



International Journal of Management Research and Economics

Publisher's Home Page: <https://www.svedbergopen.com/>



Research Paper

Open Access

Governance Structures: Enabling Social Entrepreneurial Organizations in South Africa to Operate Sustainably

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Article Info

Volume 3, Issue 1, January 2023

Received : 12 October 2022

Accepted : 22 December 2022

Published : 05 January 2023

doi: [10.51483/IJMRE.3.1.2023.1-17](https://doi.org/10.51483/IJMRE.3.1.2023.1-17)

Abstract

The purpose of this paper is to determine what kind of governance structures would enable Social Entrepreneurial Organizations (SEOs) in South Africa to operate sustainably. The focus is on the multi-dimensionality of governance, with the dimensions of policy, operations, and legal structures being deliberated according to priorities, opportunities, and challenges. Qualitative research was used as methodology to answer the research question. A multiple method approach included four embedded units of analysis as part of a descriptive survey, completed by 39 respondents from four SEOs based in three South African provinces as well as nine in-depth, semi-structured interviews, in a single case study. Findings showed that although the dimensions of policy, operations and governance structures are severely fragmented, the kind of governance structures that SEOs need to operate sustainably, are new and revised policies, operations that are well managed according to an integrated value chain, and flexible legal structures that allow for the generation of revenue to create pattern-breaking and sustainable solutions. The synergistical overlap of governing through trust, the capacity of the state, and the two-sided business model, forms an enabling of governance structures, thereby compensating for the fragmented dimensions, and enabling SEOs to govern sustainably.

Keywords: Governance, Policy, Operations, Legal structures, Enabling, Social entrepreneurial organizations

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1. Introduction

The purpose of this paper is to determine what kind of governance structures would enable Social Entrepreneurial Organizations (SEOs) to operate sustainably in South Africa. To reach this goal, I will focus on the multi-dimensionality of governance and attempt to determine what the priorities, opportunities, and challenges are in terms of policy, operations, and legal structures as SEOs work towards the sustainable eradication of extreme poverty. I will furthermore endeavor to contribute to the existing knowledge base that policy makers, SEO senior management, and social entrepreneurship scholars need to compensate for failed efforts of government institutions in the sustainable eradication of extreme poverty (European Commission, 2019; Gordon Institute of Business Science, 2018; Lovasic and Cooper, 2020). Moreover, this paper will also contribute to filling research gaps that exist on the topic of the role of governance in the sustainable eradication of extreme poverty.

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Notwithstanding the strides that South Africa has made in reducing poverty since 1994, the tide was reversed from 2011 to 2015, leading to 13.8 million out of a total population of 59.62 million people experiencing food poverty (Department of Statistics South Africa, 2020; World Bank Group, 2020a). With a Gini coefficient of 63.0, South Africa is ranked first out of 164 countries as the most unequal in the world (OECD, 2021; World Bank, 2022a). With unemployment being 35.3% in 2021, extreme poverty expected to increase with 9%, and the Coronavirus pandemic to have devastating economic effects, future generations might experience inequality even more severely (Statistics South Africa, 2022; World Bank Group, 2020).

These facts reflect a renewed call for the concept of *sustainable development*, as defined by the Brundtland Commission: “Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987). This intergenerational approach was further developed by referring to it holistically, through the inclusion of economic, social, and environmental goals in a triple bottom line approach (Sachs, 2015). The sustainable development of these dimensions culminates in the Sustainable Development Goals (SDGs) that were called into being by the United Nations in 2015 in its “2030 Agenda for Sustainable Development” (United Nations, 2015).

Another key concept that will be referred to in this article, is *SEO*. Current research refers to different types of “businesses, ventures or organizations” that are run by entrepreneurs with social goals based on business principles such as “social business”, “social entrepreneurial organization”, and “social enterprise” (Schmidt *et al.*, 2015). In this paper, the concept SEO refers to an organization that focuses on “social benefits rather than solely financial ones, and which seeks to address societal, cultural or environmental issues, often in an innovative manner”, as defined by the United Nations (United Nations: Department of Economic and Social Affairs, 2018). In this study, SEOs are referred to as having the following characteristics: “the predominance of a social mission, the importance of innovation, and the role of earned income” (Lepoutre *et al.*, 2013; Terjesen *et al.*, 2012). It is therefore different from commercial entrepreneurs and/or aid organizations (Lepoutre *et al.*, 2013) in that SEOs do not solely have commercial and/or charitable goals, but they reflect “the way that the world is” (Peredo and McLean, 2006). However, in spite of these terms being commonly used in scientific, political, and public domain (Schmidt *et al.*, 2015), “there is ... currently no official representative body or member association for social enterprises in South Africa” (Lovasic and Cooper, 2020). The effect of this void is one of the issues that will be addressed in this paper.

Governance is also a key concept that needs to be put into perspective. Its multi-dimensionality is reflected through the involvement of different role players at political and operational levels (Glass and Newig, 2019). Governance can be referred to in the context of internal *board governance*, in which case governing boards would bring expertise to SEOs by monitoring them in the “strategic decision-making processes” of “operational activities” in SEOs’ dual role of having social and commercial goals (Ramus *et al.*, 2018). The focus in this paper will however be on the broader role of *institutional governance*, thereby allowing for governing boards of SEOs to benefit from this research too. Actors that are represented in institutional governance involve formal and informal institutions (Kerlin, 2017). Formal institutions work on “international, national”, and “local government” levels (Kerlin, 2017), and are institutions that are responsible for laws and regulations (Simón-Moya *et al.*, 2014). Informal institutions refer to societies expressing themselves according to “values, norms, and beliefs” (Kerlin, 2017) in terms of culture for example (Simón-Moya *et al.*, 2014). Both these types of institutions shape SEOs in terms of how they are structured, governed, what activities they have, how they are funded, what their outcomes are, and how common they are in specific countries (Kerlin, 2017).

To fulfil the purpose of this paper, I will have to determine the kind of governance structures that would enable SEOs to operate sustainably in the eradication of extreme poverty in South Africa. To achieve this, I will look at the roles that the dimensions of policy, operations, and legal structures play in *institutional governance*, henceforth referred to as *governance*. The reasons why these three dimensions are singled out, are firstly that the dimension of suitable policy has the potential to contribute to the development of social enterprise (Lovasic and Cooper, 2020). Secondly, the dimensions of operations and legal structures play an important role in SEOs’ sustainable generation of revenue (Hlady and Servantie, 2018; Santos *et al.*, 2015; Siebold, 2017). As these dimensions engage multiple stakeholders as part of the SEO ecosystem, their combined actions lead to the creation of spillovers (Roundy, 2017), enabling one another towards synergistic collaboration.

In the following section, I will describe the problematic context in which the dimensions of policy, operations, and legal structures are explained. This will be followed by a review of the literature on these dimensions, in which the research gaps will be identified too. In the section thereafter, the materials and methods are described that were used to find answers to the following research question: “What kind of institutional governance structures would enable social entrepreneurial organizations to operate sustainably?” (Human, 2022). A section in which the results are discussed

follows next, after which I conclude that in spite of the challenge that SEOs have in calling on governance in the eradication of extreme poverty, the synergistical overlap of fragmented dimensions enables good governance. Seeing that this research offers further research potential, future directions through which SEOs could contribute to the sustainable eradication of extreme poverty, are suggested in the final section.

2. Problematic Context

In this section, I shall attempt to put the problematic context into perspective of the roles that policy, operations, and legal structures play in *governance*.

Governance is referred to in terms of having normative goals, for example, to have public policies in place that are effective (Rose-Ackerman, 2017). Some of the issues that South African SEOs address that could be better addressed through policy, are unemployment, inequality, and the population's exposure to harmful levels of air pollution. At the end of 2021 for example, 35.3% of South Africans were unemployed, the Gini coefficient measuring inequality was 63.0, and 75% of the population has been exposed to harmful levels of air pollution (OECD, 2021; Statistics South Africa, 2022). The result of institutions providing guidance in terms of SEOs being publicly recognised and having positive outcomes in solving issues such as these, is "good governance" as opposed to governance that would be recognized by "corruption, fraud and simple incompetence and waste" (Rose-Ackerman, 2017). In this sense, the role that policy plays in institutional governance could contribute to SEOs eradicating extreme poverty sustainably.

Following on from the role of policy in governance, is the role of operations. SEOs are shaped by formal and informal institutions (Kerlin, 2017), but also by how they manage for sustainable operations (Joglekar and Lévesque, 2013). These operations can be mapped according to value chains, so that SEOs can improve their products and services, as well as their competitiveness (United States Agency for International Development, 2010). In the case where earned income is regarded as a priority in their operations, SEOs could reinvest their profits and thereby contribute not only to their economic performance, but also to their social and environmental impact (Schmidt *et al.*, 2015). In South Africa, the laws of "Black Economic Empowerment (BEE – 2003)" and "Broad-Based Black Economic Empowerment (B-BBEE – 2007)" reflect the government's approach of engaging black people in the economy through radical economic transformation (Government Gazette Republic of South Africa, 2014; Kloppers, 2014). The role of operations in institutional governance could therefore, as is the case with the role of policy, also contribute to the sustainable eradication of extreme poverty. This possibility will be further researched in available literature.

With the problematic context being discussed in terms of the roles of policy and operations, the role of legal structures is also put into perspective. For SEOs to govern well, their performance is, amongst others, measured by their "coherence" and "conformity with national and international laws" (Schmidt *et al.*, 2015). The 2018 General Assembly of the United Nations has highlighted the importance of improving legal and regulatory frameworks for the sake of social enterprises, so that they can continue to serve as catalysts for growth in especially the social economic sector. Institutionalizing social enterprises by law, gives social enterprises access to funding, allow them to have tax relief, and using social criteria in procurement (United Nations General Assembly, 2018). What the General Assembly did not do, was to give guidance to countries where legal structures for SEOs are not ideal.

SEOs in South Africa have access to two categories of legal structures: for-profit or non-profit categories. The choice of structure has an effect on the business, financing, and governance models that the SEOs would govern themselves by. Non-profit legal structures would typically give SEOs access to donations and grants, with the possibility of reinvesting profits and that having tax consequences. SEOs with for-profit legal structures would have a social mission, with the specifics of how the profit is reinvested drawn up according to a Memorandum of Incorporation (MOI) and would make their accounts and impact publicly available (Bertha Centre for Social Innovation & Entrepreneurship, 2016). The role of legal structures will be further investigated in research literature.

In summarizing the problematic context, one of the ways in which SEOs' performance can be measured, is by looking at how they apply the multi-dimensional concept of governance. In addressing societal issues, SEOs rely on guidance from formal and informal institutions to govern well. In the next section, I will show how the governance of SEOs is underpinned by available literature on publicly recognised policy, sustainable operations, and flexible legal structures.

3. Literature Review

In reviewing the literature on the topic of the multi-dimensionality of governance in terms of policy, operations, and legal structures, certain research gaps are identified. This section starts with an overview of how the multi-dimensionality of governance is applied and what the effect is of the social-entrepreneurial ecosystem.

3.1. *The Multi-Dimensionality of Governance*

Literature shows that multi-dimensionality is applied to measure extreme poverty in for example the “Multi Poverty Index (MPI)” and “the South African Multidimensional Poverty Index (SAMPI)” (Alkire *et al.*, 2014; Oxford Poverty & Human Development Initiative, 2018). This multi-dimensionality resonates with the nature of social entrepreneurship, which is described as having “the predominance of a social mission, the importance of innovation, and the role of earned income” at heart (Lepoutre *et al.*, 2013; Terjesen *et al.*, 2012).

The success of social entrepreneurs’ endeavours is determined by a diverse ecosystem of social ventures. This ecosystem creates what Roundy (2017) refers to as “positive externalities”, spillover-effects, that reach groups beyond what social entrepreneurs intended to serve. Strengthening this ecosystem is described to have the following effect: “...to have a significant impact on the current and future development of social enterprise in South Africa, to the benefit of all its people” (Gordon Institute of Business Science, 2018). With the multi-dimensionality of governance being put into perspective, the first dimension that will be discussed is the role that policy plays in governance.

3.2. *The Role of Policy in the Multi-Dimensional Concept of Governance*

Global events illustrate the role that policy plays in governance. Public recognition of SEOs is enhanced by the global awareness of the importance of policy in building legal, fiscal, financial and business development frameworks (Noya *et al.*, 2013). This is displayed in agreements that have been reached to build the social economy by Asia Pacific, Europe, the Middle East, and Africa for the sake of reaching the Sustainable Development Goals (United Nations General Assembly, 2018). Public recognition is furthermore displayed in the support that young social entrepreneurs have been receiving in terms of providing business, legal and fundraising tools to Entrepreneurs for Social Change (E4SC) so that their initiatives may be recognized by investors (United Nations Industrial Development Organization, 2020). The International Labor Organization (ILO) has also provided technical assistance in South Africa for the sake of society, the economy, and the environment (United Nations General Assembly, 2018).

There has been a transition from having the focus on the quantity of regional policies to the quality of entrepreneurial policies. The entrepreneurial ecosystem, which includes entrepreneurs and other stakeholders, has allowed for a shift to take place from how regional economies experience policymaking (Stam, 2015). Instead of having regional policies for entrepreneurship, the shift is to rather refer to policies for “entrepreneurial regional econom(ies)” (Stam, 2015). This will allow for “a system in which productive entrepreneurship can flourish” (Stam, 2015). However, literature presents a gap in reporting to which extent this shift is within reach for SEOs.

An example of the underrepresentation of policy to promote entrepreneurship is found in South Africa. The “Department of Agriculture, Forestry and Fisheries and Department (DAFF)”, the “Department of Small Business Development (DSBD)” and the “Department of Trade and Industry (DTI)” report that policy promoting entrepreneurship is just more than 20% in comparison with policy to improve aquaculture, agricultural extension and IP protection (Petersen and Kruss, 2019). Specific policies are furthermore needed to orientate grassroots innovation towards the inclusion of informal actors in microenterprises, and to address “the specific needs of unemployed women or youth in urban areas and informal settlements” (Petersen and Kruss, 2019). Petersen and Kruss (2019) also refer to the importance of the implementation of policies which will require “political will”, “capabilities and resources”.

To summarize, there is a prioritization of the global role of policy in the institutional governance of SEOs. In spite of a shift that is taking part towards policies for “entrepreneurial regional econom(ies)” (Stam, 2015), the extent to which this shift is within reach for SEOs represents a gap in literature. Furthermore, the underrepresentation of policy to promote entrepreneurship in countries such as South Africa, is highlighted. Since governance is a multi-dimensional concept, the dimension of operations in institutional governance will be discussed in the next section.

3.3. *The Role of Operations in the Multi-Dimensional Concept of Governance*

SEOs’ institutional legitimacy is determined by the relation between their activities, results, goals, and how they respect the rules by which they are governed (Schmidt *et al.*, 2015). How SEOs manage this process could be analysed according to a social entrepreneurial value chain (Joglekar and Lévesque, 2013). Taking a step back and looking at the value chain in its original format, Porter (2008) sees it as a tool that can be used to analyse “sources of competitive advantage”. To this end, he sees the function of a value chain as “disaggregat(ing) a firm into its strategically relevant activities in order to understand the behavior of costs and the existing and potential sources of differentiation”. He further explains that “a firm gains competitive advantage by performing these strategically important activities more cheaply or better than its competitors” (Porter, 2008). Therefore, as SEOs identify strategically relevant activities, they should be able to improve products and services, as well as their value chains’ competitiveness (United States Agency for International Development, 2010).

Researchers and practitioners have been applying value chains differently. Researchers have moved their focus from examining value chains of leading firms, to having a broader view on different stakeholders in the value chain, and also to examine specific topics within value chains. Practitioners have had two approaches: mostly staying in line with the researchers' approaches, but often developing their own approaches (Donavan *et al.*, 2020). According to Taglioni and Winkler (2014, as cited in Donavan *et al.*, 2020) practitioners "have sought to leverage value chains in their efforts to reduce poverty and, more recently, advance broader development goals and the environmental and social performance of enterprises, thereby leading to reduced poverty rates". I will describe two examples from practitioners, both with the goal of managing for sustainable operations: one from the perspective of an entrepreneur, and the other from the perspective of the SEO.

In the first example, the entrepreneur manages for sustainable operations according to four stages of discovering, committing, organizing, and growing a social venture over a period of time (Joglekar and Lévesque, 2013). The first stage refers to the entrepreneur discovering his/her vision for innovation, technological and management expertise, availability of funds and how to invest those funds. These early stage-decisions would enable the social entrepreneur to know how to apply his/her new strategies. In the second stage, the entrepreneur commits human and/or financial resources to the venture. The third stage includes the organization of a formal team and having debt or equity available to launch a product or service. In the fourth stage, the entrepreneur grows the establishment by scaling processes and looking at the possibility of an Initial Public Offering (Joglekar and Lévesque, 2013; Dees and Anderson, 2003). The early stages are recognized by a limited reputation to gain access to financial resources, resulting in a common theme throughout the value chain of a lack of human and financial resources.

In the second example, the SEO manages its operations to create value in every stage of the value chain, with the focus on sustainability and/or the social purpose in especially the first stage of procuring supplies. This stage is followed by "employing workers, designing the product/service, producing the product/service" and "marketing to target customers" (Dees and Anderson, 2003). However, this example does not show how the financial sustainability of the venture will be secured either. A value chain in which the strategic direction of the social entrepreneur as well as the SEOs' sustainable operations are reflected, might fill the gap in the research literature for an integrated, sustainable, social value chain.

Having discussed the role of policy and operations thus far, the role of legal structures in the multi-dimensional concept of governance will be discussed in the next section.

3.4. The Role of Flexible Legal Structures in the Multi-Dimensional Concept of Governance

SEOs focus on "creating social value", with the creation of financial value remaining optional (Rangan and Gregg, 2019). This leads to a zig-zag trajectory of gaining impact as SEOs realize that addressing social issues at a local level is different than to address more complex issues in terms of housing, healthcare and education (Rangan and Gregg, 2019). This zig-zag process includes involvement with other stakeholders, leveraging resources and competencies as they solve some of the local issues, while attempting to scale their organizations. It requires flexible legal structures, so that their credibility, social mission, and diversified income streams can be accommodated (Haigh *et al.*, 2015).

A flexible legal structure is one that facilitates "various configurations of ownerships, management of assets and intellectual property, transfer of economic value, risk allocation and governance" (Haigh *et al.*, 2015). Such a structure would enable the SEO to gain impact by combining "multiple sources of capital, private and public, philanthropic and commercial" (Bertha Centre for Social Innovation & Entrepreneurship, 2016). These structures are especially relevant in Africa, in an era during which the quickening of the economic pulse could lead to entrepreneurial development to blossom. Legal and regulatory frameworks could facilitate the registration of new businesses, the removal of bureaucratic burdens and the addressing of corruption and crime (Herrington and Coduras, 2019).

The need for flexible legal structures exists in parallel with the 2018 General Assembly of the United Nations expressing the importance of improved legal and regulatory frameworks for social enterprises. North American and European countries have already institutionalized social enterprises by law, enabling growth in the social economic sector. These legal entities have access to funding, tax relief, with public procurement done using social criteria. Legal structures vary from social cooperatives that include vulnerable groups benefitting from the distribution of profit to special-purpose enterprises with limited distribution of profit (United Nations General Assembly, 2018).

Furthermore, other than the institutional perspective for flexible legal structures, is the dual focus that social entrepreneurs have in the execution of their activities. In solving social and/or environmental issues, social entrepreneurs

also endeavor to be economically sustainable. To accommodate this dual focus, legal structures need to remain flexible, facilitating different types of legal structures. These may include for-profit legal structures accommodating social mission, as well as non-profit, or “mixed-entity” legal structures (Haigh *et al.*, 2015).

An example of the role of flexible legal structures in the multi-dimensional concept of governance is found in South Africa. In spite of non-profit activity being governed by Non-Profit Organizations (NPOs), rooted in human rights, and established in “the Bill of Rights”, the South African government questions the objectives of NPOs generating social benefits and services (Urban, 2015). In the absence of a legal definition and formal policies of what a “social enterprise” is (International Labour Office, 2016), Moreno and Agapitova (2017) recommend that this need is addressed, especially based on the need for social entrepreneurship in South Africa (Urban, 2015).

A legal definition and framework for social enterprise would enhance the role that business could play in terms of social and financial goals being aligned (Moreno and Agapitova, 2017). The current practice for social entrepreneurs in South Africa is to use a Non-Profit Company (NPC) or a for-profit company structure to facilitate their work. Contrary to the use of the term “non-profit” in NPCs, these organizations may make a profit if the public would benefit from their objectives or if their activities are cultural, social, communal, or group-related in nature (Bertha Centre for Social Innovation & Entrepreneurship, 2016).

The absence of flexible legal structures in governance for the sake of social entrepreneurs is highlighted in literature, especially in countries where social entrepreneurship is needed. However, literature does not show what the priorities, opportunities and challenges are that SEOs have to govern with the dual focus of solving social and/or environmental issues while being economically sustainable.

In summarizing the roles of policy, operations, and flexible legal structures in governance, literature shows several gaps. In terms of policy, the extent to which the shift that is taking place towards policies for “entrepreneurial econom(ies)” (Stam, 2015) is within SEOs’ reach, is unknown. In terms of operations, an integrated, sustainable value chain reflecting the strategic direction of the entrepreneur as well as the SEO’s sustainable operations, is not represented in literature. Neither is the use of flexible legal structures for SEOs with a double-sided mission in terms of governance discussed in existing literature. The materials and methods that were used to address these research gaps, will be discussed in the next section.

4. Materials and Methods

In this section, the research methodology that was used to address the research question “what kind of institutional governance structures would enable social entrepreneurial organizations to operate sustainably?” (Human, 2022) is deliberated. The section is introduced with an overview of the theoretical perspective, research approach, as well as the research strategy. This is followed by procedures that were followed for the collection of primary and secondary data, as well as the sampling strategy and sampling size that were used. The way in which primary and secondary data were analyzed is discussed, and the section concludes with reference to the quality of the research as well as ethical considerations.

4.1. Theoretical Perspective

I adopted a neo-empiricist theoretical perspective through which social reality could be cognitively accessed in a neutral manner. Through this objective ontological and post-positivist epistemological stance, I could ensure objective truth as a researcher (Clark, 2014). Based on “the possibility of unbiased and objective collection of qualitative empirical data” (Clark, 2014), my post-positivist approach aligned with neo-empiricism. This stance granted me access to reality, using multiple methods to interpret reality (Haydam and Steenkamp, 2020).

Based on the behavior of the organization being determined by social actors’ conception of ideas and the participants’ understanding of it (Bell *et al.*, 2019), the paradigm that was best suited for my study was interpretative. Through this paradigm, I was able to look at the social entrepreneur innovatively seeking solutions for issues in society, culture, and the environment, in terms of the organization’s social mission, opportunities, and being accountable to its beneficiaries and investors (Dees, 2001; Dees and Anderson, 2003).

4.2. Research Approach: Inductive Logic

Built on the neo-empiricist perspective for this study, I accessed the subjective logics of respondents and interviewees in an objective way by invoking inductive logic. I was thereby able to build theory from data, allowing me to explore possible links and patterns to build a “new conceptual framework” (Gabers, 2006, as cited in Haydam and Steenkamp, 2020).

4.3. Research Strategy: Qualitative Research, Using Multiple Methods in a Single Case Study

I used qualitative research as methodology, with a multiple method approach. This approach included four embedded units of analysis as part of a descriptive survey, using a cross-sectional time horizon. During this first phase of collecting primary data, phenomena were described to determine how SEOs commit to sustainability in the eradication of extreme poverty. The second phase of this multiple method approach included nine in-depth, semi-structured interviews. Both the embedded, multiple units of analysis in the descriptive survey, and the nine in-depth, semi-structured interviews, formed part of a single case study (Human, 2022).

4.4. Data Collection

4.4.1. Data Collection Procedure of Primary Data

Data were collected according to appropriate methods for multiple-methods research. Primary data were collected in two phases. The first phase was done through a descriptive survey with mostly Likert scale questions. Correlation, association, and direction of association were measured using statistical analysis, according to descriptions of phenomena (Gray, 2018). According to Gray (2018), this approach is especially valuable to establish “the scale and nature of social problems, including poverty, crime and health-related issues”. The survey had 70 questions, completed by 39 respondents. Respondents were from three provinces in South Africa, having different characteristics in terms of language, climate, and population density, representing 74% of SEO head offices. The descriptive survey questions reflected the research gaps identified in literature, and had four sections: an introduction, questions on social business model innovation, the use of alternative financial instruments and governance (Human, 2022).

The second phase of primary data collection was done to support and triangulate questionnaire data. Semi-structured interviews were held with nine interviewees, experts in the fields of social entrepreneurship, entrepreneurship, environmentalism, organizational behaviour, and academia, with each interview being 30–45 minute long. Interviews were guided according to an Interview Questions Template, based on descriptive survey questions that remained unanswered in the first phase, and theories such as the Theory of Change, Institutional Theory and Schumpeter’s theory of Innovation that guided the research. Issues such as the integration of environmental and economic dimensions into innovative social business models that were being addressed through this research were also taken into consideration in the Interview Questions Template.

4.4.2. Data Collection Procedure of Secondary Data

Although it was possible to have made inferences on the primary data that were collected, I needed to justify the data by comparing it with secondary data. It did not only save me time and money, but also enabled me to have access to trusted, electronic data (Bell *et al.*, 2019). I used different sources, such as the iLembe Economic Development Agency in KwaZulu Natal, the University of Pretoria, “the National Development Plan 2030 South Africa: Our future: Make it work”, national data from Statistics South Africa, as well as the “United Nations SDGs: Global Indicator Framework after 2021” (Enterprise iLembe Economic Development Agency, 2020; Maluleke, 2019; National Planning Commission., 2013; United Nations Statistics Division., 2021; University of Pretoria, 2021).

4.5. Sampling Strategy and Sample Size

The context for the three provinces Gauteng, KwaZulu Natal, and the Western Cape from where the samples were taken, is that they represent three of the most populous provinces out of nine provinces in South Africa. Furthermore, South Africa is considered to be “the most unequal country in the world, ranking first among 164 countries” (World Bank, 2022b). The challenges that the provinces Gauteng and KwaZulu Natal face, represent those of South Africa, namely unemployment, crime, corruption, and provinces not being able to meet the objectives of the United Nations Program on Aids and HIV (IHS Markit, 2021; Spotlight, 2020). Although the Western Cape has the lowest prevalence of HIV in South Africa, it faces a challenge of a different kind in that Khayelitsha and Gugulethu—the two biggest townships in the country—report the highest incidence of violent crime (IHS Markit, 2021).

The sampling strategy for this qualitative research study concerns the selection of SEOs and asking them questions related to the construct being described as institutional governance. An estimated number of 453 SEOs was used as the total size of the population, because of the exact number of SEOs in South Africa not being known (Gordon Institute of Business Science, 2018; Lovasic and Cooper, 2020). I used subsets of this population, based on specific criteria for both the descriptive survey and semi-structured interview-phases. The criteria were the following: SEOs being surveyed in phase one, had to have recognized social mission as important, had to have been legally registered as an organization, had to have been recognized for their contributions to sustainability on a national or international level, and lastly, had

to have considered the environment as a specific concern. Interviewees being interviewed in phase two had to have contributed significant work in their specific field of expertise.

Based on the research question indicating “which unit(s) need(ed) to be sampled”, I used “purposive sampling” as “a non-probability form of sampling” (Bell *et al.*, 2019). A further categorisation of purposive sampling was used, “stratified purposeful sampling”, because of the smaller sample sizes that couldn’t have been generalized with ease (Gray, 2018). With the survey being launched during the Covid-19 pandemic, beneficiaries, and staff from four different locations had to respect Covid-19 regulations, giving me access to half of the number of staff and beneficiaries of 3 out of 4 SEOs, and all the staff of the fourth SEO, totalling 39 respondents. The effects of the Covid-19 pandemic caused sample frames to be significantly larger than the samples, resulting in convenience sampling. However, seeing that the results of the survey were not “overwhelming”, I was able to “proceed with more sophisticated sampling techniques” (Gray, 2018) by having in-depth, semi-structured interviews with 9 interviewees (Human, 2022).

4.6. Data Analyses

4.6.1. Theories and the analysis of data

Theories provided “transformative perspective(s)” (Creswell and Creswell, 2018) in answering the research question that was identified in the literature review. Theories also reinforced and clarified patterns, allowing me to “verify (the) findings from multiple perspectives” (Yin, 2009, as cited in Gray, 2018). For example, Institutional Theory underlines how practices develop into established guidelines for social behavior. The way in which tensions are addressed by institutions, organizations, and individuals and how these stakeholders reconsider the use of welfare funds, could guide the analysis of data (Scott, 2004). This would apply in the case of discussing so-called institutional voids, which is rather an institutional gap than a void, because it is a space where informal rules exist, however much dysfunctional (Littlewood and Holt, 2018).

4.6.2. Primary, Qualitative Data Analysis of the Descriptive Survey Results

In analyzing the survey results, graphic charts were used to organise data into descriptive statistics. “Measures of central tendency” and “measures of dispersion”, the latter especially in terms of mean deviation (Rea and Parker, 2014) determined the characteristics that were described for each question, enabling me to determine the level of consensus in terms of respondents “neither disagreeing or agreeing”, “disagreeing” or “strongly disagreeing” (Human, 2022). These descriptions facilitated the description of “priorities” that SEOs have in terms of governance (Human, 2022). For example, in the case where respondents overwhelmingly agreed that 90.8% of black South Africans out of a total of three million people, are unable to provide food for their families, leading to children being underweighted and stunted in their growth. Policies for Child Support Grants would be a priority in this case, with policy reform being urgent in eradicating child poverty, reflecting the spirit of “ubuntu” or “I am because we are” (Whitworth and Wilkinson, 2013).

4.6.3. Primary, Qualitative Data Analysis of the Interview Results

Descriptions from the analyzed survey results served as guidelines for follow-up questions, especially in cases where more information was needed. I designed an “Interview Question Template” (Human, 2022) in which these gaps were to be followed up with questions to nine interviewees, experts in the fields of business, environment, social entrepreneurship, entrepreneurship, and academia. Interviews were recorded and transcribed.

Transcriptions were analyzed using MAXQDA software, “a software program for qualitative and mixed methods data analysis” (MAXQDA, 2020). Segments of text were coded, with the codes being categorized in a bottom-up approach into thematic variables. The inverse was applied in others, in which a bottom-down approach was used in using references from the literature review serving as thematic variables and then categorized. Codes divided into “themes, categories, sub-categories, as well as related codes”, and illustrated by using “logical connections” (Human, 2022). Gray (2018) describes this process of describing, classifying, and connecting themes as “content analysis”. Some of the categories were described as “challenges” and others as “opportunities”. The determination of the threshold between challenges and opportunities was based on neo-empiricist reasoning. This allowed for ensuring “objective truth” based on an “unbiased and objective collection of qualitative empirical data” (Clark, 2014).

It was possible to indicate the frequency of coded segments, which facilitated a “grading system” (Human, 2022), based on the “MAXDA Code Matrix Browser” (MAXQDA, 2020). This procedure allowed for determining thresholds, or the prioritization of actions. Depending on the frequency at which interviewees would refer to coded segments, segments would have different hierarchical positions, which allowed me to label coded segments from A to D, with A- and B-codes referring to opportunities, and C- and D-codes referring to challenges. The translation of these graded

categories into percentages facilitated the illustration of treemaps. In combination with priorities that were already determined as a result of the descriptive survey, opportunities, and challenges were deduced from these treemaps, serving as key findings. These key findings were the first steps of the development of a suggested transformational framework that the social entrepreneurial industry could use to address the sustainable eradication of extreme poverty (Human, 2022).

The prioritization of actions also led to the first building blocks in contributing to the spillover-effect. As SEOs are part of an ecosystem, their actions unwittingly allow for the success of other stakeholders too, thereby creating spillovers beyond their intended reach (Roundy, 2017). By capturing these spillovers more purposefully, it could lead to a transformational framework through which SEOs could commit to sustainability, while contributing to the eradication of extreme poverty (Human, 2022).

4.6.4. Secondary Data Analysis

Secondary data were used to validate the analysis (Gray, 2018). Sources ranged from government censuses, government, district, higher education, and SDG-reports and contributed to the possibility of a transformational framework which could enable 600,000 unemployed graduates to be employed in a sustainable way (Human, 2022).

4.7. Quality of the Research

Based on the objective ontological and epistemological theoretical perspective of this study, I had cognitive access to concepts in a neutral way, to ensure objective truth. The criteria that I considered from this post-positivist, neo-empiricist, interpretivist perspective (Clark, 2014) were “credibility, transferability, dependability, and confirmability” (Hoepfl, 1997, Lincoln and Guba, 1994, as cited in Gray, 2018).

4.8. Ethical Considerations

My approach was to avoid harm in order to minimize ethical risks. This approach included informed consent of participants, the preservation of anonymity, respecting participants’ privacy, and handling data and copyright in an ethical way (Bell *et al.*, 2019; Gray, 2018).

To summarize this section on materials and methods, qualitative research was used as methodology to answer the research question. The research design comprised a neo-empiricist theoretical perspective, accessing social reality in a neutral way thereby ensuring objective truth as a researcher (Clark, 2014). I furthermore applied inductive logic in developing a transformational framework to be used by the social entrepreneurial industry. Theoretical frameworks such as the Theory of Change, Institutional theory, and Schumpeter’s theory of Innovation were some of the theories that were used to guide integrated data analyses. A multiple method-approach included four embedded units of analysis as part of a descriptive survey was completed by 39 respondents from four SEOs based in three South African provinces. It also included nine in-depth, semi-structured interviews that were held with global and local social entrepreneurial, entrepreneurial, environmental, and organizational behavioral experts, to triangulate data. The descriptive survey, as well as transcribed and coded interviews, were presented in a single case study. Primary and secondary analyses led to key findings, deduced from the descriptive survey and semi-structured interviews. This led to priorities and opportunities that SEOs could capitalise on, and/or challenges that SEOs needed to be aware of, before their activities could be translated into a possible transformational framework (Human, 2022).

5. Results and Discussion

With the eradication of extreme poverty remaining hitherto an elusive ideal, the main goal of this section is to answer the research question by showing what kind of governance structures would enable SEOs to operate sustainably. This is done for the sake of policy makers, SEO senior management and scholars in the field of social entrepreneurship. The multi-dimensional concept of governance structures originates from the literature review (Glass and Newig, 2019). Results of a single case study led to an integrated summary of key findings and implications, against the background of specific theoretical frameworks such as Schumpeter’s theory of Innovation, Institutional Theory and Theory of Change. These results are discussed in terms of the dimensions of policy, operations, and legal structures, and how each of these dimensions present specific priorities, opportunities, and challenges that would enable SEOs to operate sustainably. Results also show how the culminating of these dimensions leads to the emergence of an enabling factor (Human, 2022). The first set of results that is discussed, concern the dimension of policy.

5.1. Policy

Priorities: Descriptive survey results show that priorities for SEOs are the urgent creation or revision of policies, to contribute to the eradication of extreme poverty. Policies to combat child poverty are needed, which would include the re-evaluation of the broader needs of households. Unemployed parents are in the precarious position of having to benefit from Child Support Grants, thereby having a negative impact on the healthcare and nutritional needs of children. Other priorities are policies for vulnerable workers, those who need to be reinstated after having been unemployed for a substantial amount of time. Such policies might include policies to encourage start-up business opportunities, especially supporting unemployed women and youth at grassroots level (Stam, 2015). The institutional environment could also contribute to drive opportunities for SEOs if policies are in place that protect property rights, address corruption, allow for flexible legal structures, ensure stable and low inflation, and encourage international trade (Human, 2022). With priorities being set for SEOs as a result of the descriptive survey, data were triangulated through qualitative interview results, leading to opportunities and challenges that SEOs might encounter in terms of policy.

Opportunities: Policies that are implemented present opportunities in terms of the level where it originates, the value of data, and the value of procedures. Policy originates at a level where there is an enabling environment, where government structures are such that the identification of resolved and unresolved issues can take place. The value of data is notable to implement sustainable policies. For example, data could challenge governments to change their policies for the sake of diversified farming practices, instead of applying unsustainable, conventional farming techniques. The value of procedures is significant to ensure that policies are upheld. For example, SEO managers who implement policy and procedure in their training practices, contribute to the sustainability of SEOs (Human, 2022).

Challenges: SEOs experience challenges in terms of non-implemented policies. Failed, distortive, and delayed policies fall in this category. In this situation, policies are in place to enable the eradication of poverty but have the opposite effect. For example, if a country follows an economic model of industrialisation because it would be what the World Bank or NGOs or development banks expect of them, their desire to comply is not supported by a complete understanding of what is expected of them. This leads to funds flowing to people in privileged positions, causing more unresolved issues. Non-financed policies present another challenge in the sense that the lack of resources cause policies not to be enforced, because of budget constraints. The implementation of policies is not immediate, and neither is the impact assured, especially when there is no follow-through on great ideas or products (Interviewee F, as cited in Human, 2022). Other challenges in terms of policy are unresolved issues such as new policies that need to have tighter controls when implemented. Injustice and corruption are issue that need to be kept at bay especially where there is a lack of transparency in government initiatives such as for example the Youth Employment Service (YES) Initiative that was launched in South Africa in 2019 (Interviewee D, as cited in Human, 2022).

With the results for the dimension of policy being discussed, the next section concerns the results in terms of priorities, opportunities, and challenges for the dimension of operations.

5.2. Operations

Priorities: Descriptive survey results show that priorities for SEOs in terms of operations to contribute to the eradication of extreme poverty are business start-ups, protecting the environment and societies, and having an integrated value chain to manage crime and corruption. The absence of legal structures for SEOs inhibits growth of new businesses (Human, 2022). Without proper legal structures, SEOs are considered as high-risk in terms of investment opportunities (International Labour Office, 2016). The registration of new businesses should also be clear, especially in terms of opening bank accounts, tax implications, and the engagement of black people according to the Broad-Based Black Economic Empowerment law of 2007 (BEE-Amendment_Act2013.PDF, 2014), so that society and the environment could benefit from the process with greater ease. Although it is a priority for SEOs that corruption and crime have consequences, responses did not align with the literature review in terms of the urgency of the matter (Corruption Watch, 2018; OECD, 2021; World Bank Group, 2020). This priority will be verified in the qualitative results, as determined through the triangulation of data through interviews, in terms of challenges.

Opportunities: The two most important opportunities in operations are human resources, and the role of management. In terms of human resources, the element of compensation was the most significant. For example, literature showed that the social value that SEO volunteers create, are often not monetised (Dohrmann *et al.*, 2015). However, in the case where the work of SEO volunteers is monetised by employing them as staff, they tend to stay from five to even longer than ten years, contributing to staff members' financial independence. Staff members were even willing to stay on, in spite of temporary salary cuts because of the Covid-pandemic (Interviewee D, as cited in Human, 2022). In terms of management,

the role of board governance was identified as an opportunity for oversight, especially in how a new strategic direction may be considered. This would especially include issues that could be resolved at board level such as the importance of a strategic plan to consider innovative ideas for the future of the SEO (Interviewee D, as cited in Human, 2022).

Challenges: There are three unresolved issues that SEOs consider as challenges. These are managing corruption, wasted lead time and the effects thereof in creating financial value, and ad hoc marketing causing SEOs to not reach targeted audiences. In terms of managing corruption, this issue was already addressed in the descriptive survey—as described in priorities of this section on operations—in which respondents' views did not reflect the urgency in a similar way as defined in literature. However, in triangulating data, interviews showed that ethical leadership is a priority, with the management of issues of corruption being very important for the sake of global partnerships and the achievement of the SDGs (Interviewee I, as cited in Human, 2022).

With the results for the dimensions of policy and operations being discussed, the remaining section concerns the results in terms of priorities, opportunities, and challenges for the dimension of legal structures.

5.3. Legal Structures

Priorities: The identified research gap pointed to the need for flexible legal structures for SEOs so that they can implement “pattern-breaking, sustainable solutions in a way that would enable SEOs to operate sustainably” (Human, 2022). While accommodating SEOs' credibility, expanded income streams, and SEOs' social mission, flexible legal structures would announce a shift towards the blossoming of social entrepreneurial development, fulfilling a specific need for social entrepreneurs in South Africa (Haigh *et al.*, 2015; Herrington and Coduras, 2019; Urban, 2015).

Descriptive survey respondents are convinced that SEOs' future should include several priorities, of which the first is having access to flexible legal structures that would embrace a two-sided business model in which the beneficiary and customer are targeted. This business model would furthermore reflect the triple bottom line through the inclusion SEOs' dual mission of finding solutions to environmental and social issues. A second priority is that SEOs' flexible legal structures would facilitate collaboration with multiple stakeholders, which would include other like-minded organizations as well as commercial companies, thereby allowing for the whole entrepreneurial ecosystem to benefit from this collaboration. A third priority is SEOs continued use of available legal structures in the absence of ideal flexible legal structures, so that their innovative work could allow them to generate revenue (Human, 2022).

Opportunities: A combination of registered legal structures offers opportunities to social and commercial entrepreneurs in South Africa, which is referred to as a “portfolio of legal structures” (Interviewee H, as cited in Human, 2022). This portfolio comprises trusts, for-profit and not-for-profit (NPO) structures, allowing the entrepreneurs to reach their social and environmental goals, in spite of the institutional void that exists, and whether their SEOs are profitable or not. The benefit of using a portfolio of legal structures is that SEOs can use these different structures according to their needs. NPO structures are used to receive grants or donations, with the donations being 99% tax-deductible to the donors, NPO Trusts structures can be used if SEOs through which they can also profit from the 15% for-profit purposes that is part of this structure. Not-for-Profit Companies (NPCs) can also be used for for-profit and non-profit purposes, in spite of the “misnomer” (Bertha Centre for Social Innovation & Entrepreneurship, 2016), but is regarded as an advanced and labour-intensive structure by some SEOs (Human, 2022).

Challenges: The two most important challenges that SEOs face are labelled as constraints, and refer to the issue of an institutional void, and the non-existence of an appropriate legal structure as basic requirement. As literature showed, an institutional void should rather be considered as an institutional gap, as this space is not empty, but filled with informal rules—however much they do not contribute to a developed market (Littlewood and Holt, 2018). This is especially the case as 95% of social enterprises in South Africa do not benefit from this constraint, as they experience this space as filled with tension and an uneven playing field because of the absence of an appropriate legal structure. Other challenges are uncertainties that abound because of the constraints, administrative complexities that flare up because of the absence of an appropriate legal structure for social enterprises, and the need to move beyond the informal status of micro-enterprises (Human, 2022).

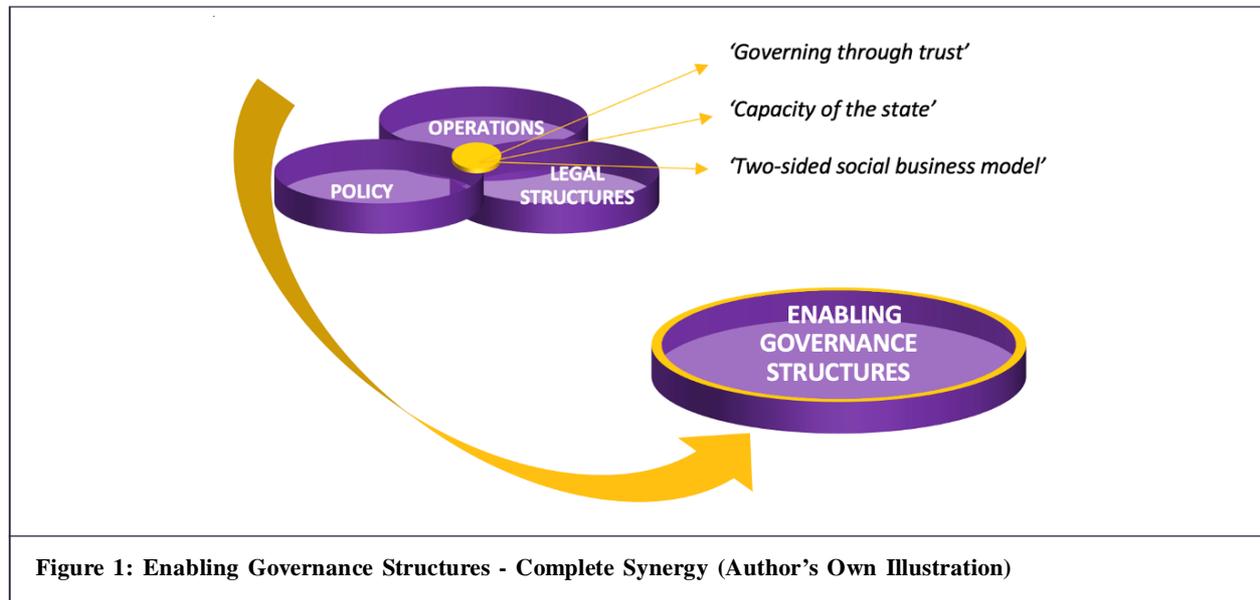
Other than the priorities, opportunities and challenges that have so far been discussed, primary results also show that another dimension has emerged, due to the multi-dimensionality of governance in terms of policy, operations, and legal structures, namely an *enabling* factor.

5.4. Enabling Governance Structures

With results showing that governance is severely fragmented with multiple unresolved issues and challenges, enabling factors towards good governance would be needed in all three dimensions. As actions and practices develop, stakeholders

are *enabled* through good governance, as the state realises its responsibility to “capacitate, educate, and upskill” (Interviewee E, as cited in Human, 2022).

The sweet spot that is formed where policy, operations, and legal structures overlap synergistically, is shown in Figure 1. This sweet spot, referred to as Enabling Governance Structures, is illustrated as a basin of a three-tiered fountain. “Complete synergy allows for governance structures to enable each other, building up pressure to be released for the sake of SEOs benefitting from the overflow” (Human, 2022).



Enabling governance structures are supported by three contributing factors: “Governing through trust”, “Capacity of the State” and the “Two-sided social business model” (Interviewees E, G, H, as cited in Human, 2022), as also illustrated in Figure 1. “Governing through trust” refers to trust acting as a governing tool. For example, people’s behaviour can be appealed for, if the person invoking the behavior is trusted. There is furthermore a link between trust and innovation: “trust allows for the acceptance of risk and certainty; you can’t have innovation without trust” (Interviewee G, as cited in Human, 2022). “Capacity of the state” refers to the ability of the state to govern well, realizing that it is a capability that needs continuous improvement, especially when uncomfortable decisions need to be made (Interviewee E, as cited in Human, 2022). “Two-sided business model” refers to the possibility of social and business value that can be created through beneficiaries and customers using flexible legal structures that accommodate this double-sided approach (Interviewee H, as cited in Human, 2022).

These results allow me to conclude that it is challenging for SEOs to call on good governance to enable them to eradicate extreme poverty sustainably because of the dimensions of policy, operations and governance structures being severely fragmented. However, the results also showed that the kind of governance structures that SEOs need to operate sustainably, are new and revised policies, operations that are well managed according to an integrated value chain, flexible legal structures that allow for the generation of revenue to create pattern-breaking and sustainable solutions. Results also pointed to a synergistical overlap of the dimensions of policy, operations, and legal structures. The overlap of governing through trust, the capacity of the state, and the two-sided business model, forms an enabling of governance structures, thereby compensating for the individual, fragmented dimensions, and supporting the spirit of “ubuntu”, “I am because we are” (Whitworth and Wilkinson, 2013).

6. Conclusion

In this paper, the concept of governance was problematised in terms of the role it plays in SEOs’ sustainable eradication of extreme poverty in South Africa. With governance being a multi-dimensional concept, its meaning was differentiated from internal board governance, to show what the broader role of governance is. I furthermore attempted to clarify what kind of governance structures would enable SEOs to operate sustainably for the sake of policy makers, SEO senior management, and scholars in the field of social entrepreneurship. To do this, I critiqued the meaning of good governance as opposed to corrupt governance. I showed what the role is that policy, operations, and legal structures could play in good governance, enabling SEOs to have positive outcomes in terms of their economic, social, and environmental impact.

By having a qualitative research strategy, using multiple methods as part of a single case study, I adopted a neo-empiricist theoretical perspective. By ensuring objective truth through inductive logic, I had access to the subjective logics of respondents and interviewees, allowing me to explore links and discover patterns, taking the first steps towards building a transformational framework. Against this background, I was able to identify the kind of governance structures that would enable SEOs to operate sustainably, in spite of governance being severely fragmented. The proposed structures would address issues such as unemployment, inequality, and the population's exposure to harmful levels of air pollution, through good governance in terms of the enabling factor in policy, operations, and legal structures.

SEOs' priorities were determined based on the results of the descriptive survey, with opportunities, and challenges being determined through the triangulation of data by in-depth, semi-structured interviews. Analyses of these data confirmed the potential of SEOs being part of an ecosystem, through which improved actions would lead to the success of other stakeholders, leading to the creation of spillovers. The purposeful capturing of spillovers could contribute to the transformational framework, through which SEOs would be able to commit to sustainability, and thereby address to the sustainable eradication of extreme poverty.

This research allowed for unique theoretical contributions to the science of social entrepreneurship by determining the kind of governance structures that would enable SEOs to operate sustainably. With the integrated data forming pathways through which the severely fragmented dimensions of governance could be enabled, priorities for SEOs were determined according to the results of the descriptive survey. Logical connections pointed to unresolved issues and the severity of the fragmented sector of governance, but also pointed to opportunities that SEOs might pursue, based on the frequency to which specific opportunities and/or challenges were referred to during interviews.

Specific opportunities showed that where the dimensions of policy, operations, and legal structures overlap synergistically, it would result in trust becoming a governing tool, the capacity of the state being increased, and flexible legal structures accommodating the use of a two-sided business model to create social and business value. These opportunities would enable SEOs to operate sustainably in South Africa, and are summarised as follows:

Policy: The extent to which policies for SEOs in South Africa could contribute to the shift towards policies for "entrepreneurial economies" (Stam, 2015), would have to include sustainable practices that are ensured through new and revised policies. These policies would especially refer to child support grants, start-ups, and property rights, thereby contributing to the spirit of *ubuntu* which means *I am because we are*. Creativity and innovation are bred as trust increases and as risk and uncertainty is acknowledged. As policies are revised, renewed, and implemented, following an integrated value chain, the capacity of the state increases too.

Operations: Start-ups and growth of new businesses increase because of SEOs having a better awareness of tax implications, management of corruption and crime, human resources, and setting up strategic plans that would allow them to create social, environmental, and financial value. Project management includes respecting lead times, effective marketing strategies, and compensating staff appropriately in spite of small budgets. These operations form part of an integrated, sustainable value chain, reflecting the strategic direction of the social entrepreneur as well as the SEO.

Legal Structures: A portfolio of legal structures allows SEOs to use for- and non-profit structures, while applying double-sided social business models to find solutions for society, the environment, and the economy. Although the absence of suitable legal structures causes an institutional void, SEOs address this gap with creativity and resilience, thereby contributing to the change from a landscape of informal rules to one where formal structures allow for a growing economy.

This research furthermore allowed for unique pragmatic contributions to the science of social entrepreneurship. As SEOs compare themselves to, and discover, the challenges and successes of global movements such as the United Nation's Sustainable Development Goals (SDGs), SEOs and global bodies become aware of the reciprocal benefits of global partnerships. SEOs are invited to be partners in achieving the SDGs by 2030 and receive invaluable training by accepting such invitations. Global partnerships contribute amongst others, to the reconstruction of fragmented governance structures, the basin of a three-tiered fountain, and indirectly to the sustainable eradication of extreme poverty.

There are limitations to this research, in spite of the distinctive theoretical and practical contributions. Although the internal validity of my work can be justified in terms of appropriate criteria for qualitative research namely "credibility, transferability, dependability and confirmability" (Hoepfl, 1997, Lincoln and Guba, 1994, as cited in Gray, 2018,), it is difficult to fully justify its external validity. Case studies are used with priorities, opportunities and challenges based on the South African context. Furthermore, while data were triangulated with interviews and secondary data, relatively small samples are used, making the generalisation of findings challenging.

This research provides further research potential. While it offers one pathway through which the severely fragmented dimensions of governance could be enabled, there are also other pathways that need to be discovered in creating a unique category of SEOs that could contribute to the social entrepreneurial ecosystem. Reference has been made to the use of alternative financial instruments and the creation of sustainable social business models in the sustainable eradication of extreme poverty. However, the remit of this article does not allow for an in-depth analysis of these additional pathways. Future research based on these pathways would contribute to the development of a transformational framework towards the co-creation of sustainable change in the eradication of extreme poverty.

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Cite this article as: Corlea Johanna Human (2023). Governance Structures: Enabling Social Entrepreneurial Organizations in South Africa to Operate Sustainably. *International Journal of Management Research and Economics*. 3(1), 1-17. doi: 10.51483/IJMRE.3.1.2023.1-17.