It can serve as an approach to support the realisation of the Sustainable Development Goals (SDGs). SEP has been adhered to by the government to promote a sustainability mindset and to provide guidelines for inclusive, balanced, and sustainable development. SEP will continue to be a principle in fulfilling the SDGs. The government has put forward the policies under the national strategy to end poverty in all its dimensions by using a development approach based on SEP. The SEP has been embedded into the National Economic and Social Development Plan since 2002 (the 9th plan).

The implementation of SDGs has shown that Thailand, as a middle-income country, is considerably equipped with means of implementation necessary for advancing sustainable development. Thailand's home-grown approach, the "Sufficiency Economy Philosophy" has been applied to the short-, middle-, and long-term development plans in a manner consistent with the 2030 Agenda for Sustainable Development (World Bank, 2020).

Thailand attaches importance to mobilising partnerships among different sectors to support the country's development scheme. In this plan (Section 3.5), the government has a mechanism to promote collaborative work among all sectors to strengthen social enterprise. In December 2015, the government, together with the private sector and the civil society, established the Public-Private Steering Committee ("Pracharath Mechanism") to reduce inequalities, alleviate human capacity and to strengthen national economic competitiveness. A working group was also established to push forth and support 13 priority issues regarding development in the agricultural, trade, industry, service, human development, economic, and social sectors. The

establishment of the Pracharath Rak Samakkee Social Enterprise in every province is part of this (PRS, 2016), involving the private, public, and academic sectors together with the people of local communities, working together to build the community's economy and sustainable happiness and prosperity through the implementation of the SEP. One of the establishments of a community enterprise in order to enhance the community's capacity to do business directly with modern trade chain in the country without a middleman; farmers can thus sell their produce at a much higher price. This type of Pracharath Mechanism can lead to achieving sustainable development at the local level (PRS, 2020).

3.5. Pracharath Rak Samakkee Social Enterprise (PRS)

This section provides the discussion of Pracharath Rak Samakkee Social Enterprise and particular context, which is the immediate context of the case studies in this study. The launch of the national Pracharath Rak Samakkee (PRS) social enterprise policy in 2015. PRS promoted a new social enterprise structure that enabled diverse sectors to work together under its guidance and governance framework, with no dividend payment made to shareholders.

3.5.1. The government policy of PRS social enterprise

Development of local economies is one of the primary objectives of the present government in Thailand (UNDP, 2020). There are many inequality problems in Thai society as a result of various types of development schemes implemented previously in the country. The major inequality-related problems belong to the following categories: income gap, lack of educational opportunities, employment, and stability, living conditions, land use, public health, drugs, the security of life and property, and overall well-being of families. All these mentioned problems are always interrelated and complicated. Together, they form a chain in which there is no beginning and no end; none of these problems can be solved separately as an individual phenomenon.

It is commonly acknowledged that the most significant economic household problems in the country face farmers living in the most remote rural areas. Some of these farmers are migrating to cities to find jobs selling food or being employed as labourers. In general, they have meagre incomes, suffer from work instability, have no savings, and tend to become life-long debtors. This situation creates many problems later on, for themselves and their families. The traditional rural idyll of a peaceful, simple, self-reliant, and mutually supportive village community is fading away. In this regard, the development of grassroots economic resources gives some hope. Local economies

are quite able to introduce stability, prosperity, and sustainability in society at the community level for long-term development.

The government has pledged a policy for local economic development aimed at increasing income sustainably for local people working in three focus areas: agriculture, product processing, and community tourism. The Ministry of Interior is the head of a government working group for Local Economic Development and Pracharath Policy (E3), representing the public sector. The Pracharath project was instituted to provide support for local communities to improve efficiency throughout the whole production process (PRS, 2016).

The core mission of the Working Group (E3) is to generate income for communities. This mission has implemented through the "Pracharath" mechanism, whereby five sectors work together collaboratively: the public, private, civil society, academic, and people sectors. The head of the working group stresses that the sectors jointly enhance the potential of local businesses in the long term, with goals promoting sustainable income in three categories: agriculture, processing, and community-based tourism. The working group provide collaborative work to drive local economic and social enterprise development under the San Palang Pracharath PPP initiative. In the process of the formation and implementation of Pracharath policies, the E3 Committee mutually established "Social Enterprise" called "Pracharath Rak Samakkee" which means 'The State and the People Love Harmony' in every province.

The working group embraces the principles put in force by King Bhumibol Adulyadej of SEP on the development of social enterprise, which summarised as "Understand, Reach Out, Develop". This principle applied before the execution of a development project. There needs to understand of locals and outreach to gauge their wants. Then will form the guidelines for resolving the problems they face. This development could correspond to the needs of the people, resulting in their happiness and sufficient income to support their families. This principle also aims to enable them to help others and society sustainably (PRS, 2017). Following the royal initiative to realise the needs of the people and help them to create opportunities for generating income and improving their quality of life. The ultimate goal is to drive the local economy in order to develop the country towards stability, prosperity, and sustainability.

Pracharath or 'people and state policy' works across 77 provinces in Thailand, supervised by provincial boards and a national steering committee. There is also financial funding in terms of a credit guarantee scheme providing £2,580,091

(exchanged 2 July 2020) to encourage banks to lend to SEs. Some critics have accused this of being a political tactic to win rural communities' votes for Pracha Niyom (populist) policies. Registered corporate SEs can seek promotional privileges and income tax exemptions. For private sector organisations who invest in registered SEs, their investment or donation can be regarded as an expense for a corporate tax deduction, as long as the total annual expenses do not exceed 2% of annual net profit. This policy shows the increasing influence of the market and state working together in the Thailand SE sector.

This policy first formulation has defined the particular policy development and implementation in the form of partnership covering the government, private, voluntary, and civil society sectors. The Social Enterprise Pracharath Project started with a partnership between the Thai government, bankers, particular companies, ministries (mainly the Ministry of Interior), community development departments, representatives from academic institutions, NGOs, and key figures from the civic sectors. They all have an association to initiate a forum of leaders to design the policy framework and define an organisational structure for implementing the SE framework. This policy framework includes guidance for local governments to apply activities and work with communities to create and market local products, strengthening the community in the social, environmental, and economic dimensions.

3.5.2. Public-private partnership in PRS social enterprise

The Thai government believes that a country can sustainably develop only when every sector is developing together, given that all provinces are interlinked and interconnected, through people, economy, society, culture, and the environment. The objective of Pracharath in this context is to reduce inequality, develop human resources, and increase overall competitiveness. Grassroots economic development committees and the Pracharath also have another explicit goal of strengthening the community economy, so that people have growth income. This policy encourages communities to become aware of how to combine forces and apply creativity for human resource development, and additional generation of employment and income inside communities themselves (NIDA, 2017).

The strengthening of partnership among countries to achieve all SDGs by 2030, and the Pracharath mission are crucial (PRS, 2018). Although the structure of Pracharath is new in Thailand, the E3 working group launched the guidance of contributing the partnerships for collaborative work in PRS to widen an understanding (PRS, 2018). The guidance stresses that when a PRS social enterprise has been established, a new

PPP structure of Pracharath facilitates representatives from five sectors: the public, private, academic, civil society, and citizen sectors, working together with flexible management under the legal framework and good governance (Figure 3.4) (PRS, 2018).

Figure 3.4: Public-private partnership (Pracharath) of social enterprise
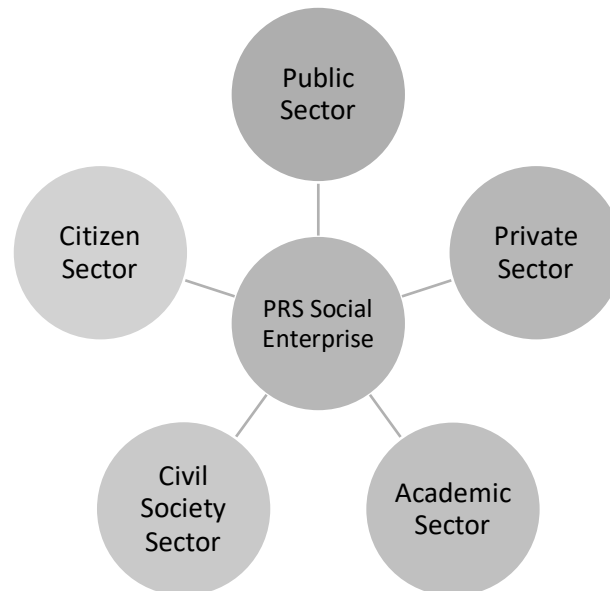
Source: PRS (2018)

The Pracharath (PPPs) encourages corporations to create SEs (Elinoff, 2019). The Thai government brought this concept into development by the Pracharath SE. The Thailand Prime Minister as the Head of the 'San Palang Pracharath' announced on 29 April 2016 the establishment of Pracharath Rak Samakkee, an umbrella organisation to coordinate the establishment of SEs nationwide. The model aims to strengthen Thailand's economy at the local level, empowering communities and enterprises. To do so, the government envisions a public-private-civil society nexus acting in the interests of sustainable development through the execution of four strategies: governance, innovation and productivity, human capital, and community prosperity.

The PRS SE working group is a multi-stakeholder partnership balancing goals and interest via governance. It is a top-down policy overture by the Thai government to impose a process that seeks to deliver a bottom-up echoed response. Organisations from five sectors enter partnerships with individual and collective interests. The closer these interests are to the strategic part of the dominant partner's business or function, that partner requires more control. Conversely, if the partnership does not function within the core of the partner's business, not as much control is needed by that partner.

The government is accountable for guiding the policy framework and advocacy. The private sector supports with knowledge, managerial tools, and marketing. The civil society is a key actor as a board member of SEs, mainly advocating the ethical oversight upon which SEs are premised to avoid mission drift. All three main sectors collaborate in managing capital and financial resources to strengthen local communities. This policy agenda set the target of implementing local social enterprises in 76 provinces within three years, comprising five SEs in 2015, 30 in 2016, and 31 in 2017. An evaluation method was also designed to assess its progress and outcomes. During implementation, it also has activities assessment of raising awareness of sustainable development, cost management, and risk management.

3.5.3. The organisational structure of PRS social enterprise

The PRS Social Enterprise (Thailand) Company Limited was set up to drive the project at a national level, and to be the central unit for coordination between various sectors throughout the country. Since November 2016, with five sectors' involvement into 76 PRS social enterprises establishment in 76 provinces (Figure 3.5).

Figure 3.5: Structure of PRS social enterprise
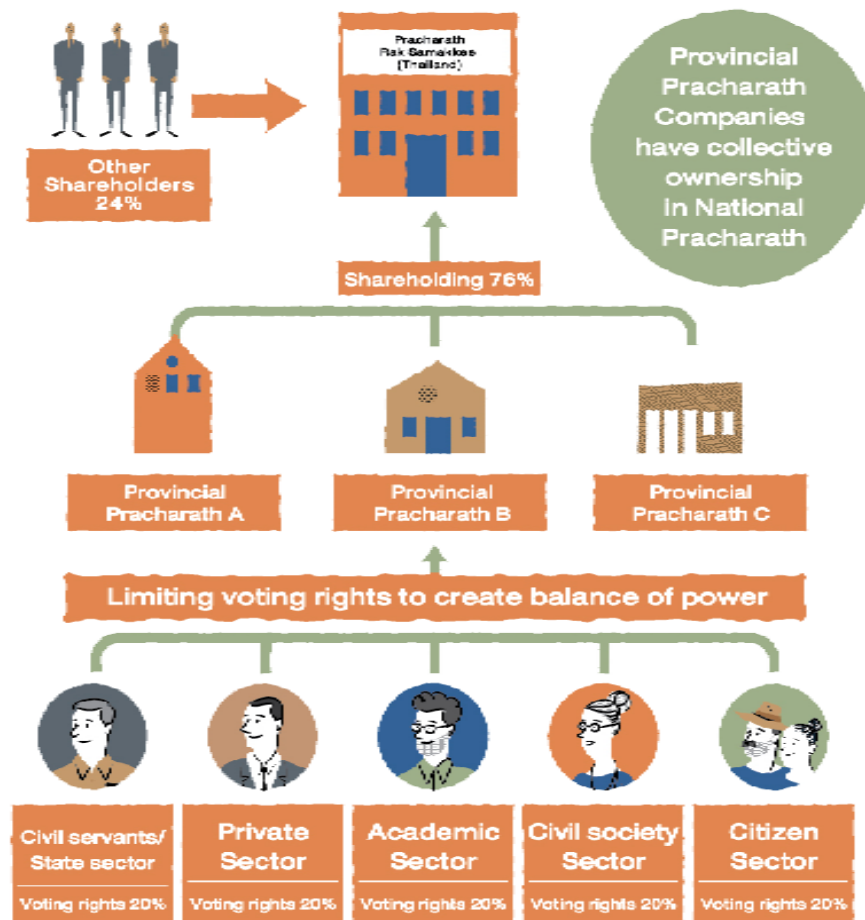
Source: PRS, 2016

In 2016, the Social Enterprise Pracharath policy guidelines launched to establishing provincial social enterprise (PSE) in selected targets covering 76 provinces of Thailand. The 76 PSEs were established based on five criteria of social enterprises:

- A key objective of social impacts over monetary benefits.
- Primary sources of revenue come from community business advisory, not public grants, or donations.
- Profits reinvested into communities, not for distribution to shareholders.
- Strict adherence to good governance.
- SE registered as a limited company (PRS, 2016).

Each PSE could be incorporated as a company to manage a registered capital of £129,083 (exchanged 1 July 2020), operating in the legal form of business entities. Each PSE plan is focused on driving community activities by developing the local economy and community well-being, focusing on three areas: agriculture, local product processing, and community tourism. The civil servants are invited by the Provincial

Committee to work collaboratively with social enterprises and communities to enhance their knowledge and manage their allocated funds. Their role is to provide aid to the selected communities in the provinces, particularly in the procedure of coordinating functions with social enterprises. The SE activities are run on business lines, with boards including private and public sector directors. The manager represents civil society; while consultants on the board include officials from ministries and government agencies. Each social enterprise could work on its own business independently to generate its revenue. Following the framework, the provincial social enterprises are the centre of the cooperative organisation between the private sector and civil society through advising and funding, with oversight provided by the government.

Additionally, the Ministry of Interior organises a Provincial Committee for coordinating and driving public-private collaboration in order to support work of collaborative projects at the provincial level. These provincial committees work with all local sectors, the provincial governor, and representatives from various provincial government units. The governance agencies join with this committee, such as development, agriculture, commerce, and tourism offices. Moreover, this committee works in collaboration with other private sectors, the civil society sector, the academic sector, and the people sector. The Provincial Committee appoints the BoD of each PSE as the central agency in establishing and implementing the policies. This PRS Social Enterprise project operates in conjunction with the government's policies to bring together various sectors to resolve problems and discover ways to drive the country's local economies (PRS, 2019).

3.5.4. The framework of PRS social enterprise

The PRS framework operation relied on the principles of the SEP (see Section 3.4). This framework includes strategies and action plans to reach one goal, it is divided into three working groups and five processes for operation in 76 provinces, called the PRS 1-3-5 model (Figure 3.6).

Figure 3.6: Framework of PRS social enterprise
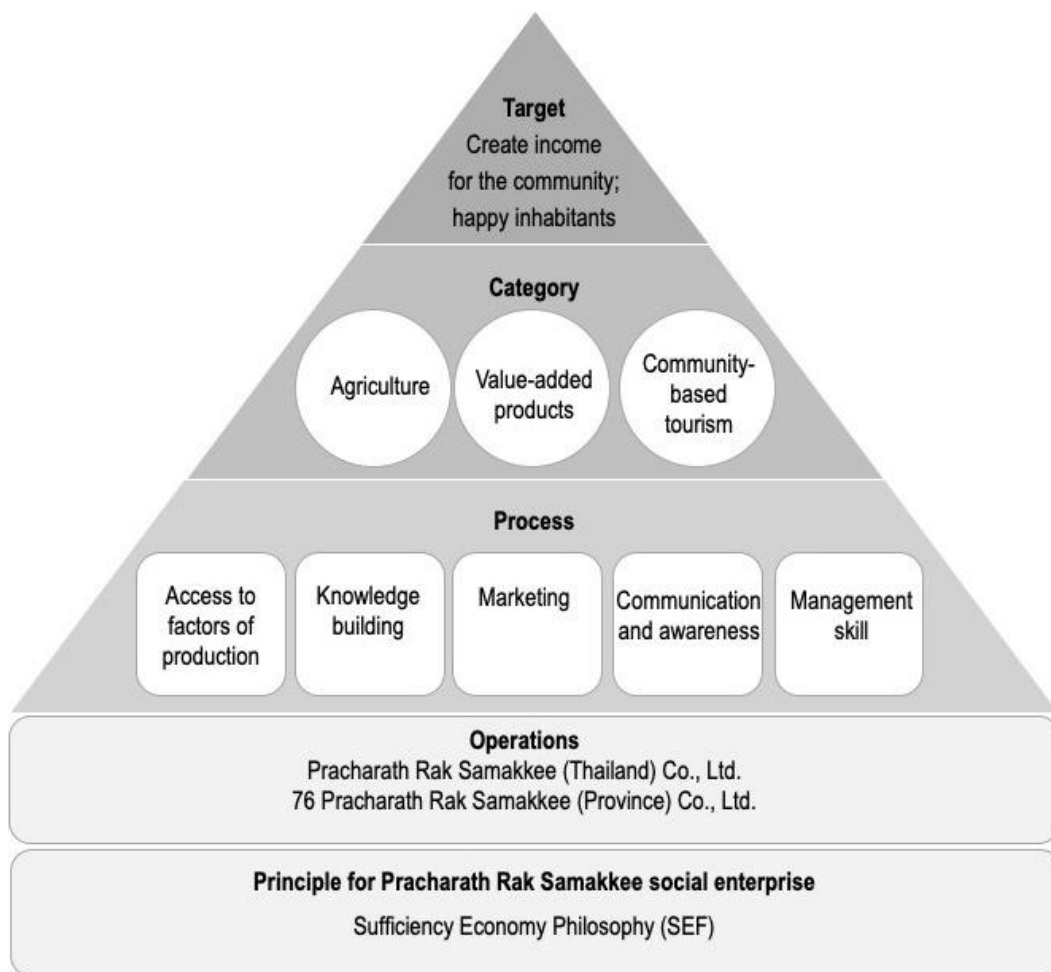
Source: Adopted from PRS (2019)

The working group (see Section 3.5.1) launched a framework for creating and operating social enterprises focused on three areas, called agriculture, value-added products, and community-based tourism. The Pracharath Rak Samakkee (Social Enterprise) Co., Ltd. were established in the form of a company in 76 provinces. It also established Pracharath Rak Samakkee Project Social Enterprise (Thailand) Co., Ltd., as a headquarter company to be a central unit for connecting between different sectors. Given the collaborative works of different sectors within PRS social enterprise, the guidelines in working with community business were designed for creating five capabilities of the action plan: a factor of production, knowledge, marketing, communication/awareness, and management system.

The process of this PRS framework describes the functions of each of the partners. The government is accountable for guiding the policy framework and advocacy. The private sector acts with support in knowledge, managerial tools, and marketing. The civil society is a key actor as a board member of the social enterprises. All main three

sectors collaborate in managing capital and financial resources to strengthen local communities. Their roles in the action plan in the framework of Pracharath Rak Samakkee Social Enterprise also emphasise two points: (1) building know-how by creating professions and giving knowledge to youth; and (2) environmental preservation, including forest, soil, water, and ocean, creating discipline in waste management, and sewage management campaigns.

Although the implementation of Pracharath Rak Samakkee is new in Thai society, government work over the past four years has promoted local economies and social enterprises in order to stimulate local markets. The local economic development plan in the Pracharath project started with the formulation of a network framework, mechanism design, and local economic development operation PRS operation in partnership with local stakeholders in all 76 national provinces and national projects, such as the Household Rice Miller Project, Thai Handicraft Pakaoma Project, Sapai Sainaew Project, and Hospital Food Safety Project. The Business Development Institute for Society Foundation was set up to drive the development of the social enterprise sector across the country.

3.5.5. Operation of three activity groups of SEs in community business

As shown in Figure 3.6, three categories of activities are targets of SEs operations. The general objective is to create sustainable income based on the concept of local economic development stimulated by the Pracharath Committee and the Pracharath Rak Samakkee Company. These three groups of activities are as follows.

3.5.5.1. Agriculture

This activity is to support the creation of value-added for agricultural products of local communities. These products may include agricultural produce (e.g. rice), aquatic products, or livestock. They can be related to a specific geographical identity in terms of (for example) community history, way of life, genotype, dominant flavour, health, safety and cleanness, biological safety, special care for the highest benefit for the consumers, and environmental friendliness. These products have a story to tell that differentiates them from other products in terms of quality and unique features. The related efforts increased this value-added of agriculture. Such as agricultural product quality systems, including Participatory Guarantee System (PGS), which developed by the International Federation of Organic Agriculture Movements (IFOAM). Additionally, Good Agriculture Practice (GAP) and Q Standard used together they enable farmers to ensure product quality (PRS, 2018).

3.5.5.2. Value-added products

This element is supposed to support products processed from raw materials that are available in communities in various types, such as agriculture, livestock, and fisheries. The transformation is expected to take place in order to increase the commercial value of the products. Products can be done through a better preservation process and/or adjustment and adaptation of flavours to suit consumer tastes. Production of handicraft commodities, for example, is based on the local wisdom of villagers. These local products can come in the form of ornaments, house decoration objects, textiles and apparel, and souvenirs. These products may be modified so that they look different from the objects used in the real daily lives of villagers. The point is the local products can be attractive to outsiders with the distinctive quality and features. These local products can generate stable income inflows for local communities. An excellent example in this regard is the One-Tambon-One-Product (OTOP) policy (CDD, 2017). There are many successful products produced by small and medium enterprises developed from local products through the processes of production quality control, packaging, and appropriate marketing strategy.

3.5.5.3. Community-based tourism

This element aims to encourage the community to benefit from locally organised tourism. There may be natural tourist attractions available in a community, or attractions developed by the community itself, based on its culture, traditions, local wisdom, and occupations and way of life specific to regions. There is a combination of interrelated tourist activities since there are tourist attractions and activities. These activities include tourist guides, food and beverage stores, accommodation options, and other appropriate supporting services. There must also be a tourist management system to coordinate tourist programmes and prices, with an information counter, guaranteeing overall safety and first aid services. Indirectly, this would be the sign of the community's readiness to attracting the attention of prospective tourists (PRS, 2018).

Although the policy outcome has not appeared, as its evaluation process set to proceed after four years of implementation (2016-2020), with activities assessed by Provincial Committees, based on reporting during monthly meetings. By 2020, 76 social enterprises had been established, covering every province. The 2017 formal meeting report showed that 5,880 communities had joint social enterprise activities, including 1,720 agricultural groups, 3,359 community product groups, and 801 community tourism groups. Among these, in 2019, the PRS report shows that the PRS

social enterprise had helped more than 930 communities, covering 68,000 households. The online evaluation shows that the project affected 400,000 community members, increasing family and community incomes by over ฿41 million (PRS, 2019).

From the PRS annual report (2018) the PRS, since its implementation, has driven more than 930 projects, covering three areas above (see Section 3.5.5), providing benefit for more than 68,000 households, generating around £14.1 million (exchanged 1 July 2020) in income. Since January 2019, more than ฿41 million has been generated for communities. This project has generated more than ฿9 millions of income for the communities. SE partners have participated with SEs in order to provide communities business projects and to trade or promote the products of the PRS network. These activities have generated more than ฿500,000 in revenue for the communities, totalling ฿15 million since the PRS started operating.

Through this integration, the PRS social enterprises have achieved results and generated revenue for communities. This project has led community products (OTOP) sales to grow from £2.815 million in 2015 to £3.234 million in 2017, to £3.978 million and £4.908 million in 2018 and 2019 (exchanged 1 July 2020), at a rate of 15%, 23% and 24% correspondingly. The rate is considered high when compared to the country's GDP, which typically grows at 3-4% per year. This achievement has driven the government to create the next move of the Social Enterprise Promotion Act (CDD, 2019; PRS, 2020).

This movement in form collaboration in social enterprise has allowed the government to see the importance of this type of business as a forum for cooperation that will lead to sustainability under all 17 SDGs (see Section 3.4). The Social Enterprise Act 2019 (PRS, 2019) was announced in the Royal Thai Government Gazette on 27 February 2019. This Act could be the first law certifying the status of a juristic person to be a social enterprise in this region. The government has seen that the joint operation of the Working group of PRS initiative has the potential to change and reform the policy (CDD, 2019).

3.6. Conclusion

This chapter has provided the background of Thailand and its socio-economic context. It described the timeline of social enterprise policy since 1980-2020. It highlighted the Thai Social Enterprise Office, which was a key factor driving the formation of the social enterprise concept in Thailand. Furthermore, it mainly discussed the existing social

enterprise policy of PRS social enterprise. This PRS could be primary case studies in this study. The next chapter will portray the research methodology and qualitative research method used in this research.

Chapter 4: Research Methodology

4.1. Introduction

Research is practicable approach answer a question which necessary to ensure suitable and sufficient data were gathered to address the research questions (Leedy and Ormrod, 2005). Chapter 1 identified research questions for this research:

1. What are the factors influencing the establishment and development of social enterprises in Thailand?
2. What are the hybrid features of social enterprises, and how do they influence tensions emerging in hybrid social enterprises?
3. What are the key determinants of governance in social enterprises, and how do social enterprise governance arrangements seek to manage such tensions?

This chapter moves from the theoretical framework outlined in the previous chapter to consider appropriate research designs and methods. It focuses on the methodological framework (Figure 4.1) used to guide the study in exploring factors that influence the development of social enterprise, and identifies the tensions that arise in social enterprises and hinder their pursuit of a triple goal mission. It goes on to investigate the governance arrangements that enable social enterprises to mitigate such tensions within the Thai context. The first section briefly introduces the philosophical perspectives of the research, looks at the interpretivist epistemological paradigm upon which it is based (social constructionism) and considers its inductive methodology (Section 4.2). It concludes by indicating the appropriacy of the case study approach adopted by the research (Section 4.4).

The study used four bounding criteria to shape the research sample and sampling strategy and to select the four social enterprises (and their local area units) used in the case studies. It also used a purposive and snowball sampling approach to select samples (Section 4.5). The data collection methods chosen as being the most appropriate to obtain the in-depth information required to answer this study's research questions were interviews, focus groups, observations, and document analysis (Section 4.6). The research also utilised manual and computer-aided data analysis to establish its results (Section 4.7). The chapter discusses ethical considerations alongside issues of validity, reliability, and generalisability (Section 4.8). It concludes by addressing research ethics and the principles necessary to engage in social research (Section 4.9).

Figure 4.1: Diagram of methodological choices made of the research

Source: Author

Research Approach
Epistemology, interpretivism, inductive

Research Method
Qualitative research

Data Collection Methods
Interviews, focus group, observation, documents

Data Analysis
Manual thematic analysis and Nvivo
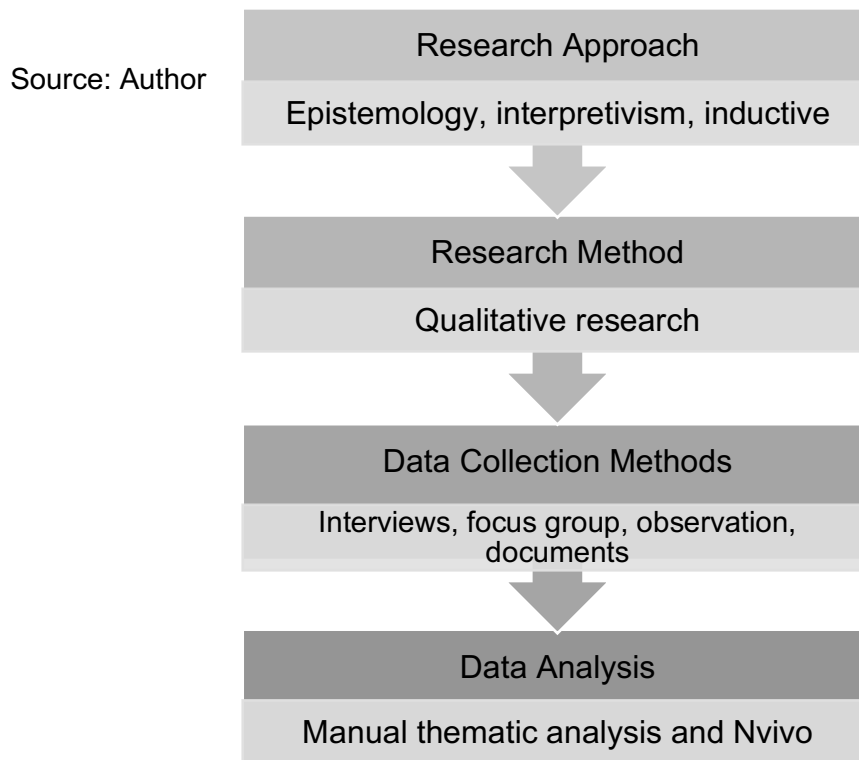
4.2. Research approach

To understand the nature, and meaning of the research findings, it is necessary to understand epistemology (Fay, 1996) and interpretivism - the philosophical paradigm underpinning the study. Epistemology relates to knowledge and how it is acquired, with reference to its nature and pattern (Cohen et al., 2007, p.7). Its assumptions address how knowledge is created, acquired, and communicated that 'what it means to know'. Epistemology addresses the relationship between what can be known and the would-be knower (Guba and Lincoln, 1994, p.108). It is equally concerned with *how* one can know about the world, positing certain theoretical assumptions about the nature of reality (ontology), and how knowledge of it can be acquired or constructed (epistemology) (Abercrombie et al., 1984). The interpretivist approach assumes that an understanding of social reality is only achieved through social action, for example, through language, shared meanings, and documents. As such, human participants construct meanings based on their perceptions and experiences (Walsham, 1993).

This research adopts an interpretive approach to focus on the investigation of human sense-making as circumstances emerge (Kaplan and Maxwell, 2005). It argues that social phenomena must be understood in the social context they are formed and suggests the understanding of social action contain the narratives and meanings of social actors as they relate their activities and perceptions (Crotty, 1998; Cohen et al.,

2011). The interpretivist perspective assumes that social reality results from intentional actions (Burrell and Morgan, 1979). Rather than employing the quantitative methods used in positivist empiricism (which assumes the existence of a manifest reality independent of human experience that can be understood using numerical data), interpretivism suggests understanding the social world requires qualitative data and analysis.

The interpretive approach helps the research identify inconsistencies in how enterprise stakeholders interpret phenomena. It assumes people's backgrounds and cultural views shape the meaning they attach to particular phenomena (Crotty, 1998; Clegg and Walsh, 2004) and that our understanding the social world is socially constructed through interactions with others.

4.3. Research strategy and design: a case study

Research design and data collection methodologies were considered at the outset and adapted during the study (Guba and Lincoln, 1994). With interpretivism chosen as the research approach, case studies were adopted as a means of collecting research data. The research process included a range of activity (from initiating research concepts to writing the final thesis document) and took place from May 2017 to June 2020. Data collection and analysis produced over a period of one and a half years, starting in May 2018, and ending in December 2019. Figure 4.2. shows the time taken to complete each stage of the investigation.

Figure 4.2: Diagram of the study process

Timeline	Context	Activities	Data
2017 (May)	Initial literature review	Formulating research questions	Qualitative methods (interview, focus groups, documents, observations) 4 case studies
	Fed literature review of theories and concept to research design, data collection and analysis	Selecting research design and method	
2018		Data collection	47 semi-structured interviews
			2 focus groups
			Observations
		On-going analysis	Interview data analysis
			Document analysis
2019	On-going/ update literature review	Coding and analysis data and finding answers to the research questions	Case study analysis
			Comparison of collected data
		Interpretation and verification of interview findings	Empirical data and findings
2020 (June)		Obtaining theoretical and practical results of the study	Final writing up

Source: Author.

The study began with an initial literature review which enabled the researcher to explore the field under investigation and frame the research questions. After this, research design and data collection methods were considered with interviews chosen as a means of gathering the research data required to answer the research questions. The data collection process consisted of 47 semi-structured interviews, two focus groups (four participants in each group), observations, and document reviews. Theory building began with the writing of the thesis. With data collection in progress, the study went beyond its expected time frame, and the evidence base continued to grow. As a result, the research incorporated an on-going literature review. "Research is rarely as

linear and as straightforward as it is often implied" (Bryman and Bell, 2007, p.68) and, as some stages overlapped, this was the case in this research. Data collection and data analysis were, to an extent, simultaneous. The data indicated themes worthy of further investigation, and these were explored in subsequent data collection.

To response the social enterprise research questions, and to explore the perceptions, intricacies, and dynamics of the social enterprise's context, this research adopted a case study approach (as mentioned earlier). Researchers also agreed that utilising multiple case studies would best encounter the research objectives and allow for well-adjusted analysis when considering the variety that exists in the processes and activities of social enterprises. Comparing case studies yields "replication logic" which is one of method for analysing themes and patterns to increase a deeper understanding of a phenomenon. As Yin (2003) suggested, replication logic is apparent when a case either expects comparable results or contrasting results but for predictable reasons. This, using the case study approach allowed the researchers to consider detailed data accounts from a holistic view. The multiple case study approach was also well-suited to the aims of exploring the development of a social enterprise, understanding the tensions hybrid social enterprises face, and establishing which governance arrangements enable enterprises to mitigate such tensions.

4.4. Research methods: qualitative

Social science research has a set of data collection methods using in the research process. Addressing the primary three research questions necessary a well-designed methodology (Section 4.1), qualitative data collection methods were chosen. Supporters of this approach claim that qualitative methods are only the way of "the world can be studied through the eyes of the people that are being studied" (Bryman and Bell 2007, p .469). They attempt to understand the meanings and interpretations that people ascribe to things and to find the quality of the relationship between various issues. (Livesey, 2005). Such methods discourse aspects of reality that are difficult to measure (Creswell, 2009).

The qualitative methods approach was also ideal because it was necessary to communicate with the individuals and institutions that make up social enterprises. There were, though, other advantages to using a qualitative approach. For instance, it permits triangulation which builds the possibility to strengthen conclusions from the collected data (Webb et al., 1996) (Section 4.8). Triangulation also possible to investigate a broader characteristic of the development in social enterprises; a genuine

benefit given the current scarcity of information. Section 4.6 details the data collection methods used in the investigation.

As it allows researchers to gain insights and strengthen their knowledge of an area, fieldwork is a primary component of the research process in social sciences (Thomas et al., 1998). Fieldwork, in the form of face-to-face interviews with key informants, performed a significant role in the data collection methods of this study.

The qualitative method utilised for this study had four components: semi-structured interviews and focus groups, archival sources, case study analysis, and analysis and interpretation. Figure 4.3 offers an overview of three aspects of the research method and a component of the study.

Figure 4.3: Research methods and components of the study
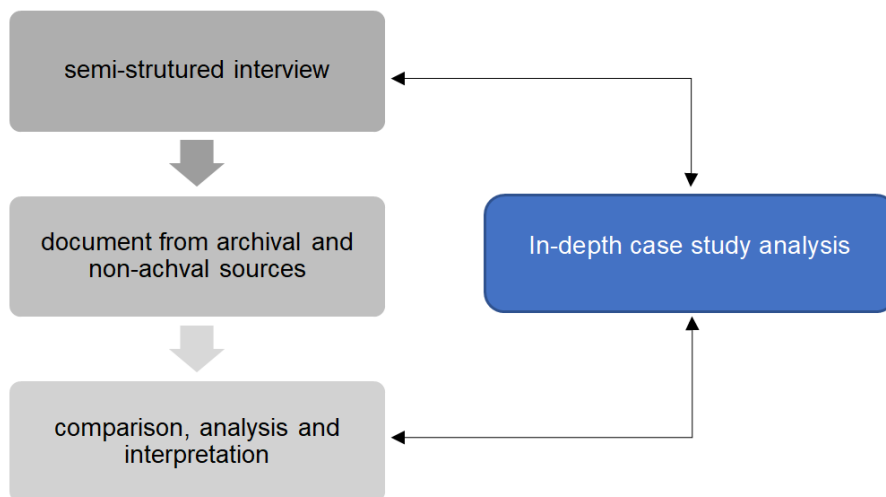
Source: Author

Figure 4.3 shows the first stage involved a semi-structured interview. While doing fieldwork interview and observation case studies, archival sources were an on-going examine through the investigation. Because the continuous development of social enterprise connected with social enterprise policy changes, the researcher had to revisit archival information to update data collection. Then all collected data though each method were prepared for comparative analysis and interpretation. The next section focuses on the research sample and sampling strategy.

4.5. Research sample and sampling strategy

4.5.1. Case study selection

Researchers must ensure that the selection processes they use to establish case studies maximise the learning potential of the study area (Tellis, 1997). The selection of case studies hinged on the necessary to investigate the character, diversity, and representativeness of the study of social enterprises (Pharaoh et al., 2004). To enable a deeper understanding of the topic and following Eisenhardt's (1989) recommended guidelines (of 4-10 case studies), researchers initially selected four cases. To improve validity and aid in conducting a within-case and cross-case pattern analysis, they also categorised similar social enterprises to make use of multiple case studies.

In the case of study research, samples generally involve small, homogenous groups (Smith and Osborn, 2007). It was necessary to develop a new and rich researchable context and identify a research sample that included a diverse range of SE organisations and was adequate for the study. Conducting research of this nature in Thailand presented a basis for cross-case comparison across regional areas (see Chapter 9).

Having identified the populations of this research (Heath, 1997), it needed to consider the selection of representative samples. As it was not possible to investigate them all, the study needed a representative sample of social enterprises. In this study, self-defined social enterprises operating in Thailand (which *ipso facto* met the legislative and regulatory definition described previously and alluded to below) formed the study sample. Using existing knowledge and the extrapolation of figures from information provided by regional and provincial social enterprises, it was potentially estimated the number of social enterprises in each region.

The research employed a criterion-based technique that ensured relevance to the research questions for case study selection. As discussed below, five key criteria were used in the selection of social enterprises to be studied.

- **Criterion 1**

Social enterprises registered between 2016-2019 based on Section 3.5 of Thailand–Social Enterprise National Policy (which permits a broader definition of a social enterprise based on the 2016 Social Enterprise National Framework (PRS, 2018).

- **Criterion 2**

Social enterprises that serve TBL missions with economic, social, and environmental elements. These are hybrid SEs that associate the organisational logics of business

and philanthropy and apply a business-like focus to social and/or environmental missions (Dees, 1998; Thompson and Doherty, 2006; Doherty et al., 2014; Battilana and Lee, 2014) (Section 2.4).

- **Criterion 3**

Social enterprises are legally incorporated for-profit entities that include nature of PRS (1) are registered as limited companies; (2) operate as businesses with their primary source of revenue coming from community business, not public grants; (3) reinvest profit in communities rather than redistributing it to shareholders; (4) are governed by a multi-stakeholder BoD; (5) have primary objectives of social or environmental impacts rather than monetary benefit (Doherty and Thompson, 2006, p.362; PRS, 2016).

- **Criterion 4**

In terms of performance, a social enterprise must create social or environmental value. The social enterprises selected for the study had to be sustainable, meaning they had operated as for-profit entities for a minimum of two years before the research. As SEs are relatively new to Thailand, operating for two years suggests an organisation had a developed SE infrastructure and organising processes worthy of study.

- **Criterion 5**

Social enterprises have a range of missions and undertake a variety of activities. As of 2018, there were 76 (Section 3.5) social enterprises across Thailand. Of these, 14 met the research criteria. Established in 2016 based on the National PRS social enterprise scheme, they were legally incorporated social enterprises with TBL missions.

- **Selection**

Kohn (1997) suggested that a selection technique that promotes heterogeneity amongst the case studies selected for investigation enhances generalisability. The objective of this research was to choose case studies with different social enterprise missions based on the Thailand social enterprise policy of 2016. Researchers used the five criteria outlined previously to establish four enterprises for use in case studies. Located in a variety of regions, these enterprises had different activities/projects. They included: Krabi Social Enterprise (southern Thailand), Nongkhai Social Enterprise (north-eastern Thailand), Chiangmai Social Enterprise (northern Thailand), and Chanthaburi Social Enterprise (eastern Thailand). Researchers used the five criteria to conduct a comparative analysis of four case studies. The 'units of analysis' for the case studies included their provincial, local, and community locations.

4.5.2. Sampling design and identifying interviewees

As this qualitative research included small sample sizes, researchers worked with primary committees in Thailand, SE managers, BoDs, workers, and community representatives of the enterprises in the four case studies to establish a purposive sampling strategy. The sampling strategy involved selecting subjects based on researcher assessment and a determination of who could be most suitable for the research. It involved the deliberate selection of cases that could provide significant information about the social enterprise phenomenon at the centre of the study (Eisenhardt, 1989; Patton, 2002; Gummesson, 2005).

Purposive sampling intended to select information-rich cases for in-depth study to scrutinise conceptual, meanings, interpretations, processes, (Liamputtong and Ezzy, 2005). Purposive sampling begins with the identification of a person who meets the criteria for study inclusion. Stake (1995) suggests choosing individuals who offer researchers a chance to learn the most about a case as interview participants. Individuals with significant influence in the social enterprises, and long-employed workforces allowed researchers to gather the information they needed to answer the questions the study aimed to address. Those deemed to have such influence included managers, board members, and senior executives. Long-employed workforces were selected for interviews because they could identify defining events and organisational changes in an enterprise's history. The study's sample frame consisted of the following stakeholder categories:

- Social enterprise managers: This group is key as members are responsible for establishing and developing social enterprises.
- Social enterprise staff and volunteers involved in the operation or service delivery processes: This group facilitates daily social enterprise activities, including those of volunteers and paid employees.
- BoD members: This group includes individuals responsible for controlling, governing, and directing social enterprises.
- Thailand social enterprise board members involved in, and with experience of, Thailand social enterprise activities (at the executive level).
- Government officials/agencies/civil servants: Members of this group shape social enterprise support and influence future policy direction including Community Development Department employees, agriculture development department. The views and experiences of those in this group are of interest

because of the potential for social enterprises to contribute to social and environmental development.

The interviewing process utilised snowball sampling to recruit secondary participants to the study. The initial participants recommended people they knew who were involved in SE processes, policy, and activities. These secondary participants were provincial SE committee officials from the government, private organisations, civil society, and academic sectors alongside 12 community representatives involved in social enterprises in all four of the case study areas. As they worked directly with social enterprises, or in related sectors, it was likely they would be able to offer insights into the research area. Given the research's interest in the development of hybrid social enterprise and the emergence of tensions in SEs and their management, the study included individuals who have a managing role within the case studies. Starting with a purposive sample, the researcher interviewed policymakers and individuals who managed in each of provincial Thailand's social enterprise projects. Researchers used the contact details listed on the PRS website (PRS, 2018) to seek interviews with other potential participants. As they proceeded, the snowball technique helped enlist a small number of additional interviewees in each location. In this way, the researcher received suggestions regarding which other community participants from PSEs to interview (Appendix 5).

4.6. Data collection

Pettigrew (1990, p.277) explained that data collection is iterative process which "one observes, follows themes and trails, identifies patterns, have those patterns disconfirmed or verified by further data and the process moves on" As mentioned previously, following the interpretivist approach of this study, utilising a mixture of three different data collection methods to achieve the research objectives – interviews, observations, and document gathering. Table 4.1 provides a summary of data collection techniques.

Table 4.1: Data collection methods used

Data required	Data collection method	Sampling/sources
RQ1. What are the factors influencing the establishment and development of social enterprises in Thailand?		
Operational social enterprise, structure, and key development drivers	Qualitative methods: 1) Semi-structured interview 2) Document analysis/archival research 3) Direct observation	1) 7 committee members from Thailand SE Board 2) 4 social enterprise managers 3) Annual reports 4) Meeting minutes
RQ2. What are the hybrid features of social enterprises, and how do they influence tensions emerging in hybrid social enterprises?		
1) The social enterprise management approach 2) Characteristic of SE 3) Emerging challenges and tension 4) Participants perceptions and views	1) In-depth case study comprising archival data and qualitative techniques 2) Semi-structured interviews 3) Focus groups 4) Direct observation 5) Document analysis/archival research	1) 7 committee members from Thailand SE Board 2) 40 informants from 4 case studies: 4 SE managers 16 board members 4 government officials 8 workers and volunteers 8 community members
RQ3. What are the key determinants of governance in social enterprises, and how do social enterprise governance arrangements seek to manage such tensions?		
1) Governance policy and government framework 2) Criteria of tension management 3) Participants Individual perceptions and views	1) In-depth case study comprising archival data and qualitative techniques 2) Semi-structured interviews 3) Focus groups 4) Direct observation 5) Document analysis/archival research	1) 7 committee members from Thailand SE Board 2) 40 informants from 4 case studies: 4 SE managers 16 board members 4 government officials 8 workers and volunteers 8 community members

Source: Author

4.6.1. Face-to-face interviews

4.6.1.1. Overview

Employing the method of a semi-structured interview and direct observation is one qualitative aspects of this study (Tellis, 1997; Thomas et al., 1998). The main

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advantages of these approaches are useful for the researcher to capture informants' attitudes to and perceptions of a variedness of phenomenon (Bryman and Bell, 2007). The study employed face-to-face interviews as they provide more accurate information and offer a quality data. In-depth interviewing in person allows for a more natural flow of conversation and narrative dialogue and offers interviewers the potential to gain insights through perceived causal inferences (Yin, 2003).

The period of data collection and on-going analysis of the case study selection and interviews took place between May 2018 and December 2018 (data collection schedule shows on Appendix 6). Appendix 1 shows a topic guide that formed the basis of a semi-structured interview. Void of the constraints of a rigid approach, this research instrument allowed the researcher to explore themes as they result from the interviews (Saunders et al., 2009). A total of 47 face-to-face interviews took place with key informants from the chosen case studies and particular area in the provinces, the summary of the interview conduction attached in Appendix 5.

The downside might find in the interview method is that without well-constructed interview questions, inaccuracies can arise. These are a consequence of poor data, and participants simply providing responses they believe the interviewer wants to know (Cohen, Manion, and Morrison, 2007). To minimise interviewer bias, researchers asked each informant the same open-ended questions. This approach also reduced the potential of receiving more comprehensive responses from some interviewees than others. As a means of reviewing their backgrounds, some interview questions focused on the enterprise's histories.

On all occasions, the interviews were conducted one-to-one, thereby allowing the participants to share their perceptions and discuss individual perceptions and beliefs more openly. Probes aided to address any ambiguities and clarify interviewees' ideas (Ramchander, 2004). As can be seen in joint interviews or focus group discussions, sometimes one participant can dominate proceedings. The one-to-one interviews employed by this research helped to avoid such a situation.

Researchers contacted interviewees by telephone or e-mail to arrange interview appointments and took care not to inconvenience those who took part in the research with lengthy dialogues in which each interview lasted between thirty minutes and two hours. The use of face-to-face interviews allowed the researchers to prompt informant responses in a less structured way. It also allowed them to elicit in-depth responses through a discussion of participants' contextual experiences and perceptions (Frissen

and Punie, 1998). Subsequently, it gains a deeper understanding of the participants' perceptions of the social enterprise sector in general and inside organisations.

4.6.1.2. Distribution of interviews

There were 47 participants in total. Each of these had been, to varying extents, exposed to the concept of social enterprise. Some worked for a social enterprise (as social enterprise managers, employees, or board members), while others were volunteers. Others included those who had the potential to influence policy and support social enterprise in ways of interest to this study (such as politicians or CDD directors). This mix of interviewees promised a range of perspectives and views. As such, it provided a more rounded database for the study. Table 4.2 shows the distribution of participants by role.

Table 4.2: Role distribution of interviews and data sources

Role	Number of interviewees
Thailand SE board member	5
Policymakers	2
Managers of social enterprise	4
Board member – private sector	4
Board member – academic sector	3
Board member – civil society	5
Board member – citizen sector	4
Representatives – public sector/officials	4
Employees-business developer	4
Volunteers	4
Community member	8
Total of interviewees	47

Source: Author

The researcher introduced the aims of the study before each interview and explained what sort of questions would be asked. Telling participants about the research and what it involved ensured they were aware of the nature and extent of their participation in the research. Participants signed two copies of a consent form, one copy kept by

their organisation, and another for the researcher's records. This consent form ensured confidentiality and anonymity and made it clear that participation in the research was voluntary. It explained that participants could break the interview at any time they feel uncomfortable to continue. It was made it clear any publications proceeding from the research would not contain any identifying information, and no such information would be offered to third parties (Section 4.9). Moreover, based on the consent of the participants, the interviews were recorded by a digital audio recorder. It facilitated a permanent proof of the interview from which verbatim transcripts were produced for subsequent analysis.

4.6.2. Focus groups

To complement the 47 face-to-face interviews and four in-depth cases, the researcher also conducted two additional employee and volunteer interviews (with four participants in each group). They produced a more rounded view of social enterprise development (see Chapter 6), proved useful and helped confirm empirical findings about SE hybridity, SE tensions (see Chapter 7), and SE governance (Chapter 8).

4.6.2.1. Focus group schedule and structure

Focus group guides offered questions like those provided in the semi-structured interview (Appendix 1). These guides included themes that had emerged from interview data analysis.

Section A aimed to establish background information related to the participants' profiles, establishment, and development of their organisations (in line with RQ1). This process identified core organisational development themes and characteristics, including mission, business processes, governance.

Section B focused on the hybridity of SEs from participants' perspective (in line with RQ2) and addressed SE tensions. It scrutinised enterprise challenges, considered the issues impacting SE hybridity at the organisational level, and investigated the challenges faced by social enterprise managers running hybrid organisations.

Section C focused on governance from both organisational and individual perspectives and considered the role of managers and the BoDs in enabling enterprise missions and minimising tensions (associated with RQ3).

4.6.2.2. Focus group analysis

The examined of findings were prearranged according to three predefined themes based on these categories discussed:

- SE development.
- SE hybridity and organisation tensions.
- Mitigation of tensions and governance.

Thematic analysis facilitated categorisation, creating a data set for cross-analysis and comparison with related themes and sections identified in the interview data analysis. Focus group findings and quotation helped complement and triangulate other data and fieldwork were analysed throughout chapters 7, 8, and 9.

4.6.3. Observation

The observation method of data collection seeks to acquire information on activities, non-verbal communication, and physical phenomena. This research engaged in direct observation methods to avoid bias and subjectivity and to ensure researchers remained unobtrusive and did not become participants in the context. The study observed the physical location and environment of the social enterprises to take note of some of the resources available to them and to understand and capture the context in which they operate. Observations can provide insights into the physical setting of the organisations and also complemented the two data sources of interviews and documents.

To ensure continued immersion in the collected data, interviews and focus groups were manually transcribed within a week of the recording. Using the Thai language in both data collection methods increased the efficiency of the transcription process. Researchers used the *Dictate* software embedded in Microsoft Word to transcribe Thai. The transcription phase involved multiple readings of the data to enhance familiarise and to ensure the correctness of transcripts (Cope, 2011). While doing this phase, audio recording transcriptions were considered alongside interview notes that documented changes in participants' body language, tone, and attitudes. The familiarisation process provided a primary pattern of raw data which led to a subsequent exploratory phase of the analysis process. The final data was translated into English during the writing data analysis and empirical data stage.

4.6.4. Documents and archival evidence

This study utilised both secondary and primary documents. As they provide glimpses of events and activities over time, archival documents proved a valuable source of information, particularly when studying the organisations (Patton, 2002).

Overall, this data collection method allowed the researcher to create a chronological picture of the enterprises' background. Table 4.3 shows the various sources of archival data used in the analysis. Researchers identified and analysed documents related to the policy and development of Thai SEs in general and of those involved in the case studies. To determine how social enterprise policy was implemented at diverse levels, document searches considered both the political/national context of enterprises and their regional context.

Table 4.3: Details of document analysis

Documents	Number of documents
Social enterprise report	2
PSE annual report	4
Pracharath Rak Samakkee policy	2
Board meetings	5
Pracharath Rak Samakkee webpage (PRS)	1
Total of documents	**14**

Source: Author

The researcher visited the offices and websites of the Community Development Department and Community Development Provincial Agency to collect information relating to social enterprises. Likewise, information relevant to the four case studies was available from both organisation's archives. Chapter 5, 6, 7, and 8 show the results of this archival search.

4.6.4.1. National and policy context

Chapter 3 described the extent to which Thailand's government was influential in driving social enterprise policy at a nation-wide level through the launch of its Social Enterprise Development body in 2016. It is, of course, essential to consider the policy context of these development. While it represented a principal element of government social reform policy, this work sought to discover how the concept of social enterprise

development evolved from a policy perspective. This was also vital to determine the government expected them to be when the PRS framework became recognised in 2017. The researcher analysed Thailand's social enterprise policy to ascertain what the government expected when it started and establish why the government immediately embraced this idea of social enterprises. To do this, the researcher conducted a critical analysis of the documents listed below.

4.7. Data analysis

The research employed an inductive approach to the data analysis process (Figure 4.4) with a focus on textual analysis and evolving themes in addressing the research questions. The manual thematic data analysis method used to analyse the qualitative data produced by the research was based on the approach of previous authors (Bryman and Bell, 2003; Straus and Corbin, 2008). The first part of the process was to collect the data using the interview guides discussed above (Appendix 1). Next, the researcher transcribed the interview recordings, and this involved revisiting the research questions addressed in Chapter 1, and the theoretical framework supporting this study discussed in Chapter 2.

Figure 4.4: Data analysis process
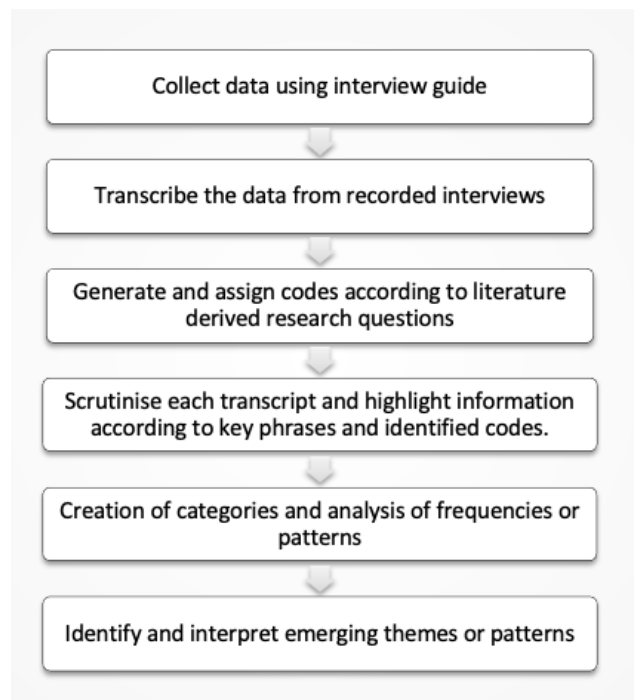
Source: Bryman and Bell (2003)

The researcher scrutinised interview transcripts to isolate keywords and phrases specified by the research questions and the literature review (Bryman and Bell, 2003).

The data were recorded in Microsoft Excel tables include matrix dimension of four case studies and the phrases of pattern and emerging themes. Codes were then assigned to each item to produce the organised data required to answer the research questions.

4.7.1. Transcribing, coding, and interpretation

With high-quality recordings, it was possible to transcribe the content of each of the interviews on an on-going basis. The researcher produced verbatim transcripts and saved them as secure Microsoft Word documents. While the researcher initially read each of the transcripts, the N-Vivo12 qualitative data analysis software programme supported systematic data management. When analysing interviews, the researcher found it helpful to listen to each recording whilst reading/coding the relevant transcript. Doing this allowed the researcher to recall each meeting and consider issues like the interviewees' body language and work environments. The intonation in informants' voices often proved revealing, providing an insight into their thoughts and feelings that reading transcripts alone could not offer. For instance, some interviewees spoke passionately about running a social enterprise, and without a voice recording, it would have been impossible to consider the broader implications of what way they had said. Manual analysis of social enterprise interview transcripts took place alongside the use of analytical software which helped identify themes pertinent to the research questions (as outlined in Section 4.7.2.). Once analysed and key themes coded, a comparison with other transcripts took place (Saunders et al., 2009) to give the researcher an overview of issues (and their implications for social enterprise growth) as they emerged.

4.7.2. Analysis of data from the interviews

The researcher examined of transcript, emphasising words, sentences, pattern quotes, and phrases related to themes. The analysis also highlighted additional subthemes which enabled the researcher to organise data into coherent, interlinked groups (Taylor-Powell and Renner, 2003). For example, theme emerged 'factors of social enterprise', additional subthemes included 'government policy environment' (code PE) and 'stakeholder involvement' (code SI). This technique facilitated a cross-case analysis of "surfacing common themes and directional processes" (Miles and Huberman, 1994, p.69). Analysing how often interviewees used each phrase, word or sentence revealed patterns of themes of emerging data in the study (Kaplan and Maxwell, 2005; Basit, 2003).

While the researcher adopted both manual and software-aided data analysis, the manual approach allowed the researcher to hone analytical skills and gain a hands-on

understanding of the phenomenon under study. As such, it proved more favourable for the initial steps of the research. However, substantial amounts of data mean manual approaches can be cumbersome and time-consuming, and analytical software proved beneficial when undertaking more complex and voluminous analysis (Section 4.7.4).

4.7.3. Analysis of data from the documents

The researcher considered several research approaches, including semiotics and hermeneutics. While the semiotic approach focuses on analysing symbols used by people in their everyday life and making sense of a text, the hermeneutic approach aims to gain understanding through a perspective of the person who created a text, and by focusing on its broader social and historical context (Bryman and Bell, 2003). However, the researcher ultimately adopted a content analysis approach.

As mentioned previously, this qualitative content analysis approach (Dougherty and Kunda, 1990) helped identify underlying themes related to areas of the research study. The researcher carefully examined archival documents that mentioned the social enterprises involved in the case studies to find statements and quotations that related to the research objectives. These included newspaper and magazine articles, and annual reports.

The study combined two thematic frameworks to analyse themes and, where possible, seek commonalities and interrelationships between the research questions. The study identified an initial coding schedule which involved trawling transcripts for themes and deductively considering the data against points from the literature. Following this, transcripts were coded and categorised.

Nodes are concepts/ideas within the data that represent a focus of the analytical thinking in qualitative research (Gibbs, 2002). N-Vivo12 encouraged the researcher to think about data themes and tree nodes and group them.

The researcher linked themes to the original interviews, allowing a return to the data source to revise and rethink their structure. A sole researcher undertook the analysis, comparing notes on sub-themes as agreed, and comparing the research findings on hybrid social enterprises with those reported elsewhere in the literature. Triangulating the research findings involved presenting back to the participants through interim/workshop report documents and discussing the interviews.

4.7.4. Using N-Vivo12 for data analysis

This study involved interviews with 47 social enterprise managers and stakeholders and produced a large data set. Qualitative data analysis software (CAQADS), such as NVivo, offers a timesaving, efficient, transparent, and systematic data analysis process (Gibbs, 2002) which makes handling larger volumes of data easier in comparison to manual analysis (Richards 2002; Morison and Moir, 1998). NVivo is useful as it assists in the storing, coding, organising, retrieving, and interrogating of data (Gibbs, 2002; Richards, 2002). Figures 4.5 and 4.6 show an example of a tree node and its attached response in N-Vivo.

Figure 4.5: Tree nodes and data source
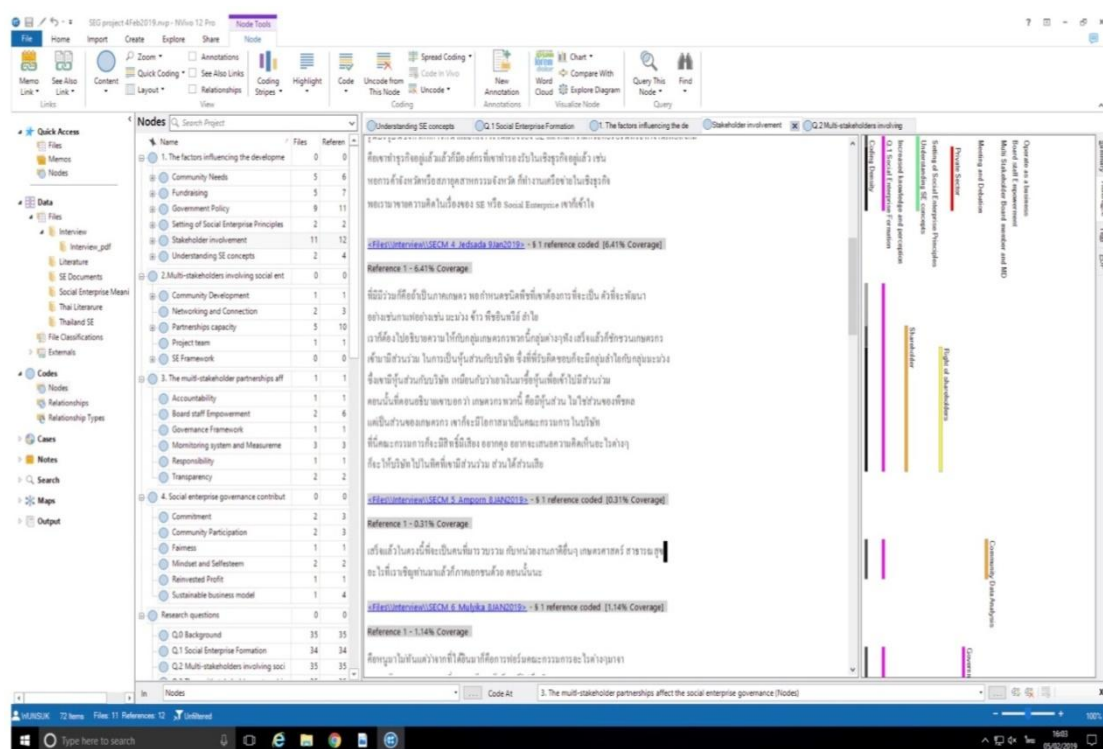
Source**:** Author

Figure 4.6: Tree node and properties

Nodes

Name	Files	References	Created On
1. The factors influencing the development of social enterpris	0	0	10/01/2019
Community Needs	5	6	10/01/2019 1
Fundraising	5	7	10/01/2019 1
Government Policy	9	11	10/01/2019 1
Setting of Social Enterprise Principles	2	2	10/01/2019 1
Stakeholder involvement	11	12	10/01/2019 1
Understanding SE concepts	2	4	10/01/2019 1
2.Multi-stakeholders involving social enterprise for working t	0	0	10/01/2019
Community Development	1	1	14/01/2019 1
Networking and Connection	2	3	14/01/2019 1
Partnerships capacity	5	10	10/01/2019 1
Project team	1	1	14/01/2019 1
SE Framework	0	0	05/02/2019 1
3. The muitl-stakeholder partnerships affect the social enterpr	1	1	05/02/2019
Accountability	1	1	16/01/2019 1
Board staff Empowerment	2	6	16/01/2019 1
Governance Framework	1	1	16/01/2019 1
Mornitoring system and Measurement	3	3	14/01/2019 1
Responsibility	1	1	16/01/2019 1
Transparency	2	2	16/01/2019 1
4. Social enterprise governance contribute to creating sustain	0	0	14/01/2019
Commitment	2	3	16/01/2019 1
Community Participation	2	3	16/01/2019 1
Fairness	1	1	16/01/2019 1
Mindset and Selfesteem	2	2	15/01/2019 1
Reinvested Profit	1	1	16/01/2019 1
Sustainable business model	1	4	16/01/2019 1
Research questions	0	0	12/12/2018
Q.0 Background	35	35	12/12/2018 1
Q.1 Social Enterprise Formation	34	34	12/12/2018 1
Q.2 Multi-stakeholders involving social enterprise for wo	35	35	12/12/2018 1
Q.3 The muitl-stakeholder partnerships affect the social	35	35	12/12/2018 1
Q.4 Social enterprise governance contribute to creating s	35	35	12/12/2018 1

Source**:** Author

As data analysis progressed, the researcher took care to recognise new or unexpected areas, and a tree structure developed. The researcher analysed the data by iteratively referring to the research questions, using coding themes related to the focus of the study. The principal areas/themes recorded during the data analysis included the notion of social enterprise, promoters, and barriers associated with social enterprise development alongside issues of social entrepreneurship and social entrepreneurs.

These key areas also prompted several sub-categories subsequently used to address the research questions.

While the significant volume of data might have added to the complexity of the data management, N-Vivo12 enabled links between the thematically organised structure and original raw data. N-Vivo12 offered efficient and consistent data management, ease in searching for words and phrases, assisted coding, and facilitated model and theory building (Gibbs, 2002). As a result, the researcher enjoyed using the software and considers its advantages outweigh any disadvantages.

4.8. Validity in qualitative research

Validity relates to the accuracy and truthfulness of findings (Pandey and Patnaik, 2014). The researcher used four criteria to evaluate the soundness of the proposed research (Lincoln and Guba, 1985). These were (1) credibility, (2) transferability, (3) dependability, and (4) confirmability (Tellis, 1997). A more detailed explanation of each of these is available below:

4.8.1. Credibility

Credibility describes the "confidence that can be placed in the truth of the research findings" (Anney, 2014, p.276). It refers to the plausibility of information ascertained from informant perspectives (Tellis, 1997). Walsham (1993, p.15) suggested that, when employing a case study approach from an interpretive epistemological perspective, validity represents the "plausibility and cogency of the logical reasoning applied in describing and presenting the results from the cases and in drawing conclusions from them". Lincoln and Guba (1994) suggested various techniques for establishing credibility in qualitative research, including (a) triangulation, (b) thick description, and (c) member checks. This study employed each of these techniques.

4.8.1.1. Data triangulation

Qualitative studies utilise data triangulation extensively as it seeks to generate diverse data and adopt multi-perspective views rather than only accepting the consensus (or myopic) view obtained using a single form of data from a particular method (Pandey and Patnaik, 2014). This research sought to enhance its credibility by applying cross-analysis to the supplementary research methods of document analysis, focus groups, and in-depth interviews (Chapters 6, 7, and 8). The process of data triangulation enriched the researched concepts and a priori constructs from the literature, offering more robust and in-depth data analysis.

4.8.1.2. Thick description

This technique focuses on increasing the richness of research findings (Shenton, 2004). It does this through iterative data analysis, the process of rereading data, and by creating detailed case descriptions. In this research, 'thick description' is evident in the use of detailed case descriptions in the case study analysis presented in Chapter 5. This approach facilitated the complexity and specificity of issues regarding the characteristics and identity of social enterprises.

4.8.1.3. Member checks

Member checking allows research participants to interpret their responses (Tellis, 1997) and increases the plausibility of the collected data. As such, it is key to strengthening the credibility of research (Pandey and Patnaik, 2014). In this research, rather than giving informants full interview transcripts, member checks were conducted by reading interview summaries back to the informants and repeating any particularly vital or ambiguous information. This allowed the researcher to check whether what the participants had said had been understood or not.

4.8.2. Transferability

Transferability is the qualitative method of ensuring the external validity of research by considering the generalisability of findings in a broader context (Pandey and Patnaik, 2014). It focuses on field experiences and permits the evaluation of research value and potential to be employed in different contexts. Generalisability is the degree to which findings can be generalised from a study sample to the entire population. The nature of case study research makes it difficult to generalise its results. Case studies focus on single cases and units of analysis. As a result, attempts to generalise case study findings receive more criticism than those of other qualitative research techniques. Yin (1989, p.2) acknowledged this issue, and concluded that "case studies... are generalisable to theoretical propositions".

This study attempted to enhance its generalisability through the adoption of a *multiple* case study approach (Leonard-Barton, 1990). This approach has the advantage of enabling the application of the findings of one case study to another (see Section 4.8.1). According to Yin (2003), this replication logic is similar to that in multiple experiments. This research, as a qualitative, interpretivist study with low numbers of informants, has relatively limited scope. It was aimed purely at understanding – rather than generalising – the findings. As a result, the findings of this study can be transferred only to other comparable SE contexts.

4.8.3. Dependability and the consistency of findings

Dependability is the "stability of findings over time" (Bitsch, 2005; p.86). It addresses the reliability of findings through the appropriate selection of candidates and the use of adequate research methods (Pandey and Patnaik, 2014). The dependability of this study was assured by adopting the 'overlapping methods' technique (Shenton, 2004). This technique utilises supplementary data collected through background documents, focus groups, and semi-structured interviews to ensure data stability. To further ensure dependability, all interviews were conducted and analysed by a single researcher. While this avoids inter-interviewer and inter-coder issues of reliability, some might argue that it renders results more susceptible to the researchers' subjective analysis.

To address this issue, the researcher verified the first stage of the study by 'reviewing' the findings with focus group participants. Moreover, interviews and focus groups included a range of stakeholders giving a wide range of opinions about the research theme. Although this made the whole investigation more interesting and provided a more in-depth insight into the topic, it could possibly have influenced the outcome of the research. In other words, if the researcher had focused on only one group of people (e.g., social enterprise managers), the overall results of the study would probably have differed to the results that were achieved.

Consequently, the number of people within each of the stakeholder groups could have impacted the results of this study and its reliability. It should be remembered that data collection was conducted within a relatively brief period and that people's perceptions develop and change over time. Thus, given the dynamic nature of the context of the study, there can be no guarantee that the same results would have been achieved if interviews had been carried out at a different time, in different places, or with different interviewees.

4.8.4. Confirmability – providing neutrality

Confirmability in qualitative research focuses on evaluating findings without bias or partiality, rather than allowing the researcher's perspective to affect the results (Lincoln and Guba, 1994). The researcher employed three techniques to ensure the confirmability to this qualitative research: (a) audit trials, (b) a confirmability audit, and (c) triangulation (Lincoln and Guba, 1994).

Audit trials refer to the detailed records and description of the research process (Lincoln and Guba, 1994; Pandey and Patnaik, 2014). The research records (e.g., raw

data, process notes, memos, consent forms, and diaries) were kept in chronological order, enhancing its integrity, and easing the process of reporting findings.

A confirmability audit focuses on an external examination of the research process to evaluate the appropriacy of its progress (Lincoln and Guba, 1994). In a similar fashion to dependability, confirmability required supervised meetings, the examination of audit trial records, and examining the records of external panel meetings called to evaluate the robustness of the research design and research methods.

In a comparable way of ensuring credibility, the research employed triangulation to establish confirmability. Triangulation of data enhanced the richness and robustness of the study and reduced the potential for research bias. Cross-referencing datasets generated in-depth findings and facilitated a richer understanding of the research area. Triangulation can be employed to produce a range of overlapping truth claims. In this research, it was utilised in the multi-paradigm design addressed in Chapters 6, 7, and 8.

The open-ended, in-depth questions asked in the interviews helped ensure the contingent validity and credibility of the case studies (Healy and Perry, 2000). By conducting interviews with entrepreneurs, faculty mentors, and students, it was possible to consider multiple perspectives and ensure the confirmability of the research (Lincoln and Guba, 1994).

4.9. Research ethics

Adopting an ethical approach to research ensured awareness of ethical issues and principles in the study. Research ethics received a research ethics approval (Appendix 2) consideration throughout its entire process, from ensuring the security of personal data and acknowledging anonymity issues at the design stage, to ensuring confidentiality at the final write-up stage (Kvale, 2007). The overall research approach followed the University of Nottingham's Guidance on Ethical Review of School of Sociology and Social Policy Application for Research Ethics Approval for Students and Staff. As per requirements, the study followed the University's Ethics Policy for research involving human participants and achieved University Ethics Review Checklist approval (Appendix 3). Additionally, the research involved the study of human subjects and took place outside the UK. Embarking on data collection and approaching potential research participants only began after receiving the approval of the University's Insurance Department.

Key ethical considerations also included how information from the investigations would be disseminated and how the identity of participants would be concealed (Hair et al., 2007). The issues of negotiating access, the anonymity of participants, and control of data pertinent to this study are discussed in this section. It addresses five areas: (a) informed consent, (b) confidentiality and anonymity, (c) harm and risk, and (d) data security and storage. It begins with a fundamental issue for all social research: informed consent for individual participation.

4.9.1. Informed consent

The details of the research consent form template (Appendix 4) were obtained from the University Ethics Checklist Approval Form and modified following the requirements of the research. Each of the informants participating in the study signed the document. As a part of the briefing process, the informants received participant information electronically before the interviews began. This information included details of the research aims and methods alongside a brief overview of the research process (Smith, 2007; Tashakkori and Teddlie, 2009).

On each interview day, the researcher ensured the information provided in the previously sent documents had been understood and provided points of contact (i.e., for telephone conversations and e-mails). It was a priority to ensure that each informant received sufficient information regarding the purpose of the study and the methods it would employ by providing participant information sheet (Appendix 7). Equally, participants were informed that participation was voluntary, and they had the opportunity to withdraw at any stage without having to give a reason (Holliday, 2007; Walliman, 2015). Participants were also informed about privacy and confidentiality issues, and their anonymity was ensured. It was made clear that informants could, at any time, ask questions about the research design and process. The consent form debriefing included a verbal agreement for the appropriate analysis of any data gathered by the research. It also included an agreement that such data could be published in any publication.

4.9.2. Confidentiality and anonymity

Protecting informants' privacy was at the heart of all ethical considerations. This research considered confidentiality and anonymity issues throughout each stage of the research process. Where it was necessary to refer to the informants, their names, and titles. were withheld and only the names of their organisations provided. References to other people were also removed or replaced with pseudonyms after each interview transcription. This approach protected informants' anonymity and strengthened the

security of personal data by ensuring they were not identifiable to readers of the research paper (Walliman, 2015; Bryman and Bell, 2015).

On an additional note, to maximise data security, the researcher ensured that only three people had access to the full transcripts – the researcher and two supervisors. Furthermore, to ensure confidentiality, a master identification file was created that linked pseudonyms to the transcript numbers. Doing this prevented missing or contradicting information during the analysis phase and allowed for future corrections. All information was stored in a password-protected folder that only the researcher had access.

4.9.3. Harm and risk

The University Ethics Approval Checklist considered the research a low-risk project as it did not involve any vulnerable individuals or children. The informants were always treated respectfully and ethically. Interview questions and prompts were also formulated respectfully and did not refer to any sensitive or controversial issues that could distress participants. The researcher's role was recognised throughout the research process, and this helped to avoid her over-involvement in proceedings.

4.9.4. Data security and storage

Ethical issues regarding the storage and security of collected data and data processing were considered at each stage of the research process. Data was only recorded after verbal consent was obtained before each interview took place. Manual notes were also taken during interviews to highlight points of interest. As mentioned in the confidentiality section, all data was kept anonymous, ensuring the absence of informant identification (Bryman and Bell, 2015).

The researcher also recognised ethical considerations regarding the storage and transmission of research data. The chosen storage system was always kept secure and only accessible to the researcher. Paper-based documentation (including informed consent forms, transcripts, and background case studies) was kept in a locked cupboard. All documents related to this thesis and held on a computer were password protected. Likewise, the management of all information related to this study conforms with the regulations of the University of Nottingham and fully complies with the UK Data Protection Act (1998).

4.10. Conclusion

This chapter discussed the strategies and approaches selected by the study and justified the methodology employed to address the research questions. It also considered the research methods used to investigate SE development factors, hybrid SEs, and SE tensions and governance. Discussion of data collection highlighted the characteristics of the adopted approaches. It looked at sampling strategies (purposive and snowball sampling) and methods of data collection (semi-structured interviews, focus groups, document reviews, and observations). Research considerations relating to validity in qualitative research followed Lincoln and Guba (1994) and emphasised the criteria of credibility, transferability, dependability, and achieving a sense of confirmability in social research.

Finally, the chapter considered the study's research ethics (in line with the University Ethics Approval Guidance). It also recognised the issues associated with informed consent, collecting the research informants' personal information, and ensuring data confidentiality and anonymity. It went on to explain how a best-practice approach to security kept informant data secure and facilitated the safe and secure storage of research data. The following chapter analyses the four case studies according to data gathered during the fieldwork.

Chapter 5: Thailand Case Studies

5.1. Introduction

The previous chapter addressed the use of research methodology approach in this research, which mentioned the case studies method of this research. This chapter describes all selected four case studies in this study (Krabi, Nongkhai, Chiangmai and Chanthaburi Social Enterprise). As mentioned in Chapter 4, the researcher used a criterion-based technique to scope the selection of case studies. Five criteria were identified for the selection of case studies to be studied (Section 4.5.1), recapitulated below:

1. *S*ocial enterprises registered between 2016-2019 based on Thailand PRS Social Enterprise National Policy Development.
2. *S*ocial enterprises serve to triple missions of economic, social, and environmental purposes as arising from the definition of hybrid social enterprise.
3. Social enterprises have a legal form of incorporation as a for-profit entity and have principles of the PRS social enterprise.
4. *S*ocial enterprises are operating for over two years.

5. Social enterprises are mainly focused on difference mission/activities and located in different province/region of Thailand.

From the 76 SEs in Thailand recorded by PRS (2018), the criteria narrowed the focus as described in Chapter 4, and ultimately four cases were purposively chosen to represent diverse activities/projects and regions (Figure 5.1). The unit of analysis for the case studies was its SEs and their provincial, local and community area. All 47 face-to face interviews and two focus groups were conducted from the four case studies between May 2018 and December 2018.

Figure 5.1: Location of case studies in regions of Thailand

Source: adapted from PRS (2019)

All four case studies were registered between 2016-2019, based on the PRS social enterprise reform policy, by which the government joined with all five sectors (public, private, civil society, academic and people sectors). This policy is to help establish a social enterprise and in raising funding from shareholders. For each province, the PRS social enterprise action plan is a tool for raising capital funding, which is necessary for start-up and development costs. All 76 PSEs gained ฿4 million (~£102,425 at November 2019 exchange rates) of funding at the time of company registration (Section 3.6). The four case studies selecting based on the research case study criteria located in each region of Thailand. All cases were similarly established as a company and received funding. Also, each governed by multi-stakeholder BoD, who was selected from the five sectors (Section 3.6). The cases of four social enterprises are described in depth in these following sections.

5.2. Case study 1: Krabi Social Enterprise

Krabi Pracharath Rak Samakkee Social Enterprise (Figure 5.2) was registered as a limited company on 9 November 2016 by a collaborative working group of five different sectors from inside Krabi Province: local authority and community development offices, local companies, civil society, universities, and community members. The Krabi SE

goal was a willingness to carry out activities beneficial to the community, society, and to operate agricultural projects directed to environmental improvement.

Figure 5.2: Krabi Social Enterprise case study

Krabi Social Enterprise	
Organisational description	**Social and environmental objectives**
Krabi PRS is a social enterprise operating community business and environmental management based in Krabi province. The Krabi SE set up on 9 November 2016. It comprises a volunteer manager from civil society and two full-time staff.	1. Promoting organic food, green products within communities. 2. Employing and training for villagers interested in community development. 3. Retaining support and fund to activities that beneficial to the community.
Aims and objectives	**Core Activities**
The SE provides: 1. Carrying out missions for creating benefits to the community and society. 2. Operating agricultural projects directed to environmental improvement.	1. Agriculture, organic food cluster. 2. Community-based tourism.
Income generation	**Governance and legal structure**
Income is from a share of the activity's income. In a few years of operation, the organisation developed 45 community projects that generated over £117,250 for 2,792 households in their communities (PRS, 2018).	Krabi is a limited company SE managed by a board of 10 members, including representatives of the private, academic, civil, and community sectors. The manager provides business management adherence with governance policy. He has ten years' experience of working for the community in Krabi.

Source: Author

Krabi Social Enterprise identified three social and environmental objectives. First is promoting an understanding of organic food and green products within communities. Second is creating an opportunity for job and training for localities who interested in community development. Last is retaining funding and reinvestment to support activities enhanced to the community. These social and environmental goals are operated thought many-core communities' projects, notably the agriculture and organic

food cluster project called 'Organic Food Safety for Hospital'. Another project is a community-based tourism one, 'Lamsak Community Base Tourism'.

Krabi Social Enterprise supports and enriches people's lives through empowering local economic groups, such as the unemployed and those living in poverty. Also, Krabi used its core business to be as a mechanism to secure economic, social, and environmental value creation.

Krabi has a volunteer manager from civil society who has more than ten years' experience of working in the community. Also, the core activities are run by two full-time employees, who are newly employed in this business operation. The manager and team provide business management adherence with PRS governance policy. This social enterprise is also involved with ten members of the BoD who are representative of each local sector. Their roles are to govern the social enterprise by collaboratively working together in the business process and community leaders as well as local business groups. The social enterprise seeks to provide a commercial approach to caring, giving support to individuals or community as required. The products and service emphasised on agriculture and community tourism to be ways of securing sustainable development.

The main products in 2016-2019 were trading quality organic vegetables from farmers based on the Food Safety for Hospital project, and for the community, the Lamsak Community-Based Tourism initiative, which built a reputation and received supportive cooperation among shareholders as a core SE business activity. After three years, the social enterprise's endeavours have led to the development of an impressive organisation. Krabi Social Enterprise has developed 45 community schemes comprising four agricultural, 33 product, and eight tourism projects. These activities have generated ฿4.69 million (~£122,677 at July 2020 exchange rates) in community income for 2,792 households, with 5,544 beneficiaries receiving benefits in their target communities (PRS, 2018).

5.3. Case study 2: Nongkhai Social Enterprise

Nongkhai Pracharath Social Enterprise (Figure 5.3) is located in Nongkhai Province, in north-eastern Thailand. The Nongkhai Social Enterprise was incorporated on 30 December 2016, registered under the Thailand PRS policy with a capital fund of ฿4 million (~£102,425 at November 2019 exchange rates), from 17 shareholders. The social enterprise has a volunteer manager from the private sector and employs two

full-time employees and two volunteers. A manager manages the social enterprise, and it has a 10-member BoD representing five different sectors, including local government agencies and authorities for community development, local companies, universities, civil society, and community representatives. The manager provides business management under legal framework and governance, with accounting reporting, auditing, and monitoring, on a monthly and annual basis (PRS, 2018).

Figure 5.3: Nongkhai Social Enterprise case study

Nongkhai Social Enterprise

Organisational description	**Social and environmental objectives**
Nongkhai Pracharath Rak Samakkee is a social enterprise based in Nongkhai province, north-eastern Thailand, incorporated on 30 December 2016, registered under the PRS policy. The social enterprise has a volunteer manager from the private sector and employs two full-time employees and two volunteers.	1. Promoting local green products and eco-product processing. 2. Providing access to affordable job opportunities. 3. Retaining support for activities beneficial to social development.
Aims and objectives	**Core Activities**
The SE provides: 1. Involving community leaders and empowering local economic groups. 2. Operating farming and fishery projects directed to improve social and environments. 3. Delivering training for unemployed and young members of the community.	1. Community's product sales. 2. Fee for consultant service. 3. Community-based tourism.
Income generation	**Governance and legal structure**
The organisation generates income via a share of the project's income, retaining a percentage (20%) of profit from incremental income. In these few years of operation, the organisation developed 45 community projects, which have generated over £125,000 for 1,586 households in their communities (PRS, 2017).	Nongkhai is a commercial limited company managed by a BoD of 10 members, including representatives from the civil society, private, academic, and community sectors. The manager provides business management under a legal framework and governance, with appropriate accounting reporting, auditing, and monitoring.

Source: Author

The main goals of the Nongkhai Social Enterprise were to provide the services involving community leaders and empowering local economic groups, operating farming and fish farming projects that direct to improve social and environments and deliver training for unemployed and young people in the community. In the view of social and environmental aims, Nongkhai Social Enterprise has identified the three keys objectives as being to enhance an understanding of local green products and eco-product processing, provide the community with access to affordable training opportunities, and provide supports and funding for community activities and social development. Nongkhai Social Enterprise goals were operated through main core community business activities: "Bandue" brand products and community-based tourism. The community products and services included Bandue fish products, Bandue community-based tourism, and consultant services. The target groups in the community business of Nongkhai were local economic groups, the unemployed, and young people. The organisation provided a commercial approach to caring, giving support to individuals or communities as required.

The operation during 2016-2019 supported the development of community business in 'Bandue community tourism', and created local products associated with community resources. This enhanced household income and local empowerment supported cooperatively by shareholders and surplus amongst the core business. After three years, the social enterprise's activities led to significant growth and development of the organisation. Nongkhai Social Enterprise as of July 2018 had developed 45 community projects comprising 13 agricultural, 13 products, and 14 tourism initiatives. These activities raised ฿5 million (~£123,593 at July 2020 exchange rates) in community income for 1,586 households, enhancing the lives of 4,296 beneficiaries in their target communities (PRS, 2018).

5.4. Case study 3: Chiangmai Social Enterprise

Chiangmai Pracharath Social Enterprise (Figure 5.4) located in Chiangmai Province, northern Thailand. The Chiangmai Social Enterprise was registered as a company on 29 April 2016 under the PRS policy with a capital fund of ฿4 million (~£102,425 at November 2019 exchange rates) from 96 shareholders. The social enterprise has a volunteer manager from civil society sectors and employs two full-time employees. The organisation is governed by nine directors, representing four different sectors: local government agencies and authorities for community development, local companies, civil society, and community representatives; the academic sector is not represented.

Figure 5.4: Chiangmai Social Enterprise case study

Chiangmai Social Enterprise

Organisational description

Chiangmai Pracharath Rak Samakkee is a social enterprise located in Chiangmai Province, northern Thailand. The SE was registered as a company on 29 April 2016. It has a volunteer manager from civil society and employs two full-time employees.

Social and environmental objectives

1. Preservation of the forest and environment via community project such as coffee plantations.
2. Provisioning of job creation and local employment.
3. Providing community access to training environmental preservation expertise.
4. Reinvesting 15% of income in community projects.
5. Establishing strong connections with local institutions supporting tribal people and alleviating poverty due to fair trade.

Aims and objectives

This SE's objective aimed to be a prominent social enterprise of doing projects for the environment, preventing deforestation, and organic products via:
1. Involving community leaders and empowering local business.
2. Cultivating green agriculture, organic coffee plantation, and fruits for distribution to outside market
3. Promotion of forest preservation, environment, and fewer chemicals.

Core Activities

1. Coffee brand "Nine Hills."
2. Shops that sell community products
3. Homestay in community-based tourism.

Income generation

The organisation generates income via a share of the community's trading. In a few years of operation, the organisation has developed 38 community projects, generating over £100,000 for 303 households in their communities (PRS, 2017).

Governance and legal structure

Chiangmai is a commercial limited company social enterprise, managed by a manager, controlled, and directed by a board of 9 directors representing the private, civil, and community organisations. The manager provides business management and environmental planning under the legal and governance framework, with appropriate accounting, reporting, auditing, and monitoring.

Source: Author

The manager led the organisation in environmental planning as well as business management for the legal framework and governance, with the accounting reporting, auditing, and monitoring in monthly and annual terms (PRS, 2018). The main goal of the Chiangmai Social Enterprise was to become a centre of social enterprise addressing environmental issues (mainly deforestation), and organic product development to create sustainable income for local communities. This was achieved

by linking community leaders and empowering local businesses, growing organic coffee plantations and fruits for sale to outside communities, and extended campaigns of forest and environment preservation advocating the use of fewer chemicals. These goals focus on environmental development, as described in the social enterprise plan to preserve the forest, prevent opium farming and the environment through the promotion of coffee plantations. Also, it aims for job creation and local employment opportunities and providing the community with access to affordable environmental preservation expertise. The SE allocated 15% reinvestment of income in community projects and establishing strong links with local institutions to support tribal people and alleviate poverty. Its main products (as of July 2018) are marketed under the "Nine Hills Coffee" and "Longan Koumung Farm" brands, building local business and supporting tribal and unemployed people.

During 2016-2019 the social enterprise supported a holistic commercial approach towards caring for social and environmental activities and support individuals or communities which required the development of community business. This enhanced community empowerment, income, and other opportunities to enhance community well-being. After three years, the social enterprise's activities had led to the significant development of the organisation. By July 2018, Chiangmai Social Enterprise had developed 38 community projects within agricultural fields, generating ฿4 million (~£102,425 at July 2020 exchange rates) in community income for 303 households, with 996 beneficiaries in target communities (PRS, 2018).

5.5.   Case study 4: Chanthaburi Social Enterprise

Chanthaburi Pracharath Rak Samakkee Social Enterprise (Figure 5.5) located in Chanthaburi Province, eastern Thailand. The Chanthaburi Social Enterprise was registered as a company on 5 October 2016 under the PRS policy with a capital fund of ฿4 million (~£102,425 at November 2019 exchange rates) from 13 shareholders. It involved a working group of five different sectors: local government and authority agencies for community development, local companies, universities, civil society, and community representatives. The social enterprise has a volunteer manager from the private sector and employs two full-time employees, and one volunteer.

Figure 5.5: Chanthaburi Social Enterprise case study

Chanthaburi Social Enterprise

Organisational description

Chanthaburi Pracharath Rak Samakkee is a social enterprise located in Chanthaburi Province, eastern Thailand. The SE was registered as a company on 5 October 2016. The social enterprise has a volunteer manager from the private sector and employs two full-time employees, and one volunteer.

Social and environmental objectives

1. Promoting activities for community businesses.

2. Provision of job creation and local employment opportunities

3. Providing training in agriculture for local people to gain skills.

4. Establishing a vital business institution supporting communities to enhance business competitiveness.

Aims and objectives

SE's key objective aimed to become a core of community business and premium fruits. This is achieved via:

1. Involving farmers and fruit gardeners to create high-quality products.

2. Growing premium fruits for sale to outside communities.

3. Promotion of less chemical farming and green products.

Core Activities

1. Premium fruits brand "Polchan."

2. Shops and e-commerce "Polchan" that sells community products

3. Homestay in community-based tourism.

Income generation

The organisation generates income via a share of sales of community products. In a few years of operation, the organisation developed 38 community projects, generating over £140,000 for 347 households in their communities (PRS, 2017).

Governance and legal structure

Chanthaburi is a commercial limited company social enterprise managed by a private-sector manager, controlled, and directed by BoD of 10 members including representatives from the private, civil society, academic, and community sectors. The manager provides business under the governance framework, with accounting, reporting, auditing, and monitoring.

Source: Author

The initial goal of the Krabi Social Enterprise was to become a centre of community business and a premium fruit trader. The business plan addresses to achieve the goals

via involving farmers and fruit gardeners to create high-quality products, support premium fruit farming and marketing products to outside communities, promoting the use of fewer chemicals in farming and promoting green products. Chanthaburi Social Enterprise's main social objectives are expanding the understanding of community businesses to local people, providing job creation and local employment opportunities for local people, and establishing strong links with business institutions to enhance business competitiveness.

These social goals are operated through many focal community projects. The social enterprise was brought together through their involvement with community leaders and local economic groups. The organisation provided a holistic commercial approach to caring for social development and support for communities. The main activities in 2016-2019 were trading quality products and services, emphasising community products and community-based tourism as sources of sustainable economic and social development. Recent products include the premium fruit brand "Polchan" and "Ban Kanom Plaek" tourism. After three years the social enterprise's endeavours, by July 2018 it had developed 38 community projects, generating ฿5.6 million (~£138,377 at July 2020 exchange rates) in community income for 347 households, with 9,676 beneficiaries in target communities (PRS, 2018). The products and services emphasised are the marketing of agricultural products and community tourism, envisioned as a way to secure both economic and social development.

5.6. Conclusion

This chapter has described the four case studies in Thailand, explaining the history of their establishment, key actors and governance structure, goals, social and environmental objectives, core activities, products and services, and achievements in recent years. Having described these case studies, the context of the cases helps appreciate the data analysis and empirical findings portrayed in the next three chapters (Chapters 6, 7, and 8).

Chapter 6: Factors in Social Enterprise Development

6.1. Introduction

Findings are presented in this chapter to address research question 1: What are the factors influencing the establishment and development of social enterprises in Thailand? This question is essential with emerging social enterprise and hybrid organisation theories concerned with economic, social, and environmental sustainability. Exploring an understanding of social enterprise development should facilitate discussions about potential approaches to economic, social, and environmental issues. As social enterprises have the potential to influence the change of individual and communities by reducing poverty and unemployment and increasing societal and economic development, it is essential to study the factors influencing their development.

Key points concerning thematic analysis are made throughout the chapter. The findings collate and consider data collected through the semi-structured interviews and documentary analysis is added where this versified or extended points and themes previously identified from the interviews.

The study aim was to explore the key factors affecting social enterprise development, and participants were explicitly asked for their views on this. Critical factors associated with social enterprise development were considered by participants. These include governmental policy, stakeholder involvement, the management of social enterprise practices, resource mobilisation, and community readiness and capacity. These factors are summarised in Figure 6.1 and discussed in turn in the subsequent sections.

Figure 6.1: Factors in social enterprise development

Government policy support	**Management of social enterprise: objective, strategies, and processes**
Social enterprise supported by a policy for positive economic, social, and environmental impacts on communities. The policy is increasingly popular among managers, raising recognition of the necessity to introduce new forms of the enterprise to support society. The policy was unclear in creating an appropriate implementation, which delayed the promotion of the level of development nationally and locally. The policy appeared deficient in rules, frameworks, and guidelines applied in the field.	Increasing understanding of social enterprise and its purpose (a business model generating economic, social, and environmental outcomes). '1-3-5 model', with 1 objective, 3 strategies, 5 processes from the national framework adopted by the Social Enterprise Board as a business model. The organisational structure of each social enterprise is based on the social enterprise model adapted to local circumstances. Applying clear strategy analysed from community capacity and stakeholder needs into a core business model was believed to promote social enterprise development.

Resource mobilisation
Joint workings of all five sectors could help the social enterprise in raising funding from shareholders. Social enterprises are given financial freedom to invest in their projects to create profits and reinvest profit into communities. Social enterprises having a capable workforce (expertise and experience) and volunteering could be a key driver of running a business.

Stakeholder involvement	**Community readiness and capability**
A positive driver in collaborative working across five sectors (public, private, civil society, academic, and people) in multiple stakeholder boards and business processes. Involvement creates a range of formal support mechanisms from different stakeholders. Level of participation in social enterprises relies on the background and experience of board members. Potential conflicts of interest between social enterprise and other partners can hinder the expansion of partnerships and slow down community businesses.	The community needs, attitudes, and context of both social enterprises and local communities were seen as supporting factors. Cultural, faith, and harmonious communities taking responsibility for running social enterprises influence the adoption of business models and perceptions of entrepreneurialism. Development of a socially orientated culture promoted social enterprise expansion. Identifying the community capacity, and community needs can support both national and local developments.

Source: Participant interviews

6.2. Government policy support

The government established a policy of 'Public-Private Collaboration' for supporting the systematic integration of works across five sectors: the public, private, civil society, academic, and people sectors (Section 3.6). Thai social enterprises were established based on the 'Pracharath' concepts, characterised by collaborative works between all sectors of the economy to enable community business development.

The Thai government seeks to play an active part in social policy development by driving the overall formation of social enterprise policy (Section 3.6). Participants believed that social enterprises have many benefits, which policymakers appreciate as a way to encourage people to collaborate with multiple stakeholders, rather than depending merely on the state and public sectors, to involve people in working with communities to address local issues. This involvement facilitated more people to understand the PRS social enterprise framework (Section 3.6), which was better for policymakers to drive social enterprise development. One participant from the Thailand social enterprise board (Section 3.6) confirmed that:

> '*This national policy is thought to be caused by several factors, including benefits that social enterprise brings, the necessity to introduce solutions that can solve issues, changing attitudes, as well as potential external support. It highlighted the political vision of what should develop a social enterprise as well as their growing role is Thailand*'. (Policymaker 2)

In contrast, managers' views were that the form of social enterprise proposed by the government could be a business tool forcing people from different sectors to work together, which was tricky in practice due to confused understanding of implementation between different professional and interest groups. The government anticipated that the new policy and legislation would play an essential role in social enterprise development. Participants supported that the *social enterprise policy for Thailand* (Section 3.6) was the first step of political changes leading to an increasing role for social enterprises:

> '*I think it is a good social enterprise strategy. It gives us quite a bit of money, much money for social enterprises, for instance, the capital fund at the formation step, and some support fund during the implementation of projects. The general thrust of it is fine. It is moving in the right direction. Some people may say it is not moving fast enough, but I think*

> *you need to have resources to back it up and we do not. We have only got the commitment and resources for this current financial year to run community projects. It is the initial of a strategy for social enterprise*'.
> (Policymaker 7)

Thailand's social enterprise policy (Section 2.3) was seen as a positive tool for establishing social enterprises to arising the potential economic, social, and environmental benefits. In each case study, some participants replied that social enterprises support communities in these dimensions. Some claimed that the 'profits' those social enterprises make for target communities were not only monetary but included more comprehensive social benefits. Most social enterprises were believed to help people to live well and build their confidence and self-esteem. Others remained more prosaic, including a social enterprise manager, who argued that the Chanthaburi Social Enterprise supported business growth more than any social benefit. The latter social enterprise was seen as creating jobs, and employment opportunities, in turn, could have broader social impacts on families and individuals. By helping local people, social enterprises can also generate economic outcomes that benefit the locality as well as the wider region.

In contrast, the social enterprise policy was perceived by the Krabi Social Enterprise manager to be premised on collaborative works of capable organisations to generate income and potentially, becoming sustainable. It was viewed as a mechanism of social business that integrates communities and brings empowerment and co-production. A social enterprise can run a company with a source of sustainable income and the potential to be independent of short-term capital funding. Participants from Krabi Social Enterprise claimed that since starting a social enterprise in 2016, they used a participatory approach during the formation stage to increase the understanding of the business-like approach of the SE policy. This approach declared SE development to promulgated particular groups to understand social enterprise concepts, strategy, processes, and benefits. The manager of Nongkhai Social Enterprise confirmed that, in their experience, the increasing recognition of social enterprise brought more people willing to establish, support, and cooperate with social enterprises. The manager explained that after people have been given knowledge about social enterprise directly through community meetings, this increased the number of community business members. Participants from the private sector for the Nongkhai and Chanthaburi Social Enterprises claimed that once they were interested in the social enterprise model, then they involved as its members, business partners, and managers.

Participants highlighted that the model of social enterprise was enthusiastically discussed amongst policymakers from different government agencies, and the concept was becoming widespread nationally. It appeared that communities from different regions increasingly participated by acting as local business partners, members, and customers. These communities seemed to seek advice and support from PSEs. Thus, there was a growing recognition of social enterprise due to government policy support:

'*This is an initiated policy from this government to set up a social enterprise model by integrating all potential sectors to work together in communities, and this brings supports from each part. There is much talking about social enterprise in related units and in communities, which is a framework of doing business for community and society well-being*'. (Policymaker 1)

Many interviewees highlighted that the emerging policy was creating an increasing role for social enterprises in public service delivery, leading to a 'revolution' in the way services were provided and the ethos underpinning them:

'*We have seen that this social policy led to a country-wide revolution. This involved the private sector in delivering public service. Also, increasingly the state is delivering its services through the community sector, which means social enterprises, effectively. The policy is essential. We are at the early stages of evolution in public policy. It is happening now. In the future, soon, it will become mainstream to develop this country and every community in Thailand*'. (Policymaker 6)

Other interviewees criticised the Thai government for delays in creating an appropriate policy to promote the development of social enterprises. Some participants said Thai policy was out of date, stating that change was too slow and hesitant. They noted that the government's expectations were inadequate concerning the level of public support for social enterprises. Interviewees had the impression that the latter was well developed and open to the idea of social enterprise, while national policy lagged:

We are a bit slower in an implemented process of this policy. The government carefully focuses on [the] formation step, initiating social enterprise framework. For example, the cabinet focuses [on] financial support, assisting larger social enterprises to deliver public services and helping them in the procurement process and the sort of more

widespread support that's offered to them. Then somehow the PSEs
need longer time to apply it. We have got some catching up to do'.
(Policymaker 6)

Several interviewees argued that the government's intentions were unclear. Participants perceived the idea of social enterprise as being desired and supported by politicians. On the other hand, legislation and policy were perceived by some participants to hinder the expansion of the social enterprise. For instance, there were conflicts in government policy with the 'best value' agenda. Precisely, when tendering for a public contract, social enterprises could fit within the definition of 'best value' as long as their broader economic and social approach was taken into account. Based on a purely financial basis, social enterprises may not offer the 'best value' and could lose the opportunity to gain government contracts. Others claimed that government support for social enterprises is not well-targeted and not well delivered.

The *Social Enterprise Strategy for Thailand* (Section 2.3) was evaluated similarly; participants assessed it as an essential step forward claiming that it should bring the attention (both in policy and practice) to social enterprise needs. Simultaneously, some interviewees were sceptical and suspicious of the strategy, claiming that the concept of 'social enterprise' had become popular amongst politicians who could use it to attract votes:

'*The Social Enterprise Strategy for Thailand is doubtful. The fact that*
they have only made it for one year, and they are going to review it, is
a political motivation because they thought "Well, we have to get
something out before the elections, but do not get something that was
going to be a big commitment for anybody. So, we will publish it, and
we will put some vague commitments in it, but we will take it for a year"'.
(Social Enterprise Manager 11)

Some participants said that there was a deficit of political will and positive action, facilitating the development of the social enterprise sector. They said that more encouragement and promotion was needed to ensure the development of social enterprises. Two areas of political support emerged as essential and were perceived as lacking at the same time: support from the government, and support from local authorities, as explained below.

The interviewees highlighted that local governments did not quickly adapt national social enterprise policies for practical implementation. Participants suggested that a lack of cohesive and practical legislation could be the reason for inconsistent support offered to social enterprises by government bodies.

The Chiangmai Social Enterprise manager explained that it had been informed by the provincial agencies to apply the temporary SE action plan (Section 3.6), which was quite different from the subsequently passed social enterprise legal enforcement. Later, it was suggested by social enterprise managers that sometimes new legislation can impose unanticipated changes on businesses. Although a level of external public support for social enterprises exists (Section 2.2), many interviewees negatively assessed the government's activities, criticising politicians for lack of rules, a lack of understanding, and delays in creating an appropriate strategy to support socially orientated enterprises. The government identified the need to redefine the role of social enterprise concerning the public sector and service provision. This change directly affected social enterprises' structures and functions, which had to be reformed following the new legal form passed in 2018 (Section 2.4).

This criticism was directed at local authorities in addition to the national government. Participants suggested that some departments within local authorities appear proactive concerning social enterprises, but not in any strategic sense, with a deliberate aim of supporting social enterprise; instead, it is a 'by-product' (Social Enterprise Manager 21) of their work. It was argued that the concept of social enterprise was not well supported, due to a lack of capacity to think about or manage change:

> '*There probably are some people in the district who are supportive of it, but that is probably more coming from some of the politicians, the councillors rather than the officers. I do not get any sense of it being a clear kind of policy drive within the district to encourage social enterprises to bid for the delivery of services. I do not have a sense that within the province, there is any real high profile for social enterprise*'.
> (Social Enterprise Manager 18)

Some interviewees argued that the national social enterprise policy with clear guidelines was practical and could be adapted by local governments to local contexts. For instance, the new framework or model of social enterprise was introduced in Krabi, the local government together with particular agencies set up a working group in order

to understand the new framework and distribute roles and tasks to related departments. The local government agency entrusted with the new social enterprise model became the main actor. For example, the board members of Krabi Social Enterprise from the public sector explained that although the Social Enterprise Promotion Act (PRS, 2020) has been reformed (Section 3.3.2), it aligned with the role of local government, specifically the district community development office (Section 2.5), which was responsible for supporting any changes in the locality. The manager of Krabi argued that the social enterprise model needed more time for alignment because it was an innovated mechanism for the local level. Krabi spent half a year understanding the concept and guidance before implementing projects in different areas. This could be cited as an indication of the need for more explicit rules and guidelines on how social enterprise policy should be applied in the field.

6.3. Stakeholder involvement

Stakeholder involvement comprises collaboration, partnership, and networking (Section 2.9), and is another factor affecting the development of social enterprise. Stakeholder involvement was perceived by participants as a positive driver in collaborative working across the five sectors (public sector, private sector, civil society sector, academic sector, and people), and was represented in multi-stakeholder boards and the business processes of social enterprises. The involvement of stakeholders in boards could occur before or after any joint working. Different organisations tended to work jointly, and later on, an individual could be invited to join the board as a representative; in other instances, someone did join the social enterprise board and that, in turn, led to collaborative working. In each case study, representatives had different roles and could perform different functions in social enterprises' processes (see Tables 6.1 and 6.2). The manager of Nongkhai Social Enterprise highlighted that her organisation collaborates with community development offices, a local university, a local authority, a non-profit organisation, and private businesses. This collaboration, she believed, would not be possible without positive attitudes and a general understanding of the notion of social enterprise. Participants claimed that partnerships (Section 3.9) could help in finding new business opportunities as well as business partners:

> '*Work with other people*. *Involve all sectors, specifically the private sector, as board members or shareholders, so to get the backing of somebody who is already notable and who can be your mouthpiece. If you get multi-partnerships in the board, it seems like your organisation*

will be stronger from the multi-skilled and experienced board, any supports, and also you can get their networking'. (Social Enterprise Manager 18)

Participants confirmed the benefits of multi-skilled and experienced boards in social enterprises. This underscores the increased importance of personal networking in Thailand to secure business contracts. This practice contrasted with a more idealised model of where contracts are awarded competitively based on a systematic evaluation against set criteria, where *who you know* plays a less critical role.

Table 6.1: Social enterprise case studies' stakeholder involvement

Case	Public sector	Private sector	Academic sector	Civil society	Citizen	Manager from
Shareholders and Executive and supervisor committee (represented)						
Krabi	/	/	/	/	/	Civil society
Nongkhai	/	/	/	/	/	Private sector
Chiangmai	/	/	-	/	/	Civil society
Chanthaburi	/	/	/	/	/	Private sector
BoD (number)						
Krabi	-	2	2	3	3	Civil society
Nongkhai	-	3	1	3	3	Private sector
Chiangmai	-	2	1	3	3	Civil society
Chanthaburi	-	3	2	3	2	Private sector

Source: Author

Table 6.2: Social enterprise case studies' collaborative working with five sectors

Public sector	Private sector	Academic sector	Civil society sectors	Citizen and community
Krabi				
Support infrastructure and equipment Policy guideline Community information	Distribution channels	Training Organic production techniques	Business plan management Sustainable plan Linkages of multiple communities	Joining as business partners Organic food production
Nongkhai				
Community analysis Community meeting Setting up the organisational structure	Product analysis and improvement Business management	New product research Training	Promoting unity in the community Networking	Operating business and services Learning new ways of working
Chiangmai				
Policy guideline Community information Know-how Marketplace	Building brand Marketplace	Knowledge Support in coffee bean cultivation and marketing	Business plan Management Sustainable plan Strengthened community linkages Multiple stakeholders	Suppliers and partners Operating business
Chanthaburi				
Policy guidelines Expositions	Business development Building brand Distribution channels	Research and development Technology for production	Creating an understanding of the SE concept	Suppliers

Source: Author

For example, in Krabi Social Enterprise, two representatives from public sector organisations, a community development officer, and an agriculture development officer, were selected to be the members of the social enterprise board. These organisations also were perceived as supportive actors in assisting in developing

policy guideline, conducting community analysis, and supporting infrastructure and equipment (the role and use of community analysis are discussed further in Section 6.6) Collaborative working across five sectors in community business was seen as confirming the role of each sector. In Krabi, for example, the private sector could be a business management driver, the academic sector could be a knowledge supporter, the civil society sector could be a community empowerment activist, and citizens and communities could be executors or business partners. These functions appeared to be designed for the formation phase of social enterprise:

> '*The centre social enterprise motivates us to join particular people from other sectors to work together in a community business, such as creating new markets, logistical planning, brand creation, or knowledge sharing and training. Many enterprises and we are trying to get experts for each part who also volunteer to do work for the community. It might be a more effective way of sharing business knowledge and more joined-up working with communities and those partners*. (Social Enterprise Committee 12)

Some participants, as the Nongkhai and Chanthaburi Social Enterprises, emphasise that stakeholder participation relied on the position of representatives and their experiences. In these two cases, the managers were selected from the private sector and possessed a business management background. These social enterprises appeared to be steered by business plans driven by private sector representatives. In contrast, in the Krabi and Chiangmai Social Enterprises, the managers were selected from the civil society sector, with a social management background. Their business plans and management teams lead by these representatives focused more on social aims.

Participants from each case study believed that the social enterprise could enhance their capability to run a community business through working collaboratively, at least in terms of facilitating business development, community analysis, sharing information, formulating policy guidance, distributing markets, and developing technology. This involvement could also affect the definition of target groups, gaining customers, enhancing benefits, and expanding networks. Participants suggested that having contact with other social enterprises, commercial businesses, and social enterprise stakeholders helped develop social enterprises. This was viewed as supporting mutual networks and as giving the comfort of not being isolated, with networking between organisations connected staff with the broader environment:

'*It has almost like a convincing thing, that this is a good idea. However, making ensure that you are getting the right type of people around you. If you get enough people just to show and prove that they are confident in you, then you would have a fair chance of taking on a big project. For a lot of social enterprises, that is a big problem in the beginning. You can also trade with one another, recommending, so if some catering company which is a social enterprise and you know somebody is looking, you can say, "I know who can supply your office with Thai dessert, and it just so happens it's a social enterprise. Trading and recommending one another, this partnership create support partners and become a customer"*'. (Social Enterprise Manager 18)

Some participants emphasised the role and importance of networking and how some social enterprises specifically worked to improve this:

'*We have just 20 social enterprises on our online marketing website, which is 'the central social enterprise hub' now because it's such a sizeable, dispersed area, we offered a free website hub, and each social enterprise can sell products and services via this website. We develop this hub to support every province to build their network, at least they can make their business connection through this network*'. (Social Enterprise Manager 5)

Some interviewees argued that networking was important not only for sharing information but also for generating income*:*

'*We used the central hub website since starting; we got a problem of trying to stay in contact with all the social enterprises, which are 76 organisations. Although we have exchanged information and consulted, this is not enough, because what we need is profit for generating income. So, what we put out a monthly e-bulletin, including a product description, which goes out to anybody interested in purchasing our products, through the central social enterprise website hub. Product catalogues are not just posted to social enterprises, but also agencies and community business enterprises. The information could reach out to anybody interested in the development of social enterprise*'. (Social Enterprise Manager 5)

One interviewee from a social enterprise board confirmed that, through enhanced networking as well as sharing practice and know-how, they could engage in viable cost-sharing:

> 'So, we try and do that on the ground on an operational basis by working together to do little fairs or little opening up a shop. Like leading up to [*Thai*] New Year, or Mother's Day, so that we can market our products through working together, so we are sharing costs. Nevertheless, that is one way we think might help development is to try and have a network of all those social enterprises, trying to share some of the costs may be because we cannot all have a shop, but we can all do marketing'. (Social Enterprise Manager 8)

Social enterprises were thought to benefit from cooperation with public organisations offering business support:

> 'It is about providing supporting infrastructure for new community business or groups that are looking at setting up community enterprises, for them to get a real understanding of how to be successful and how to set up enterprises which will flourish and thrive. That is where organisations like the Community Development Department, which is a public organisation, can come in. Then we are not only getting good involvement from the public organisations but receiving future support from public organisations too. In the end, the community enterprise can be our supplier and customer all well'. (Social Enterprise Manager 28)

The Krabi Social Enterprise confirmed that building a partnership with some public organisations like the Community Development Department (CDD) (Section 3.6.2) is a benefit because they could combine similar missions, such as providing activities for community development into the communities. Those missions have been provided by the main actor, CDD, and joint working could blend their beneficiary group in communities. Their partnership can build their services to reach out in community development.

Other points of view were expressed in each case study. Potential conflicts of interest between the social enterprise and other partners were perceived by some participants to hinder the establishment of partnerships and to delay the development of community

businesses. The Chanthaburi Social Enterprise manager explained that his social enterprise had been ignored by some local companies because they are providing equivalent services and serving similar target groups. The manager stated that some local agencies delayed joint workings, and it seemed this conflict could not be resolved yet. Similarly, in the Chiangmai social enterprise, it was claimed that some universities had neglected the social enterprise because of their unmatched goals. In contrast, the view of a Chiangmai university representative claimed that more time was needed to gain a greater understanding of the new social enterprise concept before collaborative work with the social enterprise could begin. Participants from board members suggested that this conflict could be solved by providing multi-stakeholder board meetings where the board could stress issues in order to clarify that social enterprises could do business that served society and the environment, as well as university willingness to engage.

The names of the Community Development Department and Agriculture Development Office (Section 3.6) were mentioned in the Krabi Social Enterprise interviews. These organisations were assessed as being a positive force in developing social enterprise activities:

> '*Community Development Department, the public organisation that is very active in the community called Community Development Provincial Office and District Office… They have some budget to support local organisations like social enterprises to deliver training or product development. There are several times that we sent our staff to train in business management with them. Also, they often support us, the shop, local marketplace, stalls, and knowledge. So, we can find some kind of government agencies to become our partners, trying to support our development*'. (Social Enterprise Committee 39)

Regarding support from public organisations, like the Community Development Department, a participant noted the importance of the procurement process and the role it plays in aiding the development of social enterprises. It was claimed that public contracts could give social enterprises a stable source of income and, potentially, financial security:

> '*Safe food to hospitals of Krabi is our project, within the hospital safety food delivery project, there are potentials for getting contracts to deliver a service, basically, organic vegetables, which is something that we do*

really want to go down and extend [*our*] *yearly contract. We offer to do*
this because we have all clean organic food that all hospitals in this area
need, in our hands'. (Social Enterprise Committee 12)

One participant observed that whilst the government advocates for social enterprise participation in the procurement process, it is insufficiently directive, and more could be done to require public sector organisations to commission more services from social enterprises. Participants emphasised a need to increase confidence amongst social enterprises to tender for public sector contracts. Policymakers claimed that the government provided free procurement courses attached to social enterprise guidance to eliminate a lack of confidence in the procurement process. The managers claimed that although such training courses were available to social enterprises, they were more conceptual rather than practical.

Participants noted the importance of successful cooperation between the public sector and social enterprises. One interviewee, a social enterprise manager, said a service level agreement had secured the future of a social enterprise for a few years, allowing for its development. The case studies reveal several organisations that wanted to deliver their products to the state:

'*We are hoping for it to be formalised for the first time in this new year.*
We are hoping to start negotiating a five-year service level agreement
as from this October, which is very important in terms of sustainability'.
(Social Enterprise Manager 8)

Participants stressed that social enterprises could be successful if people want to be involved in their development. As such, a social enterprise required support from the local community. Some participants highlighted that a bottom-up approach (Section 3.6.2) and groups of people willing to work together to achieve shared social aims could facilitate the development of a social enterprise. Simultaneously, a top-down approach (Section 2.6) is also essential for social enterprise development. Thus, integrating bottom-up and top-down support was seen as being needed to progress the development of social enterprise:

'*You need the policy framework and strategy in place, but you also need*
people encouraged and motivated and leadership and direction from
the ground up as well'. (Community Development Professional 22)

Participants mentioned their sources of external support, including official/public sector support from the government, local development agencies and some local authorities as well as sources of financial support. As such, formal assistance like public support as well as informal help such as the support and engagement of local communities were perceived as being needed in order to promote social enterprises and enhance their activities. External support from agencies such as the Community Development Department and other governmental agencies was perceived to facilitate social enterprises.

6.4. Management of social enterprise

As already mentioned, the framework of PRS social enterprise (Section 3.6.4), the national social enterprise policy was a unified '1–3–5 model of social enterprise' and outlined in the 'Pracharath Rak Samakkee of social enterprise framework'. It proposed hybrid social enterprises to meet the TBL mission. The framework is a model of one objective; three strategies of community development (agriculture, value-added products, and tourism); and five processes of development (access to factors of production, knowledge building, marketing, communication and awareness, and management systems).

Policymakers perceived this social enterprise model as a way to facilitate the development of social enterprises throughout all 76 provinces (Section 3.6). The policymakers claimed that newly designed social enterprise business formats create more prominent roles and guidelines for social businesses and their operations. The framework was seen as helping to scope the activities of social enterprises into three groups: agriculture, value-added products, and community-based tourism, which help to contribute to the social enterprise business plan. A community capacity assessment was used these three groups to assess projects of the community activities and to create a business plan of social enterprise. As identified by a manager of the Krabi Social Enterprise: (1) community empowerment; (2) community needs; and (3) potential products. A community with more community empowerment, more substantial needs, and higher potential in developing community products would be ranked to be a selected target and become the highest project priority.

There was an increasing understanding amongst stakeholders, mainly social enterprise managers and board members of what social enterprise is about, and of the model generating economic, social, and environmental outcomes among related sectors (Policymaker 2). The understanding could be reflected by an increase in

participation in social enterprise for each sector. For example, it was stated by a social enterprise manager that local private companies involved in social enterprise process to help the community in 'access to factors of production' in their business activities and in searching for new marketing. Moreover, Public organisations provided support policies approaches, funds, while the civil society sector and communities widely carried out these business activities into their communities, relative community needs to 1–3–5 model.

> '*We intend to be self-sustaining by our business side. We disclose the social enterprise framework to discuss in the board meetings. It seems to enhance their understanding. Some partners agreed with us to run our business for society*'. (Social Enterprise Manager 5)

> '*The social and environmental side are whereas part of our commitment to the community and their environment. We, together with partners, try to understand the 1–3–5 model to facilitate and encompass as many [of] the community members as possible. They like the ones who need a bit more support. We intend to provide them with an opportunity to be involved in the social enterprise, this is not only for making this model spreader but start community business they need*'. (Social Enterprise Manager 18)

Some participants noted that increasing acceptance and levels of understanding of social enterprise resulted from social enterprise strategy and vision:

> 'We felt that a social enterprise had a focus on three main strategies of generating economic, social, and environmental benefit in our communities. Managers brought the vision from Thailand social enterprise framework applied to their social enterprise vision, which is aimed to improve community well-being by [being] run like a business'. (Social Enterprise Manager 5)

> 'Our social enterprise had mainly focus on social and environmental aims, but we know this can run together with generating economic benefit in communities. I, as a manager, brought the framework applied to our social enterprise business'. (Social Enterprise Manager 18)

Other participants claimed that the acceptance of the social enterprise 1–3–5 model was attributable to greater stakeholder participation. As the social enterprise manager

of Nongkhai Social Enterprise explained, the number of community representatives increased from 15 people in 2016 to 105 people in 2017, and 210 in 2019 (Social Enterprise Manager 18). This sustained increase in members resulted from its adopted community participatory approach; the social enterprise staff together with the community leaders had several meetings with communities in order to provide them with an understanding of social enterprise and its potential effects on communities. The Chiangmai Social Enterprise confirms that bringing social and environmental issues into their projects influenced the acceptance of social enterprises among stakeholders, including both partners and communities. They adopted a new environmental project when support from public services declined (Chiangmai Provincial Economic Development Department, 2018); for instance, the project 'Nine Hills Coffee' encouraged tribes to plant coffee as a cash crop in the mountains, to reduce deforestation. This project increased growers' participation in the social enterprise and increased community income (Section 6.5).

Some participants argued that the growing interest in social enterprise related to the promotion of the concept combined with a capacity among communities. It was claimed that the social enterprise helped the community to perceive their own capital value. Growing awareness among participants of being socially and commercially driven might be a way to deal with existing and emerging challenges and assist in developing their communities:

> '*We have to balance. We are not pure profit; we know we are social and profit and it is a sustainable way for other people in the communities to be able to carry on and working in their own communities. So, we are searching for community resources and produce products and services that add economic value to that community. So, this is economic and social development for local areas, automatically*'. (Social Enterprise Manager 2)

A managerial aspect of a social enterprise is that it runs on a business model. Social enterprises have deployed the framework outlined in national policy (Section 2.2), but they could adjust it to local circumstances as required. Some interviewees portrayed the business approach as follows:

> '*In order to create a viable enterprise, the manager has to be realistic, possess a clear vision of what, how, and when he [sic] wants to achieve,*

> *as well as work with capable people who can support the entire structure and lead to succeed'*. (Policymaker 2)

All case studies adapted the PRS '1–3–5 social enterprise model' which was seen as practical means for management to establish an organisational structure. The three elements of the PRS 1–3–5 social enterprise model are objectives, strategies, and the process was defined by the social enterprise boards of each case (Figure 6.3, 6.4, 6.5). The first element of social enterprise objectives were the main focused goals and mission of the social enterprise. Although all social enterprise defined to meet all three goals, they appeared to emphasis on different goals. Next, the social enterprise strategies categorised three areas of business activities/ projects. The last element of the PRS 1-3 5 Model were processes which design organisational process to drive the social enterprise activities and goals. Social enterprise managers perceived this model as a useful managerial tool in shaping new social enterprises (Figure 6.3, 6.4, 6.5 below).

Table 6.3: Comparative case study of social enterprise models: objectives

Main objective:	Grow community income to create happiness among people		
Case	*Economic outcome*	*Social outcome*	*Environmental outcome*
Krabi	focused	focused	focused
Nongkhai	focused	focused	
Chiangmai			focused
Chanthaburi	focused	focused	

Source: Author

Table 6.4: Comparative case study of social enterprise models: strategies

Strategy		
Agriculture	*Value-added product*	*Community tourism*
Krabi		
Defined Plan: Organic farming	Defined Plan: Hospital food safety project	Defined Plan: Nueklong village tourism
Nongkhai		
	Defined Plan: Processed fishes	Defined Plan: Bandeau community tourism
Chiangmai		
Defined Plan: Nine Hills Coffee		
Chanthaburi		
	Defined Plan: PolChan brand	Defined Plan: Ban Khanom Plake tourism

Source: Author

Table 6.5: Comparative case study of social enterprise models: processes

Process				
Access to the production factor	*Knowledge building*	*Marketing*	*Communication and awareness*	*Management system*
Krabi				
Quality of raw materials	Organic food technique	New distribution channels	Promoting self-sufficiency in the community	Business plan Financial management
Nongkhai				
Production equipment	Local product production efficiency	Packaging Local markets	Promoting unity in the community	Business plan Financial management Environmental sustainability plan
Chiangmai				
Mobilise experts	Agriculture research and development	Rebrand	Creating pride in local products	Environmental sustainability plan
Chanthaburi				
Raise funds for production	Product standards	Brand building Online shop	Creating an understanding of the SE concept	Business plan Financial management

Source: Author

In each case study, participants mentioned that adapting this '1–3–5 social enterprise model'. For example, the Krabi Social Enterprise organisational structure was designed as a '1–3–5 model' (see Tables 6.3 to 6.5). The model was perceived by the manager to be generally compatible with their socio-economic goals and strategy and to be easy for all staff, stakeholders, and partners to understand concerning their organisational structure.

The '1–3–5 model' underpinned the first project of Krabi, 'Hospital food safety project' (Figure 6.2), as a community project in the formation phase, initiated from the community capacity and needs. Krabi Social Enterprise built the food factory to collect vegetables from farmers, set price standards, and control quality before distributing to all hospitals and some hotels in the Krabi region. This social enterprise model was perceived by participating community representatives as generating new occupations to increase individuals' income, enhance social responsibility, and produce environmentally sustainable agricultural products. This project does fit with the '1–3–5 model', with social enterprise development related to the community's capacity to undertake the project in order to seek to achieve all triple goals (Section 5.2).

Figure 6.2: Hospital food safety project
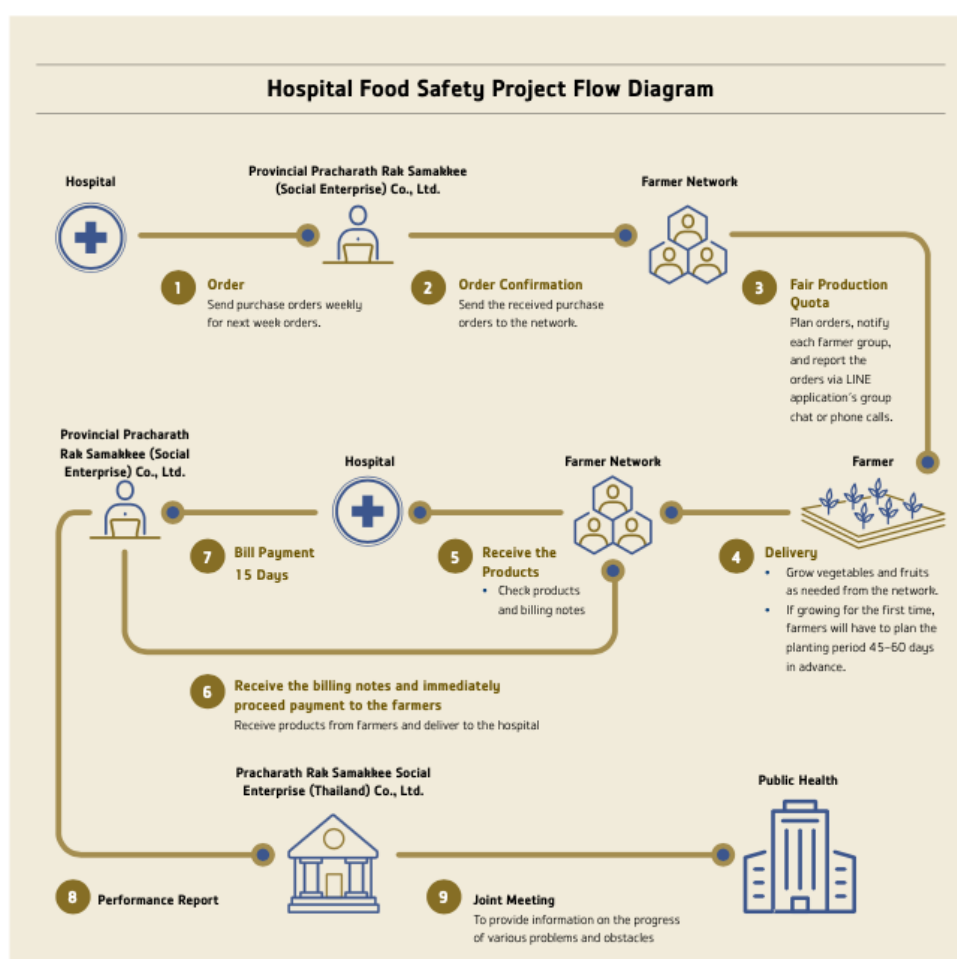
Source: PRS (2017)

Some of the participants argued that different provincial contexts could demand different models. For example, the Nongkhai and Chanthaburi Social Enterprises proposed a '1-2-5 model' (Table 6.3-6.5), comprising one objective; two strategies of community development (valued-added product and tourism); and five capacities (access to factors of production, knowledge building, marketing, communication, and management systems). Their '1-2-5 model' had variable, adjusted strategies based on community needs, community empowerment, organisational capability, and partnerships. Nongkhai, for example, operated the 'Bandeau Community-based tourism' (Figure 6.3), as an initial project during its formation phase. Community representatives saw this project as matching with a local need to promote a harmonious community. The social enterprise manager stated that this project aimed to serve the organisation's economic and social aims. Local participants believed that adding value to a local product, such as 'processed fishes' could increase the income for families involved in the project.

Figure 6.3: Bandeau Community-based tourism

Source: Author

Similarly, Chanthaburi Social Enterprise operated a '1-2-5 model' (Table 6.3-6.5), which was modified from the national framework. Chanthaburi built a new brand, 'PolChan' (Figure 6.4), to create and distribute product standardisation for fruits in the province. The community analysis, conducted by a joint working team of staff from the social enterprise and the CDD, analysed information on community capacity and needs. This analysis was used into the formation phase of generating social enterprise business plan. The business plan was developed to add quality to the product and increase the bargaining power of suppliers. Chanthaburi Social Enterprise built the fruit manufacturing plant and shops to collect fruits from gardeners; conduct quality checks; set the price standard; undertake packaging, branding, and delivery to shops and other grocery stores and supermarkets; and provided e-commerce services. Managers accepted this business plan. Specifically, the 'PolChan brand' sought to provide premium quality fruits in comparison with other social enterprises in Thailand. The manager claimed that this model fulfilled the organisation's focus on both economic and social aims. Some participants believed that adding value to local products could increase income for families who participated in the project.

Figure 6.4: Polchan brand

Source: Chanthaburi PSE (2018)

The Chiangmai Social Enterprise adopted a different model, the '1-1-5 model of social enterprise' (see Tables 6.3 to 6.5). Participants believed that social enterprise could have a business plan that reflected community needs and influenced the achievement of those needs. The plan, called 'Nine Hills Coffee' (Figure 6.5), worked with existing agricultural businesses, and was designed by the social enterprise together with communities and stakeholders. Community representatives perceived that joining in this business could increase the value of coffee agriculture, creating pride in their local products, forming groups for social benefits, and expanding the area of the coffee plantation to protect their hills and ancillary rainforests. The manager claimed that environmental sustainability issues were a critical factor in doing this business. In this case, the social enterprise could modify a core business plan based on a focused strategy, analysing community capacity, and addressing specific community needs.

Figure 6.5: Nine Hills Coffee

Source: Chiangmai PRS (2018)

One interviewee highlighted that introducing this new business format could help in raising financial resources for social enterprises and in generating funds from private investors. For instance, according to interviewees, the Thailand social enterprise structure has been set up expressly to allow people from different sectors who were supportive of the idea it was social responsibility to become shareholders of social enterprises. This new form appeared to have enhanced the social enterprise actual fund from an existing source.

In each case study, participants gave examples of management arrangements. Nongkhai and Chanthaburi Social Enterprises drove their organisations by employing business professionals to manage their projects. This practice was justified by participants arguing that running a social enterprise should not be different from running a commercial business. A business-like, professional approach was believed to help in gaining external support from other sectors. Social enterprises need to show that they were aiming for success, as well as evidencing competence and confidence:

> '*Every business has a business plan because to start off the business*
> *you have to look for funding and profit, so you must have an excellent*
> *solid business plan that stacks up financially, and a business plan that*
> *you can show in board meetings and say, "there you go, please trust*

and support me". So, it is imperative that we are a social enterprise. We
are similar to any business. However, we have to really ensure that we
will also have stress on a social mission'. (Social Enterprise Manager
18)

Interviewees highlighted a need to promote examples of successful social enterprises
to other social enterprises, other economic sectors, and customers. It was thought that
people had to be made aware that the model itself can work and, if properly managed,
can create a viable business. This would provide reassurance for those running, or
willing to set up, social enterprises and support further growth of the social enterprise
sector:

'*It is about the promotion of the fact that social enterprises can work;*
individually, social enterprises can promote themselves effectively and
be able to say that we compete with you equally, we provide process,
governance framework, business plan, and to have the confidence to
do that, then this success case can be an example for other social
enterprises in this sector'. (Policymaker 6)

6.5. Resource mobilisation

In this PRS social enterprise framework, the government joined with all five sectors
(public, private, civil society, academic, and people sectors) to help in raising funding
from shareholders. For each provincial organisation, PRS social enterprise action plan
was seen as a tool for raising capital funding, which is necessary for start-up and
development costs. All 76 PSEs gained ฿4 million (~£102,425 at November 2019
exchange rates) of funding at the time of company registration (Section 3.6). Some
participants involved in social enterprise activities highlighted an advantage for this
financial support in creating a variety of social enterprises projects and activities. It was
suggested by policymakers that:

'*… business income joined with grants could lead to creating a higher*
volume of more independent and stronger social enterprises'.
(Policymaker 6)

Several interviewees said that in addition to generated income, social enterprises
should still, if possible, apply for grant support. This could be additional income for an
organisation. Furthermore, the more developed the business, the more likely and
capable it is to possess negotiating power; it can employ more people, including skilled

staff, gain knowledge about the market, and create networks. Consequently, it could be claimed by managers that organisations that have existed for a number of years were more sophisticated, with more knowledge of their rights and strengths. This could be used to facilitate the activities of social enterprises, as it gave them security and a level of stability.

Participants stressed the importance of social enterprises being sustainable, indicating that the conditions for developing a social enterprise should give them the financial freedom to invest in their projects and business operations. In many cases, the necessity to generate income leads to a situation in which voluntary organisations were forced to adopt a business-like model. If this approach was rejected, participants suggested, an organisation could simply fail; if an organisation was to survive, it needed to become less grant-dependent:

> '*So, it is got to the stage where it is not going to get funding from shareholders or government for very much longer. We count within the next year to two; it is going to come to a point where it is not going to get sufficient money to keep itself-going. So have been working with them* [*managers*] *over the last six months to look at how they can think about sustaining themselves in the long-term. The motivating factor behind them looking at social enterprise models is the fact that currently, voluntary organisations have been receiving grants doing outstanding work for groups of people who otherwise get a poor deal in society. However, they are unlikely to be able to sustain themselves on grants,* [*in*] *the long-term future*'. (Policymaker 2)

The interviewees indicated that many social enterprises had modified their business plan by realising that successful social enterprises produce social, environmental, and economic outcomes. As their funding was limited, participants claimed that the social enterprise model increased start-up capital fund support and enhanced their commercial ability. Income generation was seen as the main activity for social enterprises. Participants highlighted that creating profits from selling products or services was the sustainable way to provide income so that they can continue their activities over the long-term, allowing them to reinvest profit into communities. This shift in funding source represented a significant cultural change.

Some participants were resentful of a shift in the funding regime. They argued that the shift in funding source had led to organisational pressure:

> '*The triple aims of this social enterprise somehow are hard to reach. Some social enterprise organisations will only ever be social enterprises because they just want to do some good thing. However, their board will always say that you must think about social enterprise development in the way of* [*financial*] *profit. You have been forced to search for funding and launched a project for economic growth. Moreover, you must think* [*of*] *activities to serve social and environmental sustainability too. When things get harder, they* [*social enterprise managers*] *just delay projects. We found some unsatisfied feedbacks about this model. The truth is that not all organisations in the sector will be able to survive*'. (Social Enterprise Manager 5)

Those social enterprises who had gained a grant or subsidy from a shareholder reported substantial benefits arising from such arrangements. External funds helped in setting up organisations and enabling them to develop their projects. Participants gave examples of social enterprises that would not be able to survive without external financial support; for example, social enterprises that employ skilled staff or those that pay for renting office space and utility bills, such as in the Chanthaburi Social Enterprise. Grants or subsidies helped them to continue their activities and deliver services and products.

Having a capable workforce could be a key driver in running a social enterprise. Participants suggested that social enterprises can be facilitated by people with business expertise from both private and public organisations. This support could be gained by hiring external business consultants, or simply by employing people with business skills. Either option was dependent on the financial resources of a social enterprise, but none of the social enterprises had employed professional managers based on expertise; all managers working for social enterprises were volunteers, or no salary was paid for this position.

While rural areas might lack resources, there was an expectation by social enterprise participants that people were willing to help each other out. A culture of self-help could be perceived as a promoter of rural-based social enterprises. For instance, Chiangmai and Krabi Social Enterprises had been supported by villagers who desired to initiate business provision in their villages. This then led to community projects which evolved into social enterprises:

> '*This man from the community who comes in is involved in a whole load of community projects. He has a job, his small food store, but he wants to help. He helped in collecting organic vegetables and eggs from each house and delivering to hospitals. His role became that of a partner of social enterprise. This social enterprise was started by this group of people who wanted to help their community*'. (Community Development Professional 13)

It was noted that frequently those who were helped become volunteers. In this way, previous clients with real-life experience could help others currently needing support. Some people wanted to give something back. Some participants admitted that without volunteers, it would be challenging to run a social enterprise:

> '*..if we do not have volunteers, we do not have any projects done*'. (Social Enterprise Manager 8)

Nonetheless, finding volunteers was still tricky, especially those with the required skills and experience:

> '*There is probably not a big problem in getting volunteers to involve in each position. It is not a number of volunteers. It is what you could do with a specific volunteer. What is looking for in a volunteer in a sense is the same qualities, people with skills and background, almost as an able-bodied fully switched-on person*'. (Social Enterprise Committee 26)

As those volunteers were unpaid, social enterprises utilising volunteers could find that they needed motivation. If possible, these 'volunteers' could receive some form of payment. Sometimes social enterprises allocate expenses such as travel or training. Other social enterprises had some sort of 'ad hoc' employees, whereby volunteers were paid on a short-term basis. However, such arrangements were only possible for social enterprises doing well financially. Some social enterprises did 'employ' (i.e., pay) existing volunteers when financially feasible to do so.

In each case study, interviewees agreed that there were a majority of local people willing to spend effort on helping others in their communities. Accordingly, social enterprises must not be seen only as commercial undertakings because this could discourage potential volunteers. One volunteer remarked:

> '*Actually, this social enterprise tended to have a number* [*of employees*]*, sort of, ten at any one time. Some have we have been faced with a tough situation during a time of waiting for recruit, but the community activities need to be delivered; volunteers solved these situations. They help to deliver social enterprise activities without needing any return*'. (Volunteer 46)

Interviewees stressed that having a capable workforce and volunteers was the primary key to success. Some participants claimed that the experience and practical knowledge gained through running a business was more important than formal education; working in business could help an individual understand how challenging running a social enterprise could be.

6.6. Community readiness and capability

Participants identified several advantages associated with operating in their respective province. The readiness and capability of both social enterprises and local communities were seen as supporting factors in the development of social enterprises. In each case study, interviewees identified the community needs, community attitudes, and community context, as factors that supported social enterprise development in each province. Participants stressed that many social enterprises could be managed and developed in the provincial area. It was believed to be about people's willingness, their perceptions of the external environment, spotting opportunities, and taking a positive and active approach:

> '*Social enterprise in each province will provide activities and services to influence the development of communities and rural areas, which can extend positive attitudes. The rural areas have barriers in terms of distance and access to services. if the community interest is there, the barriers might be overcome by social enterprises*'. (Community Development Professional 23)

Participants suggested that communities possessed '*the most knowledgeable and talented people*' (Community Development Professional 29) to develop a social enterprise. In each case study, interviewees gave examples of social enterprise managers who used community analysis for assessing a community's ability and gaps in service delivery. Social enterprise managers perceived the community analysis as a tool to match local needs with a social enterprise business, by which they tried to fill

those needs and gaps. In the Chanthaburi Social Enterprise, this tool was often applied to prioritise the community businesses in order to get the enterprise more local cooperation, leading indirectly to less competition. The demand for a product was believed to create acceptance amongst local people and generate income:

> '*In my opinion, one reason that we get local support is that our social enterprise is more responsive to local we have, we have got to know what the communities themselves want, or else it could not serve them*'.
> (Social Enterprise Manager 28)

It was noted that local people were more capable of identifying their community needs than people from outside the area:

> '*People in rural areas will recognise an essential thing about what counts in the community. They operate at the grassroots level. For example, Nue-klong is a community where has a real problem of uncomfortable transportation. For solve this matter, they propose this identified need to the local authorities and later the social enterprise. Then, an initiated project of a transport structure where volunteer drivers would take people shopping, delivering, and logistics*'.
> (Volunteer 16)

Some interviewees stated that the social enterprise concept resonated with a community attitude, culture, and faith, where there was 'an inherently strong sense of harmony and doing a good thing in the community' (Community Representative 36). Social enterprises worked for communities primarily on this basis, rather than in terms of making money. Harmony and belief were seen as fundamental drivers of social enterprises:

> '*Most people in the community agree with this idea of social enterprise because they want themselves to be a part of doing something for their community; they reflect their strong motivation. They believe in communal harmony, and their faith refines them to do good deeds. The idea to serve things for the society of social enterprise seems to match with their strong feeling*'. (Social Enterprise Employee 10)

Volunteering in communities has a long tradition. Participants associated it with a culture and willingness to help each other in relatively disadvantaged communities, distant from large service centres. It was suggested that people in rural areas learn

how to help each other to survive; this was thought to explain the healthy volunteering culture.

Although running a business was the primary mission in some social enterprises, responding to 'community culture and norms could be a helpful approach to develop particular attitudes within the rural context' (Community Developer 12). Some rural areas shared attitudes about working together and supporting each other and active strategies for problem-solving. Participants claimed that in rural areas as such in villages, villagers together looked after their community and themselves. There is a strong sense of community' (Community Representative 15). One community representative noted his village's motto 'work together to empower community', and this could be gainful as it was seen as being matched with one of the social enterprise concepts 'we support you a business, you execute it for your community' (Policymaker 5). Social enterprise could promote a community's willingness to work together as a partner in order to enable self-reliance and activate strategies for problem-solving:

> '*People in villages have received more advantages in working together to resolve their community concerns. Each person can support, helps in some way, because an only small group of people around might not* [*be*] *enough to manage big issues. So, being a partner of social enterprise could help to solve more of their community and own problems*'. (Community Representative 27)

The participants believed that a community context with a small number of clients discouraged commercial enterprises, whilst present difficulties for public providers. Effectively, they were seen as being an unsuitable target group for investment by both commercial concerns and public services. Some of these communities established their community businesses, creating market gaps for social enterprises. In each case study, the small market size was not perceived as a constraint for developing social enterprises; some interviewees even suggested that it was positive. Managers claimed that a lack of intense competition and a limited range of services in rural areas could lead to needs not being satisfied. It could create opportunities for social enterprise to produce different products and services which might have never been previously presented, and which then involved and were supported by local people. In the Krabi Social Enterprise, the manager stated that in rural areas, there was little competition, and by generating new products, the social enterprise could increase support from the locality. The social enterprise took this opportunity to establish 'the organic food for the

health', which (as discussed above) became a local organic food factory to supply hospitals and shops.

In Chiangmai, located in the northern region of Thailand, agriculture dominated the local economy, with many local people working in coffee plantations. Participants explained that low coffee prices for growers (far below market prices) made it unviable for farmers, due to a lack of bargaining power in negotiations with a previous processing factory. The Chiangmai Social Enterprise then created and reprocessed the Chiangmai coffee brand ('Nine Hills Coffee'). Local participants claimed that being involved as partners in this business enabled collective bargaining and cooperation for a higher price, making coffee growing a viable and profitable business. The local participants claimed that this novel business brought together local businesses and built stronger competition:

> '*We are easily searching for things which are missing and fulfil the communities' needs. Whereas somewhere like Bangkok. You would not be in a harder situation to compete for commerce with other business. However, here in each [of the] communities, it is easier to run a business that can solve their [communities'] problems. You have connections like [with] local authorities or government agencies. Business enterprises are also wanting to be your partner. People are grateful for having you. For example, you put your plan to develop their products to get a higher price and open a new shop or something else that is an interest for them*'. (Community Developer 43)

Furthermore, cooperation between the farmers' coffee plantations to create their local product brand increased their bargaining power and the brand image of their local coffee. One community representative said that this project could expand the area of coffee plantation and thus help to protect ancillary forests. The manager claimed that environmental sustainability had become a primary concern for extending this aspect of the social enterprise's business. In this case, the social enterprise created an opportunity for doing business, offering a new solution to overcome community problems, with a business plan based on a focused strategy, analysing community capacity, and addressing community needs, and involving participants in solving community problems.

Knowing the local market seemed key to social enterprise success (Social Enterprise Manager 5). Some participants argued that although a community will be a small-

scaled market, it could present a challenge for social enterprises. In rural areas, it was argued, social enterprises had to be flexible to produce a range of desired products. Some types of products that would thrive in a rural area were suggested. Participants from Nongkhai Social Enterprise observed that producing different products could increase sales volumes in markets. An example of this was given by the manager, who noted that there were lots of fresh fish shops in the community, and the social enterprise could produce new products to sell in this market. A 'Community Chef Shop' brand was produced as an innovated product to be delivered to local and national markets. Participants saw this reprocessed product as providing a connection between local businesses and a more massive marketplace.

Participants claimed that people in a locality were the agreement of using local raw materials/ resources to create new products and delivery community services in their community businesses. As they believe these businesses could not only provide protection tier resource but those also value-added. This agreement was seemed by the community participation to enhance the community empowerment. Some interviewees stated that it was not too hard to promote business in communities by demonstrating three strategies of PRS 1–3–5 social enterprise as a mean to add value for their existing resources both agriculture and environment.

Participants emphasised that because local communities could be relatively scattered and isolated, people tended to communicate and support each other. The model could be rapidly accepted in such locations:

> '*Social enterprises can grow in remote and rural areas*. *As the model of social enterprise, people know that it will not separate our social needs and our financial benefit in the services*. *The development has to join together*. *The communities are small, and in order to be more self-reliant, people are agreeable to admit* [*the*] *initiative*'. (Community Representative 17)

Having an appropriate business plan embedded within the local context was seen by social enterprise managers to be an essential factor for social enterprise development at national and provincial levels. Participants claimed that PRSs could more easily generate business (compared to national social enterprises), through adopting a suitable business model and being widely recognised in the communities in which they operate. Moreover, those social enterprises with saleable products could use alternative platforms of selling to access broader markets.

6.7. Conclusion

The findings revealed a number of factors that were suggested by participants as driving the development of social enterprises. These include governmental policy, stakeholder involvement, the management of social enterprise practices, resource mobilisation, and matching business plans with local contexts and community needs (Figure 6.1).

Government policy, in establishing a social enterprise, sought positive economic (job creation and public service delivery), social (empowerment and social capital) and environmental (deforestation, fewer chemicals, recycling) impacts on communities. The social enterprise policy was increasing in popularity across all five sectors, and changing attitudes, such as the importance of adopting a business-like approach and increasing recognition of the necessity to introduce new forms of enterprise that can support society. Ambiguity and lack of understanding about the social enterprise concept in the policy led to delays and shortcomings in implementation. This supports the recommendation that clear rules and guidelines should be applied in the field (this is discussed later in Section 9.2).

Stakeholder involvement was a positive driver in securing collaborative working across five sectors through social enterprises' multi-stakeholder boards and business processes. There was a range of formal support mechanisms from different stakeholders (such as business support, social management, new technology, knowledge sharing, finance, and network building). An emphasis on stakeholder participation in social enterprise relied on the position of representatives and their experiences. Given the nature of the social enterprise, including the obligation to generate economic, social, and environmental outcomes, this created some conflicts in decision-making and led to challenges in recognising the overall enterprise value. The potential conflicts of interest between the social enterprise and other partners could hinder the development of social enterprise partnerships and thus delay community businesses.

The management of social enterprises involved an increasing understanding of a social enterprise entailed, and the generating three outcomes embedded in a business model. The government recommended the '1–3–5 social enterprise model' (1 objective, 3 strategies, and 5 processes) as a practical business model for establishing organisational structures. However, social enterprises could modify and adapt them for their particular organisational contexts as appropriate. Participants also highlighted

the management of social enterprise sustainability issues. Achieving stability was seen as a consequence of applying a clear strategy based on an analysis of community capacity and stakeholder needs.

Financial resource mobilisation was identified as facilitators driving social enterprises forward. Social enterprises with 'effective' joint working across the five sectors could be more able to raise funds from shareholders. Also, social enterprises were given financial freedom to produce their products and services to create profits, which they could reinvest in their communities. Social enterprises having employed skilled or experienced managers could benefit from their running of the business side of operations, but most managers were unpaid volunteers.

Community readiness and capacity were suggested as a supporting factor in the development of social enterprises. Cultural factors and willingness and, in particular, support for the idea of achieving a harmonious community, and taking responsibility for running social enterprises were significant contributors. Community cooperation influenced the adoption of business models and entrepreneurialism. Thailand's socially orientated culture also promoted volunteering. Where social enterprises focussed only on acting as commercial undertakings, this could discourage potential volunteers. Finding volunteers with skills and experience was difficult. In sum, several successful social enterprises were associated with identifying community capacity and needs and attuning the beneficial factors of social enterprise development to such communities, at both the national and local levels.

This study has identified factors affecting social enterprise expansion, but is unable to prioritise them; thus, suggestions are not made as to which factors were of most importance in developing social enterprise. Besides, findings were a reflection of the opinions of stakeholders in specific places at a particular point in time; no claims are made as to the generalizability of the finding to other places and times.

The overall picture conveyed supports findings from the academic literature in which social enterprises are seen to be using business principles to achieve socially beneficial outcomes by identifying and acting on opportunities they perceive in their formation stages. At the same time, they were influenced by their stakeholders, communities, and internal and external contexts. In turn, social enterprises influenced the society and environment through their projects and activities, influencing others in the sector and perceptions of the capability of social enterprise to deliver. Social enterprises promoted social benefits by working within contexts of constraints and

limitations to meet the TBL (Section 2.5). Hence, they not only had to be efficient but also worked to address practical problems confronting communities.

Chapter 7: Hybrid Social Enterprise and Tensions

7.1. Introduction

The previous chapter described the factors influencing the development of social enterprises. Findings are presented in this chapter to address research question 2: What are the hybrid features of social enterprises, and how do they influence tensions emerging in hybrid social enterprises? This chapter studies hybrid organisations and explores how social enterprises manage their hybrid nature, as well as the tensions that social enterprises face in such circumstances.

Hybrid social enterprises are organisations aiming to pursue multiple missions, and they have been identified as a fertile field of research and practice for decades (Section 2.6). Combining the pursuit of positive social and environmental impacts with a business venture could create paradoxes and tensions from bringing together opposing forces that bring their values, goals, and strategies. The first section of this research considered that the four social enterprises showed features based on a hybrid spectrum of social enterprises. These features include goals, motives, method/ focus, profit distribution, accountability, and sustainability aim. The next section examines how social enterprises face an inherent paradox of integrating multiple missions that persists over time and deal, with different activities with multiple stakeholders. The last section builds on the analysis to identify four pillars that seem to be possible tensions in organisations pursuing multiple joint goals: balancing goals and missions; conflicts of interest; financial mobilisation; and workforce management. While they might configure these organisational features differently, it was observed that the case studies' ability to pursue triple goals seem to share a commonality of maintaining a hybrid organisational form that held and balanced tensions between creating social, environmental, and economic values.

The following sections define and examine the nature of the hybrid spectrum of social enterprise exhibited by the four case studies.

7.2. Social enterprise hybrid organisations

The case studies' social, environmental, and commercial activities confirmed their characteristics and status as hybrid organisations (Section 2.7), they had developed organically rather than being consciously designed, albeit in response to social needs, shaped by government policy. Their inception as community organisations, with

trading interests, positioned them as unfamiliar organisations in Thailand, between the poles of traditional charitable foundations and private business interests. As a significant phenomenon, they have only been firmly established since 2016. However, their impressive achievements and diverse mix of funding suggest that they are entrenched in the socio-economic life of modern Thailand.

The four social enterprises exhibited many similar features based on the hybrid spectrum (Section 2.7.1), exhibiting hybrid features. The four case studies (Krabi, Chiangmai, Nongkhai, and Chanthaburi) provided missions of reducing poverty, providing employment opportunities, and community development. The ways how they determined to reach their social, environmental, and economic goals differed in focus and prioritisation. Table 7.1 presents the hybrid nature of social enterprises and the eight key features of dimensions of hybridity: goals, motives, method/ focus, profit distribution, accountability, and sustainability (Section 2.7.1). The case studies shared several general characteristics; all were registered companies operating as businesses in legal form, with their primary source of revenue being from a share of community income. This section discusses the position of each social enterprise case study in the hybrid spectrum. Each of the pillars of the hybrid spectrum is discussed below.

Table 7.1: hybrid spectrum features of case study social enterprises

	Krabi	Nongkhai	Chiangmai	Chanthaburi
Goals				
	To produce activities beneficial to social, environmental, and business values	To ensure and drive multiple-goal achievement of society, environment, and economy	To achieve social, environmental, and economic value creation	To build economic, social, and environmental activities in communities to increase wellbeing
Motives				
	Mixed social, environment, and profit-oriented motives	Social gains primary motive	Environmental sustainability main motive	Profit-making motive
Methods/ focus				
	Balanced of triple mission-driven	Mission socially driven	Mission socially and environmentally is driven	Business-driven growth orientation
Profit distribution				
	Profit reinvested into communities in mission-related activities and retained for business growth, not for distribution to shareholders	Profit reinvested into communities in mission-related activities and retained for business growth, not for distribution to shareholders	Profit reinvested into communities in mission-related activities and retained for business growth, not for distribution to shareholders; 85% of surpluses go to the reserve, 15% reinvested in communities	Profit reinvested into communities in mission-related activities and retained for business growth, not for distribution to shareholders; all surpluses go to reserve
Accountability				
	Both shareholders and stakeholders, following good governance	Both shareholders and stakeholders, following good governance	Both shareholders and stakeholders, following good governance	Both shareholders and stakeholders, following good governance
Sustainability aim				
	A sustainable business model in the social and environmental development	A sustainable business model on social development	A sustainable plan on social, environmental, and economic development	Have a sustainable business plan

Source: Author

7.2.1. Goals of hybrid social enterprises

The first pillar of hybrid nature on a hybrid spectrum is goals (i.e., of social enterprises). Hybrid social enterprises fundamentally pursue social/environmental and economic value creation goals (Section 2.7.1). All case studies defined their organisations in terms of their TBL objectives and missions. Table 7.1 presents its triple goals and its features placed along the enterprise spectrum.

7.2.2. Motives

The theoretical analyses of the hybrid social enterprise discussing the commercial and philanthropic motives of organisations helped conceptualise the organisations (Section 2.7). Their motives play a significant role in distinguishing SEs from other organisations. In all case studies, participants had attempted to blend approaches in managing social and profit-oriented motives, to create social value with maximised opportunity exploitation, as well as a sense of financial sustainability. Consequently, in response to environmental preservation and eco-products, social enterprises could be thought of as innovative environmental value opportunists.

The participants indicated the use of hybridity to create structural forms mixing for-profit and non-profit approaches. Additionally, some participants accepted that social enterprise managers could have other motives besides social value creation. Krabi Social Enterprises had triple goals of social, environmental, and financial objectives that guide their decision-making and determine their success, regardless of whether they view economic value as a means for creating social value, or as a value in its own right. In Nongkhai, social gains were seen as the primary motives for social enterprise managers. The economic goals and motives could be necessary incentives, but the aspirations might not necessarily be the maximisation of the economic gains. Similarly, in Chiangmai, environmental sustainability was seen as the primary motive for social enterprise, and profit-making was merely a means to this end.

All the above-mentioned social enterprises were highly motivated social and environmental aspirations, which are classified as philanthropic motives. The case studies of Krabi, Nongkhai, and Chiangmai were in favour of blended identity orientation, explicitly identifying themselves as 'hybrid SEs' and attempting to adjust governance structures in a way that reflects a hybrid status. In Chanthaburi, the manager identified the nature of the organisation as being driven by profit motives, and their triple aims were also integral to their mission:

'*The organisational structure seems a mixture of both; we drive for profit motives. Nevertheless, it has to fit our objectives about helping our society and community. We offer work opportunities in fruit farms for locality and doing environmental preservation as well. That is not only driving people of business but helping their circumstances*'. (Social Enterprise Manager 38)

7.2.3. Methods/Focus of missions

Krabi participants believed that their combined plan of social enterprise, which involved training expert farmers and maintaining eco-products responsible for the supply chain to improve social impacts, led to triple mission achievement. The social enterprise used this business plan to respond to the tension they had perceived between market and social mission logics by focusing on the social mission. The manager was clear that if he focused exclusively on the social mission, financial returns would follow. As a result, he refused money from donors who offered conditional funding. Board member interviewees stated that this changed how they engaged with the market. Initially, the Krabi Social Enterprise was reformulated as a hybrid organisation with for-profit and non-profit components. As a result, some money was generated by the products they sold, but their primary efforts were redirected from sales to fundraising. As a hybrid social enterprise, they could target shareholders whose interests were aligned with its social mission, so these participants felt freed from focusing so much on market considerations and could redouble their focus on social mission efforts.

Nongkhai participants believed that their individual social enterprise goal of an individual plan creating community tourism aimed to serve social goals by marketing fish products via a responsible supply chain to achieve economic goals, thus achieving both missions. Nongkhai mainly focused on two values, economic and social, associated with hybrid social enterprises known for these dual-bottom lines (Section 6.4). Social enterprises raised innovative solutions to address social issues by employing traditional business and market-oriented models. In essence, the social enterprises "share the pursuit of revenue generation with organisations as well as the social and environmental achievement" (Social Enterprise Manager 18).

Chiangmai participants believed that their focus only on social and environmental goals could lead them to be successful SE operators. Their main social enterprise project was a coffee plantation, operated with the idea of forest protection and to create job opportunities for the hill tribes. The board members believed that the SE could be a responsible supply chain to social and environmental mission achievement as well

as the manager tied to focusing on the social value aiming to deliver and sometimes to the detriment of the social enterprise itself.

Chanthaburi participants believed that privileging a market logic over social and environmental missions was not necessarily inherently wrong (Social Enterprise Manager 38; Board Members 40, 45). The main social enterprise project was 'PolChan' brand (Section 6.4), creating and selling premium fruit products from provincial farmers. This project came with a commitment to increase household income and poverty alleviation via a commercial approach. Additionally, the Chanthaburi BoD, shareholders, and managers pointed out that revenue could be intertwined with social mission achievement.

7.2.4. Profit distributions

The theoretical review indicated that social enterprises are businesses with primarily social objectives, whose surpluses are mainly reinvested for social/environmental benefits, rather than maximise profits for shareholders (Section 2.4). Moreover, profit distribution is legally mandated among PRS social enterprises to be reinvested into communities or mission-related activities or retaining the business growth, and it is categorically not intended primarily for redistribution to shareholders (Section 3.6).

Although the four case studies have a clear social and environmental mission imprinted into their business objectives, the emphases of the profit management placed on objectives varied. They shared one commonality in principle as to reinvest profits into the business operation. Some of them felt that it was the obligation of the organisations to pay a dividend to the shareholders and owners (Social Enterprise Managers 38, 18, 5). Others highlighted that SEs could distinguish from a commercial enterprise; it was essential to cap the profit to reinvest in operation to maintain its social mission (Social Enterprise Managers 8, 28). Another option was to invest in social activities, the community, or other organisations focused on social objectives (Board Members 12, 21, 34).

The four-case study social enterprises indicated their intention to reinvest the profits they made into the business, both in written regulations and through verbal assurances. All case studies addressed the guideline that the managers and employees determined how profits could be distributed and reinvested into community development projects. They planned to invest their potential profit in their business development. Currently, only Chanthaburi has made a net profit.

The proportion of reinvestment varied among the four cases, depending on their profit distribution system. Chiangmai, there was no dividend for shareholders and that 85% of the profit made by Chiangmai Social Enterprise was utterly reinvested into the work of coffee plantations, and 15% was contributed to other social projects under the 'Nine Hills' brand (see Table 7.1). Nine Hills Coffee (Section 6.4) acts as a regular company, doing business for profit maximisation, while producing environmentally friendly, free trade products. As a social business, it reinvests all profits back into the community business. The plan for profits from the coffee produced sold in the SE shops was not to give back to shareholders, but rather to reinvest in other social activities, such as training smart farmers, and improving quality of life for locals; as yet it has not gone into profit.

In the cases of Nongkhai and Krabi, it was indicated that profits would be invested in the business, effectively helping it grow and improving the company's conditions. Reinvesting is a useful source of capital for investment and business expansion; this makes its social and environmental purposes more sustainable. Nongkhai gave back to the community by building community facilitators and assisting in other projects that benefit the local people directly via the 'Bandue Community' tourism project (Section 5.4). In Krabi, the managers claimed that the social enterprise could have the potential to integrate profit, social, and environmental ways of thinking to generate more effective outcomes.

From the five case studies, there is no clear empirical evidence to indicate that investments have been made in local communities or donated to charity. All case studies stated that profit from their operations would be reinvested into their business and distributed into community activities. Nonetheless, it was not clear as to how much was to be given to particular causes, and whether money was given toward social causes.

7.2.5. Accountability to shareholders and stakeholders

On the mentioned hybrid spectrum, social enterprise is also organised by degree of motives, profit distribution, and accountability, as discussed in this sub-section. As hybrid organisations, SEs handle accountability differently compared to traditional non-profit organisations (Section 2.7 and 2.9). The critical social and environmental difference is that social enterprises collaborate in works with stakeholders across five sectors: public, private, academic, civil society, and people (Section 3.6.2). They also obtain finances from shareholders from various sectors.

The internal stakeholders of studied social enterprises included the executive board members, along with paid employees, and people who volunteer. All these stakeholders play a role in decisions when it comes to what they make and what services they provide. As for the external stakeholders, they include various people such as the government and civil servants, the public, and donors. Each stakeholder thus has a different degree and type of influence on how the social enterprise is run and operated.

As they were organisations that were operating for the broader interests of society/ communities, the four case studies perceived that accountability was critical for their SE success. As Alter (2008) indicated, social enterprises' accountability differs from traditional non-profit and commercial organisations due to their hybrid nature.

Krabi social enterprise supported co-operative community businesses. It conveyed firmly accountable to their community members, applying a price guarantee to organic vegetable farmers. Krabi also produced traditional organic food for their customers, especially for hospitals in their provinces. Similarly, Chiangmai was accountable to their local tribes, as they provided a fair trade to the coffee bean and sold a quality of coffee processed for their customers and shops. The other social enterprises at Nongkhai and Chanthaburi made a more traditional "company" structure, with BoDs legally accountable for the organisation's social mission as well as its financial performance.

Accountability was derived from the influence of framework and regulations on the social enterprise (Section 6.5). All case studies assumed a company structure, under commercial law, with a BoD legally accountable for the organisation's social and environmental mission and financial performance. This structure required that the company maintain financial records by professional auditors. Key elements of social enterprises include the importance of evidence of transparent financial, social, and environmental reporting, to allow all stakeholders to review organisations' social credentials. Some social enterprises faced problems with accountability issues because it was difficult to assess which information should be provided to stakeholders in order to be legitimate. As a result, some stakeholders were in doubt if social enterprises were in existence for the good of society, as per their social mission.

7.2.6. Sustainability plan

As mentioned in the hybrid spectrum, the social enterprise also aimed to reach social and environmental benefit with business sustainability (Section 7.2) which will be

discussed in this sub-section.

In terms of sustainability, all four cases adhered to governance framework adopted from the government framework (Section 3.6), and all had provided a sustainable plan for business growth and social and environmental sustainability, except Chanthaburi, whose emphasis was on business sustainability. Three case studies, Krabi, Nongkhai, and Chiangmai, were not only aiming for the TBL but emphasised their sustainability aims. Although social enterprises addressed high value in social and environmental impacts over the long term, they recognised that an increase of their financial sustainability could generate positive impacts on society and the environment (Board Members 8, 25, 34). These three social enterprises' blending of dual social and environmental goals were joined into one sustainable plan:

> '... *the main thing is that it has got social and environmental objectives, the organisation founded upon that. However, also, that it is working towards being sustainable as well so that eventually it is independent and able to have control over its development and involvement within the community as well*'. (Social Enterprise Manager 8)

Chiangmai was an outstanding social enterprise responsible for a project of organic coffee cultivation supporting sustainable forestry preservation. Their aim was not only to promote the planting of organic coffee trees and the preservation of the forest; they also strived to distribute and sell coffee on behalf of farmers. These farmers were in the coffee farmers group that joined under the coffee project.

Nongkhai and Krabi were active in sustainable business planning in social and environmental development. The board members had vast experience in social development and conservationism, for example, involving with green products, eco-agriculture, and sustainable buildings. They decided to utilise their experience through developing social enterprises' sustainability planning, educating people about practical, sustainable living by offering educational support and training.

Social enterprise managers and board members stated that obtaining a public contract was a way to become sustainable. Also, they worked with local communities, engaging them in solving local problems, and creating sustainable solutions to local challenges. The manager of the Chanthaburi Social Enterprise suggested that services driven for social benefit should be chargeable, maintaining financial sustainability can afford and facilitate the satisfy of social and environmental goals:

'*We are aiming to server as the philanthropic aspects as much as we can. But to offer that, we need to run a strong business. So, we value a social enterprise in terms of delivering those social benefits and public benefit as well as we try to maintain a stronger business and support communities. That is the driving force to be sustainable, so some services, we are sort of charging for or doing to enhance income*'.
(Social Enterprise Manager 38)

Although some hybrid social enterprises appeared challenged, there could be inherent advantages. A strength of hybrids was their capability of a broader range of organisational identities that they could combine in sustainable ways. This capability gave them an advantage if they were able to craft a configuration of features that fitted well with the demands of their social/environmental goals, and which helped them leverage a broader range of support (Board Member 34).

All of the social enterprises in this study generated social, environmental, and economic value, with varying degrees of activity and resource commitment in the pillars of the hybrid social enterprise spectrum: goals, motive, focused, profit distribution, accountability, and sustainability aim. However, the four case studies had a clear social and environmental mission imprinted into their business objectives. They expected achieving in the three goals, in terms of the management of motives, focus, profit distribution, accountability, and sustainability, their levels of emphases varied.

7.3. The paradox of integrating multiple hybrid social enterprise missions

By combining the desire to contribute to positive social/environmental impacts with market-based business models, social enterprises can find themselves with conflicting goals, values, or actions, creating paradoxes, as discussed in Chapter 2. Previous work on hybrid social enterprises focused on the interplay between the SE paradox and the resulting tensions within these organisations. This section starts with the assumption that SEs face an inherent paradox of integrating multiple missions that persist over time. Also, they deal with different activities with multiple stakeholders, which could create tensions and challenge their potential success (Section 2.8). In contrast, other types of tensions can arise from the integration of different elements, actions, or goals. In the case studies, the challenge for hybrids was to manage the tensions likely to arise between the three aims they pursued. The majority recognised

that their social/environmental and financial goals did not always align and that they regularly faced intense tensions as a result.

The hybrid nature of social enterprises presented unique pressures in the face of institutional complexity due to combining different institutional logics. All of the case study participants stated that the task of pursuing triple goals was incredibly tricky in SEs established as hybrid organisations (Board Member 19). Some managers explained that combining social and financial goals often proved difficult when the surrounding social enterprises were still mostly organised around the categories of for-profit and non-profit organisations. The distinction between economic and social/environmental activities continued to form the basis of laws and public policies, which is strongly promoting SEs as well as corresponding cultural norms and beliefs. While changing social expectations and new legislation offered new opportunities for hybrid organising (Section 3.6), the premise of existing laws, regulations, industry norms, monitoring systems, and shareholder mindsets was often opposed to the joint pursuit of social and financial goals.

Case studies found that the paradox stemmed from both internal and external pressures. Inside the organisation, a hybrid's triple identities (social, environmental, and commercial) appeared to be a source of conflict among members (Social Enterprise Employee 14, 24). Outside the organisation, a hybrid pursuing financial and social goals also had to prove both its economic and social legitimacy to various partners and clients, with varying expectations. These tensions also appeared as implications of inside conflicts, manifesting in internal disagreements over resource allocation. These pressures could occur while building social alliances across sectors and communities, which could be mitigated using governance in multi-stakeholder partnerships, leading to compatibility between distinctive institutional logics (as discussed in Chapter 8).

Paradoxically, multiple logics were a basis for the partnerships' existence. However, the participants explained that the ability to achieve different conflicting aims simultaneously could be problematic (Social Enterprise Managers 5, 18, 38). They mainly addressed that creating values of operational processes for managing SE were inconstant activities and conflicted interests among different stakeholders. A social enterprise mission needed a BoDs to manage a proper balance of triple value creation (value, environmental, and market value creation) (Section 2.3), both in the formation and growth phases.

The goals and focus of each social enterprise on the hybrid spectrum are mentioned in Section 7.2. The emergent paradoxes in each of the case studies are discussed in turn below.

7.3.1. Krabi: Paradox in response to blending triple logics

Krabi addressed their three goals and provided activities that focused on accomplishing all of them as a hybrid social enterprise on the hybrid spectrum (Section 7.2). As mentioned in Section 7.2, Krabi operated its combined business plan of social enterprise for triple mission achievement. The social enterprise found that their business plan could respond to the tension emerging in the organisation. As shown in Table 7.2, the social and environmental missions and market goals were not perceived as operating in tension. In the view of the board members who represented the private sector, the simple existence of their social enterprise led to balanced achievement. By creating jobs for local people and maintaining an environmentally responsible supply chain, they had a social impact. Thus, the social and environmental mission and the economic goal were in agreement among stakeholders.

Table 7.2: Paradox in response to blending triple logics of Krabi

SE	A paradox in response to blending multiple missions
Krabi	The stress of the intentional blending of these goals strategically to create a synergy plan

Source: Participant interviews

As one participant explained, the realisation that although one could do good plan through social enterprise, this was a significant stressful revelation for him:

> *'People think a social enterprise might well help them. However, I never really negotiated that you could do a good plan that benefits all-purpose if you can be linked all needs, both stakeholder and communities, forward to build society and environment. So, when this became clear, I think this job in this [social enterprise] is a promising avenue for everyone. However, we sometimes pressure from doing this complicated plan'.* (Social Enterprise Board Member 9)

On the other hand, two board members who represented the public sector did perceive tension in the operation of these triple logics. One participant said this could occur

between profit and other missions, whereby having more impact required raising prices, which resulted in fewer sales (Board Member 20).

Blending social and economic objectives can raise pressures to compromise on one of the objectives. Four participants stressed that bridging the social mission and market-driven activity needed careful intentionality to blend these worlds strategically, to create synergies as yet untapped. Policymakers believed that Krabi was a vital model to emulate a new organisational form of hybridity, While Krabi may be a challenging approach, it may also be the way to achieve meaningful social and environmental mission while generating substantial revenue, or speculation.

While the national Thailand social enterprise helped to raise SE visible profile, such recognition also distracted from the actual needed of SE. They were focused on community business performance and building of cluster relationships (Social Enterprise Manager 18). This focus resulted in a situation where Krabi contributed to pursue socio-ecological outcomes on a larger scale at the expense of local SE development through an organic food cluster project (Social Enterprise Board Member 9). Such trade-offs revealed themselves in areas such as plantation and logistics. Newly acquired supported community business groups expanded their portfolio, presenting their needs and a range of investments. However, they were located further away from the social enterprise's provincial centre, had insufficient logistics, and lacked access to participate in the agriculture cluster (Community Representative 15).

7.3.2. Nongkhai: Focusing on separated objectives

Nongkhai created an individual project plan to serve each social and economic goals separately. Nongkhai's main focus was their dual-bottom lines on the economic and social on the hybrid spectrum (Section 7.2). The participants discussed that due to the nature of these bottom lines being very different, especially in the case of economic versus social goals, maintaining a focus on the key objectives that spring from having the different bottom-lines could be challenging. Since maintaining the right balance could be difficult, the tensions of keeping a focus on the differing objectives saw the social enterprise shifting their attention from one bottom-line to another. The challenges that arose when the social enterprise focused on one objective more than the other than appeared. Working in this way could be seen to harm some SE activities. Table 7.3 shows the critical tension in Nongkhai Social Enterprise

Table 7.3: Paradox in response to blending triple logics of Nongkhai

SE	The paradox of focusing on a separated mission
Nongkhai	Shifting attention among different social enterprise objectives

Source: Participant interviews

In Nongkhai, the Social Enterprise Manager set out with a primary objective of creating social value, whereby the creation of economic value ensured financial viability was less necessary. Views of board members from the private sector argued that as this social enterprise structure required a healthy economic status to stay operating, maintaining focus on the economic aspect was seen as a necessary means to achieve overall success. The board members who experienced this task stressed that it was practically easy to get carried away with maintaining financial sustainability and that their attention would slowly begin to drift away from the enterprise's social objectives. Some of the Nongkhai interviewees reflected a similar situation that could lead to a social enterprise losing its purpose:

> '*It's quite difficult to serve different aims all the times. We have to stay the focus of it as it is effortless to lose or shift always from the main aims. We try to sort this problem by getting a bit link. it is like we are doing 1, 2, and 3 to ensure that we're achieving, but then we seem to lose a focus on the main aims of that*'. (Board Member 21)

Hybridity Social enterprise faced resource pressures such as cash flow risks from growing too quickly, and tremendous administrative burdens. The fundamental tensions Nongkhai faced were the size and social-profit tensions. It was complex to continue operating while maintaining focus on what the social enterprise was set up to do. This complex was a challenge that surfaced as the company began to grow and needed to make profits. A manager gave the example of translating a community tourism vision, which caused the business to become more complicated, with staff members spending time on mentoring local people becoming less available:

> '*After few years of operations, we are growing. Therefore, so many people contact us to run plenty of new project term of influence local tourism and create new product to market. We focused on making profits and create a sustainable business model. We have been more difficult to maintain the previous social aims because new project perhaps was not as aligned with same group of the local people. We*

are less a consulting with people. We missed the social development ethos of Nongkhai as they announced two years ago'. (Social Enterprise Manager 18)

Nongkhai deemed itself to have a social-driven focus (see Table 7.1), which was indicated as a way of reducing some of the financial pressures that were placed on the organisation. The potential for this occurring was suggested by the manager to be higher at certain times, such as during economic recessions, and the starting phase of community business, when trading was tough. The social activities of Nongkhai had to be cut back and put on the back burner to ease financial pressures as they worked towards building a healthy financial bottom-line, so they were not put out of business. When the social enterprise needed more significant resources to achieve their goals, including their social objectives, it could create pressures to rethink positions. Nongkhai board members also experienced this sort of pressure, and found themselves having to rethink their strategy and social objective:

'*When things get tough, main principles seem to disappear. As sometimes the financial has become pressure, also we have only fewer staff to work for all missions, both in selling products and starting the community-based tourism. This brings more challenging to do farmer market and consulting for villagers. We have to rethink clearer in terms of ours positioning. However, sometimes we might turn down to delay some activities and adjust our focus. So, although carry on as a business, now social missions are our plan, we do things that direct impact, has become a matter*'. (Board Member 18)

7.3.3. Chiangmai: Overtly focused on the social/environmental objective

Chiangmai Social Enterprise focused mainly on social and environmental goals, and it appeared their operation was going to be successful (Table 7.4). As mentioned in Section 7.2, the leading social enterprise objective was to protect forests and create job opportunities for the hill tribes. The vast coffee farm was initiated to serve that objective. The social enterprise manager and board members tied to focusing on the environmental and social values they aimed to deliver because they initially set up this SE to response community needs of protecting their environment,

Table 7.4: Paradox in response to blending triple logics of Chiangmai

SEs	The paradox of focusing on a social and environmental mission
Chiangmai	Imbalanced emphasis on the social and environmental mission and neglected the economic mission.

Source: Participant interviews

In this case study, the social enterprise managers and partners tended to keep carried away with their passion for the social problems being found themselves giving more attention to the social/environmental mission of the organisation and abandoning the economic aspect. Appearing this happen over two years eventually led to the improvement plan of the organisation. It guided to the new BoD appointment, with new partners from the business sector placed in the team to support the manager, who also replaced. The new incumbent commented on this:

> '*Chiangmai was producing some negatives to influence the financial bottom line. This because we found that our SE launched many missions that overly focused on the two aspects of the goals but are not the financial goals. The original plan was motivated by a charitable or social cause. It was a difficult time to take this ahead and make a business work*'. (Social Enterprise Manager 28)

The new Social Enterprise Manager responded to the tension by focusing on the social mission but did so with greater attention paid to harnessing market tools to achieve the mission, also adding environmental valued through the 'Nine Hills Coffee' product project (Section 6.4). The strategy of creating this business plan seemed to risk-reducing fundraising, which could lead to tension for the social enterprise due to incurring debts to scale-up. While concerned about the risk, the participants believed this approach would facilitate transformational social impact, whereby they achieved their primary goals.

The imbalanced emphasis on missions led to pressures to compromise on financial objectives. Participants from the social-focused social enterprises, such as Chiangmai, explained that they at times found themselves trying to deliver social value but with declining economic returns. Their commitment to particular social objectives and activities could weaken their financial position substantially. For example, social enterprise managers highlighted that working with individuals who were at a

disadvantage (such as unskilled, long-term unemployed, and young people) tended to be problematic. This because these individuals were believed to lack appropriate skills and would be unable to deliver to customers a level of service that would command greater profits. The board addressed this issue by spent on training these employees *(*Board Member 29, 30*)*.

7.3.4. Chanthaburi: Overtly focused on the economic objective

As already mentioned in Section 7.2, Chanthaburi favoured economic over social and environmental objectives. Chanthaburi participants used the commercial method to increase community value-added fruit, creating SE branding, product standards (Section 6.4), and commitment to gain household income and poverty alleviation via a commercial approach. The Chanthaburi BoD, shareholders, and managers stressed that making the business successful could support promoting the social and environmental mission achievement later, focusing on the commercial venture versus engaging in the development of the emerging community business (Table 7.5). Although Chanthaburi seemingly produced positive on market logic, it faced tensions with balancing the other logics. The board members stated that they only hired workers who could deliver market standards and focused on business strategy should be included. The social mission was not proactively promoted and was seemingly unimportant. In response to accrued tensions, the manager believed running a stable business benefitted the target population best.

Table 7.5: Paradox in response to blending triple logics of Chanthaburi

SEs	The paradox of focused on the economic objective
Chanthaburi	A greater focus on the economic aspects and unintentionally neglect the other side.

Source: Participant interviews

It was believed that the social enterprise required resources to survive, which was necessary for keeping the 'good work' going. Moreover, sufficient finance was required to enable the organisation to grow, which was necessary for reaching more people or supporting a more impactful systemic transformation. The manager's perception about the need to generate income to support a social mission did not necessarily equate with a deep commitment to that social mission. The social enterprise managed to prioritise the social mission in interactions with stakeholders, sometimes at the expense of funding. These qualities of the social mission logic might be lost easily

when the Social Enterprise Manager emphasised a market logic in their motivation to engage in a social enterprise, in their internal organisational operations, and their interactions and relationships with stakeholders.

It was observed that running a profit-focused social enterprise increased the pressure to maintain a financially sustainable organisation, as the Chanthaburi interviewees expressed that this was because failing to sustain a healthy economic bottom-line, which could easily lead to the overall failure of the organisation. Also, financial objectives not being met would nullify the potential to deliver on social objectives.

The greater focus on the economic aspect led to pressures to compromise on social and environmental objectives. The case study of Chanthaburi was profit making-focused (Section 7.2) and was faced with conflicts between economic and social/environmental objectives. 'When such conflicts arose, the economy would tend to dominate' (Social Enterprise Manager 38), as the social enterprises aimed to remain in operation with an impetus to maintain a healthy economic bottom line. In case this economic objective was not being achieved, and there could increase pressure to compromise on the social objectives by, for example reducing their social impact targets (Social Enterprise Manager 38, Board Member 41).

7.3.5. Critique of the paradox of hybrid social enterprise

The four case studies of the social enterprise had different approaches to drive their goals and focus. Four critical approaches of TBL found in the studied hybrid social enterprises: responses to triple logics, focusing on separated objectives, overtly focused on the social and environmental objective, and overtly focused on the economic objective (Section 2.8). Social enterprise managers and their board members insisted on the need to focus on their approach, which influenced different tensions. Social enterprise managers led business practices at the expense of social and environmental mission commitment. Board members pushed the field towards prioritising market logic, focusing on related skills among recruits they selected to become organisational leaders. Social enterprises might increase their business-like nature while de-emphasised their social mission—this shift to gain stakeholder recognition and customer loyalty. Continued work to equip social enterprise managers with the skills to identify and address logic conflicts through a dual logic lens and to educate stakeholders on how to support the field can help protect SE integrity. Otherwise, in some cases, the paradox was that the market logic subsumed the social mission logic, and the social enterprises compromised their social objectives to serve market priorities.

The case studies additionally found that the multi-stakeholder boards of social enterprises pursued triple missions and operated to address community-based area problems. The managers perceived the need to deal with hybrid, multiple goals, and integrated missions in commercial and social values, as well as to deal with demands from different stakeholder groups. This situation led to pressure in the qualified prioritisation of financial over the other two goals. Some social enterprises, Krabi and Chiangmai, solved this paradox by applying the social mission as a strength for setting strategic direction conditions, in which generating business revenues could be connected efficiently to the social and market value creation; the emergence of tension remained.

The emergent tension in hybrid social enterprises for each of the case studies is discussed in turn below.

7.4. Emergent tensions in hybrid social enterprises

This section analyses the types of tensions that hybrid social enterprises can experience at different levels of analysis, especially the perspectives on possible tensions occurring in the four cases studies. Social enterprises experienced two phases of operations that each determined a specific focus on the fulfilment of their social/environmental missions and related tensions. Firstly, a formation phase in which the social mission was primarily focused on the local context where the organisation emerged. Another, the growth phase, in which the social mission's scope expanded beyond the local region, due to a broadened focus to extend a social enterprise's impact through national replication of its business model. The two phases of formation and growth of the social missions and the resulting tensions are discussed further below. This section argues that it is necessary to understand whether and how tensions emerged in social enterprises. It considers how participants perceived and managed multiple logics tensions within their social enterprise, related to their initial motivation to enter the field; the inconsistent activities and demands of multiple stakeholders; and paradoxes arising from integrating multiple missions.

7.4.1. Goal balancing: The confrontation between the triple objectives

Figure 7.1: Case studies' tension arising from goal balancing
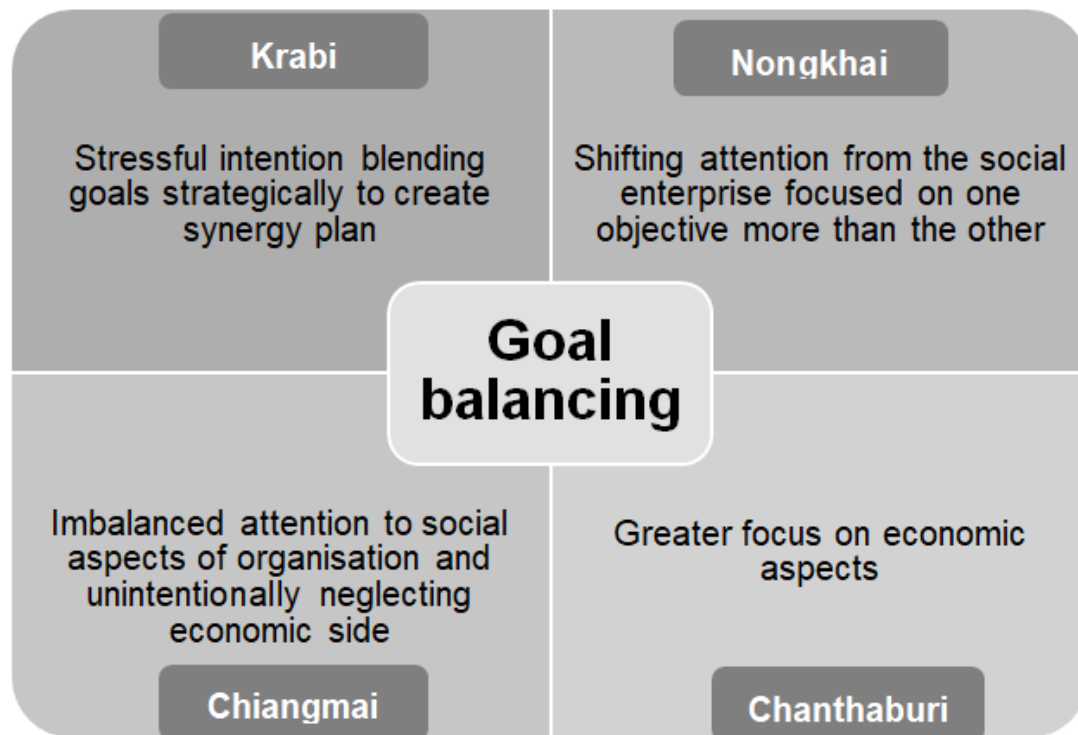
Source: Author

The confrontation of balancing between social/environmental aims and economic valuably was appeared in the early years (Figure 7.1), as some social enterprises had found themselves being more about the socially/environmentally than economically driven (Social Enterprise Manager 5, 8, 28). Contrary some such as Chanthaburi had found themselves being an unbalanced approach to focus only on the economically driven. Participants realised that undertaking extremely on one aspect predicted the business tended to not be sustained:

> '*Just realised that doing only business-driven was not going smooth further. We used to believe that going to be potentially profitable could proof from our trading and income. The activities of people life-changing solutions seem to us as a last priority. Then, we spent the first few years stayed tune with economic measures. Resulted in we lost involvement from partner and villagers. Moreover, it does not work well in this year, so we shift the plan to integrate with the other two aims. We realise that it can be sustainable and can be born through blending missions to triple goals-based approaches*'. (Social Enterprise Manager 38)

Chanthaburi faced external challenges regarding their business setup. The growth of their business began to encounter unwillingness among some communities to accept them as an SE, being viewed as a private company, to the point that they were being accused of looking to make money out of community business groups. That being said, in the area of operation of this SE, board members had seen that the economic half of the organisation had been more successful than the social/environmental half, which meant there was more to lose on the social side.

As the social enterprise grew, they decided to change the organisation into a blended charitable structure by increasing the production of green products and extending community organic fruits, but through an existing commercial opportunity

In Nongkhai, in their first year, the participants had a reflection of attaining a legal, social enterprise status run as a business aspect and a charity aspect. The Social Enterprise Manager stated that they designed missions generating social/ environmental benefits and made profit separately, which is opposed to the one perception of a hybrid social enterprise as conceptualised in the context of integrated missions:

> '*I think* [*the hybrid social enterprise*] *is the good tools of doing both worlds, but in which ways. To be honest… because it is hard to do one project to earn money and serve society consequently. Then you cannot make profit out of it as an investor, also you cannot deep- focus on proper charitable things. So, our solution is to separate activities between doing for profit and doing for community development. This keeps us suitable specific plan on them both and best for both worlds*'.
> (Social Enterprise Business Staff 24)

The biggest challenge the Chiangmai board members faced was in improving the viability of the business model because as part of their TBL, the social impact was directly funded from the results of profit. As a result, the board members seemed overly focused on two parts of the TBL and neglects the financial aspect. the manager claimed to have rebalance these goals with a new business model to embed the economic aspect:

> '*We actually work responsive with main activities of forest preservation campaign, this providing free training to the tribe in protecting their mountains. Then we lack of budgetary, doing as social enterprise If you*

have not gotten all mission balance, then you can understand why it heads in a failure direction. We start to run project without the profit, we then cannot build a strong impact for other projects. So, decide to change business model to improved social and environmental position together with making profit, Nine Hills coffee, this reinvents the model make it work'. (Social Enterprise Manager 28)

As the participant stressed, hybrid social enterprises worked towards creating and delivering economic social and environmental value. It was observed that they sometimes faced pressures to compromise on one or all three of their objectives (social, environmental, and economic).

The challenges of the triple objective confrontation that they faced from time to time, it appeared that social enterprises had maintained a focus on being clear on what they were trying to achieve and then identifying the appropriate route to getting there. They sought for their plan to be clear on what social enterprises and their partnerships should do.

Integration was the combination of all the activities of a social enterprise and carrying them out simultaneously. Some participants agreed on the case for integrating their social enterprises' activities. They explained that the activities that were primarily targeted toward serving the beneficiaries and thereby achieving the social mission were integrated with those targeted toward serving customers and generating revenue. Such integrated hybrids achieved its mission by integrating beneficiaries as customers (Section 2.9.1).

At the level of the social enterprise-supported community business groups, the interviewees stated that the managers of social enterprises felt challenged in fulfilling different tasks required to deliver on a comprehensive social mission (Social Enterprise Board Members 2, 11, 21, and 32). Most managers needed to focus inward in order to ensure that their schemes met the social, environmental, and economic criteria that the social enterprise had established for them. On the other hand, they expected to focus outwardly and devote resources to the development of agro-cluster relationships. This development related a growing number of community businesses in order to win the socialisation-related goals. These social mission tensions eventually resulted in social enterprise and community business groups having to make trade-offs while engaging in the process.

For example, one social enterprise supported business partners in trading. The case of hotels in Krabi (a caterer) stopped buying organics from community businesses who grow organic vegetables. The SE purchased those vegetables directly from farmers as a wholesaler. This solution was to avoid lengthy trade negotiations occurred with local farmers (Social Enterprise Board Member 10). Another example of Chanthaburi social enterprise, some community businesses less frequently attended regular meetings with other community business groups. So, Chanthaburi developed a branding strategy for the premium fruit cluster 'PolChan' brand. This project brought all community businesses the effort in time and costs associated with this process (Community Representative 46). These actions resulted in the social missions (development of a food cluster between community businesses) was assumed a lower priority in the implementation of the social enterprise's more comprehensive social mission.

7.4.2. Conflicts of interest

Across the case studies, three critical groups of stakeholders – customers, shareholders, and board members. In terms of interactions with these particular stakeholders, social enterprise participants highlighted a need to focus on aligning interests in order to remain relationships strategically.

Figure 7.2: Case studies' tension arising from conflicting interests
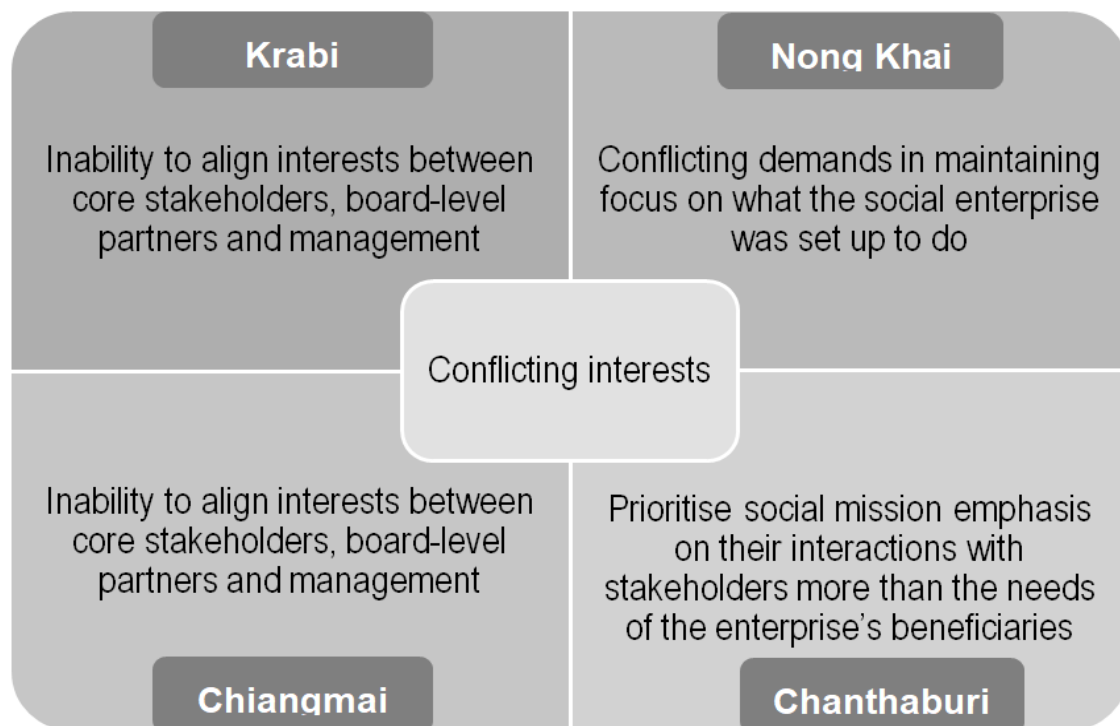
Source: Author

Conflicts of interest (Section 2.8.2) concerned tensions arising from internal and external conflicts (Figure 7.3). All social enterprises are governed by different board members, shareholders, and managers, which entails internal conflicts of interest. In most case studies, such conflicts occurred when governing boards needed full agreement from all board members to make decisions on launching projects in selected communities. Such projects were beneficial for local companies (social enterprise shareholders), but some participants stated that those community businesses could be indirectly beneficial to private companies. The boards seemed to validate their perceptions to ensure the social enterprises could support the communities such as to receive training, mentoring, and funding (Board Member 11). In Nongkhai, the social enterprise supported community jobs to produce a fish farm. However, fish breeders and fish food were bought from a local company involving a board member of that social enterprise.

These two cases became debatable issues in a board meeting as they could affect internal conflicts of interest, which inhibit organisational ability to respond to changing market conditions. Members of social enterprises usually struggle to figure out who they are and what they do, individually and collectively, which can trigger internal conflicts (Section 2.8.2). Employees might also find it difficult to juggle those identities (called 'belonging tensions') when dealing with different stakeholders (e.g. investors, donors, clients, and beneficiaries) (Smith et al., 2013; Johansen, 2019).

External conflict emerged in the Chiangmai case study, as boards that appointed representatives from different stakeholder groups encountered fault lines between the interests of different subgroups. This conflict was started by the manager, who felt that it rendered the social enterprise slow to respond to opportunities and affected social and environmental goal achievement. Some external stakeholders from universities and local companies struggled to accept the multiple types of value that the social enterprise was attempting to create. Stakeholder cooperation and communicating effectively with these partners could also be tensions because of different terminology used across different logics.

The foremost integrated, hybrid social enterprises were Krabi and Nongkhai. These two social enterprises utilised integrated operations to avoid mission drift. They more readily complied with the demands stemming from external stakeholders on which they depended for crucial resources – especially shareholders and business partners – and were more likely to resist the demands from stakeholders on which they did not depend – customers and beneficiaries. For social enterprises like Nongkhai, which served

different groups of customers and beneficiaries, there is a tendency risks preferring the interests of customers over beneficiaries. Sometimes beneficiaries have been seen as whom organisations do not depend financially growth. This potentially led to goal displacement/mission drift from the organisation's unsuited interests. Hence, integrated activities could help avoid mission drift that might arise from conflicts between serving customers and advancing the organisation's mission. An integrated activity in social enterprise appeared a lower risk of mission drift (see Section 2.9) in terms of operations. The way that a social enterprise can structure its operational priorities was explained in the following example:

> '*We* [*have an*] *integrated business model in order to offer both segments of social and financial concurrently, and so to serve stakeholder interests, I believe this operation can reduce the risk of mission drift*'.
> (Social Enterprise Manager 18)

Similarly, Krabi benefitted greatly from having joint activities. It had underprivileged farmers who could not afford commercial loans as its beneficiaries, but who as customers could be charged for such services, on better terms than offered by general banks. Krabi board members reflected ensuring that their commercial, fee and charge, policy have to arranged to meet willing of customers and beneficiaries. They could not charge excessive rates that would place the customer and beneficiary in debt. Equally, it also could not be a purely philanthropic unit, as it could generate fairness incomes to sustain commercial operations. In the Krabi Social Enterprise, activities needed to be integrated if they were to avoid mission drift (see Section 2.9).

There were, however, distinct issues of operational prioritisation, such as in the case of Chanthaburi, which served different groups of beneficiaries and customers. Some participants claimed that it seemed useful for separating the activities to serve the different interests, and could separate divergent expectations from various stakeholders and beneficiaries:

> '*I think we link between the project, mission, and stakeholders, which mean their interest. We separate activities mainly targeting to meet the social impact and serve the beneficiaries. Another project separated from this one because it targets to generate profit and to serve customers and partner*'. (Board Member 40)

In the context of the Chiangmai Social Enterprise, there is inability to align interests among core stakeholder, board member, managers, and beneficiaries. Activity integration was also constrained by its social mission and the resources available to serve their stakeholders.

> '*For example, as the beneficiaries are often unable to be serve as customers. The customer is the coffee retailer, the beneficiaries are farmers…Rely on the organisational environment constrains, the activity have to be integrated while interest should be kept into action. Although we try to generate relatively high activity integration, resources are insufficient, we lost some set of our farmers' interests, and mission drifts still occur*'. (Social Enterprise Manager 28)

Participants explained their recognition of the problem of interest conflicts and their obstacle to prioritise operations. They provided activities to serve the beneficiaries and customers in different target groups and communities at the same time. The misbalance priorities happened from selecting activities from majority customers, not beneficiaries. The manager of Krabi claimed that integration helped fight mission drift by ensuring that all stakeholders considered at the same time, which meant there could not be any cross prioritisation. The social enterprises used this to avoid 'conflicts between serving customers and advancing the organisation's social mission' (Board Member 37).

Also, participants from Nongkhai and Chiangmai highlighted that sometimes their enterprises refused to agree to stakeholders' pressures to prioritise the market logic, as they remained focused on their social missions. One who founded and ran a social enterprise that worked to address food insecurity prioritised the social mission logic, but spoke about it almost to the exclusion of revenue generation or business strategy (Social Enterprise Manager 18). Her vision centred on beneficiaries, discussing the problems they faced and her solutions.

Three social enterprises experienced tensions of logics because their powered shareholders want to achieve its social mission. They wanted more significant numbers of clients served to persuade greater impact and wanted certain conditions met, or they refused to fund operational costs. The Nongkhai participants found these restrictions on funding undermined social mission achievement. The interviewees observed that 'what [shareholders] want to see big stuff happening... we have big stuff happening, but it is in a smaller environment' (Board Member 19). It stressed that

shareholders were focused on a minimum number of beneficiaries served regardless of the depth or innovativeness of their experience.

In most cases, the SEs required careful consideration from the BoD of the social enterprise to manage mission drift and achieve activities among different interests of the organisation.

7.5. Conclusion

This chapter contributes to an improvement in the understanding of hybrid social enterprises and the tensions they face by considering how these organisations perceive the paradoxes arising from the triple logics. The findings of the four social enterprises exhibited features like the hybrid social enterprise on the spectrum of social enterprise: goals, motives, method/focused, profit distribution, accountability, and sustainability aim. Albeit all organisations had clear social and environmental missions imprinted into their business objectives, in terms of their management of hybrid features, the degrees of emphasis they devoted to different TBL dimensions varied.

The four cases faced an inherent paradox of integrating multiple missions of hybrid social enterprise dimensions that persists over time, and they dealt with varied and inconstant activities with multiple stakeholders. The findings revealed different approaches in driving their goals and focus, which created paradoxes: Krabi sought to blend the triple logics, Nongkhai focused on separated objectives, Chiangmai overtly focused on the social and environmental objective, and Chanthaburi overtly focused on the economic objective. Social enterprise managers and their board members insisted on the need to focus on their approach, which influenced further distinct tensions.

Moreover, the analysis identified two pillars that seem to be emerging tensions in organisations pursuing multiple joint goals: balancing goals and missions; conflicts of interest. While social enterprises might configure these organisational features differently, the case studies appeared that they were able to pursue triple goals. At the same time, share a commonality of maintaining a hybrid organisational form. Also, these cases managed emerging tensions by addressing social, environmental, and economic values, albeit with varying degrees of prioritisation, and not always to the satisfaction of all stakeholders.

Many participants addressed the issue of how social enterprises can be run in order to fulfil their missions effectively. There appeared to be two contrasting perspectives. The

first aspect put the capabilities of the social enterprises centre and generally ignored paradox and trade-offs that might surface. The second recognised potential tensions and viewed the management of social enterprises *per se,* mainly from the vantage point of managing those tensions, as addressed in the next chapter (Chapter 8).

Chapter 8: Social Enterprise Governance

8.1. Introduction

The previous chapter analysed hybrid social enterprise and emerging tensions in social enterprise. Findings are represented in this chapter to address research question 3: What are the key determinants of governance in social enterprises and how do social enterprise governance arrangements seek to manage such tensions? This chapter examines the social enterprise governance arrangements managing emerged tensions. It illustrates how Thai social enterprises attempt to manage and mitigate tensions.

Tensions that emerged in social enterprises attracted scholars to analyse their governance systems, increasingly considering the role of diverse stakeholders other than shareholders, considering other groups of people with interests in the SE appeared that distinctive stakeholders bring different interests. In Thailand, a governance framework has been developed by the government as a mechanism for social enterprise boards to direct and govern social enterprise strategies and activities and empowerment for multiple stakeholders (Section 5.3). The case study social enterprises appeared to apply the business model in responding to community development activities, and reinvested profits into communities. The governing board was seen to practice the governance system that brings benefit to the organisation and community, ensuring an appropriate balance between the benefits of the organisation and its obligations to different stakeholders. This research uses theories of governance to analyse and understand the hybrid tension mitigation of social enterprise boards.

Findings from Chapter 6 and Chapter 7 indicated that the registered PRS SEs commonly held one of their social and environmental objectives to be promoting a healthier society and environment through their core business activities, thus they allocated maximum of profit to achieve social goals or reinvested in their enterprise activities. Moreover, considering financial sustainability, the SEs are compelled to source their revenue chiefly from trading activities (as per PRS requirements), and they cannot allocate dividends to shareholders.

This chapter presents the findings and analysis concerning social enterprise governance and governance structure. The analysis draws on the empirical data collected from the four case studies, a review of annual reports, and Thai SE governance policy.

8.2. Governance elements based on the Thailand SE Framework

As this section analyses procedures linked to the governance framework and the elements of the SE governance approach in order to pursue social enterprises' multiple objectives with a relative measure of accountability.

The government framework for PRS social enterprises could be of considerably utility to TBL organisations, which aim to produce activities for sustainable development with economic, social, and environmental values (Section 2.9). Social enterprises in the case study have formed their organisational structure by adapting the government framework based on a multi-stakeholder partnership approach (Section 3.6), characterised as hybrid social enterprise organisation (Section 7.2). Social enterprises seem to utilise mechanisms to ensure 'proper' stakeholders' involvement in SE structures, both in the formulation and implementation stages, especially in engaging stakeholders to be informed of strategic direction and a decision to be performed.

The governance framework was developed as a core approach for directing and governing a social enterprise operation. The governance framework appeared to be used to configure social enterprises' structures and processes, including stakeholder involvement, in order to support their ability to achieve their triple goals. The governance structure of SE could be relied on the configuration of stakeholder involvements, with different degrees of involvement and success.

As review in chapter 2, governance could be configuration and function of governance and control board (Section 2.9). It refers to those issues which address, manage, and control social enterprise approach, the influence of their decisions, and their responsibility toward the stakeholders. The concept of social enterprise governance was portrayed in relation to social enterprise governance framework (see Figure 8.1). the element of governance has categorised to the direction and management, board of directors, shareholders, managers, stakeholders, governance structure, governance process, and governance function.

Table 8.1: Comparative cases of governance elements on SE Framework

Krabi	Nongkhai	Chiangmai	Chanthaburi
Board of directors			
Multi stakeholder board; 10 people. BoDs comprises of representatives from private, academic, civil, and citizen sectors voluntarily working for society (excluding civil servants); Appointed by shareholders.	Multi stakeholder board; 10 people. BoDs comprises of representatives from private, academic, civil, and citizen sectors voluntarily working for society (excluding civil servants); Appointed by shareholders.	Multi stakeholder board; 9 people. BoDs comprises of representatives from private, academic, civil, and citizen sectors voluntarily working for society (excluding civil servants); Appointed by shareholders.	Multi stakeholder board; 10 people. BoDs comprises of representatives from private, academic, civil, and citizen sectors voluntarily working for society (excluding civil servants); Appointed by shareholders.
Composition of governing bodies			
Executive and supervisory committee, board of directors, the manager	Executive and supervisory committee, board of directors, the manager	Executive and supervisory committee, the board of directors, the manager	Executive and supervisory committee, board of directors, the manager
Governance structure			
Multi-stakeholder governance structure. Managed by the managing director, controlled the BoDs under governance framework.	Multi-stakeholder governance structure. Managed by the managing director, controlled the BoDs under governance framework.	Multi-stakeholder governance structure. Managed by the managing director, controlled the BoDs under governance framework.	Multi-stakeholder governance structure. Managed by the managing director, controlled the BoDs under governance framework.

Table 8.1: Comparative cases of governance elements on SE Framework

Krabi	Nongkhai	Chiangmai	Chanthaburi
Manager			
Civil society expert. Managers can be appointed by the BoDs. Having background of social/ environmental development. Visionary and motivation.	Private sector expert. Managers can be appointed by the BoDs. Having background of business development. Proactive leaders, Inspiration.	Civil society expert. Managers can be appointed by the BoDs. Having background of social/ environmental development. Strong relations and connections.	Private sector expert. Managers can be appointed by the BoDs. Having background of business development. multiple experiences, share knowledge.
Stakeholders			
Internal stakeholder (managers, workers, volunteers, board members). External stakeholder (shareholder, beneficiaries, partners).	Internal stakeholder (managers, workers, volunteers, board members). External stakeholder (shareholder, beneficiaries, partners).	Internal stakeholder (managers, workers, volunteers, board members). External stakeholder (shareholder, beneficiaries, partners).	Internal stakeholder (managers, workers, volunteers, board members). External stakeholder (shareholder, beneficiaries, partners).
Shareholder			
61 (public sector/civil servants, private sector, academic sector, civil society sector, citizen sector). Voting right: 20% for each sector.	17 (public sector/civil servants, private sector, academic sector, civil society sector, citizen sector). Voting right: 20% for each sector.	96 (public sector/civil servants, private sector, civil society sector, citizen sector) except academic sector. Voting right: 20% for each sector.	13 (public sector/civil servants, private sector, academic sector, civil society sector, citizen sector). Voting right: 20% for each sector.

Table 8.1: Comparative cases of governance elements on SE Framework

Krabi	Nongkhai	Chiangmai	Chanthaburi
Governance function and process			
Under legal form and governance framework. Partner management. Representing and balancing different stakeholder interests. Involving users on board. Clear commitment to short-term and long-term goals and mission. Controlling organisational capabilities.	Under legal form and governance framework. Add value to top decision and strategies. Improving performance. obtaining social and commercial skills at board level and staff. Delivering social impact. Managing contracting relationships. Deploying business model.	Under legal form and governance framework. Make clear environmental plan. Flexible management. Collaborative networks. Involving users on board. Focus on developing positive relationships with stakeholders and communities.	Under legal form and governance framework. Improving performance. Add value to top decision and strategies. Driving goals by business plan Producers hold a stake in the business. Improving performance.

Source: Author

8.3.   Board of directors (BoD)

The BoD (governance board) occupies the core position (Section 2.9.1), ensuring that critical decisions incorporate stakeholders' objectives; their participation in the process is formally guaranteed through the annual meeting. As mentioned in Chapter 3 (Section 3.6.3), PRS Social enterprises were registered with the five criteria consisting of (1) registration as a limited company with key objective of social impacts over monetary benefits; (2) fairness to society and the environment; (3) financial sustainability, with main revenue sources from community businesses, not public grants or donations; (4) profit being reinvested into communities to achieve social goals, not for distribution to shareholders; and (5) strict adherence to good governance. Regarding the fifth criterion, registered PRS social enterprises have to maintain 'good'

governance with requirements to register as limited companies, submit an annual report to their respective regulatory body, then to publish their information publicly.

In this study, interviewees from case studies confirmed that the legislative model of social enterprises in Thailand was the 'company model', and the SEs were registered as commercial companies, based on the for-profit model, with social aims and no profit distribution to shareholders (see Table 8.1). Policymaker participants stated that all social enterprises were formulated with two expectations – that they were based on a social enterprise legal structure, and that their management adhered with good governance:

> '*All social enterprises are registered as commercial companies but starting in different timelines. For example, Krabi registered on 9 November 2016, Nongkhai on 30 December 2016, Chiangmai on 29 April 2016, and Chanthaburi on 5 October 2016. These social enterprises received the legal structure requirement and registered with ฿4 million baths* [£102,425 at November 2019 exchange rates] *to provide their business operation and managed with good governance*'. (Policymaker 5).

Based on the government's framework of governance, the governance boards were responsible for overseeing the organisations' activities and independent management under the legal framework and good governance to create transparency and avoid conflicts of interest. Board members met periodically to consider agenda and vote on the affairs of the SEs. As a minimum term, an annual meeting was held with all board members present, they could discuss on SEs' directions and make necessary decisions. Additionally, critical decisions seemed to take place separately, but cognisant of stakeholders' objectives. Stakeholder participation in the process was guaranteed through annual meetings. Board memberships were not set up to be permanent positions; all organisations in the study had set terms for board membership, which were typically for two years.

The BoDs of the case study social enterprises were indicative of the structuring and functioning of governing body, governing right and relations between managers, board members, and stakeholders. The academic literature indicates that social enterprises would not exist without entrepreneurial people with social objectives in mind (Section 2.8.4). As part of government's framework, SE BoDs tended to be viewed by policymakers as empowering structures, who can build an influence on the social

outcomes of social enterprises' activities. Participants perceived the social enterprise manager as a 'proactive person who was leading and developing a socially oriented enterprise under the supervision of [a] social enterprise board' (Board Member 19), but formally independent of the state sector. Some individuals worked with their experience of social development background. Other individuals could reveal their experience of entrepreneurial work (Section 2.8.4), for instance, their ability to recognise or create business opportunities, be willing to take risks, gather financial resources, be proactive, and be able to introduce changes. Few individuals could adapt their various skills from *both* social and entrepreneurial backgrounds to govern a social enterprise, suggesting that a combination of members with experience of the two would produce a holistic approach. As stated by a policymaker, 'both managers and board members for this model of social enterprise should be directed with a business and social backgrounds team' (Policymaker 5).

Although the principles of the TBL hybrid social enterprise had been partly embedded in governance frameworks, its implementation in some case studies raised some concerns, especially the issue of balancing multiple aims. Participants from BoD claimed that the PRS social enterprise guidance lacked a concreted manual of governance for practitioners. This frustrated further misconceptions and misleading about the government's contribution to the development of PRS social enterprise. Participants frequently mentioned to a lack of clarification over social policy and environmental policy pillars. In case, Nongkhai board members recognised the governmental message as confusing, creating further organisation tensions that limited the social enterprise's abilities in adapting to new logics:

> '*My opinion I think this framework quite difficult. It because not everyone has clearly understood this government guidance. Some perceive that's not enough the clarification of triple goals, then how is governance should be? Because this is so many different things from what we have done before. Some government agencies tell us that this social enterprise related to transparency, accountability, and volunteering. Other say about social and environmental goal. The framework also guild us but about approach and governance we run of social enterprises. Then how to do good with involve sectors and community enterprises, many things are not clear yet'*. (Board Member 29)

Another participant highlighted misunderstanding in establishing of social enterprise and governance and their intended impacts in which BoDs paid attention to understand it:

> *'At first, we don't understand its approach, and governance framework. We've heard it properly announced in brief, only draft idea. It looked as [a] Government initiative, not attractive. However, today thinks are obviously clearer that, my understanding, social enterprise can be the tools for practical ways to help people and governance can be mechanism to control our operation as it should be. This become more than CSR and being see in positive and. Productive things, then, yes – it does well'.* (Board Member 43)

Participants from each case study stated that there was a necessity to legitimise social enterprises such as this PRS, this influence more recognisable in the economic system. It also needed civil society, officials, and policymakers to collaborate in order to guarantee the precise tools to control the activities for such enterprises. This can inclusive in framework to avoid the opportunity of being misleading. Moreover, it became manifest that social and environmental policy developments, in this context of in this PRS framework social enterprises, needed more clarify in term of accountability and transparency due to exist confusion across the terminology used, as evident among the practitioners participating in this research.

8.4. Social enterprise leaders/managers

In the case studies, the manager was seen as the driving force in a social enterprise organisation. Non-managers indicated that without these individuals it would usually be very difficult to run a social enterprise. Most social enterprise activities needed a proactive leader to operate an actual plan with them to manage a social business, and to deliver social and environmental outcomes. The absence of an active manager within the organisation could lead to business failure:

> *'In my experience it has to do with the driving force of one individual who does the original thinking and drives the whole thing forward and has the energy to do it, there are individuals like that'.* (Social Enterprise Manager 28)

Participants suggested that the epitome of a social enterprise manager was a visionary who made things happen, took things forward, and built social capital within a community. Social enterprise managers were presented as driven people *'who wouldn't be encumbered with committees and bureaucracy' (*Social Enterprise Manager 18*)*, and who were concerned to improve the lives of others. As such, they were thought to influence business opportunities by their local environment; for

instance, the Nongkhai Social Enterprise Manager said: *'invest in building community capital'* and *'use resources of communities in case of improving the life of those communities' (*Social Enterprise Manager 28*)*.

Some non-managers suggested that it might be risky for a social enterprise to rely purely on one person. To ensure organisational sustainability, there was a perceived need to develop skills in others and train them in how to run a social enterprise:

> '*If you look at any of the really good organisations, at the back of them there's the teamwork of skilful workers. Just in case one person has been working away then the business can be flow well. In contrast, our social enterprise, the manager leaves, the event of sickness or retirement or moving onto another employment, then the thing flops; it is difficult for other staff because they have never learned to run a business. It leaves the organisation floundering*'. (Board Member 21)

Some social enterprise managers appeared to be 'influencers' to 'spread' social entrepreneurial knowledge amongst their employees, for instance, their apprentices may be supported and encouraged by a more experienced leader. Chanthaburi, for example, sought to create 'another generation' of 'new' social entrepreneurs. This, in turn, influenced the way people thought about the potential of social enterprise more generally, and made people more receptive to the idea that social enterprise could produce products and services:

> '*I would like us to be seen as an entrepreneurial organisation, and an entrepreneurial organisation can't just have me in it; it needs lots of entrepreneurs. So, some of the new developments are not mine. I've encouraged them and supported them, but other people have taken those initiatives, so you can instil an entrepreneurial culture in the organisation, one by example, but also by just encouraging people in their own thoughts and what they can do within the realm of their remit*'.
> (Social Enterprise Manager 5)

Participants indicated that social enterprise managers' inspiration was to help others. They wanted to positively influence people's lives and, rather than having a financial focus, they were socially orientated. Their work aimed not to increase private wealth but to benefit the wider public:

> '*This job is spreading a positive inspiration to seeing what difference we can make to change in people lives. I believed everyone want to see the world to be a better place and they wish to become part of their own mark. So, I meet people all the time who really want to do things and see a difference. And they're motivated by all kinds of things, rather than money*'. (Social Enterprise Manager 18)

Managers reported that they worked with communities for community purposes. They involved local people in order to solve community problems. Interviewees cited examples of social enterprise managers who sought to provide employment opportunities and engage those isolated and unemployed:

> '*We provide job opportunities for 22 people, and 10 of those people are unskilled in business, and then additionally we offer training in business management for those who can apply in their farm. We also support another 60 people in eight communities where [they] produce organics vegetables to become our suppliers and doing our logistics. So, within the social enterprise we've probably over 82 people working and training*'. (Board Member 10)

In the view of non-managers, social enterprise managers were described as committed and motivated people who invest time and effort into making their ideas and their organisations work. They channelled their passion into helping and supporting those who were vulnerable and disadvantaged. Passion for helping people's lives appeared to be a driving force for social enterprise managers:

> '*It's like running a small business; but then you need the leaders who also have the social aspect of it. We don't think we would be that passionate about just running business and selling coffee as such, but because it's the people that make them and you see what they get out of it, and you're based in the community, that's why people become involved and you want to see communities' kind of getting together a bit more and trying to lift people out of the bit of poverty that they're in*'.
> (Board Member 32)

Participants highlighted that social enterprise managers were protective of their locality, the community resource, or the community of interest; they believed in a particular client group or in a particular place and were working primarily for that

community's interests. They were likely to support and co-operate with local businesses rather than with those from other areas. Most managers from the case studies reported that they supported knowledge, resources, and skills with local businesses. In addition, they were proactive in taking an opportunity-seeking approach:

> 'We don't buy-in stuff from other provinces. We propagate it ourselves, so that when people come to us, they know that it's a local trade. So that's why we generate a good amount of income there. We have a premium local product shop, it's another niche area. We've recently just commissioned a processing and fruit drying plant which is going to produce 12 kinds of fruits under [the] Polchan brand in the second year, and that is added value for agriculture in this province. And then we process it into a good quality product and package which then is being sold onto a local distributor, provincial distributors, the Thailand social enterprise and exporters'. (Social Enterprise Manager 38)

There were two characteristics of social enterprise leaders: those with a social background (who selected from civil society) and those with a business background (who selected from private sector) (Section 6.3). Krabi and Chiangmai Social Enterprises selected managers who had expertise from the civil society sector. Participants maintained that those with a social background could understand the social enterprise concept, and in turn governed an organisation with social purposes as a priority. Some interviewees from Chanthaburi stated that some potential stakeholders delayed taking on the responsibility associated with running social enterprises, because some people with a social background were not prepared to get those stakeholders involved with SEs.

Participants argued that having all managers and BoD with a social background, having experience of social and environmental development, could be positive for social enterprises to attain their social/ environmental purpose. In the knowledge of business management, Managers and BoD from a business background could give guidance on SEs' business development (Board Member 16). For instance, in the Chiangmai Social Enterprise, the manager came from the civil society sector, with experience in community and environmental development projects. Chiangmai was able to a create business opportunity, Nine Hills Coffee, by receiving advice from its supervisory board which included businessmen:

> '*We ended up with a new business for community, the project of coffee plantation. The idea arose from our board meeting. Two of the board members are business owners, and they share lots of concepts into the meeting. The manager accepted that plan; he is good in community development, and he reaches people easily. This project produces coffee from communities and delivers it to other shops in the province. I think our social enterprise is a good combination of a team*'. (Volunteer 13)

The social and environmental development-oriented manager could not only share their knowledge but also could build positive relationships with board member, partner, employees, and communities. These managers could have strong connections to enhance the ability of SE operations and gather essential resources. This was emphasised by the local representatives: that those managers were able to introduce changes in the community, and local people seemed to trust them (Community member 26, 37). This social and environmental development-oriented leader appeared to show one of the necessary qualities of members of governing bodies in social enterprise to achieve both social and environmental aims.

Most interviewees observed that another business background was also essential to drive social enterprise. Many of the commercial entrepreneurs from the provinces participated, simultaneously, in PSEs. Some of them volunteered to work on governing boards and some were selected to be managers. They were often professionally integrated with their communities and supported them. Their skills and knowledge were perceived to be useful to economic development and to govern the social enterprise. Moreover, being embedded in the community gave them a more social perspective and they supported socially oriented entrepreneurs:

> '… *you'll often find that some local community business entrepreneurs were selected to be also social enterprise managers or board members, they may not make that distinction between the two of them in terms of physical activities, but their actual business activities will often have a social enterprise dimension because they're rooted in the community. The line between business and social entrepreneurship is quite corresponding, and you'll find businesspeople joint in social enterprises as commercial and social supporter at the same time*'. (Board Member 19)

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Some interviewees suggested that there were individuals who were successful in commerce who then changed their previous approach and were selected to be social enterprise managers, who started running social enterprises. They used skills and financial resources from their commercial experiences to help others. Notably, all social enterprises managers worked for social enterprise without being paid:

> '*Jiranan, who runs the Nongkhai Hotel and Thai Textile Company, she's hugely wealthy, she runs exported company of Thai silk by buying material from the locality, creating better patterns and styles, and then shipping it abroad, and so on, so she can actually guarantee to deliver it. So, she's even one of the wealth entrepreneurs in Thailand, she's got more money than she knows what to do with, now she is beginning to use the money for social purposes. Then she is selected to be a social enterprise manager for Nongkhai province. She accepted to work in this job without any salary*'. (Social Enterprise Committee Member 20)

Some business leaders worked as social enterprise mangers, had become socially and environmentally aware because of their personal experiences and/or past events that had happened in their communities. Hence, their work motivation increased from their personal experiences:

> '*I know from my own personal experience of issues around society, particularly unemployed, poor people in the community. Often key understanding about how to make things work better for people with poverty comes from the families that those people are members of, and from their real intimate understanding of what makes folk tick, and how solutions might be brought to problems. Often that's where the best ideas would come from*'. (Social Enterprise Manager 18)

The managers and board members were the main actors in the structuring and functioning of their governing bodies. It could be argued that, through their social and business activities, social enterprise managers had multiple experiences and shared knowledge with the stakeholders on the board. They modified their processes within social enterprise structure. Individually, a manager could adapt various skills gained from their social and entrepreneurial backgrounds to govern a social enterprise. Transactions of knowledge among board members could be effective in helping social enterprises achieve both social and economic aims. Moreover, there were not only skills, but the proactive and visionary professional leader could commit and motivate

people with an ideal of helping people, searching for opportunities to achieve goals, taking risks, and building trust in social enterprises. Theoretically, the more these characteristics of these social enterprise managers exist to work within board of directors, the larger the impact on the social enterprises' missions.

8.5. Composition of governing bodies

The PRS social enterprise governance board appeared to formulate their structure from representatives of each of the partners. This board's role was to define social enterprise governance framework and apply the framework to core business and activities. Social enterprises complied the governance framework and redesigned their own governance structure, function, and process through a decision-making process of a board meeting. In terms of governance structure, in each case study social enterprise, the multi-stakeholder governing board appeared to be the main actor that shaped its governance. In turn, this affected the implementation of social enterprise operations, board member relations, monitoring systems, transparency, and accountability. The social enterprise manager and boards adjusted their internal functions and processes to carry out their activities and aims, which was reflected in different levels of success.

There were four mandatory stakeholder groups to be represented on the board: the private, civil society, academic, and community sectors. They were appointed by the shareholders. The shareholders also had the right to be represented at a general meeting. In each case study, the board members could not have less than five and more than ten members. Each representative had the right to jointly be a board member for two years. All were active among board membership in each case study.

With respect to voting rights, which was paramount in defining the power distribution in the organisation, the social enterprise policy framework gave clear guidance (Section 3.5). There has to be at least five initial founders/shareholders the shares could be held by anyone. All shares were to be subscribed as addressed in the legal framework. Those shareholders of each case studies seemed to cover the five sectors, except Chiangmai SE which was uncooperative as the shareholders from academic sectors (Board member 32). The government's governance framework provided public entities and private institutions with the opportunity to be shareholders of social enterprises. This provision was facilitated by the legal form, and the share for each sector (such as public administration) was unlimited. The framework did not allow public administration staff to be appointed as board members. Those public agencies

had no right to manage, direct, or control social enterprises; their only influence was through the voting process and consulting with the board.

The National PRS social enterprise issued guidance that there was an emphasis to the rules of equal voting rights. This aligned to create balance of power for all representative groups, through a ceiling limit for all sectors. To clarify voting rights, the voting right for each sector was limited to 20% of the total votes correspondingly. The policymakers stated that this voting right was clearly applied in the annual meeting of the SE or supervised board meetings (Policymaker 1); for example, private, civil servants, academic, civil society, and citizen sectors all had 20% shares of votes (each):

> '*As I know the PRS social enterprise is a novel business structure like a do a good thing company that enables representatives from all five sectors*: *private, public, civil society, academic, and people, to collaborative work under the same framework that provide to the countrywide. Similar with other general companies, the voting rights has been clearly announced that it should be 20% for each sector. Although most of shareholders and proportions of shares for example are private sector, their voting right is 20%, like other sectors. I think this is equality of rights*'. (Social Enterprise Manager 5)

In Krabi, the board members stated that the social enterprise was established in order to create jobs and increase incomes for groups of local farmers. There were in total ten board members, selected from four sectors, except government agencies. All board members were acknowledged as experts who understood their community context and had strong relationships with community leaders, in six villages.

In Nongkhai, the majority of board members were skilful in both business and community development (Section 5.3). The board could be found amongst people having multiple skills which support the development of the collaborative working across private and public and NGOs. In term of economic and social goals. The participants stress that the shareholders appointed the board members from the people with business skills and strong connections, and '*who shared the same interests as the managers and shareholders*' (Board member 21). The Nongkhai managers stated that the members who were selected on the board were capable to build community trust and balance organisation goals as the same time. They had

three key qualities – honesty, willingness to doing good, and positive relationships with communities:

> '*Our social enterprise selected 10 board members who are capable to help govern the company's directions and willing operations. The 10 board members are representing the four sectors. Those are perfect matched combination of acknowledgeable capacity people and passionate qualities. Most of the time they afford for determining the company's business as well as owning the three qualities of authentic, willing to do good things, and positive connections within the community*'. (Social Enterprise Manager 18)

The Chanthaburi Social Enterprise participant argued that the members of boards could be able to mentor and supervisor the organisation's management to protect the SE's benefits. The manager stated that:

> '*The selected 10 board members are mix from each sector, which I think is a very good combination of experts, like we have a supervisor on team to guide and monitor our SE businesses and maintain our long-term benefit*'. (Social Enterprise Manager 5).

8.6. Social enterprise governance structure

This research examined the social enterprise governance structure by exploring the pattern of multiple stakeholders and their involvement. As already mentioned, (Section 3.5.2), this study addressed five key SE stakeholder groups: private, public, civil society, academic, and citizen sectors. These stakeholders were mainly involved in the governance board to oversee social enterprise principles in the context of hybrid organisations (Section 7.2). These principles were to be a TBL organisation, aiming to run a business for social, environmental, and economic value in communities. Although the social enterprise had registered as a company and operated as a business, its profit was reinvested for community activities.

As the positive driver of collaborative working across five sectors in multiple stakeholder boards and business processes, the social enterprise board in turn could enhance ability to perform different processes in social enterprises' business (Section 6.3). The social enterprise business model – factors of production, knowledge building, marketing, communication, and organisation management (Section 6.4) – ensured progress within the context of a multiple stakeholder governance structure.

Collaborative synergies were pursued in line with stakeholders' capabilities, to enable social enterprise processes that were beneficial to social, environmental, and economic values in communities.

In this section, the involvement of multi-stakeholder board membership in governance structure is analysed. The relationship among each group of stakeholders in the governance structure was an important establishment in the interaction approach between internal and external stakeholders and their decision-making process. This can be discussed in the categories of social enterprise governance structure as described below.

The literature presented three categories of members in the governance structure: effective (appointed members, managers, and beneficiaries), supervisory (government agencies), and honorary (shareholders and government agencies) (Section 2.3). This study reveals an organisational governance structure, it was often not clearly defined who had the responsibility and power to take strategic decisions, and which were the tasks assigned to the operatives. The legislation on the governing board and control was not, in practice, always well-defined. In this study of four case studies, particular governance issues emerged in some areas, and governance structure appeared to be demonstrated through the involvement of five categories of stakeholders: (1) shareholders; (2) board members; (3) managers; (4) government agencies; and (5) beneficiaries of an organisation (see Figure 8.1).

In the case studies, each social enterprise was the same as with other general companies. Each SE was managed by the managers, controlled by the BoD under governance framework, with the monitoring, reporting, accounting, and auditing. The shareholders selected the BoD, having five to ten members, according to the company's regulations. Except for civil servants, all sectors had a right to be appointed as company managers or directors. The public sector could be involved on a supervisory board in a consultative role. Additionally, intended members can volunteer to involve in the supervisory board exclusive of voting rights. This could bring a superior level of democracy to the process of decision-making of the cases.

For the Krabi Social Enterprise, the manager explained that there were well-defined characteristics of the stakeholders. This defined their level of involvement within the organisation and addressed in relation among stakeholder groups to the BoD and beneficiaries of the activities. The case of Chanthaburi and Nongkhai, the managers and board members observed that their organisations seemed to have not defined a

group of stakeholders, especially the beneficiaries, at the formation stage. These social enterprises limited the source of social utility services and goods to narrow targeted community members, undermining their ethos as social enterprises (which the PRS intends to cater to a broader range of stakeholders). Later, the board members added that the involvement of shareholders, employees, and beneficiaries had been solved through providing mechanism for participation and information consultation which could engage these categories in the decision-making process (Board member 42). In the Chiangmai Social Enterprise, board members claimed it was clear-defined characteristics of the stakeholder and the activities of the social enterprise could be focused toward internal and external beneficiaries of communities.

This study demonstrated that the case studies were registered as a company whose governance structure was controlled by shareholders and managed by managers (see Table 8.1). The findings concerning this type of governance structure in all case studies indicated the form of '*multi-stakeholder governance structure*', named by the policy makers and manager (Social Enterprise Manager 5, 8, 18, 28, 38). Although the PRS policy launched by the government, all managers perceived that their social enterprises could govern independent from direct government influence. The government agencies mostly participated in the social enterprises through supervision meetings, project funding provision, or other forms of support. The non-managers stressed that the social enterprise could steer operations with their determination to meet beneficiary needs. Mainly, their decision-making in operations made by the manager together with the BoD.   Figure 8.1 presents the '*multi-stakeholder governance structure*', involvement of main groups of stakeholders in the governance structure of the four case studies.

Figure 8.1: Social enterprise governance structure of case studies
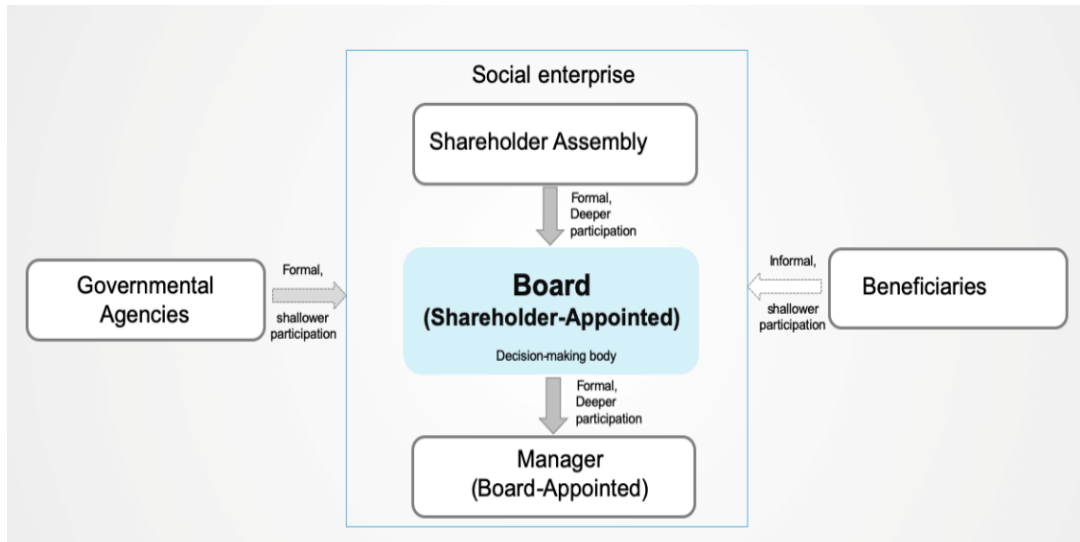
Source: Author.

8.6.1. Involvement of shareholders

The involvement of shareholders in each case study, came from the five sectors (see above). They could be seen as the investors of social enterprises who support financial capability of governance structure (Social Enterprise Manager 5, 18, 28). In the case studies, all members of the BoD were appointed by shareholders. Shareholders could officially participate in social enterprise governance system via the shareholder assembly provided by the social enterprise, having an annual meeting among appointed board members. Some board members claimed that although the social enterprises allowed shareholders an important role in making a decision in yearly meetings, some shareholders placed themselves on a position on boards, and such shareholders could have deeper participation in governance structure. Also, in these four case studies there appeared to be different levels of emphasis on their involvement of shareholder in administration.

8.6.2. Involvement of government agencies

The government agency involvement was seen by the managers as a supportive supervision in order to influence guidelines and supervise other stakeholders, especially the board members. Government agencies could dominate stakeholders in the registration and supervision processes. They participated in the social enterprise governance relatively formally meeting, but broadly and indirectly control. The four case studies showed that representatives from public units participated in the governance structure in terms of:

- Inspecting and making the legal form of social enterprise registration (Social Enterprise Managers 5, 8, 18, 28).
- Position in the supervision board as a supervisory unit for information-sharing, consulting and supported decision-making processes (Board Members 22, 44).
- Joining with the social enterprises in cross functional teams in local units (Board Members 13, 42).
- Giving other specific help dependent on area and socio-economic situation such as financial project support, consulting in community development, and free training via public units (Volunteer 35).

From the perspective of social enterprises in Thailand, indirectly involving government agencies in the governance structure might activate the organisation to maintain SE legitimacy and mobilise funds as well as train the workforce. The government involvement appeared to be acceptable via formal meetings. The four case studies agreed that this level of shallow participation reflected the freedom of the governance structure, since governmental agencies took opportunities to be involved indirectly, with no action on the boards.

8.6.3. Involvement of beneficiaries

The beneficiary Involvement within SE governance appeared to be shallower than other group of stakeholders, because they had no direct power in the governance boards, voting rights, or decision-making. Beneficiaries, including targeted communities and community representatives, were often involved in governance structures through informal mechanisms, such as community participatory meetings, community activities, community needs analysis, and personal contacts with social enterprise staff. They appeared to be rarely involved in the formal governance structure, such as any meeting of board members.

Across the case studies, few community representatives were individual members of BoDs. Beneficiaries were typically only represented by members of the community sector. As the direct users of the good or services provided by social enterprises, most beneficiaries reflected that they could express any concerns to these community representatives in order to influence the boards' decision-making. There were some community representatives in these cases where there was a conflict of interest between what was in the community sector's best interests and those of individual users (Community Members 17, 36). Managers from each case study claimed that social enterprises allowed the community sector to invest as a shareholder, which could relatively be appointed as a member of BoDs. This could widen participation of

beneficiaries, who could act more powerfully with deeper participation in advisory units and decision-making boards.

As discussed above concerning governance structure, stakeholders could present their involvement in the governance structure with varied degrees of participation. The four case studies appeared to be then different levels of emphasis on their involvement regarding their varying degrees of independence from government agency supervision as well. Each social enterprise adjusted its structure of governance, which reflected a variance involvement and the roles of shareholders, government, and beneficiaries in the governance structure. This adapted form was perceived to be due to engaging a degree of stakeholders in governance and adopting a stakeholder-oriented approach towards management. This was seen by participants as solidly constructed on a legislative basis, and in actual organisational operations.

8.7. Social enterprises tensions and governance theories

This explores the numerous forms of governance theories that could be arranged to social enterprises to mitigate the tensions emerging in them. Various theories of governance have been developed in the management and administration literature. Some existent researchers studying social enterprise organisations have adapted some of these theories to understand and develop models (Section 2.9.2). Hybrid social enterprises aimed to produce activities for sustainable development with economic, social, and environmental values, and the governing boards appeared to tackle these aims by arranging governance to direct operations to manage the hybrid tensions.

Evidence on the development factors influencing the implementation of social enterprises is considered in Chapter 6, and emergent tensions in hybrid social enterprises are discussed in Chapter 7. The findings presented the challenging context in which social enterprise governance must work. Governance boards were enabled and constrained by factors within organisations, influencing their behaviour and how they govern, direct, and operate their priorities and decision-making. To assess and theorise social enterprise governance, two theories assessing their capability on a number of tensions which were presented in Section 7.4. Two main theoretical perspectives can be discussed in this section as they demonstrated theoretical and practical implications for governance relating the social enterprise sector, each focusing on a function and arrangement of the governance board (Section 2.9):

- Stewardship theory assumes that managers and shareholders (or owner) of an organisation share common interests. Managers desire to perform a job for in the organisation's maximised interests. Therefore, the key role of the board is acting as a partner with managers in management to improve organisational performance (Section 2.9.2).

- Stakeholder theory assumes that organisations could be accountable to various stakeholder groups, rather than just one group of the organisation's shareholders. Because different groups of stakeholders might have distinctive interests. The leaders together with the board role in balance and solve such occurred conflict in helping the setting of organisation's objectives (Section 2.9.2). Moreover, the multi-stakeholder of social enterprise governance (Section 2.9.2) is an approach to higher involvement and raise the democratic participation among different groups of employees, beneficiaries, and shareholders, all of whom participate in the effectiveness of the business.

This study provides an analysis of how governing boards manage tensions in social enterprises. In each case study, although the social enterprise applied and adapted the government's PRS framework, the findings suggested a different arrangement of governance, revealing a variety of tensions and approaches covering goal balancing, conflict interests, financial mobilisation, and workforce management (Section 7.4). Table 8.2 summarises the governance models based on hybrid tensions and governance features, while making use of the different theories according to the issue addressed in the case studies.

Table 8.2: Analysis of core hybrid tensions and governance theories

Case study	Tensions	BoDs views of managed tensions	Governance theory
Social/environmental and commercial balance			
Krabi	Stress of intentional blending of three goals strategically to create a synergy plan	Both rebalancing and improving the performance of the organisation	Stewardship
Chiangmai	Imbalanced emphasis to the social and environmental missions and neglected the economic mission	Setting and prioritising multiple goals reinforcing from diverse stakeholders	Stakeholder
Nongkhai	Shifting attention among different social enterprise objectives	Board use strategic function and business skill to implement mission and performance	Stewardship
Chanthaburi	Placing a greater focus on the economic aspects	Select the diverse community representatives involved in board to intensify social/environmental missions at decision level	Stakeholder
Conflicting interest			
Nongkhai	Conflicting demands between needs of customers and stakeholder boards	Managing and prioritising variety of interests, community interest comes first	Stakeholder
Krabi Chiangmai	Conflicting in aligning interests among main stakeholders, boards, partners, and management	Balancing distinct interests o demands of stakeholders aimed at maximising organisation performance	Stewardship
Chanthaburi	Prioritise social mission, emphasis on interactions with stakeholders more than beneficiaries' needs	Beneficiaries involved in decision making	Stakeholder

Source: Participant interviews

The analysis is based on social enterprise participants including community representatives, managers, and all board members from the four case studies. They highlighted that some of organisational tensions that occurred could be mitigated, depending on the approach the governance board used for managing boundary-

spanning activities. The four area tensions will be discussed according to governance implications for the case studies in the following sections.

8.7.1. Balancing of goals

In each case study, managers could do and act in the organisation's interests, rather than their own. This was supported by the BoDs, which act as the manager's partner in balance and improve the performance of the organisation. The governance approach deployed resembles the stewardship theory.

In some case studies, participants from the BoDs highlighted that a shifting focus in business missions and activities meant SE 'becoming' more commercially recognised, whereas maintaining their philanthropic motives, this changing given support among BoDs, as one member in Nongkhai social enterprise state that:

> '*We do a social enterprise emphasising on having social/environmental values but also run as a business. If we don't maintain a profit, then we cannot deliver what we have address in the goals. Then we have shifted to our commercially focused by agreeing from BoDs to create commercial strategies, our service lines are driven by the managers and staffs at the time of business expansion*'. (Board Member 20)

Promoting a 'commercially-driven' orientation could result in tensions between stakeholders and within organisational management. Particularly, as they challenge to balance all goals of their social and environmental aims with commercial activities. The social enterprise manager displayed business plan and re-identify needs for additional income. This was for enhancing commitment of particular stakeholders that the changing strategic form of marketable activity would allow it to recognise effective keys objectives. In term of governance arrangement, the governing board appeared to decide whether any commercial activity might be coherent with the core social/environmental missions of the organisation. One interviewee from a social enterprise board suggested:

> '*Our SE are shifting to commercial advancement because we're driven our social enterprise in way of self-reliance. Being self-governing we need to rely on a sufficient budget and exactly profit, while not to lost key goals. We, BoDs, guide the manager to therefore implement coherent missions. However, we give the manager dependent on*

create a strategic plan. So far, we are really aware of the commercial realities enable other missions'. (Board Member 46)

The goal displacement tended to occur when imbalanced emphasising of missions and neglected some opposing missions, resulted in becoming removed missions from the actual organisational goals. The managers stated that '*the interests of the inner stakeholders (managers or staff) sometimes uninvolved from organisation*' (Social Enterprise Staff 14*).* In case of Chiangmai, the BoDs claimed that setting and prioritising multiple goals reinforcing from diverse stakeholders it could be the most important criteria were those related to express a comprehensive interest in working on balanced emphasis to the main missions.

There were different tensions in balancing social goals and commercial goals between managers and shareholders in some social enterprises. In Krabi, some participants indicated that the defined activities were mainly designed to maximise its social goal as the first priority. This led to delays in support from private sector representatives on the board. The board took action though a board meeting to revise the organisation plan. This caused a rebalancing of both goals. One board member stated:

'*We know that the manager just wants to focus only on community development, many projects are for reaching social aims. But we are working as a business, we have to success in both*. *If we cannot do profit to economic aim. The partner from other sectors might leave us alone*. *So, this case, our board from every sector have many times of board meetings till we find a solution to improve our performance, that means we have to run social enterprise to serve both goal on the strategic plan*'. (Board Member 23)

Board members informed and exchanged their preferences with managers for prioritising various goals. Managers stated that they could decide to combine these preferences into decisions. However, board members' interests may change, the different interests of particular board members, some disagreements on the relative priorities of activities occurred. Making decisions about setting and prioritising multiple goals was not always easy for managers. This then caused a re-balancing of resource allocations among a social enterprise's goals.

Social enterprise managers were described as people with new ideas, influenced by the organisations' missions, discovered, and utilised by boards in order to influence

organisational performance. In Chanthaburi, tensions arising from emphasising greater performance of business activities to boost social enterprise missions could influence board decisions; for example, challenges relating to a small customer base could be overcome by online sales or finding a new group of customers such as tourists:

> '*We grow a large number of sales products online through the company electronic commerce. We have opened a shop in Central superstore and it's our first shop in Muang Chanthaburi that've been open for the last couple of years. But we've found now that we are actually going down next week to rebrand the Polchan shop, because there's a large number of tourists come into Chanthaburi, but they don't come into our shop. So now we're rebranding it to the Polchan premium product, selling online and offline, so they'll pick up more businesses*. (Social Enterprise Manager 38)

The governance arrangement applied in the case studies reflected a dominant characteristic of governance structures. The point in which the power of decision making widely dispersed among all stakeholders and board members or was concentrated in the controls of managers of the social enterprises. In the Krabi Social Enterprise, for example, decision-making powers belonged to board members, which reflected the stewardship governance theories. In contrast, in the Chanthaburi Social Enterprise the direction the organisation was focused in was in the hands of the manager. Although the board informed the manager of their preferences, setting strategic functions and arranging goals was determined by the manager.

The Chanthaburi board appeared to select diverse community representatives to intensify the social mission views in the decision level. Then the board used monthly board meetings to monitor overall organisation performance. This approach reflected the stakeholder theory. Furthermore, in all case studies, non-managers highlighted that while centralised governance structures restricted shareholders and local members' access to level of making a decision, governance structures enabled BoDs to legitimate and constrain leaders' actions as agents of the organisation.

In terms of hybrid tensions in goal balancing, the governance arrangement of social enterprises addressed the simultaneous need for both incorporating different stakeholders on boards (stakeholder theory) and partnership behaviours (stewardship theory) by board of directors. Social enterprise governance aimed to acknowledge the

balance between these two arrangements. In the case studies, stakeholder and stewardship theories can be merged into a framework of governance that accounts for both incorporating and partnership behaviour of board member and managers. This finding can be added to the complementarity of these theories when arranged in social enterprise.

8.7.2. Conflicting interests

All case studies adapted the government's PRS framework, stressing that organisations had to be responsible to diverse groups, rather than merely the SE's owners or shareholders (Section 3.6). The social enterprise could be charactered governance structure as '*multi-stakeholder governance structure' (see Section 8.6)* which involve diverse dominant stakeholder. By incorporating different stakeholders on boards, the tensions, however, rested on balancing the interests of among stakeholders and members (Social Enterprise Manager 8). The managers stated that they were pressured that expectation of *multi-stakeholder governance structure* could be more responsive to social/environmental interests broader than the narrow interests of one group (Social Enterprise Managers 18, 38).

In some cases, the participants stressed tension mitigation could related to those of the managers (who had direct management of the SE), and power in the hands of the managers and BoDs (Board Member 33). Hence there was the need to implement tools to prioritise the variety of interests inside and outside social enterprises (Social Enterprise Manager 28), and to select BoDs on the basis of their capacity to represent stakeholders' interests (Social Enterprise Manager 28, Board Member 10).

Despite the common vision to create a sustainable and alternative social enterprise, each board member emphasised different aspects of the venture's social, environmental, and economic aspects:

> '*We all have the same dream, but we all have different facets of that dream and different ways of seeing that dream. For board from public sector, it was about the political sphere, this will change politics and community-social stuff. For board from civil society, it was about bringing healthy food into a community and for me, I come from the business side, this was a statement that you can open a commercial enterprise on a high street and be successful. We all saw it slightly differently, but they all worked together*'. (Social Enterprise Manager 18)

In some case studies, there was a distinction between the shareholders (principals) and managers (agents). Shareholders of social enterprises were either persons or organisations, who provided resources such as money to help the enterprise function. Managers were people who had an acknowledged right to act as agents for stakeholders. Their main duty was to allocate the collective resources to achieve the goals of the social enterprise. A concern was that managers may not accurately represent shareholders' views.

> '*The manager might sometimes present himself as performing in the interests of shareholders and organisation, but actually be pursuing his own interests*'. (Board Member 22)

In some studies, the involvement of multiple stakeholders on governance structure was likely unconstrained, since their members were typically chosen from amongst the shareholders representing the five sectors (Section 3.6). Krabi and Chiangmai Social Enterprises were seen by non-managers as conflicting to align interests between main stakeholders of board members. For example, some community business projects were launched only in the communities where board members lived or had a close relationship with communities. As Krabi and Chiangmai faced a similar situation, the managers claimed that they dealt with this tension by using organisational plan to maximise performance and balance the distinct interests of stakeholders:

> '*We got feedback from the board members and community representatives that we are to focus on this community, but other communities also need support. After pass a first year, we added the area-based project into our business plan. This plan contains the community needs, community empowerment, community capability. When we want to invest the new projects, we select the prompt development community combine with the organisation goals to reach performance*'. (Social Enterprise Manager 28)

Krabi and Chiangmai highlighted that the managers had social backgrounds and professional work levels. The managers were also more socially integrated and active in general meeting attendance than the others and spent more time socialising with staff and communities. These social enterprise managers prioritised maintaining positive relationships with communities, paying attention to social interests, and creating social involvement (Board Members 9, 30). The participants from local communities claimed that managers had closer relationship with communities than

other board members. Their knowledge used in incorporating and decisions with community activities (Community Representatives 16, 35). Those managers were more satisfied with their SEs and conveyed a greater desire for opportunities to exercise leadership to reduce conflicts among communities.

There was a concern about the lack of participation of beneficiaries and certain groups such as women, minorities, elders, young people. This was a notable tension in Chanthaburi, where the local representatives mentioned as a priority social mission emphasis on their interactions with stakeholders more than the needs of the enterprise's beneficiaries. The board members were asked how they managed this situation, and they claimed that at early stage they could not realise it as a tension, because the collaboration with stakeholders helped the social enterprise to increase fund and factors for productions (Section 6.2). It seemed growth in business operations satisfied some groups of interest who participate in the boards, and unless there is less acceptance from community, the board then takes power to bring community representatives and beneficiaries together in making a decision of social enterprise projects, aiming to enhance the community interests (Community Representative 46).

This was supported by the board members of Nongkhai, who claimed that the indicators of relationships with multiple stakeholders correlated better with organisational longevity than did the market profitability indicators – funding diversity and state funding. The board also managed a variety of interests, prioritising community interests. They believe this action of board could reduce conflicts by matching with the social enterprise goals (Board Member 21). One of the other participants from the Chanthaburi board explained that for him it was about creating new combinations of things and management of diverse needs, rather than 'running a shop' as such:

> '*The thing had its own life and seemed to be moderately sustainable and the pleasure, my involvement in any of those enterprises is to shape it, help design it, make it happen, get the right people together to make it happen... Once it's flying it will become more sustainable if the people who are running it can make it work. They don't really need me. I'm not interested in running a chain of shops. I'm interested in making new combinations of things and manage variety of needs among people. This will be new life experiences happen for community and for economies*'. (Board Member 45)

The board members from civil society pointed out that a participatory approach, such as the multi-stakeholder approach, supported governance processes. Also, they claimed that decision-making in order to direct, manage, and control enterprise issues could not be based on shareholder capital ownership, but required plurality voting systems like 'one person, one vote'. The board members from the community sector suggested that an initiative project be launched by a group of local communities. Moreover, public sector participants argued that social enterprise governance could be used to design profit distribution aimed at two goals: reinvesting in communities' projects and maintaining social enterprise operation. Governing boards had freedom to limit profit sharing to shareholders. Boards ensured the annual profit distribution was regulated to the satisfaction of all shareholders based on their circumstances. In each case study, there were no apparent concerns among shareholders about profit distribution. This was because a partnership agreement had been developed stating that, in principle, all shareholders needed no sharing divided and supported the reinvestment of profits in other projects. This clear principle from boards and managers appeared to help reduce conflicts of individual interests.

Overall, the hybrid tensions in conflict interests and the arrangement of governance of case studies were addressed by participants from most social enterprises. The managers had power to make decisions on conflicting interests and to prioritise the diverse interests which corresponded to stakeholder theory (Section 2.9.2). Moreover, as Krabi and Chiangmai Social Enterprises pointed out, the board adhered empower the managers to maximise organisation performance and business planning to reduce stakeholder conflicts of interest, which improved top management decision-making, in accord with stewardship theory (Section 2.9.2). For social enterprise governance in these four case studies, both stakeholder and stewardship theories can explain the mitigation of conflicts in the social enterprises, by conferring decision power on representative board members, to prioritise interests and manage organisational performance targeted to TBL goals.

8.8. Critique of governance arrangements in case studies' circumstances

In this study, governance arrangement emerges as a multi-dimensional construct, not confined to mediating goal conflict and controlling the behaviour of managers. Managers and board members generally shared interests and worked in partnerships. The managers might be motivated to represent their board members' interests, while

boards empowered and supported managers to achieve optimum organisational performance. This study confirms that the governance arrangement of social enterprise organisations needed to take into account goal balancing and also to focus on stewardship situations, whereby managers share the same interest as the board members, and all are motivated to act in the best organisational performance.

Moreover, governance structures can be complicated by having multiple stakeholder categories, and often having a multiplicity of goals, making it difficult to balance missions, interests, and related tensions (Section 8.4). Many case studies claimed that board members support managers to set the strategy to recruit experts and an experienced workforce, and involve stakeholders at the decision-making level, to prioritise diverse interests and reduce associate tensions.

The findings reported here suggest that governance practices can be understood in terms of stewardship and stakeholder theories. There appeared goal congruence between shareholders, board members, and managers of social enterprises. Given that managers wanted to take responsibility for organisational performance as well as the board agreement, the main functions of the board in these circumstances were to support and improve organisational outcomes, while acting like a partner to the management. In some instances, there were tensions, for example conflicting interests and a resource crisis, situations that were managed in a variety of ways.

In summary, the ideals of achieving balance multiple goals, improving organisational performance, and empowering and collaborating with external stakeholders were manifest in these social enterprise governance circumstances. Consequently, this analysis suggests that to get a more comprehensive view of the social enterprise governance, stewardship theory combined with other perspectives, as stakeholder theory, could explain and interpret the governance milieu of Thai social enterprises.

8.9. Conclusion

This chapter analysed social enterprise governance. The analysis draws on the Government's governance framework and its modification, and theories of governance were used to analyse and interpret these case studies governance circumstances to mitigate the hybrid tensions.

Firstly, the government's governance framework has been shaped by Thailand's PRS social enterprise committee as a mechanism of social enterprise strategies and activities to account for actions, attract funding, and improve resource alignment. The

governance framework has a defined stakeholder orientation, requiring their engagement in the governance structure and process. In the four case studies, the social enterprise governing boards used the business model for responding to community development activities, and reinvested profits in the community. The social enterprise boards seemed to adhere to business plans that brought benefits to the organisations and the communities they serve, ensuring an appropriate balance between the internal interests and their distinctive external stakeholders.

Secondly, responding to the emergence of four tensions, the study shows that two governance theories aid our understanding of social enterprises in Thailand: the stewardship and stakeholder theories. The applicability of stewardship theory appeared to have implications for governance arrangements in social enterprises. The confluence of mixed circumstances conducive to the stewardship and stakeholder theories was an interesting finding that is particularly related to the context of SEs in Thailand. Discussions of governance structures can be complicated as they involve a diverse group of stakeholders.

TBL social enterprises had multiple objectives, and this multiplicity of goals made it difficult to set out mission to balance them. Furthermore, the recruitment of managers, board members, and employees for social enterprises was complicated due to the diverse skills mix required for organisational efficiency, which was inevitable linked to the focus on social and environmental aspects or profit-seeking. Some sought to promote leadership amongst their members to increase their own competences by coaching them in leadership skills.

Stewardship theory was apt to explain board–manager and manager–employee relations in these social enterprises. Stakeholder approach was used to distinguish stakeholder categories of internal and external social enterprise involvements. This study considered in discussing governance for tensions management from a stewardship–stakeholder perspective. Prioritising performance management, empowering actions, and providing more possibilities for stakeholder involvement in the governance process were arrangement. This mix of perspectives reflected the dominant characteristics of the stewardship and stakeholder views in these cases' circumstances.

The next chapter discusses the major findings of this research and concludes the study.

Chapter 9: Conclusions and Recommendations

9.1. Introduction

This chapter presents conclusions and recommendations arising from the investigation, in the context of the work undertaken, and using the conceptual framework of study outlined in Chapter 2. Starting with revisits the research questions and underlines the main analysed findings and this investigation's contribution to knowledge. It then portrays research's conclusions and recommendations as well as indicates further research necessary to strengthen in understanding particular the social enterprises.

The principal focus of this research has been the development of hybrid social enterprise, and how hybrid tensions affect the operation of SEs in practice, especially concerning how such tensions have been reduced or mitigated (see Figure 2.2). The purpose of this exploratory study was to understand how governance in hybrid social enterprises is articulated and how it manages tensions (see Figure 2.3). Having collected and presented a significant data, including narratives from key stakeholders in four SE case studies in Thailand, several factors of development, core tensions, and governance arrangements related to the research questions were identified and analysed.

9.2. PSSEs management strategies in Thailand

Social Enterprise hybrid models in Thailand relied on the triple bottom line (TBL) of social value, environmental value, and economic value. TBL integrates traditional community involvement, the philanthropic, and CSR activities to generate passion, missions, and values on social enterprises' business and communities.

SEs have been a focus of interest in Thailand since the 1970s, beginning with their importance on the economy and environment. Pracharath Rak Samakkee Social Enterprise (PRS) was founded by the government to focus on social and community development in Thailand. The PRS social enterprises emphasize on agriculture and local communities (PRS, 2018), and its conceptual framework is on TBL that comprise social, environment, and business activities to achieve on SE purposes under the good governance principle. (Section 2.11.3 and 3.5.2). The governance management in

PSR attempts to establish the participation of multiple stakeholders, the diversity of activities, and involvement of local communities together with business missions.

PRS applies the hybrid model and governance management towards multiple objectives in Thailand. A possible explanation in the Thai context is that public policies are currently strongly promoting SEs. The Thai government policy of PRS tries to solve such problems as education, unemployment and low income, inequality of public health, and issues relating to the quality of life in local communities. The mechanism of governance through PRS evolve with the participation of five sectors for developing sustainable public services (PRS, 2016) among the public sector, private sector, academic sector, citizen sector and civil society.

The collaboration of all sectors is at the heart of Thai hybrid social enterprise to pay an afford to create happiness and sufficient lives of Thai citizen, which mentioned in PRS governance guideline. The Pracharath Rak Samakkee is defined as the state and the people love harmony projects, was established in every province. PRS priorities on grassroots economic development to bring about stability, prosperity, and sustainability for local communities by concentrating on three areas: agriculture, product processing, and community tourism (NIDA, 2017). PRS also promotes independent market competitiveness for business organisations in local-community-markets. This can simultaneously promote economic independence and social goals and the sustainability of social values demanded by social enterprises. This outcome also implies that PRS has overcome the tensions of balancing of goals and conflicting interests as discussed earlier. Case studies of PRS can simultaneously promote economic independence and social goals and the sustainability of social values demanded by social enterprises (Ridley-Duff and Bull, 2019).

The strategies of PSSE management aligning on PRS's model reflects the partnership of networks and connections both at national level and an international level through four strategies: human capital, community prosperity, innovation and productivity, and good governance to serve social service and community programmes. This study demonstrates four case studies that identify the potential of PRS strategies on PSSEs: Krabi Social Enterprise, Nongkhai Social Enterprise, Chiangmai Social Enterprise, and Chanthaburi Social Enterprise.

- The Krabi PRS strategy focuses on community business and environment. The mission of Krabi PRS is to promote organic food and green tourism in communities. This activity has achieved the establishment of 45 community

projects and generated an income of £117,250 for 279 households in two years of operation. (PSR, 2017)

- The Nongkhai PRS strategy focuses on social development and environment improvement in community by promoting local green products and eco-friendly products, farming, and fishery projects. The project supports community product through sales and community-based tourism. The project developed 45 community projects and income over £125,000 for 1,586 households in two years (PSR, 2017).

- The Chiangmai PRS strategy initiated a forest and environmental protection project, which reinvests 15% of income into community projects, and solves poverty issues via fair trade. The project has generated 38 community projects, and created an income of over £100,000 for 303 households (PRS, 2017).

- The Chanthaburi PSR strategy focused on creating high quality products by farmers and fruit gardener, and developed a premium fruit brand called "Polchan". Chanthaburi PRS expands shops and e-commerce for community products and homestays in community-based tourism. The project has generated 38 community projects, and created an income of over £140,000 for 347 households in their communities over a four-year period (PRS, 2017).

The achievement of PSR, demonstrated by these four cases studies, confirms how Thailand integrates the hybrid SE Model, good governance in context of local communities in Thailand. PSR provides a contribution of knowledge, ability, and opportunity on the perception of PSSEs for Thailand. The four case studies evidence the significant factors that affect the improvement of. Wealth contributions by PSSEs are based on the purposes of the PRS social enterprises. For example, to provide green products, farming and logistics, organic food, community-based tourism. Another contribution is their capacity to provide access to intellectual and manufactured wealth for example public access to the internet, community welfare improved, eradicate poverty facilities.

The study identifies the combination of hybrid SE model, multiple stakeholders, and good governance management to reach the target of TBL. Participation consists of the networking of five partners: local businesses, universities, civil society, non-profit sector, and local communities. Although the Thai government do actively support SEs, most public authorities prefer to act as partners—rather than as the main entrepreneur. The existence of a public-sector may be linked to the personal perception of the PRS

phenomenon by local communities. Many of them probably considered *a* prioritise PRS as private entities by nature, and therefore overlooked public-sector initiatives as potential SEs (Defourny, et al., 2020). Multiple stakeholders could cover all groups of citizens and all sectors of the communities to share and suggest knowledge, ability, networks and partnership, and others precious opportunities to develop best practices of SE to fit in the diversity of a Thai context.

The approach of public service social enterprises represents an opportunity to develop and implement alternative forms of governance that are conducive to democratic ownership and representation, although putting these principles into practice can be obstructed.

PRS received encouragement and support organisations, but employee and community/service user ownership and democratic governance are likely to remain elusive if these principles are not underpinned by suitable legal forms, inclusive organisational cultures, visionary leadership, and concrete actions that are in line with the organisation's social missions and environmental missions: it is neither structure nor culture, but rather a synergistic interplay of the two that matters. Therefore, building relationships with stakeholders could help SEs in building a democratic or participatory governance system (Sepulveda, lyon and Victers, 2020). PRS covers possible types of hybridity that can be observed in the field. For example, partnerships between for-profits and non-profits and those also involving local public authorities in community development are common (Defourny, et al., 2020).

PRS is one typology of SE model that is based on key dimensions of PSSEs good practice that adapts a hybrid model to align with the various contexts of Thai local communities. The strategy of each location needs unique knowledge, ability, and opportunity to increase the capacity of local communities. The research also classified the tension of PRS in Thai PSSEs on two pillars of conflict of interest, and goals and missions. Both pillars could be possibly solved by complying good governance strategy through public policy and government law. The governance management and mitigation of tension will balance goals of all sections by the TBL principle (Nicholl, 2010). Good governance can be applied to result in solving for all problems and tensions in SE such as the principles of accountability, transparency, targets of TBL in SE, participation, and social, environmental, and commercial value creations.

9.3. Factors influencing the development of social enterprise in Thailand

1. What are the factors influencing the establishment and development of social enterprises in Thailand?

The first research question examined the nature and factors in the development of social enterprises across Thailand. The study focused on four hybrid social enterprise case studies, in which multiple stakeholders worked collaboratively to achieve TBL objectives.

The study revealed several influential factors, including governmental policy support, stakeholder involvement, management of social enterprise practices, resource mobilisation, and community readiness and capacity. While all these factors certainly affected social enterprise expansion, there was no clear order of their relative importance, and no suggestions were made regarding which factors were of more importance in developing social enterprise (see Figure 6.1).

9.3.1. Government policy support

In establishing social enterprises, the Thai government sought positive economic, social, and environmental impacts for communities, in areas like job creation and income generation, empowerment and social capital, and reduced deforestation and chemical usage, and increased recycling. This research found that the PRS social enterprise policy was increasingly popular across all five stakeholder sectors (Section 2). This popularity led to a better understanding and acceptance of the social enterprise concept, changing attitudes, particularly concerning the necessity to introduce new forms of enterprise that can support society and the importance of adopting a business-like approach to doing so. Ambiguity and lack of understanding regarding the new social enterprise concept in policy led to implementation delays and shortcomings. As such, the recommendation made below suggests that clear rules and guidelines should be applied in the field.

9.3.2. Stakeholder involvement

Stakeholder involvement (through social enterprises' multi-stakeholder boards and business processes) proved a positive driver in securing collaborative work approaches across the five sectors. Social enterprise collaboration with public, private, and other third sector organisations brought several opportunities for business and

business practise development in community economy. The purpose of building a stronger community economy leads these PRS SE to develop relationships and collaborations with other local subjects, both public, private, or social economy (Ridley-Duff and Bull, 2019). For example, the business contracts between the organisations often became a primary source of income and enhanced organisational capacities to generate community development activities.

A range of formal support mechanisms was available from stakeholders, including business support, social management, technology, knowledge sharing, finance, and network building. The emphasis on stakeholder participation in social enterprise centred around the position of representatives and their experiences. Given the nature of social enterprise (including its obligation to generate economic, social, and environmental outcomes), there were some decision-making conflicts, and this led to challenges in recognising the overall value of an enterprise. Potential conflicts of interest between a social enterprise and potential partners could hinder the development of social enterprise partnerships and impede community businesses.

9.3.3. Management of social enterprise practices

The management of business practices involved knowledge of how to run a social enterprise. Most case study organisations used a business model adopted from PRS social enterprise (Section 6.4). This model identified a business approach, business processes, logics of interest, and their products. Some of the enterprises involved in the study applied managerial tools that were selected by PRS Thailand as best practices and designed to ensure a social enterprise operated in a self-sustaining and prosperous fashion. This increased insights into what a social enterprise entails and the importance of the case study organisations employing business models that generated economic, social, and environmental outcomes.

The government recommended the PRS '1–3–5 (one objective, three strategies, and five processes) social enterprise model' as a practical business model for establishing organisational structures. However, social enterprises modified and adapted their business models to their organisational contexts.

Identifying the benefits of having a strong social or environmental brand also contributes to the body of work. Brands allow social enterprises to differentiate themselves from commercial competitors. Adopting branding has allowed some social

enterprises to attract support from the financial and social sectors. Likewise, a strong social/environmental brand image can positively influence sales figures, customer numbers, and investment and funding opportunities. On the other hand, branding impacts the social side of an enterprise's activity. A successfully communicated brand image can bring in highly skilled volunteers and encourage community support.

For sustainable development of SE of PRS programme, the government suggests five keys of principles of SE guidance. This includes financial investments and benefits return should not be the target of shareholders in social enterprises. Second, all profits should be reinvested into communities and applied for SE. Third, A key objective of social impacts over monetary benefits such as social mission; goods and service should be distributed to all group of people in community equally. Forth, Board member come from diverse five sectors. Lastly, primary sources of revenue come from community business advisory." In some provincial PRS social enterprise particularly where their application distinct from the government guidance on SE, the board members from different sectors embedded within different social groups would adherence with the PRS governance to justify a situation.

Although the government plan envisioned an ideal equilibrium logic incorporating multiple perspectives, most social enterprises demonstrated an imbalance in the logics. Achieving stability in their primary logic was instead seen as a consequence of applying a clear strategy based on an analysis of community capacity and stakeholders' needs.

9.3.4. Sufficient resources

Participants identified having sufficient resources as a facilitator that drives social enterprises forward. Social enterprises with 'effective' joint working operations that incorporated the five sectors were more capable of raising shareholder funding. Although not always sufficient, financial, and business support was recognised as helpful in social enterprise development. As such, further development in this area is essential. Also, social enterprises had the financial freedom to sell products and services and generate profit that they could either retain for improving internal processes or reinvest in their communities. Having capable workforces and volunteers with social and/or business backgrounds could be the primary key for driving social enterprises. While most social enterprise managers were unpaid volunteers,

organisations with relevant expertise or experienced managers benefitted on the business side of their operations.

9.3.5. Community readiness and capacity

Interviewees suggested that strengthening communities was a supporting factor in the development of social enterprises. Cultural factors were also vital contributors to SEs, particularly the willingness to support the idea of achieving a harmonious community and taking responsibility for running social enterprises. To succeed, social enterprises needed both bottom-up support (in the form of volunteers and groups of people willing to work together to achieve social aims and facilitate the development of social enterprises) and top-down support (via accessible and fair public procurement and coherent social enterprise policies).

Community co-operation influenced the adoption of business models and entrepreneurialism. Thailand's socially orientated culture also promoted volunteering. Where social enterprises focus only on acting as commercial organisations, this could discourage potential volunteers. Finding volunteers with skills and experience was difficult. Having an appropriate business plan which included local context was also seen as vital for social enterprises as it would identify community capacity and needs.

The research findings have developed the understanding of the factors correlated with social enterprise development and their influence the formation of social enterprises in Thailand. The overall picture conveyed supports findings from the academic literature that suggest social enterprises identify and act on opportunities they perceive in their formation stages and use business principles to achieve socially and environmentally useful outcomes (Thompson and Doherty, 2006; Defourny and Nyssens, 2008; Cornforth, 2014).

The reformation of PRS social enterprise government policy by the state facilitated SE growth. At the same time, their stakeholders, communities, and internal and external contexts influenced SE formation. Social, economic, and environmental contributions are triple aims identified in an organisation's business plan to encourage individuals, different sectors, and communities to recognise a social enterprise and its capability to deliver multiple missions.

A capable workforce and experienced managers are vital to operating social enterprises and engaging with communities in SE activities. Social enterprises

promoted social benefits by working within constraints and limitations to meet TBL objectives. Hence, in addition to being efficient *per se* on a TBL basis, they had to work hard to address the real, practical problems found in their communities.

9.4. The features of hybrid organisations and tensions in social enterprise

2. What are the hybrid features of social enterprises, and how do they influence tensions emerging in hybrid social enterprises?

The second research question sought to identify and understand the characteristics of hybrid social enterprise and provide evidence of the tensions they face. Responding this research question offered this thesis' most significant theoretical contribution to existing knowledge.

All Social enterprise conceptual frameworks as mentioned in this study, the entrepreneurial Non-profit model, The Social Cooperative (SC) Model, The Social Business (SB) Model, The Public-Sector/Service Social Enterprise (PSSE) Model, were adapted to social mission across service enterprise model and carried out social value, community service (Defourny and Nyssens, 2017). On the other hand, they motivate the participation of entrepreneurship on social enterprise (Defourny and Nyssen, 2010: 44). Doherty et al. (2014) provided insight into hybridity as something fundamental to social enterprises, and a useful lens throughout which to critically analyse challenges associated with managing conflicting organisational logics. Although preceding research indicates that the tensions inherent in hybrid organising (Battilana and Lee, 2014), less detailed empirical accounts exist to clarify how hybrid social enterprises manage these tensions. Furthermore, previous research lacked a proper exploration of the TBL tensions faced by SEs, focusing more on tensions between their social and financial objectives (Smith et al., 2013; Hahn et al., 2015). There is more limited literature that discusses how social enterprises pursue the mission to create social value while maintaining economic and environmental sustainability (Battilana et al., 2015). Doherty et al. (2014) stressed that hybridity creates challenges and opportunities to influence mission and resource mobilisation, as well as processes for managing conflicting demands.

9.4.1. Features of hybrid organising

This study enhances our understanding of the features of hybrid social enterprises and how they influence the tensions SEs face. The four social enterprise case studies

exhibited many features on the hybrid spectrum (Section 7.2), placing on the philanthropic to commercial zones. A framework analysis of the social enterprise hybrid spectrum (Table 7.1), reflecting the six primary features of hybridity: goals, motives, focus, profit distribution, accountability, and sustainability aim. The case studies demonstrated common hybrid features amongst social enterprises with triple goals: a mix of social and profit-making motives, multiple missions, and different foci. All case studies adopted the governmental social enterprise framework and were registered based on one legal framework, aiming for TBL social, environmental, and economic goals.

The type of PRS-SE model, termed TBL based on multiple stakeholders, may offers a number of valuable insights into practices of social enterprises in Thailand. This social enterprise model is more hybrid in nature as the majority of these organisations takes the organisational form of either a social enterprise or a business. Additionally, while self-identifying as social enterprises, these organisations are more customer-oriented and operate in mainstream economic sectors such as agriculture, tourism, and valued product manufacturing. Drawing comparisons with international typologies, this social enterprise model also partly indicated characteristics to Defourny et al. (2020) of "social-business model" represented by for-profit legal forms with a significant reliance on trading income and commercial sources of funding and involved with board and committee; but less involvement of beneficiaries in governance structures. Because of their customer orientation, it is likely that these social enterprises exact some fees from their beneficiaries, and hence also view them as customers.

Legally, the case studies were registered as limited companies and operated as business entities with a primary source of revenue from shares of the community's income. Core businesses and missions appeared to emphasise social impacts rather than monetary benefits. Their profits could be reinvested into communities or mission-related activities, or retained for business growth, but not distributed to shareholders. While they maintained different foci, the organisation of each of the case studies was to set goals to reach social, environmental, and commercial value creation. Most of them emphasised social and environmental missions, while some focused-on market logic over the other logics. In terms of governance and accountability, all four cases adhered to a governance framework adopted from the PRS government's framework (Section 3.6), with multi-stakeholder BoDs elected from each of the five sectors. The social enterprises were accountable to shareholders and multiple stakeholders. All

case studies provided a sustainable plan for business growth and social/environmental sustainability, again with different areas of focus.

While developing social enterprises might configure their organisational features differently, the findings show that those able to pursue triple goals shared a commonality of maintaining a hybrid organisation form that balanced benefits between creating social, environmental, and economic values (Mason and Doherty, 2016). Social enterprises pursue triple missions and regularly operate in rural areas with resource-scarce environments. They regularly concentrate on the service of agriculture and underprivileged groups, for example, the unemployed and low-income households, especially those in farming clusters. Combining the pursuit of positive social and environmental impacts with a business venture could create challenges and tensions that result from bringing together opposing forces with differing values, goals, and strategies.

Although social enterprises focused on the value of their social and environmental impacts, they recognised that an increase in their financial profits would also create a positive impact on community, society, and the environment as well. The social enterprises involved in the case studies emphasised the importance of combining social and environmental benefits as a single mission. The analysis indicated that stakeholder involvement in social enterprises was key to influencing the features of their hybrid form. The contribution of members of multi-stakeholder boards included participation in areas like configuring core business processes to identify the social, environmental, and commercial logics essential to building a collaborative approach. As hybrid organisational structures, they designed business processes intended to encourage collaboration with stakeholders.

The social enterprise structures involved primary partnerships working with local companies, universities, civil society, non-profit bodies, and local communities in cross-functional teams. In the case studies, these partnerships could create opportunities for the development of hybrid forms that reflected their multiple logics rather than just one rationale. The social enterprise hybrid model of all organisations, sectors and communities supposes to balancing between economic and social goal by governance rules and structures to generate the higher value of PSSEs. The diversity of social missions for globalisation should be concerned, integrated, and adjusted for unique contexts of different countries (Nyssens, 2006). An appropriate business model of Thai PRS, which referred to the common goals of social and environmental impact

and building community well-being, was vital to building synergy and creating commitment across the five partners.

9.4.2. The paradox of hybrid social enterprise

Triple logics are vital to the operation of a hybrid. However, challenges and opportunities emergence that influence their social enterprise missions, their core operations, and their accountability. Social enterprises face challenges, and some case study participants expressed concerns about their organisations becoming either more 'business-like' or more 'social-like' operations. One reason for this was BoD and managers not being familiar with a business approach that drives a social mission (for example, as in Nongkhai and Chanthaburi). The other social enterprises faced insufficient financial support to run multi-logic operations. For example, a start-up needs on-going funds to subsidise social enterprise activities (for example, as in Chiangmai). These case study participants believed that the challenges involved in managing social enterprise activities created tensions in terms of financial results, mission drift, and performance. TBL organisations combine the desire to contribute to positive social and environmental impacts while remaining business based. When SEs rely on commercial income, they cannot simply engage in commercial activities without making significant changes to their organisational operations (Dart, 2004). This approach poses conflicts and dilemmas for social enterprises who oscillate in a paradox between the poles of traditional business and traditional charity.

On a more functional level, this research found that social enterprises face the inherent difficulty of integrating multiple goals and cooperating with a variety of stakeholders on different activities (Doherty et al., 2014; Mason and Doherty, 2016). The case studies faced paradoxes in numerous overlapping areas. These included driving their goals and maintaining focus while remaining true to their TBL orientation as hybrid organisations. They also included blending triple logics, focusing on separate missions, and maintaining a focus on their social, environmental, or economic objectives (Section 7.3). Although, these cases operate hybrid social enterprises with objectives go beyond profit-maximisation (Alter, 2007), the boundaries that separate them from the private sector are sometimes blurred (Dart, 2004).

Commercialisation leads hybrid SE to pay increasing attention to their financial bottom line and profit maximisation. Some social enterprises solved this by leveraging the strength of their social or environmental missions to set strategic direction and generate

business profits that enhanced their TBL value creation. Social enterprises insisted on the need to focus on their mission statements while tensions were emerging. Moreover, the complex nature of social enterprise is further enriched by the heterogeneity of its organisational forms, operating models, fields of work, the involvement of public sectors in public and social services in different contexts. This research has highlight how different context can drives social enterprises

9.4.3. Tensions emerging in hybrid social enterprise

The research identified two pillars of tension emerging in the studied organisations: balancing goals and missions, and conflicts of interest. These pillars emerged when social enterprises faced difficulties in integrating activities (Battilana et al., 2012) and addressing the competing demands of diverse groups of stakeholders (Ridley-Duff and Bull, 2016).

The first view investigated tension in the balance of goals. Although the multiple objectives of hybrid social enterprises were a basis for synergy and the sharing of partner resources, the ability to achieve multiple aims simultaneously, including financial value and social benefit, could be difficult and result in tensions in balancing goals. Issues related to the confrontation between triple objectives and a desire to contribute to pos-itive social impacts within market-based business models could result in opposing objectives and actions within the organisations. Three of the four tensions identified in this research resulted from conflicting stakeholder focuses on social and business logics.

The case studies demonstrated tensions when confronting triple objectives, including blending goals to create a strategic plan, goal drift, imbalance of social and economic objectives, and a tendency to drift towards an additional focus on the financial aspects of the organisation. These issues challenged the multi-stakeholder boards of social enterprises when seeking to achieve their triple missions and address community-based area concerns. The managers identified these conflicts as revolving around commercial and social values and the competing demands of different stakeholder groups. Such issues led to pressure to prioritise the financial aspects of TBL goals.

The second view examined the tension in conflicting interests. Conflicts of interest arose from managing collaborative actions between social enterprises, beneficiaries, and stakeholders. The theoretical lens of multi-stakeholder partnerships and hybrid social enterprise organisation identified four key stakeholder groups: customers,

shareholders, board members, and beneficiaries. These conflicts of interest explain a disagreement between opposing positions, different stakeholder needs, confusion over where actors belong and how they identify, and how to prioritise the interests of each stakeholder group. This was evident from the results. Board members highlighted a focus on maintaining interests between core stakeholders and prioritising them by addressing mechanisms such as board-level participation.

The study also found that in each of the case studies, board members and managers had varying levels of experience, and this led to internal conflicts of interest. In most cases, problems occurred when governing bodies needed full agreement from a majority of board members to make decisions on projects in their selected communities. Another finding was that some social enterprises recognised the problem of their prioritised operations but did not balance the interests of the beneficiaries who supported them. Likewise, stakeholders seeking to prioritise the social aspects of their social enterprise missions caused conflicts of interest with beneficiaries or business-oriented stakeholders.

The findings addressed the issue of how to operate social enterprises and fulfil their multiple missions. Two contrasting perspectives came to light. The first puts the abilities of the social enterprises centre stage and ignores tensions and trade-offs that might surface. Another recognises potential tensions and seeks the management of social enterprises from the advantage side of managing those tensions. Social enterprise governance represents one means of doing this.

9.5. Governance of social enterprises and the mitigation of hybrid tensions

3. What are the key determinants of governance in social enterprises, and how do social enterprise governance arrangements seek to manage such tensions?

The third research question sought to determine the governance of a social enterprise. Especially, the analysis sought to determine whether there is a link between a social enterprise's governance arrangements and the way in which it seeks to mitigate tensions.

Governance theories represent a powerful means of mitigating tensions related to balancing goals, and conflicts of interest. The analysis draws on the Thai government's governance framework and its theories related to governance (as they apply to the analysis and interpretation of how the organisations in the case studies mitigated

hybrid tensions). The findings indicate an understanding of the PRS social enterprise framework, and the elements applied to the governance of case study organisations.

9.5.1. Governance elements in the Thai social enterprise framework

The Thai context encourages new social enterprise governance approaches. In the PSR programme, this combines some of the managerialist logics of NPM with the collaborative philosophy of NPG through multi-stakeholder designs that engineer new modes of collaboration in public service social enterprises (PSSEs). The working group for Local Economic Development and Pracharath Policy shaped the governance framework of the government. The group developed a social enterprise model that aimed to empower communities and enterprises whilst strengthening the country's economy at the local level. To do this, the government envisioned a 'public–private–civil society' nexus acting in the interests of sustainable development through the execution of four strategies: governance, innovation and productivity, human capital, and community prosperity (Section 3.6).

The governance boards of all case study organisations were responsible for overseeing activities based on the government's governance framework. Alongside good governance and independent management under the legal framework, this involved ensuring transparency and avoiding conflicts of interest. Board members met periodically to discuss and vote on the affairs of the organisation, with a minimum requirement for an annual meeting with all board members present. However, critical decisions were often made separately (but cognisant of stakeholders' objectives). Stakeholder participation in the process was guaranteed through the annual meeting. Board memberships were not set up to be permanent positions, and each of the organisations in the study had terms that typically allowed board members to sit for two years.

The governance framework has a defined stakeholder orientation that requires their engagement in governance structure and process. In the four case studies, the social enterprise governing boards adopted a business model for responding to community development activities that required reinvesting profits in the community. The social enterprise boards adhered to business plans that brought benefits to the organisation and community and ensured an appropriate balance between the interests of the organisation and its obligations to different stakeholders. The research findings also found that social enterprise managers were empowered as the principal leads for running community business. A lack of governance knowledge among stakeholders

created some conflicts and added to the limitations of this form of social enterprise development.

It was mandatory for governing bodies to include representatives from the private sector, civil society, academia, and the community, and this was the case for each of the boards at organisations involved in the case studies. Shareholders appointed each representative and they had the right to be board members for two years. The shareholders also had the right to be represented at a general meeting. In each of the case studies, there were stipulations regarding the makeup of boards. Boards could not have less than five or more than ten members jointly appointed by the private, academic, civil society or community sectors.

Managers and board members were the main actors in the structuring and functioning of their governing bodies. Through their social and business activities, social enterprise managers had a broad range of experience. They shared knowledge with the stakeholders on the board and modified the processes within social enterprise structure. Individually, managers could adapt various skills gained from their social and entrepreneurial backgrounds to govern a social enterprise. Transactions of knowledge among board members could help social enterprises achieve both social and economic aims. Moreover, aside from providing skills, proactive and visionary professional leaders could motivate people to commit to helping people, searching for opportunities to achieve goals, taking risks, and building trust in social enterprises. Theoretically, the more social enterprise managers brought these characteristics to governing boards, the greater they impacted the missions of their social enterprises.

The Implementation of governance was applied to improve the effectiveness of integrating the employee ownership and community stakeholder in social enterprise (Sepulveda, Lyon, and Vickers, 2020). The process composes of legal forms, organisation culture, profit to shareholder, and community stakeholder to support economic and social mission. This process will initiate the innovative of "Hybrid organisation" and improve the effectiveness service enterprises. Therefore, there are various form of PSSEs model to carry out the services that align on the different contexts and expectations of community and society (Doherty et al, 2014). The competency of governance effects on policy making to add the value of service enterprise in a particular policy interest in mutual ownership (Cabinet Office, 2010-11).

9.5.2. Social enterprise governance structure

This study examined the social enterprise governance structure by exploring the pattern of multiple stakeholders and their involvement. Three mandatory categories relate to those included in governance structure: effective (appointed members, managers, and beneficiaries), supervisory (government agencies), and honorary (shareholders and government agencies). In the case studies, social enterprise managers worked under both the BoD and the governance framework, and accounting, reporting, and auditing the same took place in the same way they would at other organisations.

The shareholders selected the BoD according to the company's regulations. This explored the challenges of moral legitimacy faced by social enterprises as they emerge from not for profits and become business-like. (Dart, 2004). Typically, each board had five to ten members. People from all sectors could be appointed as company managers, except civil servants, who could not be appointed as company directors. The public sector could be involved on a supervisory board with consultative functions. In some cases, voluntary members participated on the board, but without voting rights. Allowing this brought a higher level of democracy to the social enterprise's decision-making process.

The perspective of Thailand social enterprises indirectly involving government agencies in the governance structure might activate the organisation to maintain SE legitimacy and mobilise funds as well as train the workforce. The role of social legitimacy in social enterprise's ability to embed within the community and persuade the resource provided for support (Di Domenico et al, 2010). This study found that the involvement of multiple stakeholder's shapes governance structure patterns. Stakeholders had varying degrees of involvement in social enterprise governance structures. Each social enterprise adjusted its governance structure to reflect the roles and levels of involvement of shareholders, government, and beneficiaries in the governance structure.

9.5.3. Social enterprise tensions and governance

The study shows that two governance theories aid our understanding of social enterprises in Thailand: the stewardship and stakeholder theories. The applicability of the stewardship theory has implications for the governance arrangement of social enterprises. Some suggest the adoption of a mixed approach that combines stewardship theory and stakeholder theory is more suitable for exploring Thai social

enterprises than using a single approach. As it would involve a diverse group of stakeholders, supporting this through discussion of governance structures could be complicated. Stewardship theory in the case studies was explained considering board–manager and manager-employee interactions, and the study used a stakeholder approach to distinguish different categories of external and internal social enterprise relationships (as discussed from a stewardship–stakeholder perspective). This mix of perspectives reflected the dominant characteristics of the stewardship and stakeholder theories as they relate to the case studies (which prioritise performance management, empowering actions, and providing more possibilities for stakeholder involvement in the governance process).

9.5.4. Governance and the mitigation of tension in balancing goals

When tension arises from attempts to balance goals, the governance board must exercise control and seek equilibrium between the social, environmental, and economic logics (value creation) (Santos, 2012). Through the lens of hybridity, social enterprises need to balance logics by managing conflicts and competition among commercial, social (Battilana and Dorado, 2010; Battilana et al., 2012), and environmental logics. They must also address the demands of multiple stakeholder groups (Bridgstock et al., 2010). The results show that practice differs from the ideal, as tensions often arise from an imbalance in the relative prioritisation of goals. Misbalanced goals usually emerge from prioritising social over financial goals, although the converse is possible (Zahra et al., 2009). Such prioritisation leads to mission drift and potential problems with stakeholder participation (Nicholls, 2010).

To mitigate such tensions, social enterprises apply strategy through the governance system by directing and controlling the discrepancy between missions. The governing boards empower managers to practice and modify their initial governance arrangement considering experience, and in line with rebalanced missions. In most cases, the BoD strategically applies business skill and experience to implement their missions and maintain balanced value creation (Santos, 2012). In other cases, the BoD advocates for community and stakeholder needs to be associated with the implementation of the missions. Some case studies faced imbalanced goals and unordered deference logics, and economic goals misled their operation. The research finds that most case study board members and social enterprise managers synthesised three governance approaches to manage these tensions: the use of the social mission as a force for strategic direction (Lumpkin et al., 2013), setting and prioritising multiple goals involving decisions from diverse stakeholders, and

rebalancing and improving the organisation's performance where the generation of commercial revenue can be linked successfully to the creation of social value.

Governance boards applied two governance arrangements to overcome goal misbalancing: leveraging decision-making powers accrued by board members and all stakeholder involvement alongside prioritising triple goals associated with performance management. The governance arrangement applied in the case studies reflected a vital aspect of governance structures, namely the extent to which the power to make decisions was concentrated in the hands of a few managers or dispersed among all members of the social enterprises. At the Krabi Social Enterprise, for example, decision-making powers belonged to board members, which reflected the stewardship theory of governance. In contrast, at the Chanthaburi Social Enterprise, the direction of organisational focus was on the hands of the manager. Although the board informed the manager of their preferences, setting strategic functions and arranging goals was determined only by the manager. The board selected diverse community representatives to intensify social mission views at the decision-making level and then called monthly board meetings to monitor overall organisation performance. This approach reflected the stakeholder theory. Furthermore, in all case studies, non-managers highlighted that while centralised governance structures restricted shareholders and local members' access to decision making, democratic structures enabled board members to legitimise and constrain leaders' actions as agents of the organisation.

In terms of hybrid tensions arising from the balancing of goals, the governance arrangement of social enterprises addressed the simultaneous need to incorporate different stakeholders on the board (stakeholder theory) and governing boards coaching behaviours (stewardship theory). As such, social enterprise governance aimed to acknowledge the delicate balance between these two roles. In the case studies, the analysis shows how elements of both the multi-stakeholder models and the stewardship (Davis et al.1997) have been adopted by organisations and often in combination (Cornforth 2003; Low 2006). Stakeholder and stewardship theories merged into a conceptual framework that accounted for both incorporating and coaching the behaviour of board members and managers. This finding adds to the literature on these theories when applied to social enterprise.

9.5.5. Governance and the mitigation associated with conflicts of interest

The hybrid social enterprises were accountable for the differing demands of multiple stakeholder groups, something that can lead to conflicts of interest amongst stakeholders. The tensions, however, related to how to balance the interests of members and stakeholders when managers had direct control of the business. Hence, there was a need to implement tools to prioritise the variety of internal and external interests at social enterprises and to select board members to represent stakeholders' interests based on their expertise and capacity.

In some cases, decision making was improved by involving community representatives and beneficiaries. This social enterprise arrangement increasingly considers stakeholders other than shareholders as bringing economic and non-economic value to an organisation. In all case studies, the manager was empowered and managed and prioritised a variety of interests. Allowing this led to an ethos that community interest came first. To maximise organisational performance, the governance boards supported managers when balancing the often-competing interests of various stakeholders.

Board members appointed from civil society pointed out that a participatory approach, such as the multi-stakeholder approach, supported governance processes. They also claimed that making decisions to direct, manage, and control enterprise issues could not be based on capital ownership (i.e., determined by shareholder interests, as in conventional businesses) and required plurality voting systems (i.e., a 'one person, one vote' ethos).

Social enterprise governance could target profit distribution in two areas: reinvesting in communities' projects and maintaining social enterprise operation. Governing boards had the freedom to limit profit sharing to shareholders. Boards ensured the annual profit distribution satisfied all shareholders based on their circumstances. In each case study, there were no apparent concerns among shareholders about profit distribution.

The arrangement of governance mitigated hybrid tensions associated with conflicts of interest at the organisations involved in the case studies. Corresponding to stakeholder theory (Section 2.9.2), the boards had the power to take decisions on conflicting interests and prioritise diverse interests. Moreover, following the stewardship theory (Section 2.9.2), as exhibited in the cases of Krabi and Chiangmai, the board adhered to maximising organisational performance and business planning, which reduced

stakeholder conflicts of interest and improved top management decision-making. For social enterprise governance in the four case studies, both stakeholder and stewardship theories explain the mitigating tensions arising from conflicts of interest in social enterprises by conferring decision-making power to prioritise interests and managing the organisation performance of board members (with the proviso that the BoDSs is representative of all stakeholder groups, as in the case studies).

Although two dominant hybrid tensions arose from this study's analysis, it became clear that it was possible to link one theme to the other. When viewed as connected narrative themes, the findings allowed the development of a synthesis governance model (see Table 8.2). As shown in existing research, in each case study, the tensions indicated a dynamic paradox process (Smith and Lewis, 2011). In particular, the original contributions of hybrid social enterprise can cause tensions in enterprises. For example, the difficulty of maintaining a focus on missions of social/environmental, and economic, makes it possible to turn overly focused on one objective at the expense of others. For a social enterprise unable to maintain financial resources, this can mean losing its sense of social purpose.

Multi-stakeholder boards allow social enterprises to maintain their hybridity. Previous literature posited that social enterprises engage synthesis strategies to simultaneously manage tensions in competing demands (Smith et al., 2012; Battilana and Lee, 2014). Researchers note that to cope with internal identity struggles, hybrid organisations' responses to any competing external demands (Pache and Santos, 2013). This study found that multiple stakeholder boards employing nuanced governance practices were able to manage tensions. Ebrahim et al. (2013) also suggested that boards are vital to social enterprises retaining hybrid organising.

Additionally, this thesis finds that to diminish tensions, multi-stakeholder boards and members need to have social development experience and business skills to run their social enterprises. Also, positive empowerment among managers, multi-stakeholder boards, and governing boards contributes to modifying their initial governance arrangement considering experience. Creating a governance process for managing such tensions (as presented in Table 8.2) offers a new framework for exploring the implications of social enterprise hybridity and the issues associated with having triple goals and conflicting interests.

9.6. The uniqueness of the PRS Thailand and the multi-stakeholders

The development of PRS social enterprise supports the idea of social enterprise provision in social purposes that explicitly target a beneficiary group or community. PRS has been evaluated on achievements showing their impact on social benefits more than on economic processes and environmental values. However, it regulates a not-for-profit distribution and philanthropic activities in mutual commitment of interdependence of multi-partners. PRS social enterprise has caused three movements in Thailand: 1) the participation of diverse groups of stakeholders for decision making. The case for multi-stakeholder models as practiced in the PRS social enterprise approach could be encouragement to social enterprise progress, wealth sharing, and vote rights; similarly with the four primary groups of FSM's multi-stakeholder models (Ridley-Duff, Wren, 2018); 2) distributing the profits and assets to support social and environment goals; similarly with FSM that emphasise interests as well as people; and 3) applying governance conceptual framework of social enterprises to public service social enterprises (Ridley- Duff and Southcombe, 2012) in order to frame a governance guideline; intellectual, human, social and financial investments that contribute to membership, with voice rights and a distribution of the financial wealth and benefit they generate (McCulloch and Ridley-Duff, 2016).

However, by comparing six forms of wealth defined by the FSM with the PRS social enterprise, PRS offers a new way to account for the wealth creation of social enterprises and PSSE. In this research, it found how the PRS approach and PRS 1-3-5 Model reframes the concept of wealth in a way that reveals the potential contribution of SEs constituted as PSSEs to the well-being of people— creating income for communities and quality for inhabitants, society and the environment, similarity with the FairShares Model. These needs the interconnections to secure well-being and sustainable development. Comparatively, FSM concentrates on the participation of workforce, employee-owned organisations, consumers, and mutual societies. PRS social enterprises emphasise the participation of five divergent sectors (public, private, academic, civil society, and communities and citizen) to collaborate in SE process. This, in turn, could be seen as supporting teams in developing participation. The community members and community businesses who involved in community activities could be considered to be part of the SE board membership. The main goal of FSM and PRS approaches are similar in the fair distribution of wealth for all sectors of

stakeholders in society (Haugh and Kitson, 2007). During this running, the monetary benefit has not allowed to share to the investors, shareholders, and employees; but distribute to reinvest in communities. This based on an agreement of multi-stakeholder board.

However, the PRS programme arranges connections among the customers, suppliers, communities, community businesses, environmental groups, and all groups of stakeholders that involved with the businesses. Thus, the benefits and income are distributed equally and fairly to the entire system, with the balancing mechanism to bring about sustainable wellbeing and development in communities. Both FSM and PRS concerns on social, and community needs, and part of their legitimacy consists of addressing unmet social needs (Dart, 2004) as well as being people-centred in social enterprises including the responsibilities of citizen and society in the environment.

Similarly, with CMEs, PRS social enterprise is seen as the tool for motivating all members for working together to increase knowledge, skill, ability, opportunity, and wisdom to add the value of PSSEs (Ridley-Duff and Bull, 2018). However, CMEs are inevitably the conflict of interest among stakeholders, the PRS is necessary on applying the concepts of TBL and good governance to balance benefits that they create, supporting with the concept of sharing wealth for all stakeholders along the lines of FSM. (Mcculloch and Ridley-Duff, 2016). The balanced benefit orientation of PRS is based on the ethos of sharing benefits, not in keeping them all to oneself or giving them all away (Ridley-Duff, 2007). Correspondingly, PSSEs of PRS improves from the community's need of public service through agricultural, processing, tourism activities. PRS generates benefit to reinvest in community development and to create sustainable development. Sustainable development combines the needs of the world's poor and the ability to support technology and social organisation (Bruntland, 1987).

The policy of PSSEs in the UK focuses on market solutions, trading incomes, the entrepreneurial vision, and the triple bottom line; however, the PRS social enterprise programme affords the social solution, community development activities, and the triple bottom line. Similarly, with the UK, the logic of pluralism model reflects on PRS governance framework in Thailand to accommodate multi stakeholders in the sharing of both profit shares for shareholders and voting shares for members on the behalf of all interest groups. This approach developed governance businesses to support the common good through governing good regulation to reach sustainable public service

social enterprises (Ridley Duff, 2007). The PRS is the distinctive SE approach that conveys good governance framework to accountability and regulates both shareholders and diverse stakeholders aligning country-wide both on a local and national level. This emphasises the balanced three dimensions of sustainable development – economic, social, and environmental – and the relationship of purposeful social enterprise ecosystems for sustainable communities

However, PSSEs in many countries in the world may not be proper for approving the innovative hybrid model, especially in developing countries, because the contexts of developing countries are different from developed countries. At a grassroots level, SE in the UK initially gained its strongest foothold within the co-operative movement and community regeneration sector (Ridley-Duff and Southcombe, 2012). The SE of developing countries focus on poverty cluster-term of improving quality of life, so the objectives of SE are more concerned about creating jobs for the unemployed, improving community security, and generating income for poor people more than about ecological and financial issues as in the context of developed countries (Alter, 2007).

This research indicates two distinctions of PRS: user participation and governance management. Firstly, social enterprise hybrids' use of external sources of knowledge and ideas moderates social performance. Thai PRS has emphasised the participation of users' activities generation and implementation since beneficiaries are argued to have first-hand knowledge of social issues and accrued greater legitimacy (Dart, 2004). For example, in the case of Krabi, citizens engage in co-creation, logistics, and transformation of farming and safety food services in the public sector. People are engaged in contributing to the market and selling community products. This helps to achieve customer / community loyalty, customer satisfaction, and, in turn, competitive advantage. Next, the governance management across the PRS social enterprise model set by the policy structure is the device which determines the direction of the social mission's organisation, and promotes profit distribution and social cooperation in the local communities.

The decision-making process of PRS is determined by governance dimension. The multi-stakeholder ownership will be created through employees, volunteers, beneficiaries, public authorities, and donors. The guidelines of PRS's public service and governance force each organisation to be concerned with the governance structure and the relationship between SE, the third sector, and other parts of contemporary economies (Defourny et al., 2016).

9.7. Research contribution

This thesis represents an academic investigation into the concept of hybrid social enterprise and the TBL logic in Thailand. Its findings contribute to literature related to the areas of social enterprise, hybrid organisation, multi-stakeholder partnership, and governance. It reveals two vital new empirical findings:

- The development of a social enterprise model (Section 6.2) that distinguishes hybrid social enterprise from other social enterprise approaches by clearly defining and highlighting the key characteristics and differences between them (based on the management of business practices in the PRS social enterprise framework, known as the 1–3–5 model (see Figure 6.3)).

- The formulation of a framework for the analysis of social enterprise tensions and the mitigation of those tensions by governance arrangement (see Table 8.2).

These findings provide a useful tool for social enterprise managers and academics who either work in or are researching hybrid social enterprises that involve multi-stakeholder partnerships. Furthermore, previous work on hybrid tensions focused on the individual organisation level, concerned double-line organisations, and only addressed tensions in collaboration in general (Gillett, 2019). This study contributes to emerging work on how tensions arise in the TBL three logic-hybrid social enterprise model, and how to mitigate such tensions through governance arrangements. The study also notes the characteristics of multi-stakeholder partnerships and how their participation in governing boards influences the structure and process of governance.

In contributing to the advancement of the hybrid social enterprise field, this research addressed the identified gaps in the literature (presented in Section 2.6). Firstly, a review of existing social enterprise literature related to Thailand suggested the field has started to gain ground. This empirical study contributes to this development. Secondly, a review of extant literature revealed that most of the focus on social enterprise has been around the non-profit perspective *or* the for-profit context. This thesis focused on hybrid social enterprises, contributing to a largely overlooked form of the concept, and aiding an understanding of Thai case studies.

This study has added new knowledge about factors in the development of and tensions associated with hybrid social enterprises in Thailand. To provide information that aids the development of social enterprises, this was considered from a 'big-picture'

philosophical perspective. There is little in the existing literature that considers influential factors and tensions pertinent to the development of the social enterprise sector. This study has shown that while policymakers offer rhetoric in support of the development of social enterprise, they have not (at least in Thailand) followed up by introducing sufficient practical measures in terms of finance and public sector procurement.

While social enterprise development has been promoted, and some people have eagerly embraced it, a lack of supporting infrastructural policy and support mechanisms have made it difficult to establish and sustain social enterprises. This study has added to the existing body of knowledge by highlighting the practical issues which social enterprises must overcome, including attracting volunteers and sufficiently skilled and knowledgeable workers.

Specifically, the study has added knowledge regarding a niche arena of social enterprise action: rural areas. In each of the case studies social enterprises operated in provinces where they had close relationships with communities and the immediate locality. The enterprises enhanced 'high volume' volunteering, making it easier to provide activities that matched community needs. This situation relates closely to one of the social enterprise development features: to build community capacity and provide services that address local needs and enable long term sustainability.

This study illuminates the development factors and tensions specific to social enterprise in a community context (for example, the need to distinguish a new enterprise from existing offerings). Indecision about social enterprises at a policy level was a feature of this study, and, as many tensions beset them, without a commitment from policymakers, social enterprises are unlikely to succeed.

9.8. Implications

Overall, this study has important implications regarding how academics, practitioners, and policymakers approach the study and management of social enterprise tensions in the context of hybrid social enterprises. It paves the way for conducting future research and develops deeper insights into the phenomenon of tensions that are relevant to an organisation with multi-faceted social, environmental, and economic missions. Furthermore, the findings have implications for research into social enterprise education and recommendations for leaders and practitioners in social enterprises. Lastly, the study offers different sectors, funding agencies, and

policymakers, useful insights into understanding how hybrid social enterprises address tension mitigation as they pursue complex, plural goals. Overall, this could offer a novel understanding of the application of governance as a mechanism for managing social enterprise - something that could be useful for all interested parties.

9.9. Limitations and strengths

One limitation of this study was a restricted definition of 'hybrid social enterprise'. As explained (concerning the reviewed literature), there are many possible conceptualisations of social enterprise. That used in this research is not representative of the whole sector and guided by the PRS definition espoused by the Thai government. The social enterprises involved in the four case studies were part of the PRS network and all tightly integrated with other sectors. It might, therefore, be difficult to compare the tensions and experiences of this type of hybrid with those of other organisations.

Additionally, the plan going into the data-gathering phase was to interview 10-15 people within each social enterprise. On gaining access to the enterprises, their time and resource constraints made this impossible. Board members and managing directors were often unavailable for interviews, and changes to the interviewee name list were common. As a way of overcoming this challenge, the number of case studies increased from two to four. On occasions, telephone interviews replaced face-to-face interviews, and for expediency, the researcher conducted shorter interviews when necessary.

The strengths of the research include that it provided a clear and narrow definition of hybrid social enterprise. Providing this definition permitted a focus on a particular aspect of SEs that has been under researched. With the adoption of a narrow definition, this thesis has offered a more detailed contribution to knowledge and practice than it would have with a broader approach. Moreover, studying triple mission SEs proved valuable to exploring tensions in SEs. Likewise, the study has also benefitted the area of governance theories by considering their positive impact on arrangements to mitigate issues in social enterprises. In terms of selecting participants, and in light of access issues, the sampling focused on those most likely to be 'key informants' - those who would provide useful and good quality data. Fortunately, this proved to be the case.

Moreover, the strengths of using qualitative research permitted an in-depth view of any question in this study. The use of multiple methods (such as in-depth interviews, focus groups, and observations in case studies) generated enough data to offer detailed explanations of complex issues. The level of detail found in qualitative research produces insights into areas like data design and interpretation. Qualitative methods allowed the researcher to investigate the views of both homogenous and diverse groups of participants, and this helped unpack differing perspectives within the social enterprises and their communities. The case study approach seeks to understand any problem under investigation. It provides the opportunity to ask penetrating questions and to capture the richness of organisational behaviour. The other benefit of a qualitative approach is that the inquiry is broad and open-ended, allowing the participants to raise issues that matter most to them.

9.10. Suggestions for future research

The results of this study raise questions for future research on social enterprise, which is important because the concept is evolving. Continued research is necessary to shape future thinking, policy, and practice within this sector. Further research could also ascertain whether the factors identified in this study for hybrid social enterprises influence development in other settings. In particular, the further investigation of hybrid social enterprise in additional contexts and conducting more research to underpin the mitigation of hybrid tensions, is advised. For example, academics could conduct follow-up investigations into TBL tensions, and how organisations address them at the different implementation stages of their missions. Future studies might also consider expanding the scope of this work by extending it to other sectors and geographical areas.

Although the literature acknowledges the difficulties in managing three divergent objectives (social, environmental, and economic), limited studies focus on how TBL in hybrid social enterprises affects various aspects of organisations. While this thesis looked at the challenges and tensions that hybrid social enterprises faced with TBL missions, developing an understanding of this form of social enterprise would benefit from further investigation into how TBL impacts other aspects of an organisation (e.g., focussing on human resources management and recruitment issues, particularly the role of volunteers in social enterprises). Additionally, future study should explore how board power can mitigate areas of tension and the extent to which governance arrangements support or hinder multiple logics of hybrid social enterprises.

9.11. Conclusions

The findings of this research suggest that organisations in each of the case studies (Krabi, Nongkhai, Chiangmai, and Chanthaburi) adopted and employed a social enterprise governance framework based on the state-driven reform of social enterprise policy - Pracharath Rak Samakkee Social Enterprise (PRS). The position of Thai social enterprises on the hybrid social enterprise spectrum combines the traditional logics of commercial and philanthropic ventures. All case studies identified their TBL missions as having social, environmental, and business goals. Differences and conflicts focused on the prioritisation of social, environmental, or business goals, and the role of the profit motive in organisational activities. This research explored the development of social enterprises and the tensions inherent in the following of three distinct objectives. It also considered elements of the government's governance framework and examined governance arrangements that seek to manage the issues that emerged in the case studies.

The findings showed that government policy support, high stakeholder involvement, solid SE practices (including business plans), resource support, and community readiness and capacity were vital factors associated with the establishment and development of social enterprises in Thailand. They also revealed that while this hybridity form of social enterprise certainly has its benefits, the paradox of having triple missions to contend with resulted in these organisations experiencing rising tensions in two key areas: the balancing of goals and conflicting interests

Moreover, this research found that, based on the government's governance framework, social enterprises had competencies for managing governance structure, prioritising missions, selecting expert board members (bringing social and market skills to the boards), empowering actions, and increasing stakeholder collaboration in the governance process. Each of these enabled social enterprises to operate in a hybrid form where they faced paradoxes, dilemmas, and conflicts in the process. Governance arrangement emerged as a complex and nebulous phenomenon, not a one-dimensional management issue related to goal conflict and the need to control the behaviour of managers. Nevertheless, managers and board members generally shared interests and worked in partnership. The managers might be motivated to represent their board members' interests, with boards coaching and encouraging members to achieve improved organisational performance. As expected, this study

confirms that the governance arrangement of social enterprise organisations needs to consider assumed goal conflict as well as a sharp focus on stewardship.

As mentioned, social enterprises' multiple stakeholder categories complicate governance structures, and social enterprises often had a multiplicity of goals, which made it difficult to set out and balance missions, interests, and resource deployment. Many case study organisations claimed that board members supported managers in setting strategies to recruit experts and an experienced workforce, capture external resources, and, to prioritise diverse interests and reduce the tensions that arose, involve stakeholders at the decision-making level.

The reported findings suggest that stewardship and stakeholder theories aid the understanding of governance practices. Some argue that there is goal congruence between the shareholders, board members, and managers of social enterprises. Given that managers take responsibility for organisational performance as well as board agreement, the primary function of a board in these circumstances is to act as a partner, to support management, and improve organisational outcomes. In some instances, there were tensions through issues of conflicting interests, resource crises, and other situations, and enterprises managed these in a variety of ways.

In summary, these fledgling social enterprises had remarkable success in achieving a balance between multiple goals, improving organisational performance, and collaborating with and empowering external stakeholders. The fact the enterprises met such complex challenges under difficult governance circumstances reflects their astute management capabilities. This analysis also suggests that utilising the theoretical lens of stewardship theory combined with other theoretical perspectives such as stakeholder theory offers a detailed overview of the governance arrangements of social enterprises and provides an explanation and interpretation of their circumstances.

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Appendix 1: semi-structure interview guide

For background questions

- What is the position in this organisation? **(**Thailand SE board**)** **(**board, manager, staff, volunteer**)** **(**communities**)**

RQ. 1: What are the factors for the establishment and development of social enterprises in Thailand?

- When did this Social Enterprise start?

- What is the main goal for starting this SE?

- Please describe about your social enterprise, the SE missions/key process?

- What goods and services do your SE produce?

- What are the main factors for forming SE policy? **(**question for SE boards**)**

- Who is the main actor for forming this SE? **(**policy/organisation**)**

- How would you describe your organisational structure (staff/ volunteers)?

- How the government do to support SE?

- Do you depend on the support of other existing organisations to produce service?

- How is that organisations support the operation and services?

- How did you obtain start-up funds?

- In your opinion, how this SE could be success in establishing?

- Please tell about the main factors for operating your SE, how can the SE be successful?

RQ. 2: What are the hybrid features of social enterprises?

- Can you describe your SE's business model /strategy/plan of your organisation imply?

- please describe about a social/ environmental objective?

- Do you believe your SE is being driven by philanthropic or profit motives?

- What is the main proposed outcome of social enterprise? **(**Profit maximisation/social / environmental benefit**)**

- Which social/environmental/economic problems resolution is your SE targeted at?

- How do you generate income?

- How are revenues distributed?

- Who are the main customers of the services/product of your SE?

-Which stakeholders does the organisation have?

-What influence do the stakeholders have in your SE?

- What motivated your organisation to get involved with social activities?

- How does entrepreneurial/social/environmental experience for the SE development?

- What do you think about organisational sustainability?

: how do they **(**hybrid features**)** influence tensions emerging in hybrid social enterprises?

- What are some challenges or tensions that your SE faces?

- What tensions do you face from doing business?

- How does the tensions that SE face in area of providing your goals **(**the economic, social, environmental goals**)**?

- How are the tensions dealt with?

- What do you think of paradox in operating as a social enterprise?

RQ. 3: What are the keys of governance in social enterprises in Thailand?

- How does the structure of Social Enterprise board?

- What are the rights and duties of the board members?
- How does social enterprise design the board and recruit the right board members?
- What is the background, qualification, and skill of board members?
- What skills do you believe that a SE manager should have?
- What is your understanding of mission and vision?
- To whom is your social enterprise accountable?
- How do you work with board member/shareholders/stakeholder?
- Who influences key decisions?
- How does the board make a decision regarding goals, missions, interests?
- What influence do the stakeholders have in the board setting of social enterprise?
- How do you assess the results of your organisation's performance?
- Do you make the results of organisation's performance publicly available?
- Where do you see the enterprise and the sector within the next 5-10 years?
- What are pros and limitations of prominent board members?
- How is relationship between manager and workers (paid/volunteers)?
- How could the board communicate with multiple-stakeholder (Other sectors, and local/communities)?
- What drives communities to get engaged in SE?
- How should evaluate the work of a board?
- What are the important factors for governing the social enterprise implementation?
: how do social enterprise governance arrangements seek to manage such tensions?
- What are some of the challenges faced by SE to reach goals?
- How would you describe the relationship between your multiple aims?
- Do they conflict? How?
- Can you describe what activities has been trying to manage social/environmental and economic objectives at the same time?
- How have you been able to overcome these challenges?
- What activities to solve problems or respond to opportunities?
- When conflict arises from providing social/environmental and economic activities, how does it manages?
- How does the board manage a balancing economic profit with social/environmental values?
- How can the board ensure that the SE maintains its mission focus?
- How should the board think about business risks?
- How can/should a social enterprise be controlled?
- What is the social enterprise's regulatory reporting requirements?
- How does the board interact with stakeholders, partners and local community?
- How social enterprise balance the interest of members, stakeholders, and communities?
- What is the important role of the board to help SE delivery service?
- How does the board make a decision to providing good and /services?
- How can the board measure the success of a social enterprise?
- What do you consider to be the key factors that have helped you maintain successful double/triple-bottom line performance?

Appendix 2: Research ethical approval

University of Nottingham
UK | CHINA | MALAYSIA

Faculty of Social Sciences
School of Sociology & Social Policy
University of Nottingham
University Park
Nottingham
NG7 2RD

18/04/2018

Reference: 1718-080-PGR

Dear Praphaphan

Your application for ethical approval from the School of Sociology and Social Policy

On behalf of the Research Ethics Sub-Committee, I am pleased to confirm that your project "*Governance in public and private partnerships in social enterprises*" has been reviewed and approved and you are now welcome to begin your data collection.

If you propose to make any amendments to the approved project or supporting documentation, you must first send details of the amendment along with any supporting documents to the Research Ethics generic email address, LQ-ResearchethicSSP@exmail.nottingham.ac.uk for approval. Please do not use any unapproved or amended documents or procedures before these have been reviewed and approved by the Ethics Sub-Committee.

If you have any queries during your project, please contact the Research Ethics administration team or your academic supervisor.

Good luck with your project!

Kind regards

Dr Alison Mohr
Research Ethics Sub-Committee Officer

+44 (0)115 951 4860
LQ-researchethicSSP@exmail.nottingham.ac.uk
nottingham.ac.uk/sociology

Appendix 3: Research ethical approval form

School of Sociology & Social Policy

Application for Research Ethics Approval for Students and Staff

This form and any attachments must be completed, signed electronically, and submitted to

LQ-researchethicSSP@exmail.nottingham.ac.uk

This application must be approved by the School of Sociology and Social Policy Research Ethics Committee (SSP-REC) before potential participants are approached to take part in any research. Any change in the design or conduct of the research over the course of the project should be reported to the SSP-REC and may require a new application for ethics approval. Please consult the School's Research Ethics website and reference where relevant the guidance on researcher safety, lone working, working abroad, the Mental Capacity Act 2005, research data management, etc.

Application Checklist

Your application cannot be considered without certain evidence. You should provide documents to cover each of the questions below where your answer is **'yes'**, and tick to indicate the type of evidence you have enclosed. All forms and templates can be found on the Research Ethics website.

Questions about your application	Evidence required	Enclosed
Does the research project, dissertation/thesis or assignment involve human participants or their data (even if you judge it to be of minimal risk)?	Application for Research Ethics Approval (this form)	☒
	Participant Consent Form	☒
	Participant Information Sheet	☒
Is the research of a sensitive nature, i.e. involves vulnerable participants and/or is concerned with a sensitive topic?	An exemplar of any communication inviting individuals to participate in the study	☐
	An indicative list of survey or interview questions to be used in the study	☐
Does the research involve data collection in the UK or overseas (even if you judge it to be of minimal risk)? Overseas travel involving data collection is referred to the University's Insurance Office. Please consult the travel advice Flow Chart and Overseas Travel Guidance and **DO NOT** book travel or arrange fieldwork until your application has been approved.	Fieldwork Risk Assessment Form and Hazard Checklist	☒
If the research is to be conducted outside the UK or involves international partners, is ethics review required by non-UK RECs? (NB It is unlikely UG students will get ethical approval)	Non-UK REC approval	☒
Does the research require approval from a UK REC other than the SSP-REC (e.g., NHS, HMPPS, Social Care)?	External REC approval	☐
If you are a student, has your supervisor or tutor approved the project by signing this form (and any other documents requiring their signature)?	Supervisor or tutor signature	☒

V.11.17

Section 1: Applicant details

Name of researcher	Praphaphan Wunsuk
Role	☐ Undergraduate student ☐ Postgraduate taught student ☒ Postgraduate research student ☐ Staff
Email address	Praphaphan.wunsuk@nottingham.ac.uk
Names of other project members	Praphaphan Wunsuk

To be completed by students only

Student ID number	42899933
Degree programme	Doctor of Public Management
Module name and number	Sociology& Social Policy
Supervisor, module leader or tutor	Dr. Ian Shaw and Dr. Bruce Stafford

Section 2: Project details

Project title	Governance in Public and Private Partnerships in Social Enterprises
Research question(s) or aim(s)	There are four research questions as follows: 1) What are the factors influencing the establishment and development of social enterprises in Thailand? 2) What are the hybrid features of social enterprises, and how do they influence tensions emerging in hybrid social enterprises? 3) What are the key determinants of governance in social enterprises, and how do social enterprise governance arrangements seek to manage such tensions? The paper addresses four research objectives as follows: 1) To explore the factors influencing the establishment and development of a social enterprise in Thailand. 2) To critically review existing theories of hybrid social enterprise and examine the characteristics of hybrid social enterprise in Thailand. 3) To identify the challenges and tensions of social enterprise in Thailand and categorise the tensions of hybrid social enterprise as they exist. 4) To identify key elements of governance that enable hybrid social enterprises to manage tensions.

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	5) To use the Thailand social enterprise case to inform existing theories of social enterprise governance.
Method(s) of data collection	The Qualitative research methodology will be utilised. This method comprises these following methods: Semi-structure in-depth interviews, focus groups interview, and document analysis.
Where and when will data collection take place (please consult the University's Lone Working, Working Abroad and Safe Conduct of Fieldwork guidelines)?	The data will be collect in Thailand at the Thailand Social enterprise headquarter, and three case studies in social enterprise provincial level. The data collection will take place between June to December 2018
How will data be managed and used (please consult the University's Code of Research Conduct and Research Ethics and School Research Data Management Plan)?	The data will be recorded in the original form and tapes. It will be kept securely by stored password-protected database and protected strictly according to the Data Protection Act 1988. Its transcription will be done by only myself without asking for other help.
How will access to participants be gained?	This research is planned to collect data from participants inside organisations who related to Social Enterprises Sector

Firstly, for document analysis, the researcher is the employee in the main organisation who runs Thailand Social Enterprise policy, therefore, the related documents—Annual report, meeting—can be allowed to access for research purpose with a permission from a manager.

Secondly, Participants from 3 case studies which involve 15 committee, 15 workers and volunteers, and 15 customers will be participated by sending them a letter which explain the research aims and its potential benefits for government and Thailand Social Enterprises. For enhance their confidential, the letter will be stamp the logo of University of Nottingham and Thailand Community Development Department, Ministry of Interior who administrate the Thailand Social Enterprise Project. Then the researcher will follow-up by phone calls and give related explanation they need.

Importantly, for in-depth interview of 4 board members of Thailand Social Enterprise board, the formal meeting before interview might be need, it is useful for asking their interviews, and clarifying research background, its aims, and time requirements. And then inquire whether they wish to participate in the interviews. Additionally, the research needs their permission to collect data in the fieldwork. |

Section 3: Questions about the appropriate REC to review the application	Yes	No

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	Yes	No
Does the study involve recruitment of patients or staff through the NHS or the use of NHS data or premises and/or equipment?	☐	☒
Does the study involve vulnerable adults who are unable to make an informed and free decision on their involvement in the research (e.g., those with a mental incapacity or prisoners) or involve children / adults who live within a social care setting?	☐	☒
If you have answered **'yes'** to either of the questions above, the SSP-REC may not be able to approve your project. You will need to send this completed form to the SSP-REC for reference and submit your research for ethics approval to the relevant external review board, e.g., HRA, HMPPS or SCREC. Once ethics approval is granted by the external review board, a copy should be sent to the SSP-REC for its records. NB – for the purposes of research in the UK, an adult is a person aged 16 years or over.		

Section 4: Ethical considerations

Please answer **ALL** of the following questions by ticking the appropriate box and providing additional information in the text box where required.

4.1: Questions about consent	Yes	No
Will the research involve any participants who are known to be vulnerable due to: being aged under 16, residing in institutional care, having a learning disability, having a mental health condition, having physical or sensory impairments, previous life experiences (e.g., victims of abuse), other (please specify below)?	☐	☒
Will the study require the co-operation of a gatekeeper for initial access to the groups or individuals to be recruited (e.g., pupils at school, residents of nursing home)?	☐	☒
Will the research involve participants taking part without their knowledge or consent, deception or covert observation in any form?	☐	☒
Will the research involve access to personal information about identifiable individuals without their knowledge or consent?	☐	☒

If you have answered **'yes'** to any of the questions about consent, please explain why, and describe any steps you will take to deal with the ethical issues raised in the box below:

4.2: Questions about the potential for harm	Yes	No
If the research involves working with children and/or vulnerable adults, are there any reasons why you won't be able to follow the University's Guidance on the Safeguarding of Children and Adults at Risk?	☐	☒
Will the research expose participants to any risk of physical or emotional harm?	☐	☒
Will the research involve physically invasive procedures, the collection of bodily samples or the administering of drugs, placebos or other substances (e.g., vitamins, food)?	☐	☒
Will the research involve discussion of sensitive issues (e.g., abuse, sexual activity, sexuality, drug use, serious illness, commercial or legally sensitive topics)?	☐	☒

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	Yes	No
Will the research involve access to personal information about identifiable individuals without their knowledge or consent?	☐	☒
Will the research expose the researcher to any risk of physical or emotional harm?	☐	☒

If you have answered 'yes' to any of the questions about the potential for harm, please explain why, and describe any steps you will take to deal with the ethical issues raised in the box below:

4.3: Questions about data collection	Yes	No
Have you read the University's Research Code of Conduct guidelines, particularly section 4 on Data, and agree to abide by them?	☒	☐
Will it be made clear that participation is unlikely to be of direct personal benefit to the individual?	☒	☐
Will you refuse to offer incentives other than basic expenses such as cash payments and non-cash items such as vouchers or book tokens to potential participants as an inducement to participate in the research?	☒	☐
Before any data are collected, will participants be guaranteed anonymity only insofar as they do not disclose any illegal activities?	☒	☐
Before any data are collected, will anonymity not be guaranteed where there is disclosure or evidence of significant harm, abuse, neglect or danger to participants or to others?	☒	☐
If fieldwork is to take place in private or unfamiliar settings (i.e., not in public and/or professional spaces) have you detailed what steps will be taken to ensure your safety in the Fieldwork Risk Assessment Form and Hazard Checklist?	☒	☐
Will participants be informed when observation and/or recording is taking place?	☒	☐
Will participants be free to withdraw from the study at any time, including withdrawing collected data after an agreed timeframe?	☒	☐
Will participants be treated with dignity and respect at all times?	☒	☐
Will the participants be provided with your University contact details, and those of your supervisor, so that they may get in touch about any aspect of the research?	☒	☐
Will a signed copy of the consent form be retained by the researcher and another by the participant?	☒	☐

If you have answered 'no' to any of the questions about data collection, please explain why, and describe any steps you will take to deal with the ethical issues raised in the box below:

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4.4: Questions about data confidentiality and storage	Yes	No
Will data only be used for the purposes outlined within the Participant Consent Form and Information Sheet?	☒	☐
Where anonymity has been agreed with the participant, will data be anonymized as soon as possible after collection?	☒	☐
Will all personal data which could identify individual participants be inaccessible to everyone other than the researcher, their supervisor and internal and/or external examiners without participants' explicit consent?	☒	☐
Will you inform your supervisor and/or the School's REO and (if necessary) statutory services of any incidents of actual or suspected harm of children or vulnerable adults which are disclosed to you during the course of data collection?	☒	☐
Will participants be given the opportunity to know about the overall research findings?	☒	☐
Will all research data be managed and retained in accordance with the requirements of the University's Code of Research Conduct and Research Ethics and the School's Research Data Management Plan?	☒	☐

If you have answered 'no' to any of the questions about data confidentiality and storage, please explain why, and describe any steps you will take to deal with the ethical issues raised in the box below:

Section 5: Ethical approval

DECLARATION OF ETHICAL RESEARCH

By signing this form I agree to work within the protocol which I have outlined and to abide by the University of Nottingham's Code of Research Ethics. If I make any changes to my protocol which would change my answers to any of the questions above I will submit a new form to my supervisor or module convener and to LQ-researchethicSSP@exmail.nottingham.ac.uk.

Praphaphan Wunsuk   **1 March 2018**

Signature of applicant   *Date*

AUTHORISATION

Having reviewed the ethical issues arising from the proposed research, I authorise the research to go ahead.

Dr Ian Shaw

Dr. Bruce Stafford

Signature of supervisor   *Date*

The School's Research Ethics Committee authorises the research to go ahead as described.

Signature of REC / REO   *Date*

Please remember to enclose all of the documentary evidence required to support your application, as indicated in the checklist on the front page of this application

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Appendix 4: Consent form

Appendix 6: Consent form template

University of Nottingham
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CONSENT FORM
Date: 25.06.2018

Title of Study: Governance in Public and Private Partnerships in Social Enterprises

IRAS Project ID:

Name of Researcher: Praphaphan Wunsuk

Name of Participant: **Please initial**

1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.   ☐

2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason, and without my medical care or legal rights being affected. I understand that should I withdraw then the information collected so far cannot be erased and that this information may still be used in the project analysis.   ☐

3. I understand that relevant sections of my medical notes and data collected in the study may be looked at by authorised individuals from the University of Nottingham, the research group and regulatory authorities where it is relevant to my taking part in this study. I give permission for these individuals to have access to these records and to collect, store, analyse and publish information obtained from my participation in this study. I understand that my personal details will be kept confidential.   ☐

4. I understand that the interview will be recorded and that anonymous direct quotes from the interview may be used in the study reports.   ☐

5. I understand that the information collected about me will be used to support other research in the future, and may be shared anonymously with other researchers.   ☐

6. I agree to take part in the above study.   ☐

_____   _____   _____
Name of Participant   Date   Signature

__Praphaphan Wunsuk.   _____   _____
Name of Person taking consent   Date   Signature

2 copies: 1 for participant, 1 for the project notes

Appendix 5: A summary of the interview conduction

This shows a conduction of Interviewed participants in data collection

Social enterprise name	NO.	Interviewed	Source	Interview type	length
Social Enterprise centre of Thailand	1	Board from private sector	Sample frame	Face-to-Face	58.69
	2	Board from public sector	Sample frame	Face-to-Face	43.06
	3	Board from civil society	Referered by TH Board from public sector	Face-to-Face	43.57
	4	Board from academic sector	Sample frame	Telephone	30
	5	Managing Director	Referered by TH Board from public sector	Face-to-Face	60
	6	Government officer	Referered by TH Board from MD Thailand	Face-to-Face	56.49
	7	Governmental officer	Sample frame	Face-to-Face	79.06
Case Study 1: Krabi Social enterprise	8	Managing Director	Sample frame	Face-to-Face	30.31
	9	Board from civil society	Referered by KB MD SE1	Face-to-Face	33.44
	10	Board from private sector	Sample frame	Face-to-Face	43.44
	11	Board from public sector	Sample frame	Face-to-Face	38.18
	12	Board from community sector	Sample frame	Face-to-Face	58.47
	13	Government officer	Sample frame	Telephone	29.69
	14	Staff-Business developer	Sample frame	Face-to-Face	42.38
	15	Volunteer	Referered by KB SE worker1	Face-to-Face	51.03
	16	Community member	Referered by KB SE worker1	Face-to-Face	33.09
	17	Community member	Referered by KB SE worker1	Face-to-Face	50.3
Case Study 2: Nongkhai Social Enterprise	18	Managing Director	Sample frame	Face-to-Face	87.12
	19	Board from civil society	Sample frame	Face-to-Face	34.07
	20	Board from private sector	Sample frame	Face-to-Face	26.55
	21	Board from public sector	Sample frame	Face-to-Face	46.42
	22	Board from community sector	Sample frame	Face-to-Face	50.02
	23	Government officer	Sample frame	Face-to-Face	31.27
	24	Staff-Business developer	Sample frame	Face-to-Face	29.42
	25	Volunteer	Referered by NK government officer	Face-to-Face	32
	26	Community member	Referered by NK government officer	Face-to-Face	47.54
	27	Community member	Referered by NK government officer	Face-to-Face	44.2
Case Study 3: Chiangmai Social Enterprise	28	Managing Director	Sample frame	Face-to-Face	48.41
	29	Board from civil society	Sample frame	Face-to-Face	33.39
	30	Board from private sector	Sample frame	Face-to-Face	48.03
	31	Board from public sector	Sample frame	Face-to-Face	57.28

	32	Board from community sector	Sample frame	Face-to-Face	79.49
	33	Government officer	Sample frame	Face-to-Face	44.14
	34	Staff-Business developer	Sample frame	Face-to-Face	31.11
	35	Volunteer	Referered by CM government officer	Face-to-Face	38.48
	36	Community member	Referered by CM government officer	Face-to-Face	41.74
	37	Community member	Referered by CM government officer	Face-to-Face	38.48
Case Study 4: Chanthaburi Social Enterprise	38	Managing Director	Sample frame	Face-to-Face	56.25
	39	Board from civil society	Referered by CR MD SE	Face-to-Face	60.54
	40	Board from private sector	Sample frame	Face-to-Face	42.08
	41	Board from public sector	Sample frame	Face-to-Face	88.25
	42	Board from community sector	Sample frame	Face-to-Face	59.59
	43	Government officer	Sample frame	Face-to-Face	58.49
	44	Staff-Business developer	Sample frame	Face-to-Face	55.02
	45	Volunteer	Referered by CR worker1	Face-to-Face	88.25
	46	Community member	Referered by CR worker1	Face-to-Face	31.49
	47	Community member	Referered by CR worker1	Face-to-Face	60.54

Appendix 6: Data collection schedule

Governance of Hybrid Social Enterprise: Thailand Case Studies

Researcher: Praphaphan Wunsuk

Date	Activities	Place
10 May 2018	Travelling to Bangkok, Thailand	
15 May 2018	Visiting Government complex at Thungsonghong, chaengwattana, Bangkok for a formal meeting the director Community Development Department as a team of the founder of Thailand social enterprise.	The Government complex, Changwattana
18-25 May 2018	Visiting Thailand social Enterprise Head office to collect their documents likes annual reports, meeting reports	90, CW Tower building, Hoykwang,BKK
28 May 2018	Visiting Government complex at Thungsonghong, chaengwattana, Bangkok for a formal meeting the Mr. Apichat Todilokwetch, director Community Development Department	The Government complex, Changwattana
4, 11, 18, 25 June 2018	Visiting the Social Enterprise Head office to do in-depth interview with 4 participants from the boards from Private sector, academic sector, and representative from civil society, and people.	90, CW Tower building, Hoykwang,BKK
2-20 July 2018	Travelling to the Krabi Province to visit Krabi social enterprise case study and interview the 10 participants and visiting SE market, product demonstration, targeted communities.	Krabi Social Enterprise
21 July 2018	traveling to Bangkok	Bangkok
24 July -2 August 2018	Travelling to the Nongkhai Province to visit Nongkhai social enterprise case study and interview the 10 participants and visiting SE market, product demonstration, targeted communities.	Nongkhai social enterprise
3 August 2018	Traveling to Bangkok	
4 August -14 August 2018	Traveling to Chiagmai Province to visit Chiangmai social enterprise case study and interview the 10 participants and visiting SE market, product demonstration, targeted communities.	Chiangmai social enterprise
15 August 2018	Traveling to Bangkok	
24 August -12 September 2018	Traveling to Chantaburi Province to visit Chantaburi social enterprise case study and interview the 10 participants and visiting SE market, product demonstration, targeted communities.	Chantaburi social enterprise
13 September 2018	Traveling to Bangkok	
23 -27 September 2018	Visiting the Exhibition of Social Enterprise market to observe the SE community Product and services.	In Bangkok
1 October 2018	Visiting the Social Enterprise Head office to join observe the SE monthly meeting.	The Government complex, Chaengwattana
8 Oct 2018	Flight back to The UK.	

Appendix 7: Participant information sheet

University of Nottingham
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Participant Information Sheet
Date: 01.03.2018

Title of the Study: Governance in Hybrid Social Enterprise: Thailand Case studies

Name of Researcher(s): Praphaphan Wunsuk

I would like to invite you to take part in my research project. Before you decide I would like you to understand why the research is being done and what it would involve you. I will go through the information sheet with you and answer any questions you have.

What is the purpose of the study?

The main purpose of this study is to analyse how partnership is built up in social enterprise for existing public service delivery and explore the issues of social enterprise governance. For this purpose, I would like to apply your opinion through interviews and also observe your activities such as monthly meetings, shops, demonstrations.

Why have I been invited?

You are being invited to take part because you have been working in a social enterprise organisation. You will have knowledge about the organisation. We are inviting 47 participants like you to take part.

Do I have to take part?

It is up to you to decide whether or not to take part. If you do decide to take part you will be given this information sheet to keep and be asked to sign a consent form. If you decide to take part you are still free to withdraw at any time and without giving a reason. This would not affect your legal rights.

What will happen to me if I take part?

If you accept being part of this research project, you will be interviewed by myself. Interviews can be in Thai or in English depends on your choice. You will be involved in the interview section around 30 to 60 minutes. After that, I will participate some of your activities likes the shops or demonstrations around 30 minutes.

Expenses and payments

Participants will not be paid to participate in the study.

What are the possible disadvantages and risks of taking part?

Participation in this research project is not expected to cause and risks or disadvantages. The possible psychological or physical risks will be the same as you experience in your everyday life.

What are the possible benefits of taking part?

I cannot promise the study will help you but the information we get from this study may help social enterprise to be more understand and visible in the literature.

What happens when the research study stops?

If the study stops earlier than planned and you are affected from this, you will be informed and you will receive an explanation about why the study stopped.

What if there is a problem?

If you have any concern about this study, you should speak with me, I will do my best to answer your question. If you remain unhappy and the problem is about me, you can complain formally by contacting the School Research Ethics Officer to take your complaint further. All contact details are given at the end of this information sheet.

Will my taking part in the study be kept confidential?

We will follow ethical and legal practice and all information about you will be handled in confidence.

All information which is collected about you during the course of the research will be kept **strictly confidential**, stored in a secure and locked office, and on a password protected database. Any information about you which leaves the University will have your name and address removed (anonymised) and a unique code will be used so that you cannot be recognised from it. Anonymised data may also be stored in data archives for future researchers interested in this area.
Your personal data (address, telephone number) will be kept for 3 years after the end of the study so that I am able to contact you about the findings of the study and possible follow-up studies. All research data will be kept securely for 7 years. After this time your data will be disposed of securely. During this time all precautions will be taken by me to maintain your confidentiality, only I will have access to your personal data.

What will happen if I don't want to carry on with the study?

Your participation is voluntary, and you are free to withdraw at any time, without giving any reason, and without your legal rights being affected. If you withdraw then the information collected so far cannot be erased after 3 years and this information may still be used in the project analysis.

What will happen to the results of the research study?

This research is a part of my PhD thesis which will be submitted to the University of Nottingham. Hopefully, this research will be published as articles, a book. Your anonymity will be guaranteed in these publications.

Who is organising and funding the research?

This research is being organised by the University of Nottingham and is being funded by myself.

Who has reviewed the study?

All research in the University of Nottingham is looked at by a group of people, called a Research Ethics Committee, to protect your interests. This study has been reviewed and approved by the School of Sociology and Social Policy Research Ethics Committee.

Further information and contact details

Praphaphan Wunsuk

PhD Candidate

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Research Ethics Committee