SOCIAL ENTERPRISE GROWTH AND DEVELOPMENT IN SOUTH KOREA: A QUALITATIVE STUDY OF HYBRIDITY ACROSS MACRO, MESO, MICRO LEVELS

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A Thesis submitted to The University of Birmingham

For the degree of

DOCTOR OF PHILOSOPHY

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March 2024

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Abstract

Around the world, social enterprises have been increasingly recognised for their roles in dealing with social issues. In South Korea, social enterprises play a crucial role in the social service delivery, especially in the creation of employment opportunities. The number of social enterprises has been increasing rapidly; however, the nature of the growth and forces behind it must be carefully examined to enable them to be sustainable and function successfully.

The social enterprise has rarely been discussed from the perspective of multiple-level hybrid dynamics. However, hybridity makes social enterprises into a 'political arena' of conflicting logics inside at the micro-level, makes social enterprises interact with heterogeneous actors at the meso-level by attracting organisations from different sectors, and puts the social enterprises under the influence of macro-level forces that want to utilise those organisations for different purposes. In this sense, the development of social enterprises would best be understood by taking the perspective of multiple-level hybrid dynamics.

Thus, this research aims to deepen the understanding of how social enterprises are shaped, survive and develop from the perspective of multiple-level hybrid dynamics. The overarching question of the study is 'how do the macro-, meso- and micro-levels of hybridity-related dynamics shape the development of social enterprises in Korea?' Under this question, answers for the three sub-questions of 'how does the political, ideological, and socio-economic environment shape the development of social enterprises in Korea?', 'how do meso-level inter-organisational relationships shape the development of social enterprises in Korea?' and 'how do micro-level inner-organisational dynamics shape the development of social enterprises in Korea?' are explored.

To do so, this thesis provides an original contribution to the field through the development of a theoretical framework of social enterprise hybridity-related dynamics, based on a comprehensive and holistic multiple (macro-meso-micro) level approach. With this framework, the study explores each level of dynamics through empirical qualitative case study research involving interviews with social entrepreneurs, policymakers and support agents. The study presents how the dynamics of macro-level factors such as economic, political and social forces form the social enterprise sector, how meso-level inter-organisational relationships are related to the resource attainability of social enterprises, and how inner-organisational micro-level dynamics influence individual social enterprises' management.

As a result of the analysis, the study answers the research questions on each level of dynamics and the overarching question. At the macro-level, the economic, political, and social forces and discourses have had social enterprises contribute to the economy by hiring vulnerable people, counterbalance market and state failure by providing needed social services and solving social problems, and promote democracy by bringing about societal change. These dynamics have intervened in the construction of the social enterprise sector as well as the environment for social enterprises that is the domain of meso-level dynamics. Further, the macro-level political dynamics has influenced micro-level dynamics by encouraging individuals to favour certain values.

At the meso-level, social enterprises interact with other actors including the central government, local governments, KoSEA, local support agencies, private companies, and third-sector organisations to secure necessary resources. Social enterprises face institutional pressures in the relationships and deploy strategies such as isomorphism, impression management, resource diversification, cooperation, and networking to enhance their stable resource-achievability. The meso-level dynamics are under the influence of macro-level dynamics that influence the actors around the social economy sector, and also have impacts on the micro-level inner-organisational dynamics of a social enterprise by forming the conditions such as the resource-richness inside and outside the organisation that should be considered when making decisions. The strategies adopted for meso-level relationships often include the inseparable effects on the goals and structures of social enterprises.

At the micro-level, hybrid tensions and dynamics are observed and dealt with around founding motivations and aims, dual goals, diversification, internal standardisation, decision-making, Organisational Citizenship Behaviour (OCB), Public Service Motivation (PSM), internal motivation, and management of organisational culture.

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CHAPTER 1 Introduction

1.1 Research Background and Motivation

This thesis delves into the phenomenon of social enterprises to comprehend their success which is often characterised as ‘healthy growth’, 'balanced growth', or 'dual-goal achievement'. In pursuit of this understanding, the research specifically centres on hybridity, recognising it as the fundamental nature of social enterprises. The hybridity derives from the mixture of heterogeneous logics. It is important because it brings about tensions, conflicts, and dynamics in a multi-layered reality in and around social enterprises. This, in turn, affects both the organisational surroundings and the operational aspects of social enterprises, ultimately determining the success or failure of these organisations. Hence, this thesis seeks to deepen understandings of the success and the reality of social enterprises by focusing on the multi-layered dynamics that are a result of their hybridity. The study specifically examines South Korean cases, broadening our understandings of social enterprises that have been geographically limited and facilitating cross-border learning.

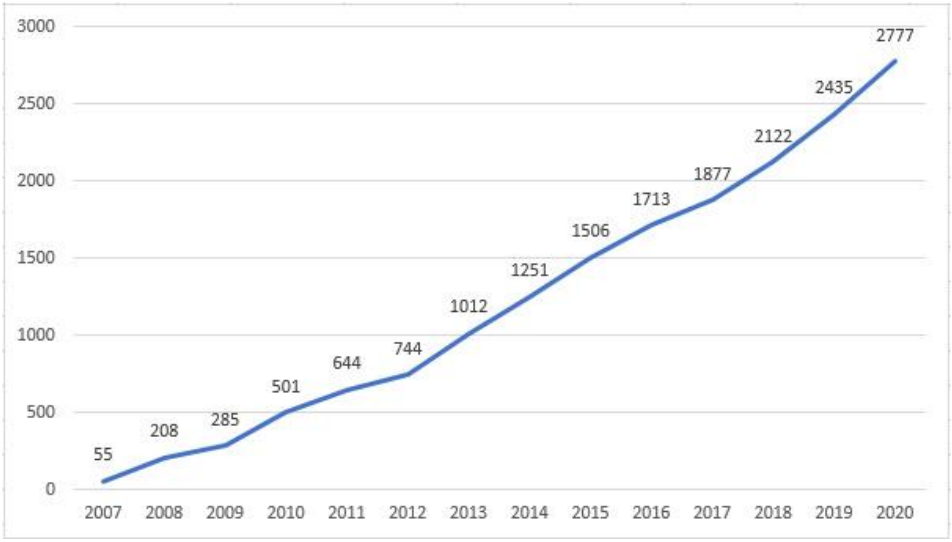
Social enterprise is broadly understood as a hybrid organisation that pursues social and economic goals simultaneously combining different logics. For example, the UK Government defines social enterprise as “**a business** with primarily **social objectives** whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners" (DTI, 2002). The Korean Government defines social enterprise as “a business or organisation that mainly pursues **social purposes**, such as providing jobs or social services to the disadvantaged, **carrying out business activities** in producing and trading goods and services” (Social Enterprise Promotion Act, 2010 Article 2).

With this hybrid nature, social enterprises are expected to work well with actors from different sectors, and in turn, currently considered as crucial components of the ‘new governance’ in many countries (Kooiman, 2003, 1993; Pierre and Peters, 2000;

Rhodes, 1997). In these new governance networks, these organisations are expected to be financially sustainable and create social values not only effectively providing social services and employments of the marginalised but also promoting social capital, by combining the strengths of both charities and private companies (Bertotti et al., 2012; Campbell and Sacchetti, 2014).

With these expectations, the number of social enterprises has been rising rapidly over the world (Defourny and Nyssens, 2021a; 2021b). For example, in Korea, the number of social enterprises has increased dramatically over the last ten years as seen in Graph 1.1.

Graph 1.1. The Number of Social Enterprises in Korea

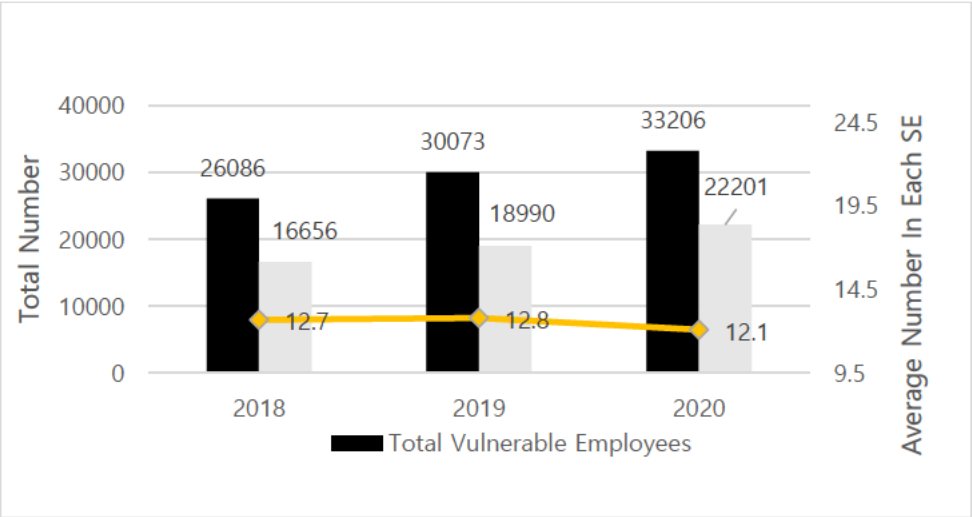


(http://www.socialenterprise.or.kr)

The increasing number of social enterprises is a sign of the sector's growth; however, rather than focusing exclusively on the number of organisations, one must carefully examine the nature of that growth and the forces behind it. The increasing number of social enterprises does not always guarantee the healthy growth of the sector. For example, although the general number of employees hired by South Korean social enterprises is increasing, the proportion of vulnerable workers and non-vulnerable workers has changed differently. As Graph 1.2 suggests, whilst the number of non-vulnerable employees increased by 16.9% in 2020, the number of vulnerable employees increased only by 10.4% (KoSEA, 2021). This implies that social

enterprises have hired more non-vulnerable workers than vulnerable workers.

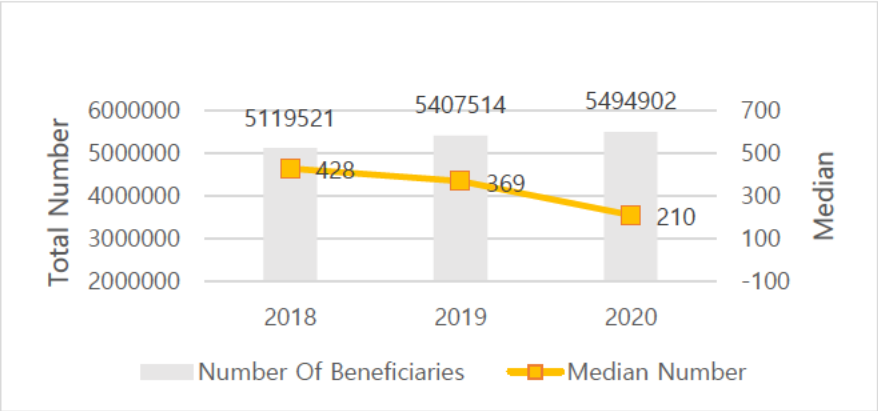
Graph 1.2. The Number of Employees in Social Enterprises in Korea



(KoSEA, 2021)

According to graph 1.2, the average number of employees at social enterprises decreased from 12.7 in 2018 and 12.8 in 2019 to 12.1 in 2020 (KoSEA, 2021). According to graph 1.3, regardless of the slightly increased number of total beneficiaries, the median of beneficiaries of each social enterprise has fluctuated and decreased from 248, to 369, to 210, in the year of 2018, 2019 and 2020 respectively, demonstrating that Korean social enterprises have become less capable, successful or sizeable.

Graph 1.3. The Beneficiaries of Social Enterprises in Korea



(KoSEA, 2021)

In order to figure out clues to remedy these problematic situations and enable social enterprises work effectively, this study suggests a new understanding of social enterprise phenomena from the perspective of multi-layered dynamics derived from hybridity. This research links the concept of hybridity to the power dynamics of social enterprises. Also, it takes a multiple-level approach to introduce a systematic and holistic view. The hybridity that is inherent in social enterprises turns those organisations into a 'political arena' of conflicting logic inside at the micro-level, makes them attract and interact with heterogeneous actors from different sectors at the meso-level sharing some logics with them, and puts the social enterprises under the influence of macro-level forces that want to utilise those organisations for different agenda.

The social enterprise has rarely been discussed from the perspective of multiple-level hybrid dynamics. However, as the dynamics often determine the formations, operations, as well as the success of social enterprises, the perspective of multiple-level hybrid dynamics could provide a deeper understanding of social enterprise phenomena in a society. Through this approach, the thesis strives both to expand our theoretical knowledge of social enterprise success and provide practical insights into how we can ensure social enterprises survive and achieve goals. This understanding could be particularly useful in countries such as Korea, where the focus has been on the number of social enterprises.

Although the construction and growth of social enterprise sectors have differed across societies (Kerlin, 2006; Defourny and Kim, 2011; Sengupta and Sahay, 2016; Kerlin et al., 2017), research has been limited to particular countries such as European countries and the US (Granados and colleagues, 2011). Studies conducted in various countries can facilitate comprehensive understandings and cross-border learning. Thus, this study investigates the relatively underexplored Korean social enterprise sector.

There must be features in common between the social enterprise phenomena in Korea and western countries, as most main actors in and around Korean social economy sector were inspired by and referenced cases in western nations. However, there must

also be peculiar characteristics as a result of a unique socio-economic context of Korea. In Korea, the domestic circumstances associated with the developmental state, the productive welfare regime, in addition to the global trends of neo-liberalism, New Public Management (NPM) and New Public Governance (NPG) have enabled social enterprises to be introduced, institutionalised, and fostered (Hahn and McCabe, 2006; Kwon and Holliday, 2007; Bidet and Eum, 2011; Lee 2014). Particularly, the government's political interest and support led to an exponential increase in the number of Korean social enterprises following the establishment of the Social Enterprise Promotion Act (SEPA) in 2006 as seen in Graph 1.1, although there have been contributions of other sectors to this (Choi, 2012).

To summarise, this thesis was inspired by the growing policy and academic interest, as well as the actual increase in social enterprises across the world. Focusing on the multi-layered dynamics related to social enterprise hybridity, the research attempts to provide a better understanding of the phenomena to let those organisations thrive and reach their goals as expected. This thesis pays special attention to the Korean context where the number of social enterprises is dramatically increasing while there are equally increasing concerns regarding their sustainability and the ability to achieve goals.

1.2 The Emergence and Development of Social Enterprise within the Korean Welfare Mix

This section presents the social contexts surrounding the emergence and development of Korean social enterprises, which revolves around the welfare mix. It first reviews the development of the welfare system in Korea. It then explores the emergence and growth of Korean third-sector organisations in relationships with Korean welfare mix. After that, it explains the development process of social enterprises, navigating its relationships with civil society, welfare regime, as well as domestic and global politics. By doing so, it shows how the social enterprise sector

has grown as a part of Korean welfare mix. It particularly explores the unique conditions that shaped the development of the Korean welfare system and hybridity in the welfare mix.

Explanations have been provided regarding the contexts and conditions contributing to the rise of social enterprises. One frequently discussed factor is the welfare mix with increasing hybridity in the welfare service system (Lim and Endo, 2016; Kim, 2008). The welfare mix is “the combined, and interdependent way in which welfare is produced and allocated between state, market, family and the third sector” (Longo et al., 2015). Along with the withdrawal of the state from welfare provision, the concept of welfare mix or welfare pluralism suggesting the existence of multiple welfare service providers has emerged in European countries (Evers, 1995; Powell, 2007). In Korea, however, social services have always been delivered by multiple suppliers due to the late development of the state welfare system. As explained in the next section, international aid organisations, government-sanctioned third sector organisations, and unregistered anti-government third sector organisations were among the service providers filling the institutional void. In addition to that, the welfare mix has been strengthened in the country as the Korean government decided to depend on those non-state providers’ roles in expanding welfare services. (Kim, H. W., 2009; Lim and Endo, 2016; Park, Lee, and Wilding, 2017).

1.2.1 Development of Welfare System in Korea

The Belated Welfare State Development

Scholars studying theories related to the development of the welfare state have deliberated on the conditions for state welfare. Industrialisation, democracy, power resource and statism are among the most discussed and acknowledged ones. However, as a result of unique features, the Korean welfare state has been underdeveloped although the nation has fulfilled those conditions.

First, industrialisation has been widely discussed as a condition for the development of a state welfare system. However, unlike European countries, industrialisation in Korea did not result in welfare state-building, because the government focused on ‘export-oriented industrialisation’ and the concern for price competitiveness in the global market hindered any policymaking that could increase labour cost (Yang, 2013; 2017). Instead, the focus on the export-oriented industrialisation strategy let the government provide a minimum welfare benefit that is thought to be enough to maintain the ‘labouring poor’ that is the basis of the development of Korean Capitalism (Hwang, 2002). As the ‘productivist welfare capitalism’ theory suggests, the Korean developmental government’s focus on export-oriented economic growth has led them to prioritise economic goals over building a welfare state, by subordinating social policies to economic ones (Holliday, 2000; Kwon and Holliday, 2007; Yang, 2013).

Second, democratisation also has been discussed as a pillar for the state welfare system (Marshall,1950,1963; Thoenes,1962), however, the development of the welfare state has been deterred even after democratisation in Korea. This was because the Korean democratised political system based on a single-member district scheme has not successfully represented the political left or the general socio-economic interest in society (Yang, 2013; 2017). Particularly, the two-party system fostered by the democratised system in Korea, where geographically targeted interests are utilised for winning strategies and issues linked to an unpopular tax increase are avoided, has hindered welfare state building (Yang, 2013; 2017).

Third, welfare state-building is known to be promoted by class-related collective actions (Korpi, 1983; 2006; Esping-Andersen, 1990). However, this process has been limited in Korea due to the weak leftist parties as well as the fragmented trade unions that have focused on insiders’ short-term material interests such as high wages and employer-provided benefits rather than solidarity-enhancing public welfare (Yang, 2013; 2017). This was a result of the repressive developmental state’s policy that only permitted unions at the company level and banned collective action beyond it (Yang, 2013; 2017).

Fourth, in terms of statism, the key actors including state managers and policy expertise as well as political learning promote welfare state-building (Heclo, 1974;

Orloff and Skocpol, 1984). Korea had those conditions such as elite bureaucrats, centralised governance structure, and related few veto points in the policy-making process; however, the strong authority and power given to the economic ministries by the legacy of the developmental state deterred the development of the welfare state by making the economic bureaucrats with conservative fiscal views the strong veto players against social expenditure (Yang, 2013; 2017).

As such, although South Korea fulfilled multiple conditions for welfare state building, mainly due to the above-discussed reasons, the welfare state development has been somewhat behind its economic development in the nation.

Development of a Welfare System

Esping-Andersen's widely used welfare state regime typology classifies welfare regimes into conservatism, liberalism, and socialism. The conservative welfare regime advocates the 'status differentiating' welfare programmes rather than the promotion of equality (Esping-Andersen, 1990; Bambra, 2007); the benefits in a conservative welfare state regime are often related to earning, and the redistributive effect is limited. The liberal welfare regime emphasises self-reliance highlighting work rather than welfare, being portrayed by means-tested welfare benefits, the importance of the private sector in pensions, and private health spending. The social democratic regime is marked by its universalism, relatively generous benefits, dedication to full employment and income protection, and promotion of equality through a redistributive social security system.

Not fitting one category of the typology, Korea has often been placed within liberal or conservative welfare regimes due to its low social expenditure and dependency on employers and family (Esping-Anderson, 1997). The perspectives on Korean welfare regime more differentiated after the so called 'welfare reform' around 1997-1999 (Yang, 2000; Kwon, 2002; Ku, 2007). As the traits of the Korean welfare regime have been seen differently by different viewers, Powell and Kim (2014) mention that the Korean welfare regime shows its appearance like a chameleon.

There have been various concepts that were utilised to explain Korean welfare system. For example, the concepts of ‘Confucianism’ and ‘strong familism’ representing the welfare dependency on family have long been utilised to capture the characteristics of the Korean welfare system (Bambra, 2007; Abrahamson, 2017). ‘Productivism’ is one of the most widely discussed and acknowledged one concept. Welfare productivism means “social policy’s subordination to other state policies for economic growth” (Holliday, 2000). Based on Holliday’s (2000) concept of the productivist welfare regime, Wilding (2008) discusses, through a case study of East Asian countries including Hong Kong, Korea, Singapore and Taiwan, that the concept of the East Asian Welfare Model (EAWM) that is the productivist welfare regime is still useful (Wilding, 2008).

The development of the Korean welfare regime is closely linked to the economic, social and political context particularly around the 1997 economic crisis (Kwon and Holliday, 2007). The sudden economic collapse and subsequent mass lay-offs at that time revealed in quite a dramatic way the limitations of the country’s welfare system that had been sustained by steady economic growth, almost full employment, and women’s caring in families based on male breadwinners’ income (Ku, 2007). With this as an impetus for change, the Kim Dae-Jung Government suggested ‘productive welfare’ which is referred to as the Korean ‘third way’ (Mishra, 2004; Hahn and McCabe, 2006). The notion of the scheme suggested by the Kim administration is compared to past policies that had always prioritised economic growth in favour of ‘welfare through economic growth’ or the ‘trickle-down effect’ for putting social welfare and economic efficiency at the same level of importance. It recognised the state’s responsibility for the ‘social rights’ of citizenship. However, still in line with the productivist welfare policy, it also held great economic considerations emphasising productivity, work incentives and employment, which has led to mixed views on the system. As a result, while some consider it a starting point for genuine welfare statism in Korea even with a potential towards a social democratic type of welfare regime, many see it in accordance with neoliberal tendencies (Lee, 1999; Shin, 2000; Ramesh, 2003; Kuhnle, 2004; Gilbert, 2004).

Political factors also played an important role in letting the Government adopt productive welfare policy with economic considerations during the welfare reform

(Kuhnle, 2004; Mishra, 2004). Facing the aforementioned challenge, the progressive president Kim Dae-Jung wanted to take a universality, equity, rights, and state responsibility-based approach rather than a residual one (Mishra, 2004). However, not holding the majority of Parliament seats, he had to adopt the concepts of 'third way' or 'welfare-to-work' to persuade the conservatives, imposing the responsibility to work on beneficiaries of public aid (Bidet and Eum, 2011).

With authoritarianism remaining in state institutions, the welfare-friendly president from a party that did not hold the majority seats in Parliament cooperated with civil society actors (Bidet and Eum, 2011). As the tension between the two sectors was appeased with democratisation, civil society willingly took active roles in overcoming the 1997 crisis by partnering with the democratic government that was experiencing financial difficulty and limited capacity. The voluntary organisations, with the coalition of civil society organisations 'Solidarity to Overcome Unemployment' in the centre, participated in various joint projects and ran job programmes, such as the Public Work Programme (PWP), as some of these were entrusted to voluntary organisations. PWP was launched as a temporary welfare-to-work measure to deal with mass unemployment and support livelihood, which later was included in the government welfare system under The National Basic Living Security Act (NBLS). After the inclusion, the recipients of NBLS became obligated to participate in those programmes if they were able to work, in order to obtain the full benefits. Thus, the welfare-to-work programmes incorporating third-sector organisations were adopted in the process of building a basic public assistance system, which was a reasonable compromise in a society that still found it hard to embrace the able-bodied poor (No et al., 2010).

In the sense that the central issues have always been economic growth and other policies including social policy have been subordinated to it, Korea could be categorised as a productivist welfare regime. This is evident once again in the next section, which explores the development processes of the welfare mix and social enterprise in Korea.

1.2.2 Exploring the Welfare Mix and Third-Sector Organisations in South Korea

The Emergence and Growth of South Korean Third-Sector Organisations

Third-sector organisations including social and political associations have been recognised as the constituents of civil society (Tocqueville, 1988; Woldring, 1998; Kim, I., 2004). Third-sector organisations are expected to contribute to the progress of democracy as intermediaries between the state and the people (Ibid.). In European countries, third-sector organisations increased explosively from the 1960s, with the so-called new social movements.

However, South Korea shows different pathways. Historically, it was difficult in Korea to say that there was something that could be called third sector or third-sector organisations until the Korean war. Then, during the consecutive authoritarian regimes, third-sector organisations were strictly repressed as they were considered to be on the oppressed people (*minjung*)'s side with anti-government stances except for a certain group of government-sanctioned third-sector organisations.

After long repression and restriction under the authoritarian regimes that continued for several decades, the number of Korean third-sector organisations has surged since democratisation in the late 1980s, as citizens' movements responded to societal desires for a better life (Errington, 2004; Kim, H-R., 2000; Kim, I., 2004). Around the turning point of 1987 from which South Korea started transitioning to democratisation, new generations of third-sector organisations emerged outnumbering the oppressed-people (*minjung*) based movements and anti-dictatorship movements that prevailed under authoritarian regimes (Kim, H-R., 2000).

These organisations quickly expanded their agenda and participated in various issues such as the environment, women's rights, human rights, and economic justice (Kim, H-R., 2000; Kim, I., 2004). Among the new generation third-sector organisations established in the 1980s and 1990s, the Citizens' Coalition for Economic Justice (CCEJ) that is a voluntary organisation aiming at social justice, the Korean Federation of Environmental Movement (KFEM) that is the largest environmental NGO in Korea

and the People's Solidarity for Participatory Democracy (PSPD) that is an umbrella organisation to keep state power under check by participatory democracy are considered to be the representative organisations (Kim., H-R, 2000). Despite their differences, they have consistently attempted to build networks of civil engagement to promote citizen participation and pluralistic society (Kim., H-R, 2000).

South Korean Third-Sector Organisations as a Constituent of the Welfare Mix

In Korea, the voluntary sector has been supplemental, complementary or adversarial in the relationships with the government, taking part in the delivery of social service (Kim, S., 2019). Whilst the roles of voluntary sector has changed, as a productivist welfare state, the Korean government has kept attempting to mobilise the resource of non-state sectors while regulating and controlling them (Kim, T., 2007). In this section, the changes in the relationships between the state and third sector from the time of the Korean War to democratisation are illustrated. In the process, the roles of Korean third-sector organisations as constituents of the welfare mix are clarified.

After the Korean War, the voluntary sector mainly consisting of international aid organisations filled the institutional void in delivering social services in Korea (Kim, S., 2019). The international aid organisations worked for emergency relief, establishing and operating social welfare institutions including orphanages and community welfare centres (Kim, S., 2019). However, these organisations gradually left the country despite and due to the government's attempt to control them through the National Relief Coordination Committee established in 1962 and the Foreign Voluntary Organisation Law enacted in 1963 (Kim, S., 2019). The places that those international aid organisations left were gradually filled by government-sanctioned third sector organisations and their social welfare institutions (Kim, S., 2019).

From 1962, the state pursued the government-led economic growth as a mercantilist[1]

[1] South Korea has been categorised as a mercantilist nation in terms of the political economic system. In a mercantilist state, the state has both high autonomy and capacity. This concept has overlapped a lot with the

and developmental state through seven consecutive 'five-year economic development plans'. The public servants exercised proactive roles and led society for economic development (Park, 2009; Jeong, 2015). Although the value of distributive justice was added as rhetoric to the plans, it was considered as an unimportant issue (Kwon, 1997; Kim, T., 2008; Park, 2009; Lee E. S., 2015). During the authoritarian regime, state welfare programmes such as a livelihood protection scheme (1961), industrial accident insurance scheme (1963) and health insurance scheme (1963) were introduced. These programmes were to provide healthy workers for economic development or to invest pension funds in the heavy chemical industry rather than to guarantee citizens' social rights (Kim, S., 2019). Accordingly, these insurances were offered for limited people. For example, health insurance was applied to workers in large companies first, and the public assistance excluded working-age individuals to motivate them to work. The introduction of these programmes is interpreted as a strategy to legitimise the authoritarian political regime as well as the traits of a productivist welfare regime (Kwon, 1999).

With the Social Organisations Registration Law (SORL) enacted in 1962 that had required all voluntary organisations to be registered, third-sector organisations were divided into so-called 'government-sanctioned' third-sector organisations that met the state criteria, got registered and stayed apolitical, and the 'unregistered' third-sector organisations with an anti-government stance based on the oppressed people (*minjung*) (Kim et al., 2011; Kim, S., 2019). The 'government-sanctioned' voluntary sector organisations were mobilised for the complementary role in providing social services. Those government-sanctioned voluntary sector organisations ran institutions to deliver social services with subsidies that covered 65-85% of the operational costs, whilst the unregistered organisations with anti-government stance operated day care centres, free clinics and night schools in urban slums, industrial zones and rural villages to not only to help them economically but also to enlighten and empower the oppressed people as parts of anti-dictatorship and anti-government movements (Kim, S., 2019).

developmental state (Johnson, 1982; Woo-Cumings, 1999; O'Neil, 2012). The high autonomy and capacity lead to the bureaucrats' proactive roles in decision-making (Johnson, 1982; Woo-Cumings, 1999).

With the transition to democracy in the late 1980s, the democratic government gradually increased social expenditure, extended the coverage of existing programmes and introduced new schemes. However, social spending did not increase to a meaningful level, as the conservative party was still the majority in the Parliament, trade unions were fragmented and the newly built Labour party was too weak to lead the construction of a welfare state (Yang, 2017; Kim, S., 2019).

Meanwhile, social activists played important roles in the advancement of social policy in the post-democratisation phase (Kim and McNeal, 2005). The number of newly founded voluntary organisations surged after the abolition of the Social Organisation Registration Law in 1994 that followed the nation's democratisation, and the third sector was diversified as the activists who had mainly focused on the anti-dictatorship movements started variegating their agenda (Jang, 2006; Mendell et al., 2010; Lee, 2014; Shin et al., 2012; Bidet, 2002; Lee, 2014). They disseminated the concept of social rights, and groups of activists with the People's Solidarity for Participatory Democracy at the centre campaigned, petitioned and even prepared bills to be submitted to the National Assembly to legislate welfare policies (Kim, 2019). In addition to policy advocacy, there was a noticeable change among the oppressed people (*minjung*)-based movement groups that had had anti-dictatorship and anti-government stances. They started partnering with democratic governments in delivering social services.

Due to economic and political factors, democratic governments consistently leveraged partnerships with traditional social welfare institutions. In addition to that, it extended the collaborations to include groups that had previously opposed authoritative governments. The aim of the collaborations was to deliver necessary social services at a reduced cost utilising resources in the non-state sector, rather than establishing state facilities and infrastructure. In that process, the Korean social economy sector started being boosted by government supports.

In the Korean welfare mix, the voluntary sector has taken roles in filling the void in social service and had greater roles in the process of the construction of the welfare system, whereas in many European countries, the sector has played a greater part in

the process of welfare reform or the downsizing of the state welfare system. The Korean government has taken a minimal role in direct welfare service provision, putting the responsibility onto non-state sector actors. The following section will discuss how the motivations behind the adoption of social enterprise policies could be interpreted in the same vein (Park et al., 2017).

1.2.3 Understanding the Development of Social Enterprises within the Welfare Mix

Self-support Movements and the Emergence of Social Enterprise in Korea

Many have suggested that the Korean social enterprise has its roots in the self-support movements that were worker or producer cooperative movements in poor urban residential areas in the 1990s (McCabe and Hahn, 2006). Among the variegated voluntary organisations that sprouted after democratisation, cooperative movement organisations included these worker or producer cooperatives that were called ‘self-support communities’ or ‘production communities’ along with consumer cooperatives and medical consumer cooperatives. These newly emerging cooperatives were different from the traditional cooperatives that had been formed through top-down processes, strictly monitored and controlled by the government, and were perceived as state-agency-like or quasi-governmental organisations (Bidet, 2002). The authoritarian regimes controlled the traditional cooperatives such as the National Agriculture Cooperatives Federation and other regional cooperatives by, for example, designating chairmen of those organisations (Jang, 2006; Shin, 2009; Lee, 2014). In contrast, many of the newly formed cooperatives including self-support movement organisations were built through a bottom-up way based on the urban poor movements against eviction, poverty and dictatorship in the 1970s and 1980s (No et al., 2010). These organisations also sought the community-based alternative economy that differed from shareholder capitalism (Baek and Cho, 2009).

However, the self-support movement was soon institutionalised and became incorporated into state social policy to redress the weakness of existing unemployment schemes including the Public Work Programme (PWP) (Park and Wilding, 2012). The self-support movements were institutionalised through two phases. In the first phase, as a part of attempts to quickly expand services dealing with unemployment issue, the Kim Young-Sam government (1993-1998) started a pilot project in 1996 designating and funding several self-support promotion centres to support those cooperatives. Many self-support activists, who were struggling with issues such as funding and competitiveness in the market, willingly collaborated with the government. That was an experimental and partial institutionalisation of the movements. In the second phase, the self-support programme became institutionalised nationwide in 2000 by the National Basic Living Security (NBLS) Act under the Kim Dae-Jung Government (1998-2003) which had to deal with severe unemployment and poverty issues in the aftermath of the 1997 economic crisis.

The NBLS Act that was enacted as a part of the productive welfare scheme guarantees the benefit entitlement for every citizen under the minimum living standard regardless of their working ability for the first time in Korea, which is a critical turning point in the Korean social policy (Kwon and Holliday, 2007; Jeong, 2015). However, for the full entitlement, recipients with working capacity must participate in welfare-to-work programmes i.e. self-support programmes (Hahn and McCabe, 2006; Kwon and Holliday, 2007; Bidet and Eum, 2011; Lee, 2014). The programme was operated in partnerships; the ‘self-support promotion centres’ were government-funded and mostly operated by third-sector actors to support and help benefit recipients get trained, have opportunities to work and start ‘self-support enterprises’ as their own businesses (Bidet and Eum, 2011; 2015; Kim, S. 2013). The government suggested and disseminated five standard business models for those organisations which are recycling, food-waste recycling, caregiving, cleaning and house maintenance to allow more third-sector organisations and people to quickly join the scheme nationwide.

As the self-support enterprises struggled in competitive conventional markets, the concepts such as ‘protected market’ and ‘social workplace’ were discussed first in civil society and adopted by the government (Kim, 2008; Baek and Cho, 2009; No et al.,

2010). The Roh Moo-Hyun government (2003-2008) launched the 'social workplace creation programme' in 2003. The concept of 'social workplace' referring to jobs for the marginalised in the social service market linked 'employment' with 'social service provision' that was in short supply, focusing more on the concept of social service 'market'. The 'social workplace creation' meant to develop the labour market in the social service sector, which was considered to be relatively favourable to the vulnerable (Hahn and McCabe, 2006; Hwang et al., 2017). The government created social workplaces in the service market where private enterprises hesitated to enter by implementing policies such as voucher programmes to provide social services to children, youth and the like (No et al., 2010). This attracted self-support enterprises as well as other social enterprises that were emerging at that time to be providers of the new service schemes (Bidet and Eum, 2011). As such, although it appeared relatively later as a policy agenda, social service provision became one of the two main drives for the SEPA enactment along with the employment issue (Bidet and Eum, 2011).

The institutionalisation of self-support organisations as parts of a welfare-to-work scheme, the following mandatory participation of the beneficiaries, the dependency on the government budget, and the dissemination of standardised models inevitably changed the characteristics of the organisations, undercutting the motivations of people conducting mandatory tasks as well as reducing the vitality and experimental attempts in business models of the organisations (No et al., 2010). Many social activists who took part in the Public Work Programme (PWP), Self-Support Programme (SSP) or Social Workplace Programme (SWP)[2] warned that excessive dependence on governmental funding could lead to the risk of becoming agent-like organisations. Also, these organisations had the limitations of providing precarious low-skilled jobs with low income.

Accordingly, in attempts to address these issues, civil society activists started to consider the social enterprise in Europe and the USA as their ideal or alternative model to the existing programmes (Bidet and Eum, 2011). Thus, the term and concept of

[2] SSP and SWP can be seen as state-led programmes in the form of social enterprise (Jeong, 2015).

social enterprise first started to be introduced by civil society activists in the 1990s as a breakthrough to overcome the constraints of the programmes already in place (Bidet and Eum, 2011). Although there already existed organisations with features of social enterprises and organisations calling themselves social enterprises, the term was still new and unfamiliar to the public and even many of the social enterprises themselves. Civil society activists put effort into introducing and disseminating the term and concept of social enterprise, educating social entrepreneurs and spreading the positive image of the concept through seminars, forums, workshops and publications (Lee, E.S., 2015).

The government, also knowing the limitations of the existing programmes, recognised the potential of social enterprise as an alternative (Lee, 2014; Kim, 2008; Defourny and Kim, 2011). As a consequence, the Social Enterprise Promotion Act (SEPA) was enacted in 2007. From then on, the institutionalisation of social enterprises in South Korea began.

Many organisations that had started as self-support organisations or social workplace programmes turned into social enterprises by being certified based on SEPA. These organisations were entitled to be called social enterprises through the certification in accordance with the law. Among the social enterprises that were certified in 2007 which was the first year of certification, 13 (23.6%) organisations were derived from self-support programmes and 22 (40%) organisations were from social-workplace creation programmes (Baek and Cho, 2009), which definitely shows the way Korean social enterprises have developed.

On balance, the concept of social enterprise was first introduced to South Korea in association with job opportunities in the aftermath of the 1997 financial crisis that was threatening the society. The self-support movements which had been inspired by the initial organisations of the social economy sector in Europe are particularly said to have formed a foundation for Korean social enterprises that followed this movement (Bidet and Eum, 2015). At this stage, these organisations bore the features of social enterprises; however, they were rarely called social enterprises as the term and concept were not introduced. As the incorporation of existing organisations and programmes into government welfare scheme revealed significant weaknesses,

including a heavy dependence on government support and shortcomings in motivation, job quality, and innovative spirit, both civil society activists and the government saw the introduction of social enterprise concept as a solution. This marked the inception of development of Korean social enterprises - which is called social enterprises -.

Social Enterprise Promotion Act (SEPA) and the Development of the Social Enterprise Sector

As the Social Enterprise Promotion Act (SEPA) was enacted in 2007, the term of 'social enterprise' first appeared within a legal context in Korea. The following proactive support from the government based on the act has strongly influenced the sector's growth (Bidet, et al., 2018). As a result, one of the most discussed characteristics of South Korean social enterprises became the government's proactive role in the development of the sector (Jeong, 2015; Park, Lee, and Wilding, 2017).

The South Korean economy gradually recovered from the crisis; however, the society has seen fundamental socio-economic changes that have given rise to new challenges. In addition to the stalled economic growth, the transitions into the new industrial structure and technology brought jobless economic growth, the subsequent permanency of mass unemployment, job precariousness, income disparity and an increment in poverty. The raised flexibility in the labour market that was partly attributed to the neo-liberal reforms in line with the International Monetary Fund (IMF)'s prescription brought more instability in the society. The change in demography was apparent; as the fertility rate went from 1.65 in 1993 to 0.78 in 2022, and the population over 65 went from 7.03 per cent in 2000 to 15.7 per cent in 2020 (Korean Statistical Information Service (KOSIS); http://kosis.kr), the society was aging. The family structure also changed; the rate of working women (39.3 per cent in 1970 to 54.6 per cent in 2021) and single-person households (9 per cent in 1990 to 33.4 per cent in 2021) has been growing (Korean Statistical Information Service (KOSIS); http://kosis.kr). As a result, escalating demands for policy measures, especially asking for proper social service and employment opportunities, became critical policy agenda.

Facing the challenges, in accordance with the historical tendency of low social spending and private resource mobilisation, the government again chose to keep utilising the resources in non-state sectors through the social enterprise scheme (Park, 2008; Park and Wilding, 2012; Lee, E.S., 2015). The government intentionally chose social enterprise for policy goals and artificially promoted the sector's growth through policy schemes.

Jeong's study (2015) explains that the context of the development of South Korean social enterprises, which has been driven by the government's intent to mobilise profit and non-profit sectors as a public policy provision tool, was based on the experience of the developmental state, Confucian culture, a relatively smaller-scale welfare state, medium-level governance capability, and statist-style civil society. Park, Lee and Wilding (2017) suggested that the top-down decision-making culture and the state's strong role in regulating and mobilising the non-state sectors for policy goals, which have been the nation's long-lasting legacy, became the critical conditions for the government-led social enterprise construction process in Korea.

Once the government chose social enterprise as a policy tool, the rapid growth of social enterprise followed. With the enactment of SEPA in 2007 under the Roh Moo-Hyun administration (2003-2008), the government began actively fostering and promoting social enterprises. Actors in civil society and the self-support sector engaged in the process, but their role got reduced as the government took the lead during and after the enactment of SEPA.

The strong intent to utilise social enterprise as a policy tool is reflected in the policy (Jeong, 2015; Kim and Moon, 2017; Park, Lee and Wilding, 2017). Social enterprises and social enterprise policies in the UK, Italy and the USA that were considered as leading models or good examples became references for the South Korean government. SEPA is said to be inspired by 'Law 381/91' on the social cooperative in Italy (Oh, 2013). The approval system is said to be inspired by the policy of the UK on the registration system of Community Interest Companies (CICs) (Park, Lee, and Wilding, 2017). Numerous instances of American, Italian and British social enterprises were introduced as examples. Nonetheless, at times, those references were

deliberately selected and construed in a specific manner to align with the government's agenda. For example, the British WISE was deliberately more focused on promoting social enterprises that hire vulnerable people, and the approval system for control was adopted by being wrongly legitimised by the registration system of CICs which is fundamentally different from the approval system (Park, Lee and Wilding, 2017).

The government chose the approval system that was linked to the government support package to effectively promote social enterprise with particular traits. Under the system, social enterprise is defined as "one that pursues a social objective aimed at enhancing the quality of life of community residents by providing vulnerable social groups with social services and job opportunities while conducting its business activities, such as the production and sale of goods and services." Organisations should meet requirements set by the article 8 of SEPA to become social enterprises according to Article 7 of the act[3]. Non-certified ones that call themselves social enterpris5455es or other similar ones can be fined according to Article 19 of SEPA[4].

According to Article 8 of SEPA[5], the certification requirements are about the type of organisation; paid workers; social purpose; decision-making system; revenue; articles

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[3] *Social Enterprise Promotion Act, Article 7 (Certification of Social Enterprises)*

(1) Any entity that intends to operate a social enterprise shall meet the certification requirements prescribed in Article 8 and obtain certification from the Minister of Employment and Labour.

[4] *Social Enterprise Promotion Act, Article 19 (Prohibition against Use of Similar Names)*

No person other than a social enterprise shall use the name of "social enterprise" or any other similar name.

[5] *Social Enterprise Promotion Act, Article 8 (Requirements and Procedures for Certification of Social Enterprises)*

(1) Any entity that intends to obtain certification as a social enterprise shall meet all of the following requirements: <Amended by Act No. 11275, Feb. 1, 2012>

1. That it shall assume the form of an organization prescribed by Presidential Decree, such as a corporation or association as defined in the Civil Act, a company or limited partnership as defined in the Commercial Act, a corporation established under any Special Act, or a non-profit, non-governmental organisation;
2. That it shall employ paid workers and conduct business activities, such as production and sale of goods or services;
3. That the primary objective of the organization shall be to realize social objectives, such as enhancing the quality of life of community residents by providing vulnerable social groups with social services or job opportunities, or by contributing to the communities. In such cases, the detailed criteria therefor shall be prescribed by Presidential Decree;
4. That it shall have a decision-making structure in which interested parties, such as the beneficiaries of services and employees, participate;
5. That the revenue generated through its business activities shall meet or exceed the standards prescribed by Presidential Decree;

of incorporation; and the usage of profit for social objectives. According to the criteria set by the law and decrees, the entity has to have a form of an organisation designated in the law. An organisation must execute business activities producing and selling goods and services by employing one or more paid workers. An organisation must belong to one of the five types of the realisation of social purposes: job-providing type, social service provision type, local community contribution type, mixed type and other-type. An organisation must have a decision-making structure which involves various stakeholders including the representatives of workers or the beneficiaries of the services, the representatives of guardians, sponsors, persons in charge at related companies or related local government, and respected persons in the local community in addition to the executives or directors of the organisation. The total income made through business activities for the past six months before the application should be more than 30% of the total labour cost.

The South Korean government also launched the 'prospective' - or 'preliminary' according to the translation - social enterprise policy. Prospective social enterprises are local or central government-designated organisations, either in the form of local prospective social enterprises or ministerial ones, that have essential basic conditions but not the complete conditions to be certified as a social enterprise (KoSEA, 2015: 126). This policy was first put in place in 2010 to encourage local governments to support social enterprises. The central ministries other than the Ministry of Employment and Labour that was mainly in charge of social enterprise policy were also invited from 2013 to designate prospective social enterprises and support them. These policies are conducted based on local governments' and ministries' ordinances, rules or guidelines.

The Korea Social Enterprise Promotion Agency (KoSEA) was established under the

6. That it shall prepare articles of incorporation, bylaws, or a similar, referred to in Article 9;
7. That it shall use at least 2/3 of profits for social objectives, where it generates distributable profits for each fiscal year (applicable only to companies or limited partnerships as defined in the Commercial Act);
8. That it shall prepare other matters prescribed by Presidential Decree regarding operational guidelines.

(2) Where the Minister of Employment and Labour has certified any entity as a social enterprise, he/she shall publish the details thereof in the Official Gazette.

(3) Matters necessary for the methods and procedures for certifying social enterprises shall be prescribed by Ordinance of the Ministry of Employment and Labour, and standards for examining the certification of social enterprises shall be publicly announced by the Minister of Employment and Labour.

Ministry of Employment and Labour in 2010 based on Article 20 of SEPA to plan and operate social enterprise support programmes. According to the act, the agency trains social entrepreneurs, supports social enterprises with commercialisation, consulting, IT system building, networking and the like funded by Government.

The certified social enterprises are eligible for the government support package as seen in the table below in general. More support can be given by local governments or administrative departments of the central government according to the location and industry that the social enterprise belongs to.

Table 1.1. Support Programmes from the Central Government

Financial Support	Personnel Cost for Support for Job Creation	
	Personnel Cost Support for Experts	
	Support for Business Development Expenses	
	Assistance for Social Insurance	
	Tax Reduction	
Startup Support	Support for Social Venture	Social Venture Competition
		Support for Social Venture Clubs in Universities
	Social Entrepreneurs Fostering Programme	
	Social Enterprise Growth Support Centre	
Growth/Development Support	Market Development Support	e-store 36.5
		Capacity Building for Market Entry
		Support for Distribution Channel Expansion
		Priority Purchase from Public Institution
	Management Support, Consulting	Management Support
		Management Consulting
	Resource Mobilisation	SE Partnership (Corporate Social Responsibility)
		Pro Bono (Experts, Retired Experts)
		Social Finance

		International Cooperation
Ecosystem Establishment	Promotion	'Buy Social' Campaign
		Promotion of Social Enterprise
		'Social Enterprise Week' Event
	Academy	Basic Social Entrepreneurship and Start-up Course
		Social Economy Academy
		Social Economy Camp for the Youth
		Social Economy Instructor/Lecturer Training Course
		Social Economy Leadership Development Programme
	Network Building	Korea's Network for Social Enterprise Support
		Establishment of Industry-specific Cooperative System
		Establishment of Specialised Network

(KoSEA: https://www.socialenterprise.or.kr/social/care/systemView.do?m_cd=D015 accessed on 19. 2. 2023)

These kinds of regulations and the linked support packages were to exclude problematic organisations from support and to build and promote positive images of this newly introduced type of organisation. However, it is also interpreted as a strategy to best utilise social enterprises for the policy goals based on the legacy of the authoritarian developmental state that used to control and force non-state actors wielding regulatory power to make them serve certain policy purposes (Park, Lee and Wilding, 2017). The particular models demonstrated by the specified criteria for certification approval actually prompted organisations to adapt themselves in order to meet the requirements for certification (Park, Lee and Wilding, 2017).

The SEPA also invited private companies as supporters by introducing the 'associated enterprise' concept, which refers to a private company supporting social enterprises, stipulating the benefits for those companies including tax reduction (Article 2:4, Article 16)[6]. It could also be interpreted as the Government's intent to mobilise private sector

[6] *Social Enterprise Promotion Act, Article 2 (Definitions)*

resources along with those of the voluntary sector. The same intent is found in social-workplace programmes too, as these were explained as a programme where “NGOs provide services, private companies provide knowledge and financial resources, and the government establishes social enterprise policies and allocates budgets (http://www.korea.kr/news/policyNewsView.do?newsId=115085238 accessed on 4. 11. 2019).” Further, there was a ‘private resource mobilisation type’ social workplace programme from 2005 that aimed to link the scheme with Corporate Social Responsibility (CSR) programmes of big private companies or conglomerates (http://www.hani.co.kr/arti/society/labor/422.html#csidx0f07e494b8a7150a3ae07175 6dca6e7 accessed on 4. 11. 2019). All together, these cases show the tendency of the South Korean government that try to utilise non-state sectors’ resources for public policies.

The SEPA became a catalyst. The number of social enterprises has rapidly increased, as the government actively nurtured them based on the act (Bidet and Eum, 2011; Hwang et al., 2011; Park, 2012; Lee, 2014). The number of certified social enterprises increased from 55 in the first year of certification in 2007 to 3215 in December 2021, which was referred to as a “boom” (KoSEA, 2022b). The number of people hired by social enterprises also increased accordingly. As of 2021, the number of people hired by social enterprises was 63,034 and the number of vulnerable who were employed by social enterprises was 38,597 (http://www.socialenterprise.or.kr). As a result, the organisations named social enterprises became rapidly visible and known to the public so that the phenomenon was considered as a popular trend (Lee, E.S., 2015).
The government’s intention to utilise social enterprise for specific policy goals has not only influenced the speed of social enterprise construct, but also influenced the composition of the social enterprise sector in Korea.

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4. The term ‘associated enterprise’ means an enterprise that provides diverse support, such as financial support and managerial consultation, to a specific social enterprise while remaining independent of the social enterprise in respect to personnel, physical, and legal matters

Social Enterprise Promotion Act, Article 16 (Tax Reduction or Exemption for Associated Enterprises, etc)

The State and local governments may grant reduction of or exemption from national taxes or local taxes to associated enterprises, corporations or individuals that make donations to social enterprises, as prescribed by the Corporate Tax Act, the Income Tax Act, the Restriction of Special Taxation Act, and the Local Tax Act.

In the first year of the social enterprise certification in 2007, the job-providing type social enterprises accounted for the biggest number of the certified organisations. The tendency has gotten even more strengthened with the focused political interest as seen in Table 1.2.

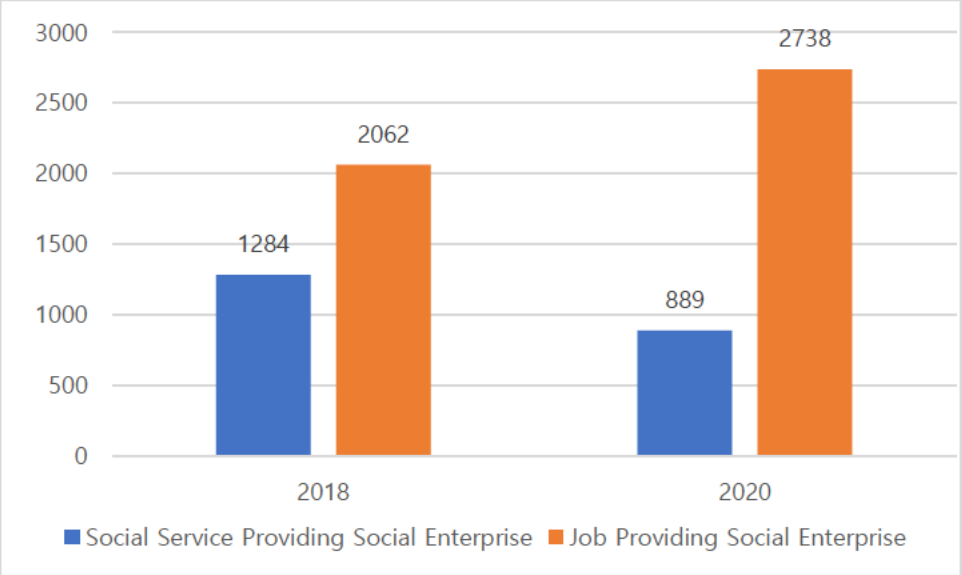
Table 1.2 Number and Percentage of Social Enterprises by the Type of Certification (Number (%))

	2007	2008	2009	2010	2011
Social Service Provision	5 (11.6)	16 (10.8)	7 (9.1)	11 (5.3)	9 (5.8)
Job Provision	16 (37.2)	67 (45.3)	47 (61.0)	141 (67.5)	112 (72.7)
Community Development	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	3 (1.9)
Combined Type	11 (25.6)	47(31.8)	15 (19.5)	19 (9.1)	16 (10.4)
Others	11 (25.6)	18 (12.2)	8 (10.4)	38 (18.2)	14 (9.1)
Total	43 (100.0)	148 (100.0)	77 (100.0)	209 (100.0)	154 (100.0)

(KoSEA, 2022a)

This trend has continued till recently. As seen in the Graph 1.4, while the number of social service-providing social enterprises has decreased from 1284 in 2018 to 889 in 2020, that of job-providing social enterprises has increased from 2062 in 2018 to 2738 in 2020.

Graph 1.4 Social Service Providing and Job Providing Social Enterprises in Korea



(KoSEA, 2021b; 2022a)

Although both the unemployment and the lack of social service issues contributed to the legislation of SEPA, the social service provision issue appeared as a policy agenda relatively later than labour market-related employment issue (Bidet and Eum, 2011). Regarding community development type social enterprise, they were incorporated into the policy framework relatively late in 2010. The policy interest in social enterprise, driven by the need to address employment concerns, led construction of the sector and let people within the government and the field perceive job-providing social enterprise as an ideal category in the sector. This naturally resulted in the proliferation of a certain type of social enterprises that focused on providing employment in the society.

The notion that social enterprises employing individuals are considered ideal also impacted the certification process. According to Park, Lee and Wilding (2017), the job-providing type social enterprises that were the focus of the government policy were more likely to be certified. The statistics show that the approval rate was higher in the case of job-providing social enterprises; while 35.2 per cent of candidates that applied for the job-providing type social enterprise certification were certified, only 14.2 per cent of organisations that applied for the social service provision type social enterprises were approved to be certified (Park, Lee and Wilding, 2017).

WISE in Korea

As seen above, in the Korean social enterprise sector, WISE has had a distinctive position. In the aftermath of the financial crisis in the late 1990s, the concept of social enterprise was first introduced in line with the public work programme, self-support programme, and social workplace programme which were employment programmes and some of which had the characteristics of WISE. Further, after being introduced by social activists associated with the WISE-like organisations, Korean social enterprises were soon institutionalised and fostered fast by the Government as a policy tool mainly to deal with the unemployment issue (Kim, 2011; Park, Lee, and Wilding, 2017). Although the delayed emergence of concern for social services contributed to the enactment of SEPA alongside the labour market issue (Bidet and Eum, 2011), the predominant goal of Korean social enterprise policy was generally perceived to be job creation (Kim, 2011; Park, Lee, and Wilding, 2017). The community development issue was incorporated to the SEPA through amendment much later in 2010. With the community development and other issues that arouse later, the five social enterprise types currently suggested by the Government are ‘job provision type’, ‘social service provision type’, ‘community development type’, ‘combined type’ and ‘miscellaneous’. However, the first and foremost goal of the social enterprises still is considered to be work integration in Korea (Kim, 2011; Park, Lee, and Wilding, 2017).

Particularly in the early stage of the social enterprise development, the environment in Korea was favourable for WISEs, as many organisations that could be considered social enterprises in Korea before SEPA were WISE-like organisations, people from those organisations introduced the social enterprise concept as an alternative to the existing employment programmes, and the policy intent of the government, that was lacking the understanding of the context and meaning of social enterprise in Europe and the US, was to utilise social enterprise as an employment policy tool (Lee, E.S., 2015; Park, Lee, and Wilding, 2017). Two thirds of the government budget for social enterprise support was spent to provide personnel expenses for the provided jobs in social enterprises in 2010 (Kim, 2011). According to Park, Lee and Wilding (2017), as mentioned before, the approval rate was also higher when it was a job-providing type

of social enterprise that has more of the traits of WISE than other types.

As a result, job-providing social enterprises makes up the predominant share of the social enterprises landscape in Korea, emerging as a representative type within the country. Although it is said that social enterprises are recently being diversified in terms of business models and social aims, WISE is still the major actor in the social economy sector. In this vein, the thesis focuses on the experience of job-providing type social enterprises. The commonalities and uniqueness of the organisations' experience will allow us to further understand WISEs and social enterprises in Korea.

1.3 Multiple-level Perspective on Social Enterprise Hybrid Dynamics

As outlined in the above sections, there has been a substantial surge in the quantity of social enterprises and the development of the sector in the past decade in Korea. Korean social enterprises are increasingly recognised for generating social values. However, there also are reservations regarding the sustainability, excessive reliance on governments, insufficient diversity in social enterprises, and the equitable attainment of dual goals, among other issues. The social enterprises in Korea are grappling with numerous intricate challenges.

Hence, this study proposes that it is the opportune moment to emphasise the imperative for a thorough and in-depth comprehension of the social enterprise phenomena to address these challenges and foster healthy growth in social enterprises. It suggests that it is also time for an exploration of new approaches and frameworks to achieve this comprehension.

1.3.1 Revisits in Social Enterprise Hybridity

In this vein, the research starts from the very fundamental nature of social enterprises using a lens of hybridity to deepen our understanding of these organisations. Despite conceptual confusion around social enterprises that prevails in academia (Alter, 2003; Dart, 2004; Haugh, 2005; Defourny and Nyssens, 2006; Hockerts, 2006; Spear, 2006; Kerlin, 2006; Jones, 2007; Peattie and Morley, 2008; Thompson,2008; Mair and Marti, 2009; Robinson et al., 2009; Nicholls, 2010; Granados et al., 2011), there is a general agreement that social enterprise is a hybrid organisational model (Billis, 2010; Battilana and Lee, 2014; Doherty et al., 2014). Not being in line with one conventional sectoral logic and formulated through the mixture of disparate logic from different sectors, social enterprises become hybrid organisations (Doherty et al., 2014; Battilana and Lee, 2014).

The co-existence of different logics in one organisation can lead to tensions (Garrow and Hasenfeld, 2012; Jay, 2013; Maibom and Smith, 2016; Woodside, 2018; Mikołajczak, 2020). The tensions transform the social enterprise into a political domain

where numerous conflicts often need to be addressed through political means. The social enterprise hybridity also creates conditions for an “institutional glue” that attracts actors from different sectors, by sharing some logics with them (Park and Wilding, 2014; O'Toole, 1997). Accordingly, the organisational environment becomes a big political arena with diverse external actors aligned with one of the social enterprises’ logics. In this environment, social enterprises evolve into constituents of network governance for social service and put themselves under the influence of domestic and global politics including sectoral turf wars over social service areas.

Hence, the hybrid nature makes social enterprises into active players that interact with external actors from different sectors in the nework governance as well as the political arena itself where members deal with heterogeneous logic internally. These various dynamics can pose challenges for the day-to-day running and management of social enterprises, influencing their growth or decline.

1.3.2 A Systematic View on the Multiple-level Hybrid Dynamics

The social enterprise has rarely been discussed from the perspective of multiple-level hybrid dynamics. Whilst research has looked at various aspects of social enterprises and social enterprise hybridity (Granados et al., 2011), few studies to date have explored the individual play and interplay of political, inter-organisational and inner-organisational dynamics of social enterprises.

Regarding studies on Korean cases, there has been research including comparative studies, Asian social enterprise model studies and studies identifying the unique characteristics of Korean social enterprises (McCabe and Hahn, 2006; Bidet and Eum, 2011; Defourny and Kim, 2011; Park and Wilding, 2014). In particular, research has focused on the active roles of the government in Korea (Jeong, 2015; Park, Lee and Wilding, 2017; Kim and Moon, 2017), although there has been few research exploring other actors’ roles (Lee, E. S., 2015b). In spite of all these efforts, however, there has been limited research up to this point that takes a multiple-level perspective to explore social enterprise hybrid dynamics.

Nonetheless, as demonstrated earlier, hybridity plays a vital role in comprehending the social enterprise phenomena. It operates across multiple levels, impacting the growth and goal achievement of these organisations. In this sense, the development of social enterprises would best be understood by taking the perspective of multiple-level hybrid dynamics.

This thesis, therefore, adopts a multiple-level approach to provide a holistic view of social enterprise hybrid dynamics across macro-, meso- and micro-levels in the Korean context as Turner (2003) emphasised. The macro-level dynamics refer to the socio-political environment where social enterprises are located involving political discourses, policies and other political acts. The meso-level dynamics are the inter-organisational relationships through which social enterprises secure resources. The micro-level dynamics are internal organisational dynamics focused on individual members and staff.

Employing the holistic multiple-level approach, the study delves into each level of social enterprise hybrid dynamics through empirical qualitative case study, involving interviews with social entrepreneurs, policymakers and support agents. The study reveals how macro-level factors, including economic, political and social forces, shape the social enterprise sector, how meso-level inter-organisational relationships impact the resource attainability of social enterprises, and how micro-level dynamics within organisations influence the management of individual social enterprises.

The thesis seeks to advance our understanding of social enterprises, particularly by offering an in-depth exploration of hybridity and associated dynamics at macro-, meso- and micro-levels. This would enrich insights into the formation, survival, growth and development of social enterprises, examining these aspects from the standpoint of multiple-level hybrid dynamics.

In pursuit of this goal, the thesis also makes an original contribution to the research field by suggesting a new theoretical framework to understand social enterprise phenomena. This framework is rooted in the comprehensive approach that spans

macro, meso, and micro levels of hybridity-related dynamics of social enterprises.

1.4 Research Aims and Questions

The purpose of the research is to enhance the understanding of how social enterprises develop within the context of Korea through a holistic multiple-level approach on hybrid dynamics in and around those organisations.

The thesis addresses the following research questions.

Table 1.3 Research Questions

Overarching Question	How do the macro-, meso- and micro-levels of hybridity-related dynamics shape the development of social enterprises in Korea?
Sub-question 1	How does the macro-level political, ideological, and socio-economic environment shape the development of social enterprises in Korea?
Sub-question 2	How do meso-level inter-organisational relationships shape the development of social enterprises in Korea?
Sub-question 3	How do micro-level organisational dynamics shape the development of social enterprises in Korea?

The overarching question of the study is 'how do the macro-, meso- and micro-levels of hybridity-related dynamics shape the development of social enterprises in Korea?' Under this question, answers for the three sub-questions of 'how does macro-level the political, ideological, and socio-economic environment shape the development of social enterprises in Korea?', 'how do meso-level inter-organisational relationships shape the development of social enterprises in Korea?' and 'how do micro-level inner-organisational dynamics shape the development of social enterprises in Korea?' are explored.

By answering these questions, we can illuminate the dynamics associated with social enterprise hybridity and its connection to the social enterprise development and success in Korea.

1.5 Methodology

This research adopts a case study approach and uses qualitative data, which is appropriate to capture the complex and interactive nature of organisational, inter-organisational and socio-political dynamics. With this approach, the research will strive to understand the hybrid dynamics of social enterprise development.

The cases are Korean social enterprises. Given the geographic imbalance in the academic research on social enterprises (Doherty et al., 2014), the fact that this study was conducted in an East Asian context is meaningful. Many social enterprises in South Korea started with government support, which was inspired by international examples including the UK. However, any transfer of ideas and policies is adapted to a context with its own characteristics and peculiarities.

The participant social enterprise organisations were selected based on both homogeneity and heterogeneity. To maximise the chances of capturing hybrid dynamics within and around social enterprises, this study opted for job-providing type social enterprises (certification type) located in Seoul (location). This choice is grounded in the prevalence of job-providing social enterprises, constituting the majority (65 percent of certified social enterprises in 2021) in South Korea, largely influenced by political factors. Seoul, being the city with the highest concentration of such organisations, is renowned for the former mayor's political interest and support. In terms of heterogeneity, social enterprises of various sizes and ages were recruited to prevent the distortions that might undermine the result of the study with only homogenous cases.

1.6 An Outline of the Thesis

This thesis consists of eight chapters. After the introductory chapter, a theoretical and conceptual overview is provided with literature reviews in *Chapters two*. *Chapter two* introduces existing literature on the definition and concept of social enterprise. It

focuses on hybridity as an essential factor and delves further into the sub-domains of hybrid tensions that are related to multiple-level dynamics in and around social enterprises.

Chapter three illustrates the research methods and design. The research aims and questions, philosophy and case study design are explained along with considerations on research quality and ethical issues.

Chapters four, five and six present the research findings. Each chapter covers each level of hybrid dynamics of social enterprise at macro-, meso- and micro-levels.

Chapter four explores the macro-level context where Korean social enterprise has been shaped. Three different perspectives on the concept and roles of social enterprises in Korea are identified, which are related to macro-level politics and institutional pressures.

Chapter five shows meso-level dynamics around social enterprises through which social enterprises gain resources, analysing the strategies social enterprises adopt.

Chapter six examines micro-level dynamics inside social enterprises. Intra-organisational tensions and dynamics around mission and goals, organisational structure and organisational culture as well as their sub-domains found out from data are explored.

Chapter seven is the penultimate chapter and presents discussions. It reviews theoretical and practical issues arising from the existing literature. It also shows how the issues were dealt with by the research.

Chapter eight is the final chapter that concludes the thesis. It answers research questions. Implications are also drawn for future research and policy development.

CHAPTER 2 Assessing the Hybrid Nature of Social Enterprises in South Korea

2.1 Introduction

Chapter two introduces existing literature on the definition and concept of social enterprise, and presents an overview of hybridity as an essential feature of the social enterprise concept. In doing so, it argues for the importance of taking a multiple-level approach to the hybridity. The multiple-levels and dimensions of the hybrid dynamics are suggested based on the literature review. In particular, it tries to show the Korean construction of hybridity and related tensions and dynamics.

2.2 Social Enterprise as a Hybrid Organisation

2.2.1 The Fuzzy and Fluid Concept of Social Enterprise

The concept of social enterprise is fuzzy and fluid. This has often resulted in conceptual confusion (Teasdale, 2011) and difficulties in reaching a clear-cut definition. Thus, it is often said that there is no universally agreed-upon definition on social enterprise (Nicholls, 2010; Kerlin, 2006).

As the label has been used to refer to various phenomena across the world, there have been various types of organisations called social enterprises including not-for-profit organisations earning income, private sector organisations with social missions, and democratically controlled organisations such as worker cooperatives. Researchers have shown how different those conceptualisations have been, and some have succeeded in mapping some parts of the social enterprise concept on an international scale.

'Schools' of Social Enterprise

First, there have been researchers who focused on different understandings of the concept in groups of people with diverse backgrounds. Dees and Anderson (2006) have shown the diverging conceptualisations amongst different groups in the US; two streams that were called the 'Social Enterprise School' and the 'Social Innovation School.'

The 'Social Enterprise School' was mainly driven by not-for-profit organisations looking for new revenue streams, consulting firms supporting them, and for-profit business executives promoting human service provision (Dees and Anderson, 2006). This school was based on the understanding of social entrepreneurs as "those who organise and operate businesses that support a 'social' objective, even if they do it only by making money to subsidise more direct social-purpose activities" (Dees and Anderson, 2006). The focus of this school was mainly on income-generating activities of not-for-profit organisations, while there were also many who blurred lines in between social and business sectors in this school (Dees and Anderson, 2006; Defourny and Nyssens, 2010).

On the other hand, 'The Social Innovation School' was led and given visibility by foundations such as the Schwab Foundation and the Skoll Foundation (Dees and Anderson, 2006). The school concentrates on entrepreneurs, innovative approach, and social impact in line with the Schumpeterian entrepreneur discussion. Individual social entrepreneurs are perceived as important change makers who bring about social impact through new combinations in areas such as goods or services, modes of production, technology, organisational forms, or markets (Schumpeter 1942; Defourny and Nyssens, 2010; Young and Lecy, 2014). This perspective focuses on outcomes as social change, and emphases the possibilities of private sector organisations with social missions as well as public sector organisations as social enterprises (Defourny and Nyssens, 2010).

Meanwhile, expanding Dees and Anderson's (2006) two-stream discussion and subsuming the EMES approach, Defourny and Nyssens (2010) suggested three streams of the concept: two in the US and one in Europe, named the 'Earned Income

School,' the 'Social Innovation School,' and the 'EMES's[7] approach' respectively. Having the 'Earned Income School'[8] and 'Social Innovation School' that are the same as the two streams of Dees and Anderson (2006), Defourny and Nyssens (2010) add the EMES approach as the third stream of conceptualisation rooted in Europe. The EMES concept, based on fifteen EU countries' experiences, depicts social enterprises as "enterprises with multiple goals, multiple stakeholders, and multiple resources" that provide goods and services not to maximise profit but to benefit the community through, first, collective control, and second, taking economic risks (Defourny and Nyssens, 2010).[9] This perspective focuses on worker cooperatives or other democratically controlled organisations. Nevertheless, it reveals a limitation in adequately capturing the conversions that the European and American social enterprises have undergone. For instance, the social enterprise model has developed in the UK and various other European Union countries, encompassing changes like a transition in the emphasis on the democratic control within the organisation (Teasdale, 2011)

Geographical Variations

Second, there have been researchers who discussed differences across regions and countries as well as groups of people. For example, Kerlin (2006) compared the contrasting social enterprise concepts in the US and Western Europe. She pointed out

[7] 'L'Emergence de l'Entreprise Sociale en Europe' or 'the Emergence of Social Enterprise in Europe' launched in 1996 and is funded by the European Commission.

[8] Defourny and Nyssens (2010) named Dees and Anderson (2006)'s 'Social Enterprise School' as 'Earned Income' school. They also distinguish the 'Earned Income School' into two distinctive sub-streams which are the earlier version 'Commercial Non-profit Approach' and the broader version 'Mission-driven Business Approach.' While the earlier version of the social enterprise was understood as "the use of commercial activities by non-profit organisations in support of their mission," the broader version stream does not limit its discussion to activities just for funding but takes it further to 'double bottom line' or 'blended value' visions including for-profit and public organisations, reducing the gap between the Earned Income and Social Innovation schools (Defourny & Nyssens, 2010). This is also related to the research of Kerlin (2006).

[9] The EMES suggests four economic and five social features of social enterprise as a set of indicator or criteria to explore SE (Defourny and Nyssens, 2010). The economic criteria refer to "a continuous activity producing goods and/or selling services; a high degree of autonomy; a significant level of economic risk; a minimum amount of paid work," and the social criteria includes "an explicit aim to benefit the community; an initiative launched by a group of citizens; a decision-making power not based on capital ownership; a participatory nature, which involves the persons affected by the activity; Limited profit distribution" (Defourny, 2001: 16–18; Nyssen 2006: 5-6).

that the concept was different within and outside of the academic area (between academics and practitioners) in the US while the gap was not that big in Europe. She says that in the US, the concept was much broader in academia ranging from corporate philanthropies or CSR to not-for-profit organisations operating commercial activity, while it was more focused on not-for-profit organisations' revenue generation among practitioners. This perception of practitioners was based on the fact that social enterprise first gained visibility among practitioners as the welfare retrenchment and funding reduction in the late 1970s led NPOs that had increased and expanded their roles with the Great Society programmes in the 1960s to look for alternative income resources (Kerlin, 2006; Defourny and Nyssens, 2010).

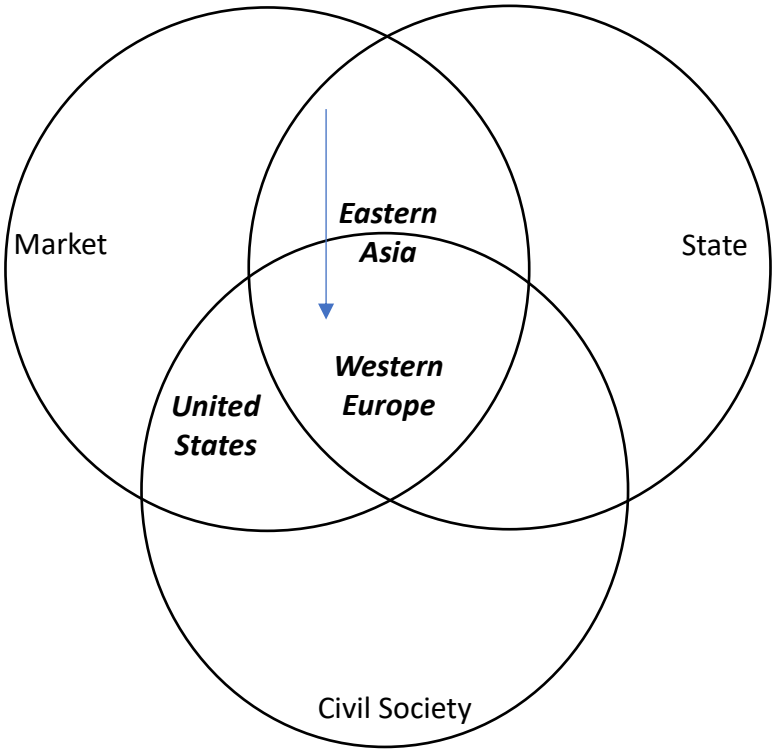
Compared to that, in Western Europe, she said there were two streams but with less distinction between academics and practitioners. One focused on social entrepreneurship and social impact including both non-profit and for-profit organisations, and the other one limited its analysis to the third sector and social cooperatives. The latter one was developed by the EMES Research Network (Kerlin, 2006), and the concept of social enterprise has been closely linked to the cooperative movement in line with the collective tradition especially in mainland Europe (Kerlin, 2006; Defourny and Nyssens, 2010). Kerlin (2006) also points out that the scope of operation in Europe is narrower than in the US, as social enterprises in Europe emerged to operate in the area where the welfare state withdrew or new demands appeared such as employment or social service (Kerlin, 2006).

Recently, there have been new attempts to expand the understanding of social enterprises outside Western borders. For example, Kerlin and her colleagues tried comparative regional analysis across the globe including South Korea, China, Romania, Spain, Chile, Sweden, Zambia and Australia (Kerlin, 2017). Through the comparative analysis, the study reaches a 'revised macro-institutional social enterprise framework', through which cross-cultural comparison is possible. Historical institutionalism, social origins theory, and national-level empirical data allow her to enlarge the comparative scope to include various nations worldwide. Sengupta and Sahay (2017) studied social enterprises and social entrepreneurship in the context of Asia-Pacific countries, and identified important future research themes for these areas: "contextual, institutional and personal factors surrounding social entrepreneurship, the

market orientation of social enterprises to generate economic and social value, and impact of social entrepreneurship education on generating talent pool for social enterprises (Sengupta and Sahay, 2017: 30-31)."

In particular, there has been scholarly attention on East Asia. Based on the data from China, Hong Kong, South Korea, Taiwan and Japan, Defourny and Kim (2011) suggest an East Asian model that is in contrast to the Western one. According to them, East Asian countries have strong states, weaker but significantly growing civil societies, cooperative movements that conduct important roles, a condition of necessity[10] and a condition of shared destiny.[11] As a result, East Asian social enterprises are positioned somewhat apart from civil society when contrasted with Western countries or the United States, as indicated below in Figure 2.1.

Figure 2.1. Positioning of Social Enterprise of East Asian Countries



(Defourny and Kim, 2011: 103)

Jeong (2015) particularly puts light on the distinctiveness of social enterprises in Korea from a historical institutionalism perspective. He shows that the influence of the

[10] The condition where the need is unmet. (Defourny and Kim, 2011)

[11] People sharing the same life condition aware of their potential. (Defourny and Kim, 2011)

developmental state legacy on the formulation of social enterprise is a critical characteristic in South Korea. Similarly, Jung et al. (2015) explore the government-driven social enterprise policies and the important roles of the Korean government in the process of social enterprise construction. These kinds of cross-cultural research including countries outside the Western world contributes to the expanded understanding of the social enterprise sector.

The Meanings of Social Enterprise and "Time"

Third, there are researchers who focus on the changes in the meaning of social enterprise over time. Teasdale (2011) shows the change in the social enterprise concept and its political implications in the UK over time. The social enterprise movement that was first started by cooperative activists soon allied with community enterprises to position itself close to the New Labour government's third way projects for resource acquisition. With this alliance and the increased dependence on government support, the rather radical implications linked to economic democracy or an alternative to shareholder capitalism were diluted and replaced by less radical ones such as area-based regeneration or a 'residual coping mechanism within capitalism'. However, the social enterprise still implied a response to market failure at this stage (Teasdale, 2011).

Then, together with the growing social business discourse as well as the practical-neoliberal propensity of the social enterprise unit in the Department for Trade and Industry (DTI), the focus moves further to 'business solutions to social problems' and social enterprises as vehicles to deliver and reform public services as a response to state failure (Teasdale, 2011). This tendency again weakened the previous discourses based on specific organisational forms as it was related to the newly created legal form of the Community Interest Company (CIC) that does not require democratic control (Teasdale, 2011).

Afterwards, coinciding with the creation of the Office of the Third Sector (OTS), the focus moved to voluntary organisations and voluntary failure (Teasdale, 2011). The government supported voluntary organisations to enhance their capability to prevent voluntary failure. This tendency, aligning with public service privatisation, continued

with the coalition government's Big Society discourse (Teasdale, 2011).

The Social Enterprise "Zoo"

The term 'social enterprise' has been used to refer to a range of newly emerging phenomena in various contexts. This term has referred to different and sometimes contesting thoughts as well as political implications. That is why the concept of social enterprise is so fuzzy and fluid, and that it is difficult to define with simple words.

As a result, the EMES research network rather suggests defining features as a tool to navigate the 'galaxy' of social enterprises than a clear-cut definition, although these features tend to be understood as a set of criteria pointing at the ideal type of social enterprise (Borzaga and Defourny, 2001; Young and Lecy, 2014).

Young and Lecy (2014) go further and, as a replacement of definition, adopt the 'zoo' metaphor that hosts various species including social cooperatives, not-for-profit organisations earning income, partnerships among for-profit, non-profit and governmental entities for a public purpose, for-profit companies engaging in corporate social responsibility (CSR) programmes, social businesses, for-profit corporations with non-profit subsidiaries, and other hybrid forms of organisations. As the animals hosted in the zoo are from different areas and at different stages of evolution, this metaphor captures the implications of geographic and chronological context (Young and Lecy, 2014; Young et al., 2016).

Understanding the concept of Social Enterprises in Korea

The two-school or three-school theories presented by Dees and Anderson (2006) and Defourny and Nyssens (2010), attempting to identify distinct streams of social enterprise conceptualisations in Western world, exhibited theoretical weakness in two aspects. Firstly, these frameworks limited the exploration of the geographical variations to the western world. Secondly, they omitted the consideration of the time's implications in conceptualisation, neglecting to navigate the effect of 'time and change' on social enterprise concept. Therefore, rather than relying on the established two or three-school theories of social enterprise concepts constrained by Western

boundaries and time, exploring the concept of Korean social enterprises could benefit from the researchers' academic achievements that consider the geographical and temporal dimension.

Against this backdrop, the approaches, utilising analogies to embrace and capture the complex and elusive concept in different societies at different stage of development, should be appreciated for shedding light on the understanding of social enterprise concept in any society including the Korean case. In particular, the 'zoo' metaphor can cultivate a suitable mindset for researchers investigating the concept of Korean social enterprise. It enables researchers to consider both geographic and chronological contexts (Young and Lecy, 2014; Young et al., 2016).

In this sense, speaking of the species of current Korean social enterprises, research on the East Asian model can first aid in understanding of these organisations among the academic efforts to incorporate geographic variations into the social enterprise studies. Korea demonstrates the specific characteristics aligning with the East Asian model. These encompass the powerful state, civil society that, while comparatively weaker, are experiencing substantial growth, cooperative movements playing crucial roles, and situations where social needs remain unmet (Defourny and Kim, 2011). However, it is essential to recognise that adhering too closely to the East Asian model could result in oversight, potentially missing significant distinctions of Korean case. The important differences of Korean case from East Asian model include the interest in alternative economic practices within civil society and academia, which served as a driving force for the social enterprise movement in Korea (Defourny and Kim, 2011). In particular, it was always social activists in third sector who introduced and spread the concept of self-support enterprise and social enterprise first in Korea.

Time is also a crucial factor in understanding the social enterprise concept in Korea. The landscape of Korean social enterprises has evolved in terms of numbers, compositions, and focus over time. Aligned with the power dynamics of each sector - government, market, civil society - the concept started from workers' cooperatives, consumers' cooperatives, and medical cooperatives. It then was mainly perceived as the organisations primarily focused on work integration as the government intervened

and institutionalised it focusing on that issue. It then included entities delivering social services, as government's interest moved and social activists considered social service market as an appropriate place for social enterprises to grow. It later evolved into the concept encompassing organisations addressing various social problems through innovative approaches. As the sector grew and various people joined, and as private companies started to support social enterprises, the sector diversified and organisations that do not aim for certification for the government supports appeared. With the introduction of the term 'social economy organisation,' Korean social economy sector started including various organisations beyond certified social enterprises including cooperatives and social ventures. This evolution does not entail a linear progression or the replacement of outdated concepts with new ones; rather, it involved the expansion of the concept to include new types or forms of social enterprises. Moreover, this evolutionary process is still in progress.

2.2.2 The Social Enterprise as a Hybrid Organisation

Although the concept is fuzzy and fluid enough to be said that there is no universally agreed-upon definition as explored above (Kerlin, 2006; Nicholls, 2010), social enterprises are generally understood as 'hybrids', and 'hybridity' is placed at the centre of the concept as a 'hallmark' (Billis, 2010; Grassl, 2012; Battilana and Lee, 2014; Doherty et al., 2014; Pfeilstetter and Gómez-Carrasco, 2020). Hybridity is defined as "the state of being composed through the mixture of disparate parts" (Battilana and Lee, 2014: 400). Social enterprises are hybrids in the sense that they are not in line with the idealised categorical characteristics of one conventional sector and combine the logic and features from different sectors (Doherty et al., 2014; Battilana and Lee, 2014).

The sectors consist of groups of organisations with institutional logic and related traits that are different from each other (Billis, 2010: 47). According to Thornton and Ocasio (2008: 2), institutional logic is "the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which

individuals and organisations provide meaning to their daily activity, organise time and space, and reproduce their lives and experiences (Thornton, Ocasio & Lounsbury, 2012: 2)." In terms of sectoral logic, while the private sector logic is generally characterised by the creation of income and profit maximisation, the public sector logic is distinguished by public benefit generation and collective choice, and the voluntary sector is marked by philanthropy, advocacy and participation (Davies and Doherty, 2018: 1043).

Table 2.1. The Principles of Ideal Type Sectors (Billis, 2010: 55)

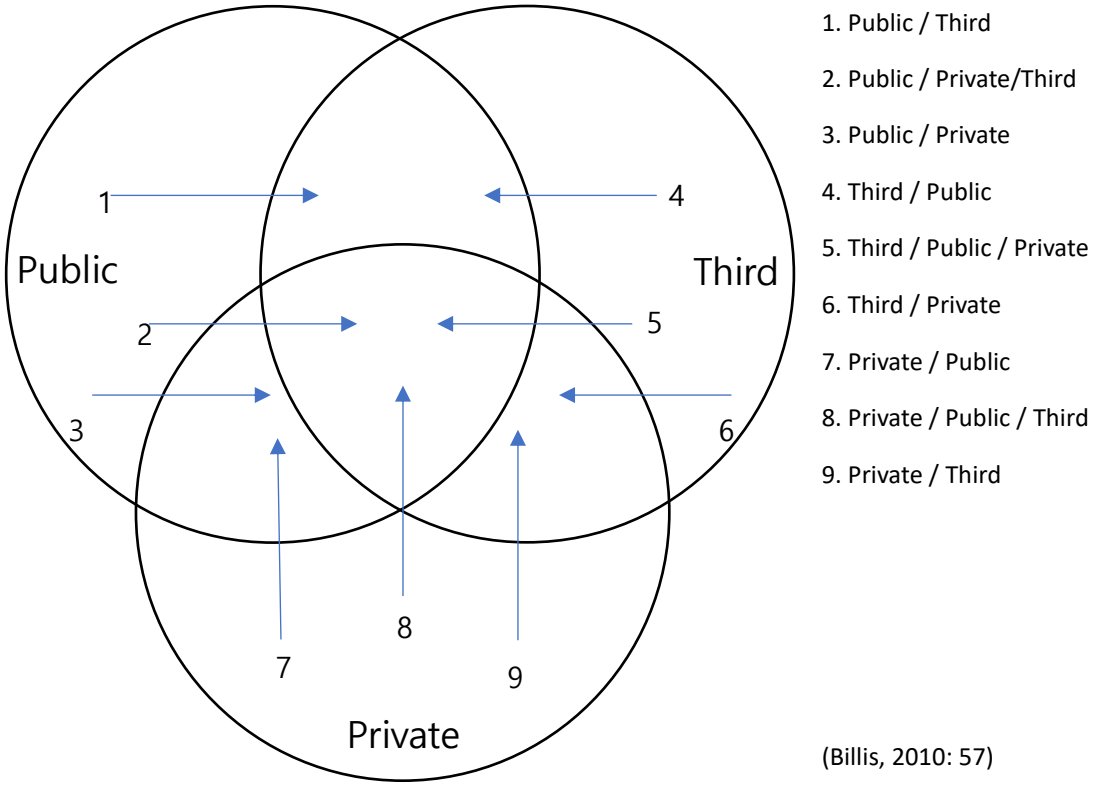
Core elements	**Private sector**	**Public sector**	**Third sector**
Ownership	Shareholders	Citizens	Members
Governance	Share ownership size	Public elections	Private elections
Operational Priorities	Market forces and individual choice	Public service and collective choice	Commitment about distinctive mission
Distinctive human resources	Paid employees in managerially controlled *Firm*	Paid public servants in legally backed *Bureau*	Members and volunteers in *Association*
Distinctive other resources	Sales, fees	Taxes	Dues, donations and legacies

Billis (2010) specifically suggests several essential factors of each sector's features – ownership, governance, operational priorities, distinctive human resources and distinctive other resources – based on accumulated existing literature (for example, Wamsley and Zard, 1976; Bozeman, 1987; Hansmann, 1987; 1996; Perry and Rainey, 1988; Lohmann, 1992; Milgrom and Roberts, 1992; Ranson and Stewart, 1994; Salamon et al., 2000; Koppell, 2003; Speckbacher, 2003; Rainey and Chun, 2005). According to him, the ideal type of public sector organisations is owned by citizens, governed by public elections and resourced by taxation. The work is operated by public servants, guided by principles of public services and collective choice. In the private sector, organisations are owned by shareholders, governed by the size of share ownership and resourced through commercial activities. Human resources consisting of paid employees serve for the financial maximisation for the shareholders. In the voluntary sector, organisations are owned by members, governed by private elections and resourced by donations, membership fees and legacies. Employees and volunteers commit to the organisations' missions. Such forms and features have been

institutionalised over time (Doherty et al., 2014).

When organisations move across sectors and the traits of different sectors permeate, hybrid organisations appear (Billis, 2010). Regarding hybrid organisations and their hybridisations, Billis (2010) suggests three hybrid zones which are depicted in Figure 2.2. He also suggests possible trajectories of hybrid organisations as suggested in Figure 2.2 including 1. Public / Third, 2. Public / Private / Third, 31. Public / Private, 4. Third / Public, 5. Third / Public / Private, 6. Third / Private, 7. Private / Public, 8. Private / Public / Third, 9. Private / Third.

Figure 2.2. The Three Sectors and Their Hybrid Zones



(Billis, 2010: 57)

Based on Billis's (2010) argument, Kim (2015) particularly suggests a rough landscape of hybrid organisations and the trajectories of those organisations' hybridisation in Korea. In Korea, the government with the legacy of a developmental state has intervened, regulated, and controlled other sectors; it co-opted market actors by

fostering state-led chaebol[12] monopoly capitalism and voluntary sector actors by allowing voluntary agencies to operate and receive subsidies, and then mobilising them for social services (Kim, 2015). This way, the government intervention influenced the hybridisations of organisations; however, actors and organisations in the market and civil society also voluntarily moved to different sectors due to various reasons such as legitimisation through CSR activities or through adoption of market principles that are seemingly effective and efficient.

These processes were also influenced by domineering faith or international policy trends such as neo-liberalism, NPM and the like. The spread of neoliberalism and NPM in the 1980s and 1990s, which put emphasis on the market, efficiency and competition, became the source of hybridisation (Benish and Mattei, 2019). This allowed the business principles to be integrated within the public sector. It also suggested reducing government bureaucracy and the roles of the state by using strategies like quasi-market mechanisms, outsourcing, or contracting out (Pestoff, 2014; Benish and Mattei, 2019). These trends legitimised Korean government's policy expanding welfare services utilising NPM strategies, rather than building state welfare system. The hybrid zones including quasi-market that emerged with the diffusion of market principles also became a niche for social enterprises. Also, many social enterprises began from the efforts of NGOs that wanted advantageous positioning in securing legitimacy and resources under these global trends of "faith in the superiority of market principles" (Millar, 2012; Teasdale, 2011; Dart, 2004).

Through these processes, Korea has developed various forms of hybrid organisations with different origins and trajectories of hybridisation as seen in Table 2.2 (Kim, 2015).

[12] Chaebol refers to a certain type of large private companies or conglomerates in Korea (Kuk, 1988; Park et al., 2012). It is defined as "modern entrepreneurial founder and his direct family members who control a series of large private enterprises or the big business organisations controlled by one or two families" (Kuk, 1988). These companies grew up, as Korean government focused subsidies and benefits to these large private companies for the fast accumulation of capital and the effective control over economy in the society (Kuk, 1988). The close relationship between government and chaebol is considered to be a major engine for the impressive Korean industrial development (Kuk, 1988; Lim 2012).

In particular, Kim (2015) suggested Korean social enterprises as hybrid organisations derived from civil society that moved to the state and then to the market sector and those derived from the market that moved to the state sector and then to civil society.

Table 2.2. Korean organisations according to the origins and trajectories of hybridisation

Origin	**Hybridisation (Trajectory)**	**Form**	**Example**
State	State / Market	Market-type public enterprises[13] Quasi-market-type public enterprises[14] Fund-management-type quasi-governmental institutions[15]	Korea Electric Power Corporation (KEPCO) Korea Gas Corporation (KOGAS) Korea Railroad Corporation (KORAIL) National Pension Service (NPS) Government Employees Pension Service (GEPS)
	State / Civil Society	Commissioned-service-type quasi-governmental institutions Most non-classified public institutions	Korea Employment Information Service (KEIS) Korea Social Security Information Service (SSiS) Korea Institute for Health and Social Affairs (KIHASA) Korean Red Cross Korea International Cooperation Agency

[13] Public enterprises whose asset size and self-generating revenue out of the total revenue reaches or exceeds the criteria prescribed by Presidential Decree (Act on The Management of Public Institutions, Article 5)

[14] Public enterprises other than market-type public enterprises (Act on The Management of Public Institutions, Article 5)

[15] Quasi-governmental institutions to which the management of a fund is assigned or commissioned pursuant to the National Finance Act (Act On The Management Of Public Institutions, Article 5)

			(KOICA)
	State / Market / Civil Society	Some non-classified public institutions	Korean Broadcasting System (KBS) Korean Educational Broadcasting System (EBS)
Market	Market / State	Companies being expert in commissioned government projects	Ingeus korea
	Market / Civil Society	Public utility foundation established by private companies	ASAN Foundation Samsung Foundation KYOBO Foundation for Education
	Market / State / Civil Society	Social enterprises established by private companies	SAMSUNG HOPE NETWORK SK Happy School
Civil Society	Civil Society / State	NPOs that are entrusted with government programmes	Local Self-support centre Regional centres for children
	Civil Society / Market	Charity shops	Beautiful Store Foundation
	Civil Society / State / Market	Social enterprises established by NPOs	Ridrik under The Research Institute of the Differently Abled People Rights Noridan. Inc. Social Enterprise

(Kim, 2015)

As a result of such hybridisation, social enterprises bear multiple institutional logic. These dynamics have implications for the forms, structures, practices, goals, and identities of social enterprises (Battilana and Lee, 2014; Davies and Doherty, 2018).

2.2.3 The importance of Social Enterprise Hybridity

Despite the existing conceptual confusion surrounding social enterprises, there is a consensus that social enterprises embody a hybrid organisational model (Alter, 20013; Dart, 2004; Haugh, 2005; Defourny and Nyssens, 2006; Hockerts, 2006; Spear, 2006; Kerlin, 2006; Jones, 2007; Peattie and Morley, 2008; Thompson, 2008, Mair an Marti, 2009; Robinson et al., 2009; Nicholls, 2010; Granados et al., 2011; Doherty et al., 2014; Battilana and Lee, 2014). Departing from the adherence to a singular sectoral logic, social enterprises emerge as hybrid entities, incorporating diverse logics from various sectors in one organisation.

The combination of different logics inherent in social enterprises is not something to be taken for granted or overlooked, as it exerts a notable influence on various aspects and operates at every level of social enterprise phenomenon. The coexistence of divergent logics within a single organisation results in tensions (Garrow and Hasenfeld, 2012; Jay, 2013; Maibom and Smith, 2016; Woodside, 2013; Mikolajczak,2020), transforming social enterprises into political areas fraught with conflicts arising from the inherent coexisting logics. In social enterprises, members grapple with diverse and sometimes conflicting logics and try to balance them. Furthermore, the hybrid nature of social enterprises serves as an “institutional glue” that draws heterogeneous external actors in different sectors aligning with various logics (Park and Wilding, 2014; O’toole, 1997). This makes organisational environment of social enterprises evolve into a significant political arena. The macro-level social forces that aim to utilise those organisations for different purposes try to put the social enterprise under their influence. Particularly, in many countries, the dynamics in and around social enterprises make these organisations integral components of network governance for social service delivery exposing them even more to the influence of domestic and global politics, particularly in the sense of sectoral turf wars related to social service areas. This also transforms social enterprises into active participants that have to interact with heterogeneous external actors and organisations from various sectors with different logics in their organisational environment to secure necessary resource from them.

These intricate dynamics present challenges and significantly impact the trajectories towards growth or decline of social enterprises. Despite there has not been sufficient research conducted on the subject, exploring this fundamental and inherent nature of hybridity can enhance our understanding of these organisations.

2.3. Three-Level Hybrid Tensions and Related Dynamics around Social Enterprises

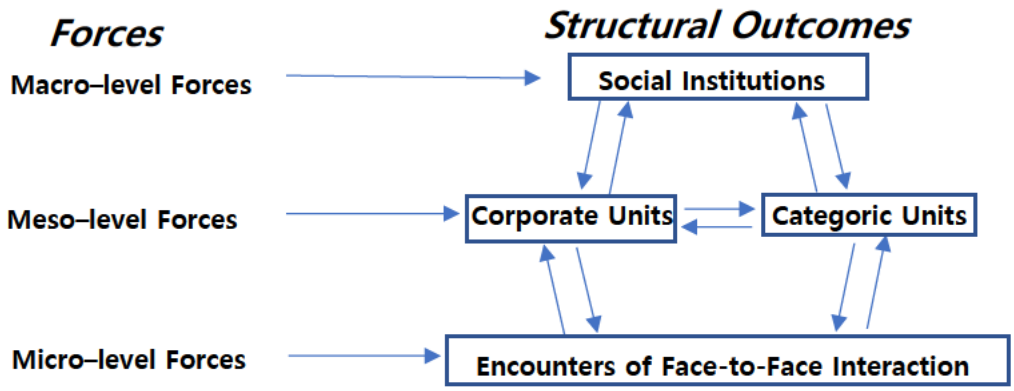
Hybridity brings about hybrid tensions and conflicts (Maibom and Smith, 2016; Mikoł ajczak, 2020). Garrow and Hasenfeld (2012) and Woodside (2018) discuss that soci al enterprises embody potentially conflicting logic. Jay (2013) suggests that the coexi stence of logic and hidden conflicts that would become visible at a certain point can be understood as normal in social enterprises.

Before examining detailed dimensions of hybrid tension in and around social enterprises, this section briefly suggests their layers. There have been researchers who emphasised the importance of taking a view of society from multiple levels. For example, Turner (2003) emphasised the level of macro-dynamics that should be taken into account with other meso- and micro-level analyses, since “the macro-level forces push individual and collective actors to organise in certain ways.” By doing so, he tried to “revive Old Institutionalism as the New Institutionalism is more about meso-level processes than macro dynamics.” He claimed a balanced perspective in terms of the level of analysis (Turner, 2003).

Although he focused more on the macro-level institutions, he emphasised that society can be understood on three levels. According to him, macro-, meso-, and micro-levels of reality can be portrayed as seen in Figure 2.3. The institutions are the key structures of the macro-level, corporate and categoric[16] units are those of the-meso level, and the individual encounter is those of the micro-level (Turner, 2003).

[16] Corporate unit means organisations pursuing goals by the division of labour, whereas categorial unit means groups with distinctions such as gender, age, and class and the like (Turner, 2003).

Figure 2.3. The Embeddedness of Macro, Meso, and Microlevel Social Forces (Turner, 2003: 4)



In the social enterprise field, there have been a few researchers who adopted multi-level analysis and tried to look at different levels of social enterprise reality. Dufays and Huybrechts (2014) pointed out that there had been research on the emergence of social entrepreneurship on three different levels i.e. “macro-level (socioeconomic drivers), the meso-level (concepts such as opportunity), and the micro-level (motivations and intentions of social entrepreneurs)”; however, those studies tended to be conducted from each of one separate level rather than taking a holistic view (Dufays and Huybrechts, 2014). Accordingly, Dufays and Huybrechts tried to associate macro and micro levels to contribute to explaining how and why social entrepreneurship emerges. Stickley (2015) explored macro (structural, socio-political), meso (contextual, organisation and culture) and micro (occupational, individual) level influences related to occupational therapy practice in British social enterprises. Ruysscher and colleagues (2017) suggested a systems approach to social entrepreneurship that could be identified by input, throughput and outcome factors at the micro (individual), meso (organisational) and macro (socio-political) levels. Bolzan, Marabello, and Honig (2020) suggested seeing the legitimisation of social enterprise at the micro (the aspirations and voices of individuals involved in social enterprises), meso (organisational-level processes linking macro- and micro-level aspirations) and macro (organisational environment) levels. Nevertheless, the attempts to view hybrid tensions and related dynamics around social enterprises from a three-level

perspective (i.e., intra-organisational, inter-organisational and national/global) as a whole have not been sufficient. With this backdrop, the study suggests a three-level framework of dynamics in and around social enterprises. The research defines each level of dynamics as seen in Table 2.3.

Table 2.3 Three Levels of Dynamics in and around Social Enterprises

Macro-level Dynamics	Socio-political Level	Ideological turf wars involving sectors in the form of political discourses, policies and other political acts at the global and domestic levels
Meso-level Dynamics	Inter-organisational Level	The dynamics in the inter-organisational relationships in association with resource acquisition
Micro-level Dynamics	Intra-organisational Level	Internal organisational dynamics around individual members or sub-groups in one social enterprise

Regarding macro-level dynamics, there have been ideological conflicts involving sectors. Particularly, the area of welfare service delivery has been one of the ideological battle fields in terms of sectors. The macro-level political discourses, policies and other political acts at the global and domestic levels have influenced the welfare mix and strengthened hybridity in the welfare delivery system.

With the NPM and then NPG discourses, the former public monopoly in social service has been fragmented, and the services came to be delivered by multiple suppliers in private and civil sectors (Skelcher, 2000). NPM, which was linked with neoliberalism and particularly the belief in the market's superiority, privatised public sectors as well as expanded quasi-market especially in association with the social service area, which became a habitat for social enterprises. The trend also privatised voluntary sector organisations. Actually, many social enterprises are thought to have started from the efforts of non-governmental organisations (NGOs) or non-profit organisations (NPOs) that wanted advantageous positioning for resource acquisition, under the global trend of 'faith in the superiority of market principles' as well as domestic political interest (Millar, 2012; Teasdale, 2011; Dart, 2004). In addition to that, NPG which focused more

on a pluralistic approach such as citizen involvement and state-non-state partnerships in the welfare service provision (Pestoff, 2014) has encouraged social enterprises to take part in the welfare mix.

These macro-level dynamics become a background for other-level dynamics, particularly affecting the organisational environment that forms the ecological setting for social enterprises.

The meso-level dynamics refers to the dynamics in the inter-organisational relationships between social enterprises and other organisations including the central government, local governments, support agencies, private companies and other resource holders. As a hybrid form of organisation, the social enterprise facilitates the interactions among various actors from different sectors and acts as 'the institutional glue (Park and Wilding, 2014; O'Toole, 1997).' For example, since a social enterprise has some business features but does not pursue profit excessively, it can attract organisations from the other two sectors that are reluctant to participate in competitive markets (Park and Wilding, 2014). By the same token, as a social enterprise is not a government agency, this organisation that works with governments can be a buffer between the state and other sector organisations which do not want to sacrifice their independence (Park and Wilding, 2014). Not surprisingly, as a result, social enterprises tend to be constituents of network governance, which implies the blurring of boundaries and partnerships between organisations in various sectors (Rhodes, 1997). In welfare mix, social enterprises have been important constituents in the governance network for the social service.

The inter-organisational relationship is also a process through which resources are distributed among organisations. The meso-level dynamics are important as they are associated with the resource attainability of social enterprises that are linked to sustainability and goal achievement. Social enterprises try to gain necessary resources and achieve goals through meso-level dynamics. However, inter-organisational dynamics could be hard for individual social enterprises to deal with as there are heterogeneous actors from diverse sectors with their own interests in the network.

The micro-level dynamics means internal organisational dynamics between individual members or sub-groups in one social enterprise. The heterogeneous traits in hybrid organisations often conflict with each other and cause hybrid tensions (Phillips et al. 2011; Battilana and Lee 2014; Santos et al. 2015; Davies and Doherty, 2018). The interpretation of facts could be different depending on logic (Thorton et al., 2012z). Smith and Lewis (2011) and Smith (2013) pointed out the difficulty in balancing conflicting logic in social enterprises. Understanding and managing hybrid tensions and related dynamics in social enterprises are important, because the failure in them may result in critical issues such as mission drift (Davies and Chambers, 2018). Foster and Bradach (2005) and Chambers (2014) warned that prioritising commercial goals can distract an organisation from its social goals. The need to become more competitive in the market could conflict with its social values.

Taking a holistic approach, this study examines the multi-layered dynamics in and around social enterprises. The three-layer perspective proposed in the study allows for a more comprehensive view of hybrid tensions and related dynamics within and around social enterprises.

2.4 Dimensions of Hybridity and Related Dynamics

Researchers have suggested the dimensions of hybridity and hybrid tensions (Battilana and Lee, 2014; Doherty, Haugh and Lyon, 2014; Jager and Schroer, 2014; Vickers, Lyon, Sepulveda, and McMullin, 2017; Davies and Doherty, 2018; Davies and Chambers, 2018). For example, Battilana and Lee (2014: 397) suggest five dimensions: (1) organisational activities, (2) workforce composition, (3) organisational design, (4) culture, (5) inter-organisational relationships, where organisations combine multiple institutional logics and manage hybrid tensions. Vickers et al. (2017) identified four dimensions: (1) organisational culture, leadership, empowerment, and team building for an innovative culture (2) financial management (control/re-investment over/of surplus), (3) knowledge sharing or protection (to disseminate its methods to

bring positive impact on society or to safeguard its knowledge in competitive environment based on business logic), and (4) relationships with key stakeholders. Doherty, Haugh and Lyon (2014) discuss about tensions, trade-offs and management attempts around (1) mission, (2) financial resources and (3) human resources. The articles of Davies and Doherty (2018) and Davies and Chambers (2018) use a business model approach that explores (1) value proposition: value proposition, customer segment and customer relationship, (2) value creation and delivery: activities, resources, channels and key partnerships and (3) value capture dimension: costs structure and revenue streams/spending. Somewhat differently, Jager and Schroer (2014) postulate hybrids as organisations that have multiple dimensions of identity associated with different environmental origins, and suggest three dimensions of organisational identity: (1) member's identification with the organisation (why do actors work or volunteer for hybrid organisations? Why do actors invest in hybrid organisations? Why do actors buy services from hybrid organisations?; how do market actors support hybrid organisations?; how do civil society actors cooperate with market actors?), (2) organisational structures (which strategies create economically sustainable social values?; which strategies use market forces to create social values?; which market strategies are accepted within civil societies?), (3) member/organisation's practices (How do actors establish sustainable financial systems?; how do market actors collaborate with social investment systems?; how do civil society actors integrate financing systems?).

Table 2.4. The Suggested Dimensions of Hybridity

Battilana and Lee (2014)	(1) Organisational activities, (2) Workforce composition, (3) Organisational design (organisational structure, incentives and control system, governance), (4) Culture, (5) Inter-organisational relationships
Doherty, Haugh and Lyon (2014)	(1) Mission, (2) Financial resources, (3) Human resource
Vickers, Lyon, Sepulveda, and McMullin (2017)	(1) Organisational Culture, (2) Financial management (control/re-investment over/of surplus), (3) Knowledge sharing or protection (to disseminate its methods to bring positive impact on society or to safeguard its knowledge based on business logic) 4) Relationships with key stakeholders (e.g. funders, service users, service delivery partners)

Davies and Doherty (2018) Davies and Chambers (2018)	(1) Value proposition (value proposition, customer segment, customer relationship), (2) Value creation and delivery (activities, resources, channels, key partnerships), (3) Value capture (costs structure, revenue streams/spending)
Jager and Schroer (2014)	(1) Member's identification with the organisation (why do actors work or volunteer for hybrid organisations? Why do actors invest in hybrid organisations? Why do actors buy services from hybrid organisations? ; how do market actors support hybrid organisations?; how do civil society actors cooperate with market actors?), (2) Organisational structures (which strategies create economically sustainable social values? ; which strategies use market forces to create social values?; which market strategies are accepted within civil societies?), (3) Member/organisation's practices (How do actors establish sustainable financial systems? ; how do market actors collaborate with social investment systems?; how do civil society actors integrate financing systems?)

While the literature on hybrid tensions and related dynamics may initially appear intricated and arbitrary, there are underlying common denominators or commonalities. These dimensions can be consolidated and reclassified based on them. Thus, this study suggests the re-categorised dimensions of social enterprise hybrid tensions base on prior studies as Table 2.5.

Although prior studies notably overlooked the diverse levels of hybridity locations, this study positions each hybrid domain at different levels. Additionally, Table 2.5 illustrates the incorporation of the macro level into the categories based on the discussions above regarding the importance of a three-level approach. It is noteworthy that the domains proposed in prior literature were exclusively situated at either the meso or micro level, despite the significance of the impact of macro-level dynamics.

The categories and dimensions outlined in Table 2.5, positioned at macro-, meso-, and micro-level, are further elucidated and substantiated below through explanations including Korean cases.

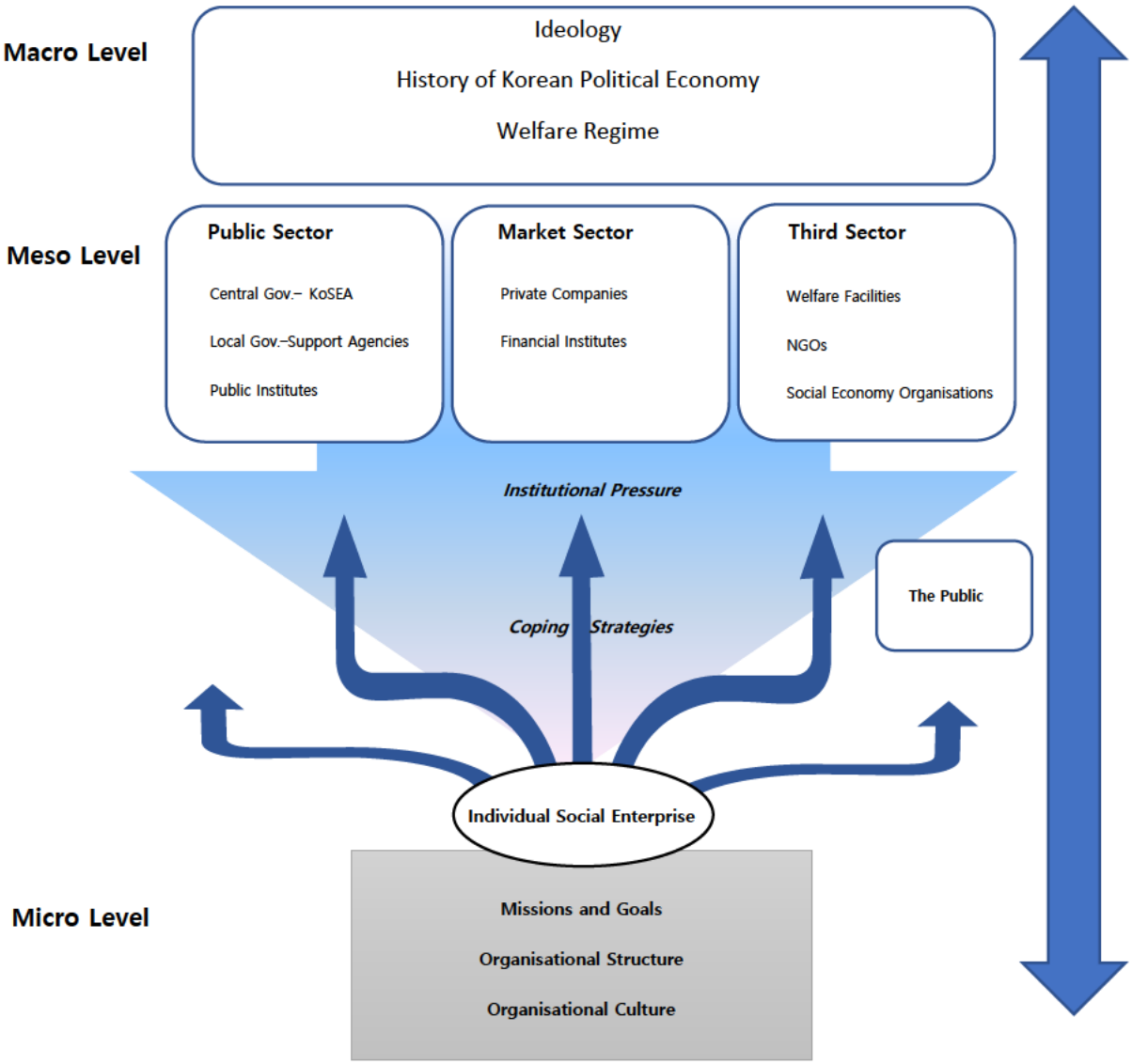
Table 2.5. The Re-categorisation of Suggested Hybridity Dimensions

	Macro-level Dynamics	Meso-level Inter-organisational Dynamics	Micro-level Dynamics		
			Mission & Goals	Organisational Structure	Organisational Culture
Battilana and Lee (2014)		*Inter-organisational relationships	*Organisational activities (the characteristics of organisational goals and the related organisational activities)	*Organisational activities (the level of integration concerning the dual goals and the organisational units to pursue them)	*Culture *Workforce composition

				*Organisational design (organisational structure, incentives and control system, governance) *Workforce composition	
Doherty, Haugh and Lyon (2014)		*Financial resources	*Mission	*Human resource	*Human resource
Vickers, Lyon, Sepulveda, and McMullin (2017)		*Relationships with key stakeholders	*financial management (control/re-investment over/of surplus) *knowledge sharing or protection – to disseminate its methods to bring positive impact on society or to safeguard its knowledge in competitive environment based on business logic		*Organisational Culture
Davies and Doherty (2018) Davies and Chambers (2018)		*Value proposition (value propositions, customer segment) *Value creation and delivery (key partnerships, resources, channels)	*Value proposition (customer segment, customer relationship) *Value capture (costs structure, revenue streams/spending)	*Value creation and delivery (activities)	
Jager and Schroer (2014)		*Member/organisation's practices (How do actors establish sustainable financial systems?; how do market actors collaborate with social investment systems?; how do civil society actors integrate financing systems?)	*Member/organisation's practices (How do actors establish sustainable financial systems?; how do market actors collaborate with social investment systems?; how do civil society actors integrate financing systems?)	*Organisational structures (which strategies create economically sustainable social values?; which strategies use market forces to create social values?; which market strategies are accepted within civil societies?)	*Member's identification with the organisation (why do actors work or volunteer for hybrid organisations? Why do actors invest in hybrid organisations? Why do actors buy services from hybrid organisations?; how do market actors support hybrid organisations?; how do civil society actors cooperate with market actors?)

With the conceptual discussions and the initial ideas drawn from the literature above, supplemented by additional research particularly on Korean cases suggested below, a comprehensive framework of levels, domains and factors comprising hybrid tensions and related dynamics are presented in Figure 2.4. Further details are then elaborated on each of the domains.

Figure 2.4. The Dimensions of Hybridity, Hybrid Tensions, and Related Dynamics



Macro-level Politics and its influence on Social Enterprises

The hybrid nature of social enterprises serves as “institutional glue,” drawing actors from various sectors that share certain elements of organisational reasoning with these hybrid entities (Park and Wilding, 2014; O'Toole, 1997). The social dynamics at the macro level, shaped by interactions of these actors, influence social enterprise phenomena.

Social forces with their own agenda influence over these organisations. The actions and interactions of influential entities, as well as the discourses they raise on social enterprise at a larger societal scale, have an impact on how the social enterprise sector is understood and formed, develops, and takes certain roles in a society (Teasdale, 2011). These overarching forces also define the conditions in which social enterprises operate and interact with external actors at the meso-level. Moreover, this macro-level dynamics extend their influence to the micro-level inner-organisational dynamics, forming or legitimising the values favoured by individual members inside each hybrid organisation.

The macro-level dynamics well-explain the emergence and construction of social enterprise sector in Korea. As international aid organisations that started Korean third sector withdrew, two distinct categories emerged to provide social services under authoritative regimes: government-sanctioned apolitical entities supported by the government, and unregistered organisations that opposed dictatorships operating independently.

Despite the transition to democracy, the conservative party’s sustained parliamentary majority coupled with divisions among trade unions and the limited strength of the newly formed Labour party (Yang, 2017; Kim, S., 2019) impeded a significant increase in social spending within the country. The economic crisis of 1997, compounded by subsequent budget constraints, added further challenges to enhance funding for social services to a satisfactory level.

In this context, social activists and third-sector organisations endeavoured to promote the idea of social rights (Kim, 2019). In addition to policy advocacy, Korean third-sector organisations including the formerly ‘unregistered’ organisations actively participated in social service delivery, cooperating with democratic governments. They worked for self-support movements and tried to introduce and promote the concept of social enterprise to the society, which eventually became incorporated into state policy.

The democratic South Korean governments, due to the economic and political conditions, the legacy of a developmental state, and the productivist welfare regime continuing, attempted to keep mobilising non-state resources to tackle social service shortage and more importantly the unemployment issue. This was legitimised by the global trends of neoliberalism and the new public governance (NPG) in the sense that the government responsibility for social service provision was moved onto non-state actors including citizens. This effort involved institutionalisation of self-support enterprise through NBLS and social enterprise through the enactment of SEPA. Social enterprise policies in Korea, mainly motivated by providing job opportunities post-1997 financial crisis, led the dramatic growth of social enterprise sector. In the process, the government’s main interest was reflected in policies and practices, which led to a certain -job providing- type social enterprises becoming the representative type of social enterprise in Korea for a long time (Park, Lee, and Wilding, 2017).

However, as the social enterprise sector grow and actors with various background join, the sector is being diversified in terms of types and forms of organisations. The supports from private companies that are recently increasing are also providing more options for Korean social entrepreneurs that mainly depended on the government support.

To sum up, the hybrid nature of social enterprises that attracts actors from different sectors makes macro-level dynamics put social enterprises in a position to consist of a network governance for social service delivery in Korea.

The Korean case is different in the sense that social enterprise sector has undergone substantial growth and advancement while establishing a social service delivery system, while it expanded its roles in the process of welfare reform and the downsizing

of state welfare system in Europe (Kim, S., 2019). In Korea, the government has tended to prefer minimal provision of direct services relying on non-state actors, which was the same motivation behind the social enterprise policy (Park et al., 2017). The government's focus on social enterprises for policy goals influenced the sectors' composition, with job-providing enterprises dominating the sector (Park, Lee, and Wilding, 2017).

As one of the East Asian countries, social enterprise phenomena in Korea reveals characteristics of the East Asian social enterprise model that are different from Western countries including strong states, weaker but significantly growing civil societies, cooperative movements that conduct important roles, a condition of necessity - the condition where the need is unmet - and a condition of shared destiny - people sharing the same life condition aware of their potential - (Defourny and Kim, 2011). However, as discussed above, Korea also reveals peculiarities including the distinctively active roles of civil sector activists and organisations not only in introducing and promoting social enterprises in society but also in disseminating the concept of social rights and welfare system construction.

Inter-organisational Relationship and Resource Acquisition

Inter-organisational relationships are either competitive or collaborative as organisations have their own interests that may correspond or clash with each other. They are mainly about resource distribution, and organisations mobilise necessary resources through inter-organisational relationships.

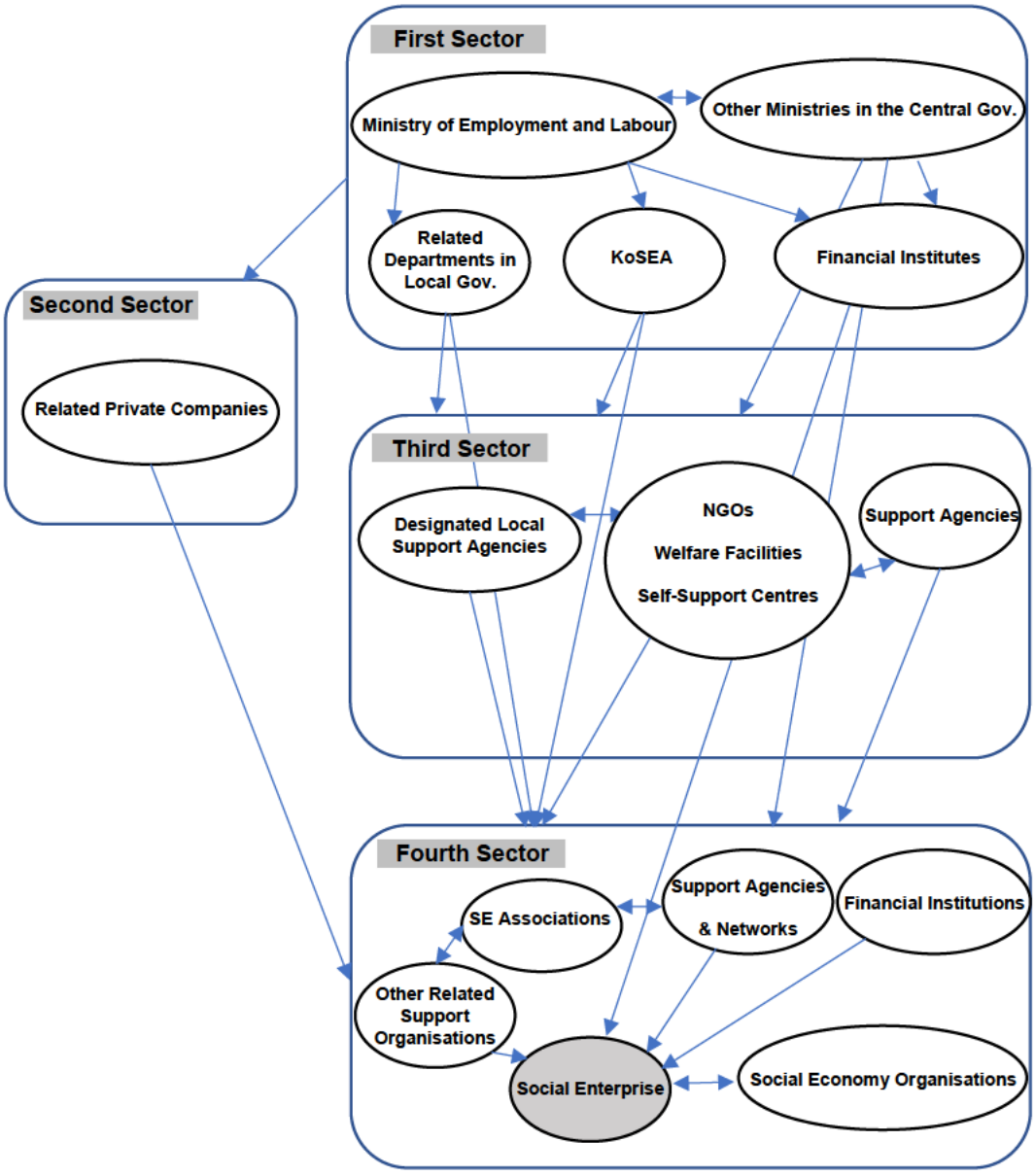
Regarding external actors in relationships with social enterprises, particularly in the Korean context, Cho and Kim (2014) identified the main actors including the Ministry of Employment and Labour, other ministries in the central government, KoSEA, local governments, financial institutes, private companies, support agencies, NGOs, welfare facilities, self-support centres, social enterprise associations and social economy organisations including other social enterprises as seen in Figure 2.5. According to them, the actors influence either individual actors or a certain sector in general as the arrows in the figure suggest. They also found out that the relationships

between those actors were rather ‘vertical’ or ‘hierarchical’ in Korea, having the first sector actors on the top and social enterprises on the bottom. This was adjusted based on the researcher’s understanding of the current situation and represented in the framework suggested in Figure 2.4. This includes the merge of the third sector and fourth sector into third sector that includes social enterprise organisations.

The term ‘fourth sector’ is used by some researchers as Figure 2.5 to respond to the perceived shortcomings of encompassing social enterprises with traditional third sector conception which is often reliant only on limited sources of funding from grants and donations (Diachon and Anderson, 2009; Vickers; 2010). In Korea, only the organisations that was certified by government can be called social enterprise. The new term ‘Social Economy Organisation’ is recently used to include uncertified social enterprises. However, as the government intervenes again and suggests the main social economy organisations as certified social enterprise, cooperative, community-based enterprise, self-support enterprise, and social venture (https://www.socialenterprise.or.kr/social/econ/mainEconEnt.do?m_cd=E061 accessed on 15. 1. 2024), the term is generally understood so. As a result, there exists grey area, and some of the organisations that are not one of the five type social economy organisations define themselves as third-sector organisations even though they engage in trading. Thus, in Korea, according to context, the ‘third-sector’ sometimes means third sector-organisations excluding social economy organisations, while social economy organisations are considered as the ‘fourth-sector’ (in government and academia). However, it sometimes means third sector organisations including social economy organisations (in academia) to avoid unnecessary confusion.

In the sense that it is becoming increasingly challenging to strictly differentiate the pure third-sector organisations unrelated to trading from social enterprises, this thesis puts social economy sector under the third sector category.

Figure 2.5. The Actors around Social Enterprises in Korea (Cho and Kim, 2014: 311)



Resource dependency theory explains that organisations depend on their environment for the resources they need to survive and grow, and this dependence makes them vulnerable to external actors' demands and expectations. This makes organisations active agents that try to secure necessary resources in relationships with those who have control over it. Organisations attempt to reduce dependency on other organisations and to find ways to gain more power over relationships and to secure

needed resources (Pfeffer and Salansik, 1978: 39-54). Thus, strategies like cooperating, networking, diversification of resource (securing other resource suppliers), contract management and participation in alliances and associations are deployed to obtain crucial resources and manage uncertainty in securing them (Guo and Acar, 2005; Froelich, 1999; Pfeffer and Salansick, 1978).

The institutional theory explains how organisations adopt widely accepted organisational structures, practices and behavioural norms through isomorphic change to gain legitimacy to secure resources (Powell and DiMaggio, 1991). Organisations appeal their conformity to institutionalised logic through isomorphic changes. Among the types of isomorphism, three types of isomorphic changes are the most known: 1) coercive isomorphism (acceptance of direct or indirect external pressure such as government regulation); 2) mimetic isomorphism (acceptance of the practice of successful organisations); and 3) normative isomorphism (acceptance of shared norms among members of a profession) (DiMaggio and Powell, 1983). Cases such as not-for-profits becoming market-oriented and social enterprises for resource acquisition could be explained by this theory (Teasdale, 2012). Dart (2004) also explains the marketisation of not-for-profits with the institutional theory and discusses that social enterprises' legitimacy comes from wider society's belief and preference for business ideology.

In securing legitimacy, some organisations manage their impressions. Impression management refers to "the process by which an actor attempts to control the impressions others form of them", or "the efforts by actors to create, maintain, protect, or alter an image held by a target audience" (Schlenker, 1980; Leary and Kowalski, 1990; Bozeman and Kacmar, 1997). Many studies on impression management have been on the individual level; however, organisations utilise impression management strategy just as individuals do (Bolino et al., 2008). Organisations endeavour to manipulate social cues and provide selective information to affect the image of them that audiences get (Leary and Kowalski,1990). They display different images according to the audiences' desired value to let the audiences consider them legitimate (Teasdale, 2010a). The conveyed impressions can be true or false (Leary and Kowalski, 1990).

In the case of social enterprises, hybridity poses both challenges and opportunities in

resource mobilisation through relationships. As a hybrid organisation that mixes institutional logic and operates in multiple domains, a social enterprise is endowed with the opportunity to access a wider range of resource suppliers in different sectors as well as to adopt mixed-resource portfolios, for example, balancing earned income and donations. However, deviating from established forms, a social enterprise faces challenges in gaining resources due to the lack of legitimacy unlike conventional organisations with already conferred legitimacy (Battilana and Lee, 2014; Zuckerman, 1999).

In research on Korean social enterprises, Moon and his colleagues (2020) show social networks positively influence both social and economic performance. Park and Park (2017) found out from Korean social enterprises that local embeddedness formed by continuous interactions contributes to both social and economic goal achievement. Oh (2013) found out that there are coercive isomorphic changes related to government policy in the process of receiving government support, and mimetic isomorphic changes associated with well-performing organisations and the atmosphere in the same industry.

Missions and Goals

The missions and goals of social enterprises are influenced by macro-, meso- and micro-level dynamics. On the macro level, in Korea, along with political discourses including NPM and NPG, other socioeconomic conditions such as a culture of a developmental state and a productive welfare regime also engage in this level dynamics that influence the goals and missions of social enterprises (Jeong, 2015; Park, Lee, and Wiling, 2017).

It is said that the Korean government started adopting neoliberalism from the Economic Stabilisation Policy in 1979 (Park, 2021). The democratisation in the late 1980s led to pressure on the government from middle-class focused civil activists to adopt neo-liberal policies such as the independence of the Bank of Korea, which became an impetus of serious change (Park, 2021). The 1997 financial crisis made the nation fundamentally change direction towards neo-liberalism (Park, 2021).

Meanwhile, the new public governance (NPG) theory started being adopted with the progress of the democratisation of the nation (Park and Yun, 2015). While the Kim Dae-Jung government (2008-2003), which was leftist but did not have a majority in Parliament and was under pressure from IMF associated with the financial crisis, adopted neoliberalism as a motto, the leftist Roh Moo-Hyun government (2003-2008) adopted the NPG paradigm in addition to the NPM (Kim and Hong, 2011). As explained above, these processes legitimised and strengthened the already fragmented social service system, making many social enterprises aim to work for social service delivery and work integration.

The productive welfare regime also influenced social enterprises' roles and goals. Korea as a developmental state that delayed welfare state construction started speeding up providing welfare services after democratisation and particularly after the 1997 financial crisis. Accelerating meeting spreading and increasing social service needs, under the influence of the global trend of neoliberalism-NPM and NPG, the government chose the 'productive welfare regime' that includes the welfare-to-work system inviting social enterprises to be service providers. This influenced social enterprises' roles and goals defining them mainly as the welfare-to-work service providers in Korea.

Under the legacy of the developmental state, where the government has much influence over other sectors, the missions of social enterprises have been greatly impacted by government policy interest. It is well known that the Korean government, again under the legacy of the developmental state, has aimed to control the voluntary sector (Kim, 2007). The Government has been expanding social service provision through the social service market as seen in the case of the long-term care insurance scheme and a voucher system where commercial companies and social enterprises can participate, utilising social enterprises as a policy tool for unemployment and social service delivery through those programmes (Lim and Endo, 2016; Park, Lee, and Wilding, 2017). With the political will and related policies, the number of social enterprises aiming to provide those services and hire vulnerable people has soared.

In addition to that, the history of civil society development influenced the goals of the organisations. The WISE-like self-sufficiency movements led by civil society actors became a direct root of Korean social enterprises, which influenced the social

enterprise concept and its goals in society. As a result of this historical trajectory as well as the government support mentioned above, approximately 70 per cent of certified social enterprises aim to provide jobs in Korea (KoSEA, 2021a).

On the meso-level, inter-organisational dynamics influence social enterprises' goals. Social enterprises have to acquire resources through interactions with external actors for survival and goal achievement (Pfeffer and Salancik, 1978). The need to effectively respond to external stakeholders in different sectors for resource acquisition sometimes influences the mission and goals of social enterprises.

According to the perspective of neo-institutionalism, organisations are under pressure to meet the expectations of resource holders to secure necessary resources. As social enterprises often experience, if external actors with great resource power have conflicting demands, organisations would struggle to balance them and might end up with mission drift which means one of the missions is sacrificed for another (Batillana and Lee, 2014; Conforth, 2014). Mission drift is more likely to happen when there is a high dependence on a resource provider, and it may occur towards better-established institutions with many resources (Batillana and Lee, 2014; Cornforth, 2014). In this vein, Jones (2007) suggests not-for-profits should not engage in unrelated business activities to avoid mission drift.

In Korea, social entrepreneurs strategically choose to get certified to gain legitimacy to receive government subsidies that are given to certified social enterprises. Certification and institutionalisation have an impact on the goals of social enterprises which have to meet conditions required by the government. As mentioned in the previous chapter, there are five types of social goals that organisations can choose for certification. Many Korean social enterprises have been certified as job-providing type social enterprises, because the documentation for this type is less difficult and it is easy to gain the understanding of the certification committee for this type certification (Lee, E.S., 2015). However, as the roles of big private companies as resource providers are growing in the social enterprise sector, the dynamics are changing.

According to the resource dependency theory, organisations try cooperative strategies to manage resource dependency, which has an impact on organisational goals.

According to the research on goal achievement and cooperation with external actors, social enterprises are more susceptible to external influences related to resource dependency since they tend to be small and have resource constraints (Ko and Yang, 2019).

Yoo and Min (2015) studied 100 Korean social enterprises and found out that partnerships with private companies contributed to both financial and social goal achievements. Jang and Han (2019) showed that the support from both the conglomerates and the governments positively influenced employees' motivation and intent to remain in the organisation, which may contribute to the organisations' goal achievement. Son and Eom (2019) found that the government support mainly contributed to profit generation and survival for the first five years, then the organisational mission after five years. Lee (2016) found out that there are different influences from different actors and that cooperation with private companies contributes the most to economic goal achievement while cooperation with other social enterprises contributes the most to social goal achievement. Ko and Yang (2019) studied 366 Korean social enterprises and found out that the social insurance subsidy from the government had a positive effect on sales and employment of the minority, while private financial support only affected net profit.

In terms of the micro-level, social enterprises are destined to constantly manage internal tensions in balancing social and economic goals. Social enterprises sometimes have to deal with the trade-offs between goals (Austin et al., 2006). This is not an easy process because members may have differing points of view on the appropriate balance between two goals and the strategies to achieve them in a given situation. This could partly be because the backgrounds of members are different, as many members of social enterprises are from different sectors with different logic and language. Internal tension management is an aspect that has rarely been studied especially in the Korean context. In this sense, this study would be able to contribute as an initial attempt to shed light on this unknown area.

Organisational Structure

Dual missions and multiple logic are manifested in organisational design and structure (Batillana and Lee, 2014). The organisational structure is a set of organisational rules and policies that direct organisational behaviours to achieve goals. It functions as a control mechanism along with organisational culture, providing organisational members with guides and option templates of possible and desirable organisational behaviours. However, it differs from the organisational culture in the sense that the organisational structure is set by the company, not the employees.

Core Activities and Related Structure

First, the selection of legal form is the issue linked to legitimacy acquisition from regulatory authorities and other key resource suppliers (Batillana and Lee, 2014). Social enterprises, as hybrid organisations operating in multiple institutional domains, often experience difficulty in choosing between options that are aligned with the conventional organisational templates, particularly in the early stage of the social economy sector's growth where the particular legal forms for social enterprises are not yet prepared (Battilana and Lee, 2014). The recent establishment of new legal forms such as CICs in the UK and benefit corporations in the U.S are providing social enterprises with new opportunities. However, in many cases, social enterprises have to choose one of the legal forms that are associated with one of the traditional sectors. In Korea, SEPA states the selectable options of organisational forms. Article 8 of Korean SEPA says that social enterprises have to be in the "form of an organisation prescribed by Presidential Decree, such as a corporation or association as defined in the Civil Act, a company or limited partnership as defined in the Commercial Act, a corporation established under any Special Act, or a non-profit, non-governmental organisation." As a result, there are 71 non-profit organisations, 76 welfare foundations, ten consumer cooperatives, 99 agricultural corporations, 394 general/social cooperatives, 280 corporations defined in the Civil Act, and 1808 companies defined in the Commercial Act in Korea as of 2020 (KoSEA, 2021).

Second, managing core activities and structures, social enterprises organise social

and economic values to serve each other or deal with them separately (Battilana and Lee, 2014). First, a social enterprise could generate social and economic values through the same integrated activity (Battilana and Lee, 2014). In this case, beneficiaries and customers tend to be one group, letting the social enterprise avoid the trade-offs of the activities (Battilana and Lee, 2014). Second, when a social enterprise pursues each goal through differentiated activities, the organisation is physically compartmentalised with subunits serving different logics. The compartmentalisation could mitigate the tensions from different logics but requires coordination as well as balanced resource allocation between the units (Battilana and Lee, 2014). Regarding core activities, as approximately 70 per cent of the certified social enterprises are WISE-like job-providing social enterprises in Korea as of 2020 (KoSEA, 2021), the beneficiaries and customers are not integrated in most social enterprises. As the trade-offs and tensions between two values become significant when activities related to social and economic goals are not integrated, the ability to effectively handle these conflicts can be a crucial determinant of success for Korean social enterprises.

Decision Making

Building and operating appropriate governance structures is not an easy task for social enterprises. The inclusion of different stakeholder groups could make decision-making tricky and slow due to differing interests, deterring timely responses to the environment (Wilson and Post, 2013).

Regarding the types of boards, after trying to apply Conforth (2003)'s governance-type model to Korea where many Korean social enterprises fit more than one model at the same time, Bertotti et al. (2014) suggested a centralising/interdependent model of governance that fits Korean social enterprises. According to this model, approximately 30 per cent of social enterprises fit the centralising model, while approximately 70 per cent of the organisations fit the interdependent model in Korea (Bertotti et al, 2014). The centralising model is distinguished by strategic decision-making led by the CEO, primarily driven by the founders' interests (Bertotti et al, 2014). It involves board

members electing each other, emphasising a specific skill set, deriving over 70 per cent of income from trading with the general public and the private sector (Bertotti et al, 2014). Companies are likely to be under commercial law regarding legal status and have a business-oriented mission (Bertotti et al, 2014). In contrast, the interdependent model is characterised by strategic-decision making that balances stakeholder interests (Bertotti et al, 2014). It features a more diverse range of interests on the board represented by members elected through voting from different interest groups, a broarder mix of business and community skills, 20-50 per cent of income sourced from grants and donations, and legal status under civil law and non-profit organisation act, aligning with a socially oriented mission (Bertotti et al, 2014).

Regarding participation, Ohana, Meyer and Swaton (2013) showed that employees' involvement in decision-making processes positively influences their organisational commitment. Hong (2021) found that stake holders' participation rate on the board had a positive relationship with the amount of money that is reinvested in Korean social enterprises. Kim, S-H (2021) found that a high rate of people with a weak tie with a founder who participated in the founding team increases democratic decision-making. As a decision-making system that includes stakeholders is one of the required conditions for certification in Korea, most certified social enterprises have a democratic decision-making system. However, there is not much research on the decision-making system of Korean social enterprises.

Workforce Composition[17]

Hybridity and tensions are present in the workforce composition. As a newly emerging institution, it is hard for social enterprises to recruit employees who already have social economy sector experience or who have both commercial and social sector knowledge. As a result, social enterprises tend to recruit employees from one of the

[17] The issue of workforce composition in South Korean social enterprise predominantly converged into a problem related to organisational socialisation. Consequently, in the presentation of results after data analysis, the workforce composition component has been incorporated into the area of socialisation related to organisational culture management.

conventional sectors, and boundary-crossing individuals become carriers of different logic and values (Lewis, 2010: 221). They could provide the necessary knowledge, ideas, skills, and techniques or even informal cross-boundary links; however, they also become the source of conflicts by experiencing difficulties in re-identifying themselves, or having different opinions or language of communication with fellow colleagues who have worked in other sectors.

The resource constraint limits both the attainability of skilled employees and the capability to utilise financial incentives in social enterprises (Austin et al., 2006; Doherty et al., 2014). Thus, social enterprises often draw on non-pecuniary intrinsic rewards such as job satisfaction in association with social value to recruit and motivate employees (Dees, 1998; Austin et al., 2006; Haugh, 2007; Membretti, 2007; Zahra et al., 2009; Battilana and Dorado, 2010; Doherty et al., 2014; Napathorn, 2018).

Volunteers also experience tensions and challenges, although they are an important workforce for resource-strained social enterprises. The paid workforce might influence volunteers' motivations by making them feel the situation is unfair. The pursuit of economic goals also might feel awkward for the volunteers. (Liu and Ko, 2012; Austin et al., 2006).

Regarding workforce composition or human resource management in research on Korean social enterprises, Kim and Lee (2016) compare private and social enterprises and say that social enterprises hire more females and older people with less salaries, whereas private companies provide higher salaries. Kim, S-H (2021) found that people tend to prefer building social enterprise founding teams with same-gendered people in Korea. Jun and his colleagues (2018) show that intrinsic motivation reduces employees' turnover intention in social enterprises in Korea, whilst Baek (2018) shows that motivations pursuing social value and economic value both enhance job satisfaction and organisational commitment and reduce the intention to leave in Korean social enterprises.

Organisational Culture

The organisational culture refers to a set of norms shared among the members (Schein, 2006). It is formed from the everyday interactions of members, but it could also be managed as a way to control the organisational behaviours and processes. The initial form of an organisation's culture is mainly influenced by founders; then it tends to continue by the process of selective recruitment where the organisation chooses candidates that fit the organisational culture and socialisation.

Organisational culture management could be more difficult in social enterprises. As most employees are from one of the conventional sectors and were trained there, socialising them becomes particularly challenging for hybrid organisations (Battilana and Dorado, 2010; Santos et al., 2015).

Speaking of research on Korean social enterprises and organisational culture, Kim, S-H (2021) confirmed that founding members have a big impact on organisational culture based on a survey of 216 Korean social enterprises. Kim, S-H (2021) also found that the high social entrepreneurship of founders boosts communication culture among members of social enterprises. Kim and Lee (2016) compared private and social enterprises and found that social enterprises tend to have a group culture and focus on participation, affinity, group morale, cooperation and trust whilst private companies tend to have rational culture and emphasis on productivity, efficiency, planning, goal setting and performance assessment. Park (2014) says the score for group culture is high, while that of rational culture is low in Korean social enterprises. Lee (2018) similarly says, based on Korean data, that social enterprises tend to be relationship-oriented. Lee (2016) studied communication style and performances and found that an emotion-oriented communication style contributed to social performance whereas a task-oriented communication style contributed to economic performance. Park and Shin (2014) found that group culture positively influences job satisfaction in social enterprises.

There is a logical possibility that organisational culture could be influenced by meso-level inter-organisational relationships. Social enterprises could be susceptible to

external influences that come from exposure to different cultures through relationships like alliances and partnerships. This could cause the organisational cultural of social enterprises to reorient towards the values embedded in the better-institutionalised conventional sector (Battilana and Dorado, 2010; Santos et al., 2015). However, current academic research on the transformation of organisational culture due to inter-organisational relationships is limited. When it comes to general organisations, there was little research on the effect of mergers on organisational culture (Bligh, 2006; Saunders, Altinay, and Riordan, 2009; Spicer, 2011; Ovseiko et al., 2015; Chesley, 2020). This could be because culture is more rooted in organisations than structure and hard to be changed with a small stimulus.

2.5. Chapter Summary

The primary goal of the chapter has been to explore hybridity which is the essential factor of the social enterprise concept as well as the source of hybrid tensions and hybrid dynamics in and around social enterprises. It also aims to suggest a framework to explore hybrid dynamics within and surrounding social enterprises.

In this chapter, after an overview on the various attempts at defining the concept of social enterprises, hybridity was suggested as an essential factor of the social enterprise concept. In the process of social enterprise formation, hybridisation occurs with the infiltration of different sectors' characteristics and logics. Further in this chapter, it was explained that hybridity caused opportunities as well as tensions and conflicts in and around the organisations.

The chapter importantly suggests a framework of domains of hybrid tensions and dynamics that could particularly be applied to the Korean context. The three levels and sub-dimensions were suggested based on literature, and the factors consisting of each dimension were listed particularly based on the existing research on Korean social enterprises. Although there have been some studies that explored hybrid dimensions, the studies hardly investigated those at different levels. Thus, by taking a systematic and holistic view and examining the multi-layered dynamics of hybrid tensions and dynamics in and around social enterprises, this study will give an opportunity to

deepen the understanding of the whole picture of the social enterprise phenomena.

Such debates and ideas may provide insight into a more profound comprehension of social enterprise. They propose a fresh perspective by positioning hybridity as a hallmark of social enterprise and proposing a systematic and holistic framework that encompasses the layers and domains of hybrid tensions and dynamics. A better understanding of the hybrid tension and dynamics would also let practitioners better manage their organisations.

In the next chapter, the research philosophy and methods will be explained.

CHAPTER 3 Methodology

3.1 Introduction

This chapter covers methodology. It presents and justifies the research philosophy, research design and associated research methods that are employed for the study. It begins with the research philosophy of the thesis, introducing the critical realist perspective and related fundamental assumptions that underpin the study. Following this, it moves on to a detailed explanation of the case study methods. After a justification of the 'qualitative case study' that is adopted for the study, the sampling criteria, four-step fieldwork and data collection processes are explained. It also shows the general characteristics of participants. It then suggests data analysis strategies. The chapter ends with an overview of the quality of the research as well as ethical issues.

3.2 Research Philosophy and Assumptions

This study takes a critical realist standpoint, which has the explanatory strength to explain social events, search for causation, and provide policy recommendations or solutions to deal with social issues (Fletcher, 2017). It underpins case studies regardless of the number of cases or research units, as long as the study is designed as in-depth research to understand 'why things are as they are' (Vincent and Wapshott; Easton, 2010). The interest in the causal explanation of critical realism fits case study's interest (Kessler and Bach, 2014).

Regarding causality, critical realists are told to 'rescue causality' from interpretivists (Fitzpatrick, 2005). However, their understanding of causality is different from that of positivists, by defining causal power as something that can or cannot be activated due to conditions (Fitzpatrick, 2005). So, the presence of empirical regularities cannot guarantee the existence of real causal power according to critical realists (Fitzpatrick 2005).

Research philosophy is associated with epistemological and ontological assumptions. Originated as an alternative to positivism and constructionism, critical realist assumptions are based on both approaches (Denzin and Lincoln, 2011). According to critical realists, reality exists independently regardless of our knowledge of it, and human knowledge is theory-laden and fallible (Fletcher, 2017). However, researchers can get the knowledge that can be more or less close to reality (Fletcher, 2017).

Reality is considered to consist of three different levels: empirical, actual, and real level (Fletcher, 2017). Events occur regardless of human experience or interpretation at the actual level, but can be experienced and understood through human interpretation at the empirical level. Causal mechanisms embedded in structures exist at the real level, which causes the events.

The critical realists focuse on finding the causal mechanisms and conditions that activate the causal mechanisms. Through data analysis, critical researchers first find tendencies called ‘demi-regularities’ at the empirical level, which are different from laws (Denermark et al., 2002; Fletcher, 2017). This process is followed by ‘abduction,’ which tries theoretical engagement while acknowledging the theories are fallible (Fletcher, 2017). The final stage is the ‘retroduction,’ which links particular conditions to causal mechanisms (Flatcher, 2017).

Social entities become the objects of the critical realist study. A social entity is defined as “a persistent whole formed of a set of parts that is structured by the relations between these parts” (Vinsent and Wapshott, 2014), which tends to be structured and consist of various internally related objects. The social entity is different from the variables which can be fully explained by measuring them alone (Sayer, 1992). Meanings cannot be measured, and should be understood (Sayer, 2000). The social entity is not easy to understand, and one must rely on more than just measurement. In this study, organisations which are social enterprises are the objects as social entities that consist of various members, processes and resources (Easton, 2010). Causal relationships would be explored by three-level-reality assumption and abductive and retroductive reasoning.

Critical realism particularly well suits the current study, with its strength in causal

explanation. Underpinned by the rationale of critical realism, the research conducts a case study, which is explained in the next section.

3.3 Case Study Design

3.3.1 A Qualitative Case Study

This is a case study and it adopts a qualitative approach. The case study approach is widely used in organisational studies (Buchanan and Bryman, 2009). It is appropriate for responding to ‘how’ and ‘why’ questions (Yin, 2003), which are the questions of this study, because it lets researchers disentangle complex factors and relationships in a certain research area defined as cases (Easton, 2010).

As a case study, this study involves social enterprises as cases. The case is a “specific, complex, and functioning thing" that has “boundaries” and is an “integrated system (Stake, 1995).” The case in the current study is the Korean social enterprise.

According to Stake (1995), who classified case studies into three categories; intrinsic, instrumental, and collective case studies, this research is an instrumental case study. An instrumental case study aims to promote an understanding of specific issues to a bigger research question, whilst an intrinsic case study aims to learn about a phenomenon or an individual. A collective case study selects cases in an instrumental case study. As an instrumental case study (Stake, 1995; Baxter and Jack, 2008), this study explores cases to understand more than a particular case and to gain insights on general conditions for social enterprises’ survival and goal achievement (Baxter and Jack, 2008).

Although a case study can be conducted through quantitative, qualitative, or mixed methods (Hartley, 2004; Titscher et al., 2000; Stake, 2000), this study adopts a qualitative research strategy, which is better to capture the complex and changing nature of dynamics (Creswell, 1994; 1998; Marshall and Rossman, 1995). The qualitative case study is widely acknowledged for its usefulness in understanding complex phenomena in their own contexts (Baxter and Jack, 2008). The flexibility of the qualitative case study, which comes from the iterative characteristics moving back

and forth between research steps (Verschuren, 2003), enables researchers who investigate small numbers of social entities to explore complicated causal relationships.

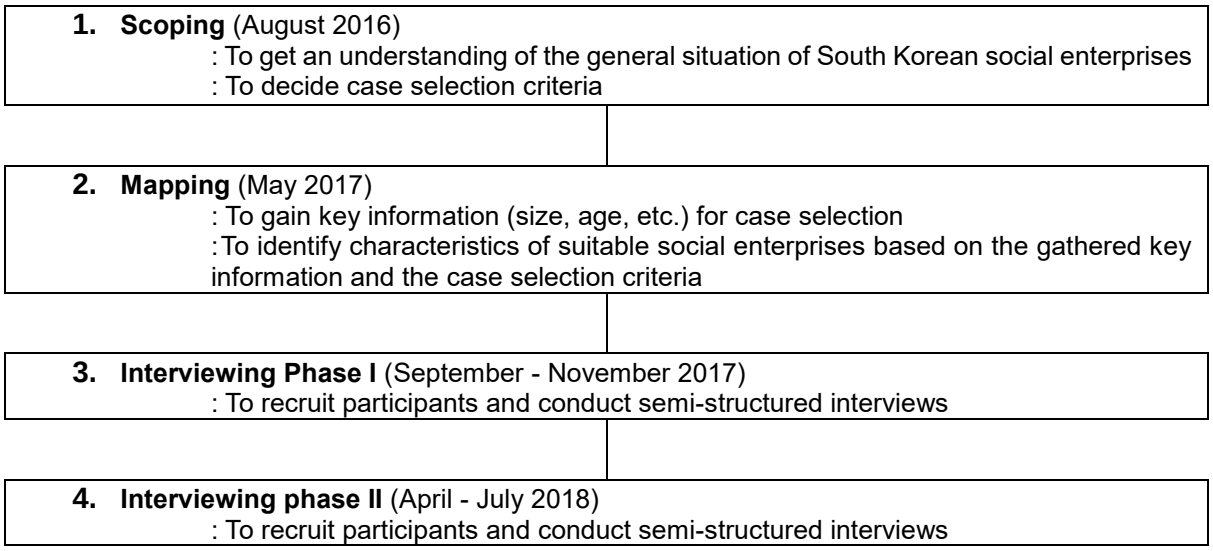
3.3.2 Data Collection

The study uses qualitative data mainly collected through semi-structured interviews with people in and around social enterprises. The interviews enable data to be collected from actual actors with vivid details. The interviews were conducted with a topic guide that contains several key questions to impose topic areas and to prompt participants to talk about them (Joffe, 2012; Wilkinson et al., 2004). Semi-structured interviews allow participants to freely talk about key topics while the overall process is guided.

Data from official reports, policy documents, news articles, websites or publications of social enterprises, and previous research are also used to support reliability. These are gleaned from semi-systematic literature reviews including searches of relevant institute websites, newspaper database, key social science bibliographic databases, citation tracking and manual searches of relevant journals. When participants' interview data is supported by this formal literature, the researcher could know that the participants' perception is more reliable. The formal literature also helps the researcher understand participants' interview with the background knowledge.

The fieldwork to collect interview data was divided into four different steps; scoping, mapping, and two separate phases of semi-structured interviewing as below. As a result, nine participants were interviewed in the scoping phase, and 35 participants were interviewed in the interviewing phases including 25 participants from 12 social enterprises and 10 stakeholders including four policy makers, three staff of support agencies, two consultant, and one impact investor. Thus, data was collected from 44 participants in total.

Figure. 3.1. Field Work Stages



Scoping

There was a short visit to Korea to scope the field and to decide on sampling criteria. During the visit, nine people in and around South Korean social enterprises were contacted and asked to talk about the overall situation of Korean social enterprises. The participants included social entrepreneurs, staff of support agencies and researchers of social enterprises as illustrated below.

Table 3.1. Interviews for Scoping

Participant	Characteristics	Theme of story
A	Former advisory committee member of social economy community project of Seoul	-Issues around social enterprises in South Korea
B	CEO of a prospective social enterprises	-Experiences and difficulties regarding running a social enterprise -Red tapes etc.
C	Staff of advertisement company working for social enterprises and Seoul Social Economy Centre (a support centre)	-Issues around social enterprises -Support from support centres etc.
D	Staff of advertisement company working for social enterprises and Seoul Social Economy Centre (a	-Difficulties that social enterprises face -Opportunities for social enterprises etc.

	support centre)	
E F G *(Focus Group Interview)*	Staff of Seoul Social Economy Centre (a support centre) Staff of Seoul Social Economy Centre Manager of a certified Social Enterprise in Seoul	-Current situation and issues around social economy in South Korea. -Change in trend of social entrepreneurs and social enterprises in South Korea -Ecosystem of social enterprise in South Korea -Activities of support centers etc.
H	CEO of a certified Social Enterprise in Seoul	-Experiences regarding running a social enterprise -Achievement of necessary resources -Support from Government -Discriminative support from public sector according to political orientation etc.
I	CEO of a prospective social enterprise in Seoul Leader of an association of migrant women	-Survival strategies -Strengths of the social enterprise
Total Number of Participants for Scoping		**9**

These were not structured interviews; however, interviews were conducted with a recording device. The participants were encouraged to talk freely about their experiences.

An understanding of the general circumstances of South Korean social enterprises and insights for the decision on case selection criteria were gained through the meetings. The researcher was able to learn that job-providing social enterprises in Seoul are thought to represent Korean social enterprises as more than 60 per cent of social enterprises are job-providing social enterprises and Seoul has the largest number of social enterprises in Korea. The researcher also learned the importance of the age of the organisations from the comments of support agents as they emphasised the difference of new and more established organisations.

Samples were planned to be selected by theoretical sampling which focuses more on a theoretical basis than a statistical one (Finch and Mason, 1999). Sampling criteria were decided based on information and knowledge gleaned from both the meetings in

Korea as mentioned above and other various sources such as official statistics, reports, and articles. As a result, case selection criteria as combinations of homogeneity and heterogeneity were chosen as below (Bryman, 2008).

Table 3.2. Sampling Criteria

Homogeneity	Heterogeneity
Certified type (Job Providing Social Enterprise)	Age
Location (Seoul)	Size

Samples for the study were chosen considering the homogeneity and heterogeneity. The main sampling criteria are the 'certified type,' 'location,' 'age' and 'size.' According to these criteria, the 'job-providing' South Korean social enterprises in 'Seoul' with various 'sizes' and 'ages' were planned to be selected. The first two criteria were chosen because these could maximise the opportunities to observe the hybrid dynamics around social enterprises. The other two were chosen to include various cases lest investigating only homogenous cases limited or distorted the understanding.

First, job-providing social enterprises make up the highest percentage (65% as of 2021) in South Korea as a result of the political interest which has aimed to use social enterprises mainly as a policy tool to address the unemployment issue (http://www.socialenterprise.or.kr). Second, Seoul is the city with the largest number of social enterprises (18.5% as of 2020) among seventeen metropolitan cities and provinces in Korea (http://www.socialenterprise.or.kr). Besides, it is well known for its social economy policies due to the former mayor's political interest,[18] which provides good opportunities to observe the impact of politics. The job-providing social enterprises in Seoul, therefore, guarantee some homogeneity as a foundation for comparison as well as the opportunity to explore the effect of political interest.

[18] The former mayor Park Won-soon was one of the earliest South Korean social entrepreneurs with social activist background.

Table 3.3. Locations of Social Enterprises according to the Provinces (as of 2020)

Seoul	507	18.5%
Busan	136	5.0%
Deagu	97	3.5%
Incheon	168	6.1%
Gwangju	124	4.5%
Deajeon	76	2.8%
Ulsan	97	3.5%
Sejong	16	0.6%
Gyeonggi	478	17.5%
Gangwon	150	5.5%
Chungbuk	113	4.1%
Chungnam	110	4.0%
Jeonbuk	155	5.7%
Jeonanam	151	5.5%
Gyeongbuk	173	6.3%
Gyeongnam	125	4.6%
Jeju	62	2.3%
Total	2738	100.0%

(KoSEA, 2021)

Third, social enterprises of various ages are included in the study. According to the participants for scoping, South Korean social enterprises can be categorised into three generations. The majority of first-generation social enterprises were founded from the 1990s to the early 2000s mainly by social activists who were interested in poverty issues and were certified around 2007 as the Social Enterprise Promotion Act (SEPA)

was enacted. Many of the second-generation social enterprises were founded with policy support after the enactment of SEPA. The third-generation social enterprises established in the 2010s-2020s started including organisations with more features of ventures and start-ups. Some of the third-generation social enterprises were certified as social enterprises, but some remained as uncertified social ventures. It cannot be said that most social enterprises founded and certified in a certain period share specific characteristics, but the important thing is that new groups of organisations started emerging from a specific period due to certain changes in the context. This study tried to diversify the age of social enterprise to include organisations with different characteristics that joined the sector at different times.

Fourth, social enterprises of different sizes are included in the study. Although t he size of an organisation can be defined in various ways such as by sales v olume, the number of clients served, net assets, etc., this study measures it by the number of employees as it is expected to have wider impact on most of t he social enterprises that are struggling to make a profit. Social enterprises wit h a various number of members are selected from each generation.

Mapping

A mapping of the field was undertaken to collect basic information. It was to understand the Korean social enterprise landscape as well as to identify suitable potential participants.

The mapping drew upon government data, organisations' websites as well as phone calls and emails contacting the social enterprises to request basic information such as age, size and income. It was ensured that each of the 165 job-providing social enterprises in Seoul as of July 2017 were contacted to provide the needed information. The contact details of those organisations were obtained from the official website of KoSEA (http://www.socialenterprise.or.kr) and the websites of individual social enterprises.

Among the 165 job-providing social enterprises in Seoul, 89 informed age and size by telephone or email, 47 gave more detailed information by email, and 23 were willing

to be contacted again for more information. The detailed information collected by the process is as below.

Table 3.4. The Result of Mapping

Certified year		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Number of job-providing SEs in Seoul as of July 2017 *based on formal data*		5	4	8	18	23	12	26	18	18	22	11	**165**
Number of the SEs that said yes to be contacted again		2	2	0	3	2	3	1	3	2	3	2	**23**
Number of the SEs that informed age & size by telephone or email		3	2	3	16	10	5	12	11	11	12	4	**89**
Due to info from 89 SEs	Average age	14.7	12.5	9.7	12.9	15.9	7.2	7.6	7.4	8.1	7.3	6.3	**9.9**
	Average time from launch to certification	4.7	3.5	1.7	5.9	9.9	2.2	3.6	4.4	4.7	6.3	6.3	**5.5**
	Average number of employee (size)	194.7	17.5	61.5	26.2	37	23.2	11.8	76.1	15.2	32.8	14	**37.6**
Number of the SEs that provided other information by email		2	2	2	5	6	5	6	4	4	7	4	**47**
Due to info from 47 SEs	Average number of source of revenue	2	3.5	3	2.4	2.3	3	2.3	3.8	3	2.7	3	**2.8**
	Average % of part time employee	2.5	2.5	27.5	48.5	22.7	8	14.2	24.8	24.9	26.5	2	**20.4**
	Number of SEs with volunteers	1	0	1	0	2	0	0	1	0	1	1	**7**
	Number of SEs that generated business profit	2	1	1	3	3	4	3	4	4	6	4	**35**
	Number of SEs that generated turnover less than 3 hundred million KRW (≒ 200 thousand GBP)	0	0	0	1	2	0	2	0	1	1	1	**8**
	Number of SEs that generated turnover more than 3 less than a billion KRW	0	0	1	3	1	2	2	2	3	2	2	**18**
	Number of SEs that generated turnover over a billion KRW	2	2	1	1	3	3	2	2	0	4	1	**21**

The average age of South Korean job-providing social enterprises in Seoul that provided the information was 9.9 years, and the average time from launch to certification was 5.5 years. The average number of employees was 37.6, but this seems to partly be because of one social enterprise certified in 2007 that reported they had 440 members, which can be interpreted as an outlier. This also made the average number of employees certified in 2007 to be 194. According to an official report provided by the Government in 2016, the average number of employees of South Korean social enterprises was 23.4, and the average number of employees in job-providing social enterprises was 24.7. Among the provided 11 categories, that were were 1) government/public sector grants, 2) government/public sector loans, 3) government/public sector contracts or sales, 4) donation/sponsorship/support from private sector, 5) contracts or sales from private sector, 6) bank loans, 7) non-profit sector donation/sponsorship/support, 8) non-profit sector contracts or sales, 9) donations from general public, 10) individual customer or clients, and 11) others, the average number of sources of revenue they checked was 2.8.

The information was used to map the field and find out suitable cases. The information on the year of foundation and certification was used to identify potential participant organisations' age. The information on the number of employees was used to recruit social enterprises of different sizes. Other information was used to diversify cases when recruiting and provide background knowledge to help understanding of the selected cases.

Sampling and Interviewing

The social enterprises and participants were selected by theoretical sampling based on the chosen sampling criteria explained above. However, accessibility was conside red too. To recruit social enterprises, people in appropriate social enterprises among the respondents who indicated their willingness for further contact were contacted fir st to get consent for participation. As some changed their mind, and some did not fit t he appropriate sample profile, one social enterprise was recruited among the organis ations that were open to participating. Additionally, people in other suitable social ent erprises that were identified based on the gathered information were contacted via v

arious routes; they were contacted through a staff of support agencies or researcher s who have access to them. A snowball sampling technique was also used to recruit additional participants.

Data was planned to be collected via semi-structured interviews with people in several groups; policymakers in the central government for interviews on macro-level dynamics, people in organisations in relationships with the focal social enterprises for interviews on meso-level dynamics, and members of social enterprises for interviews mainly on meso and micro-level dynamics. Regarding the people inside social enterprises, multiple participants at different hierarchical levels were planned to be interviewed in each social enterprise. The people in organisations in relationships with social enterprises include civil servants of relevant departments in local governments and staff in support agencies such as KoSEA and Seoul Social Economy Centre.

Table 3.5. Participant Recruitment Plan

Participant Types		Main Interview Theme
participants	Public officers in the central government	Macro-level dynamics
	Members of organisations in relationships with social enterprises	Meso-level dynamics
	People working in social enterprises at different hierarchical levels	Meso-level dynamics Micro-level dynamics

The interviewing step was planned into two phases to give time in between them to reflect on the fieldwork experiences and findings. Three policymakers, one support agent, and nine social entrepreneurs from five social enterprises were interviewed during the first phase of the interviewing. The data collected from the first phase was used to refine interview questions as well as give insights into the next stage. The second phase was designed and prepared on the basis of the learning from the first phase. One policymaker, two support agents, one social investor, two consultants, and 16 social entrepreneurs from seven social enterprises were interviewed during the second phase of the interviewing.

Topic guides for each group were used for the semi-structured interviews. Digital audio recordings were made of every interview with the participants' consent. Field notes

were also taken. All interviews were conducted face to face. The interviews mostly took around one hour each, and were conducted in the participants' offices. All the recorded interviews were transcribed verbatim in Korean as the interviews were conducted in Korea. The parts that will be quoted in the thesis were translated into English after analysis.

As a result of field work, 25 participants from 12 social enterprises were interviewed as seen in Table 3.6.

Table 3.6. Participant List: Social Enterprises and Their Members

Participant Code	Position	Social Enterprise Code	Year of Certification	Industry/Characteristic	No of Members[19]
Staff SE1-a	Staff	SE1	2008	Printing (Hiring the disabled)	18
Staff SE1-b	Staff				
Staff SE2-a	Staff	SE2	2009	Caring service for the disabled, senior citizens, and patients with low income (Hiring the vulnerable)	510
Chief Executive SE3-a	Chief Executive	SE3	2011	Manufacturing packed takeaway meals (Hiring the elderly)	8
Staff SE3-b	Staff				
Chief Executive SE4-a	Chief Executive	SE4	2011	Manufacturing soaps & cosmetic products (Hiring the disabled)	63
Staff SE4-b	Staff				
Chief Executive SE5-a	Chief Executive	SE5	2011	Food resource circulation (Hiring the disabled)	40
Staff SE5-b	Staff				
Staff SE5-c	Staff				
Chief Executive SE6-a	Chief Executive	SE6	2011	Musical performance (Hiring artists who are long-term unemployed)	9
Staff SE6-b	Staff				
Chief Executive SE7-a	Chief Executive	SE7	2014	Printing Baking; Biscuit, cookie, cake, bread Coffee; roasting, sales & delivery Flower; sales & delivery Cafe	180
Staff SE7-b	Staff				

[19] Total number of members including CEO and other workers.

				(Hiring people with developmental disorders)	
Chief Executive SE8-a	Chief Executive	SE8	2015	Retail trade of items for sales promotion (Hiring the disabled)	31
Staff SE8-b	Staff				
Staff SE9-a	Staff	SE9	2015	Fairtrade (Hiring the vulnerable)	9
Staff SE9-b	Staff				
Staff SE9-c	Staff				
Staff SE10-a	Staff	SE10	2015	Space sharing Pop-up store/Flea market planning, organising, operation (Hiring the vulnerable)	10
Chief Executive SE11-a	Chief Executive	SE11	2015	Food sharing Design (Hiring the vulnerable)	3
Staff SE11-b	Staff				
Chief Executive SE12-a	Chief Executive	SE12	2016	Landscaping Assistance for people who returned to farming The education programme in forest (Hiring the vulnerable)	19
Staff SE12-b	Staff				
Staff SE12-c	Staff				
Total Number of Participant SEs			**12**		

In addition to that, ten participants from other organisations around the social enterprises were interviewed during the fieldwork as seen in Table 3.7.

Table 3.7. Participant List: Stake Holders

Participant Code	Occupation	Characteristic
Policymaker SH-PC1	Policy maker	Public officer - Central gov.
Policymaker SH-PC2		
Policymaker SH-PC3		
Policymaker SH-PL1		Public officer - Municipal gov.
Support Agent SH-SN1	Support	Staff -support centre- (nationwide level)

Support Agent SH-SL1	Agent	Social entrepreneur working with the local support centre under the municipal gov. of Seoul
Support Agent SH-SL2		Chairperson (Local support centre; district level)
Impact Investor SH-I1	Impact Investor	Founder/CEO of an impact investment company
Consultant SH-C1	Consultant	Consultant consulting social enterprises
Consultant SH-C2		Consultant consulting CSR teams of big private corporates
Total Number of Participant Stake Holders		**10**

The stakeholders involved civil servants within the team of presidential office th at responsible for social economy policy, as well as those in Seoul metropolita n government's department overseeing social economy policy. Additionally, ther e were members from KoSEA and a district-level support centre, a social entre preneur collaborating with the Seoul metropolitan government to assist social e nterprises, an impact investor, and consultants. They were enlisted through a s nowballing approach, in which participants were requested to recommend other potential subjects. This process began with an acquaintance who introduced th e researcher to the initial participant, who happened to be a public officer in th e office of the president.

3.3.3 Data Analysis

For data analysis, a thematic analysis strategy was adopted. It is widely used and recognised as appropriate for analysing textual and verbal interview data (Joffe, 2012). Thematic analysis has its roots in content analysis strategy that focuses mainly on counting the numbers of codes.[20] However, it goes further by analysing tacit themes and thematic structures capturing latent meanings while remaining systematic which is the number one quality of content analysis (Merton, 1975; Lacey and Luff, 200; Joffe, 2012). A theme is defined as "a specific pattern of meaning found in the data" (Joffe, 2012). These themes and their structures are the critical factors of findings in this

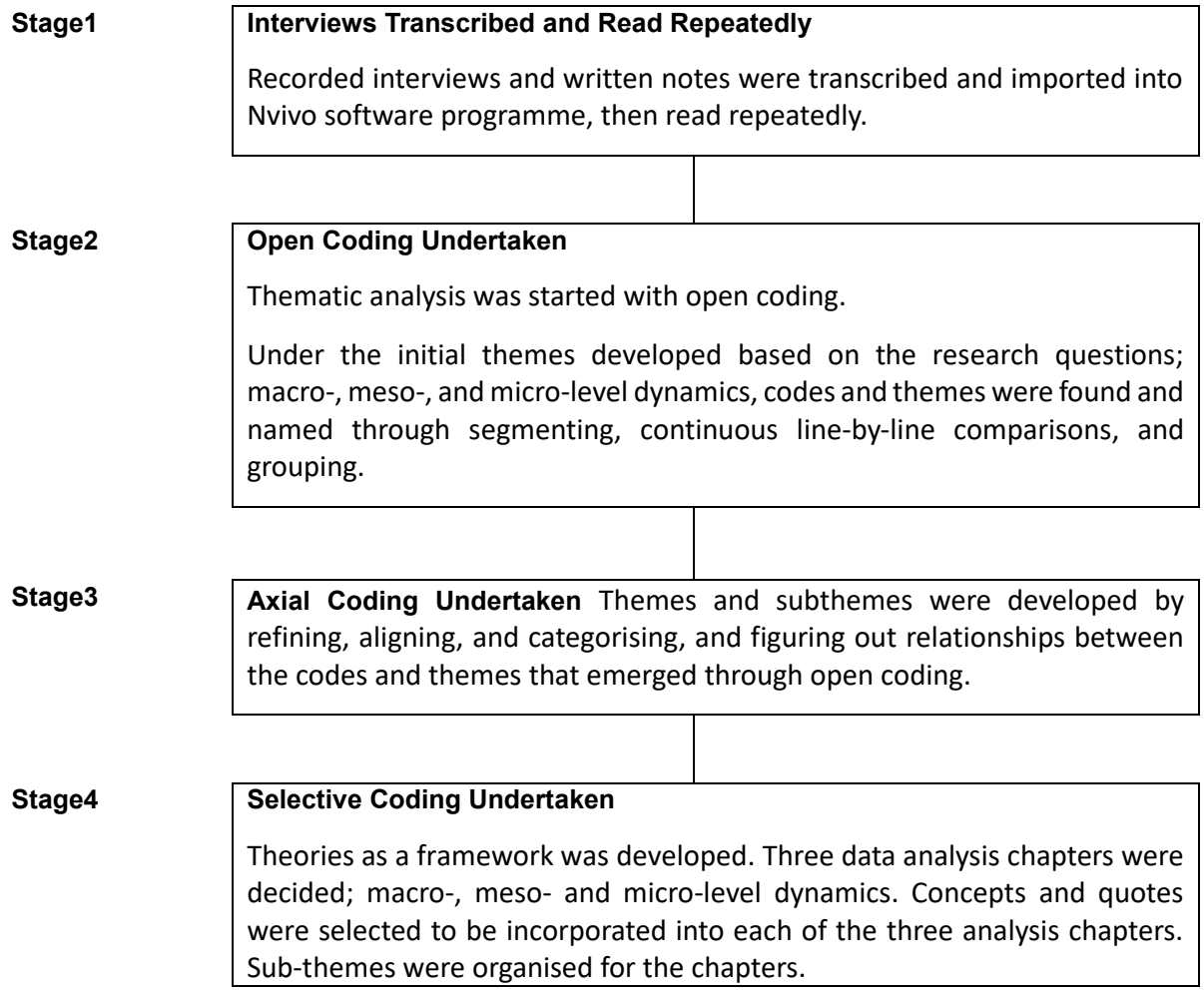
[20] A code is a category or a label that is applied to certain bits of data (Cruzes and Dyba, 2011; Joffe, 2012). Codes are the researcher's 'creations' and 'tools' to think with (Coffey and Atkinson, 1996).

research (Daly et al., 1997). All the latent/manifest and inductive/deductive themes are analysed to capture the complex reality in the study (Joffe, 2012). Themes can be either directly observable (manifest) or implicit (latent), and can be elicited from either theory (inductive) or data (deductive) (Cruzes and Dyba, 2011).

The analysis and data interpretation were carried out considering suggestions from previous researchers. For example, Ritchie et al. (2014) suggested the process as familiarisation, construction of initial thematic framework, indexing and sorting while adjusting the initial framework, and display. Miles and Huberman (1994: 10) suggested six stages: (1) assigning codes to transcripts/field notes, (2) sorting/sifting data looking for similarities and differences, (3) identifying patterns, (4) adding reflections/comments, (5) elaborating issues that have wider applicability, (6) confronting findings with existing theory. Creswell (2007) suggested five stages: initial reading of data/text (many pages of text), identifying specific segments of text (many segments of text), labelling the segments of text (30-40 codes), reducing overlap and translating codes into themes (15-20 themes), Creating a model of higher-order themes (5-7 themes). Cruzes and Dyba (2011: 277) also suggested five stages such as (1) extracting data, (2) coding data, (3) translating codes into themes, (4) creating a model of higher-order themes (5) assessing the trustworthiness of the synthesis, with detailed checklists.

Keeping these in mind, the researcher started analysis with transcription of interviewed data. All the recorded interviews were transcribed and were imported into Nvivo 11 software with written notes to make it easier to handle and analyse (Gibbs, 2007; Denscombe, 2010). The transcriptions were read repeatedly. While the three pre-set top-level codes were conceived based on the research questions: 1) macro-level dynamics, 2) meso-level dynamics, 3) micro-level dynamics, other nodes and themes were then explored and derived from data considering the three pre-set codes.

Figure. 3.2. Illustration of Qualitative Analysis



The coding and analysis were undertaken in three steps. The first step was open coding where texts were dissected into segments. Under the initial themes developed based on the research questions: macro-, meso-, and micro-level dynamics, codes and themes were found and named through segmentation, continuous line-by-line comparisons, and the grouping of data. In a sense, open coding may be considered meticulous and labour-intensive, however, it is fundamentally the core of qualitative analysis as it involves the basic task of uncovering what the data is conveying.

The second step was axial coding which refined, aligned, and categorised themes that emerged through open coding (Williams and Moser, 2019). The axial coding involved the reassembly of data that was broken down during open coding, and as a result, themes and sub-themes including abstract themes emerged. The axial coding also identified relationships between themes and sub-themes.

The third stage of coding was selective coding that reviewed both the codes and the data then chose cases to illustrate primary themes revealed in the process of open and axial coding (Fielding, 2008: 348). Selective coding continued axial coding at a more abstract level, which contributed to the elaboration or formulation of the story of the case (Flick, 2009: 310). At this stage, main stories of the case were chosen, and theories as a framework was developed. The quotes were selected to be incorporated into each of the three analysis chapters.

Wiltshire and Ronkainen (2021)'s suggestion illustrated in Table 3.8 was utilised for the study to bridge the critical realism and thematic analysis strategy.

Table 3.8 Development of Themes for Thematic Analysis Based on Critical Realistic View

Ontological domain	**Type of theme**	**Generating themes**	**Enhancing rigour**
'empirical domain' : Observed experiences and events in the empirical domain	Experiential Themes : Subjective viewpoints	-Develop nascent experiential themes by describing participants' intentions, hopes, concerns, feelings and beliefs in lay-terms from the first transcript, listing them as discrete data-driven themes. -For each new transcript, think deductively to check the recurrence of themes as well as looking for new data-driven themes. -List all themes in a master list, noting regularities and the strength of each theme across the data.	-Be mindful of whether experiential themes are adequately supported by data (empirical adequacy), accurately describe factual information (descriptive validity) and closely represent participants' experiences (interpretive validity). -If multiple researchers have generated themes (recommended), compare themes using a consensus document leading to a combined list of mature experiential themes. Aim to add themes that were missed by a single researcher and further expose themes to checks for empirical adequacy and descriptive and interpretive validity. -Where practical, provide interview participants with a list of experiential themes generated from their interview. Revise themes if misunderstandings have been found.
'actual domain' : Occurring experiences and events in the actual domain regardless of the observation	Inferential Themes : Inferences and conceptual redescriptions using more abstract language	-Derive nascent inferential themes from each experiential theme. -Think inductively to infer what might be occurring the in world beyond the sample population and abductively to redescribe the theme in more conceptually abstract terms if this adds value.	-Be mindful of whether inductive and abductive claims can reasonably be considered as plausible reflections of what occurs in the world (ontological plausibility) and whether abductive claims begin to lose interpretive validity. -If multiple researchers have generated themes (recommended), compare themes using a consensus document. Aim to add concepts that were missed by a single researcher and further expose themes to checks for ontological plausibility and interpretive validity.
'real domain' : Unobservable causal powers and potential mechanisms in the real domain	Dispositional Themes : Theories about the properties and powers that must exist in order to produce the phenomena being studied	-Derive nascent dispositional themes from each inferential theme. -Think retroductively by postulating theories about the properties that must exist in order to produce the phenomena being studied.	-Be mindful of whether retroductive claims have a sound logical basis (judgemental rationality) and consider the extent to which they account for what the analysis has so far revealed (explanatory power). -If multiple researchers have generated themes (recommended), compare themes using a consensus document. Aim to add themes that were not considered by a single researcher and

		further expose themes to competition and disputation.

(Wiltshire and Ronkainen, 2021)

Through open coding, experiential themes emerged. Across the axial and selective coding processes, through abduction (theoretical redescription) and retroduction, the researcher tried to figure out patterns, connections, and relationships within the data-derived themes, going beyond surface-level descriptions. Inferential, and dispositional themes emerged in the process. As critical realism seeks to discover the best explanation of reality allowing interactions with existing (fallible) theories (Fletcher, 2017), existing literature, formal statistics, and established theories were drawn upon this endeavour. The analysis and interpretation processes were iterative, involving feedback loops for continuous refinement based on ongoing reflection. Navigating the interplay between empirical evidences and theoretical insights, the researcher aimed to uncover underlying mechanisms that might not be immediately apparent, along with the conditions that trigger these mechanisms. This effort was a stride towards gaining a deeper comprehension of how reality was shaped, while also putting forth plausible explanations for the observed phenomena. As a result of the analysis and interpretation, a (fallible) theory as a framework was developed.

Critical realism served as a valuable guide in the entire analysis and interpretation processes. It encouraged researcher to explore underlying structures and mechanisms influencing observed phenomena. Acknowledging the existence of an external reality independent of our perceptions, researcher tried to look beyond immediate appearances and delve into the depth of the social reality based on critical realism.

3.4 Case Study, Critical Realism, and Thematic Analysis

This study is a case study grounded in critical realist philosophy. It employs a thematic analysis strategy to achieve a deeper understanding of the occurrences in and around social enterprises, aiming to capture knowledge that is closer to reality (Fletcher, 2017).

Aligned with critical realism, the reality is perceived as having multiple layers: the empirical, the actual, and the real levels (Fletcher, 2017). The real level encompasses causal mechanisms embedded in structures, which drives events. Events unfold independently of human experience or interpretation at the actual level. Meanwhile, at the empirical level, events are experienced and comprehended through human interpretation.

To align the thematic analysis strategy employed in this case study with critical realism, the researcher addressed ‘experiential themes’ at the empirical level, ‘inferential themes’ at the actual level, and ‘dispositional themes’ at the real level of reality, as recommended by Wiltshire and Ronkainen (2021) – summarised in Table 3.8. Navigating through data and experiential themes which are mainly about observed experiences and events, patterns and demi-regularities were identified. With the experiential and inferential themes, the study tried to reach the knowledge of the actual events that occurred as long as the patterns of them. Critical realism allows the engagement of theories. Producing inferential themes through the process of abduction involved the engagement of existing academic concepts and theories, such as organisational structure, organisational culture, diversification, standardisation, decision making, OCD, PSM, internal motivation, institutional pressure, resource dependence theory, institutional theory, and the suggestion of three-level approach. Through the retroduction process, a comprehensive framework of three-level hybridity-related dynamics of social enterprise emerged utilising dispositional themes as seen in Figure 8.1 This framework suggests a potential structure and mechanism in real domain that has causal powers that can or cannot be activated due to the contexts. The context and conditions that activate the causal mechanism are assumed to be the characteristics of Korean cases.

Critical realism played a crucial role as a guiding framework of the study including the

analysis and interpretation processes. Grounded in critical realism and recognising the presence of an external reality beyond our perceptions, the researcher aimed to surpass surface-level appearances and delve into the depths of the social enterprise reality. This involved bridging critical realism and thematic analysis strategy, utilising the concepts of ‘experiential themes,’ ‘inferential themes,’ and ‘dispositional themes.’

3.5 Quality of the Research

The criteria for qualitative research evaluation are considered to guarantee the quality of this study (Miles and Huberman, 1994, 2014; Flick, 2009; Bryman, 2008), as it is recognised that the criteria for quantitative research evaluation are not directly applicable for qualitative studies (Bryman, 2008: 376-383). For credibility, the equivalent criterion of which used by quantitative researchers is internal validity (Bryman, 2008: 377), the detailed procedures of research design and data analysis are explained and Nvivo the computer programme is used for transparency (Bringer et al., 2004). A review of ethical issues was carried out at the stage of research design. The research avoids using fraudulent materials.

Transferability and theoretical generalisation are pursued (Yin, 1994; Flick, 2009 taken from Miles and Huberman, 1994). Transferability is about how far the findings from a study can be transferred to other settings, which parallels external validity in quantitative research (Bryman, 2008: 377). To enhance transferability, clear and rich descriptions of the context, research process, and findings with appropriate quotations are provided to enable others to judge the transferability (Bryman, 2008; Cruzes and Dyba, 2011; Ritchie et al., 2014).

3.6 Ethical Considerations

A considerable amount of review was carried out on ethical issues. First, this study complies with the University of Birmingham Code of Ethics (http://www.birmingham.ac.uk/Documents/university/The-University-of-Birmingham-

Code-of-Ethics.pdf) and the University of Birmingham Code of Practice for Research (http://www.birmingham.ac.uk/Documents/university/legal/research.pdf). The ethical approval was obtained from the university.

Second, in addition to the university codes, a number of guidelines provided by the professional bodies such as the Economic and Social Research Council (ESRC), the British Sociological Association (BSA), and the Social Research Association (SRA) are also considered along with the ethical issues widely discussed among researchers.

There are overlapping main elements in the guidelines and ethical principles. Most of all, participants should be respected, and harm to them should be avoided. To ensure respondents' voluntary participation, which was free from any pressure or coercion, informed consents were ensured to be gained. Copies of the project information sheet and consent forms through which the participants could officially consent to participate were provided at the beginning of each interview (Bryman, 2008). The participants were informed of their rights to refuse to participate or to answer any of the questions, and to withdraw data up to one week after the interview, which were stated clearly on the information sheet (Bryman, 2008, 123; Marvasti, 2004). There was no participant who withdrew, however, if a participant had decided to withdraw from the study, it was planned that his or her data and contact information would be destroyed and the individual would not be included in the research dissemination list. Participants were provided with the opportunity to ask questions about the project and clarify any issues they might have wished to raise. This is important because their understanding becomes the basis of the consent that surrenders their right to privacy for a limited purpose (Bryman, 2008).

Harm is understood as negative consequences to the participants and it subsumes various facets ranging from physical harm to stress or loss of self-esteem (Bryman, 2008). To avoid adverse consequences or risk of harm to participants, confidentiality was assured (Bryman, 2008). Risks to participants are minimised as the identities of participants are kept confidential, and any identifying details are sufficiently obscured. Codes are used instead of names (Denscombe, 2010). Organisations also remain unidentified by using codes and providing only generic descriptions (Bulmer, 1988). These codes are applied in transcriptions and throughout all dissemination of the study. The details are kept in a separate codebook to which only the researcher has access.

Care is particularly taken on this issue in trying not to reveal inappropriate information, since it is challenging to manage and report data in such a way that it entirely eliminates the possibility of identification in qualitative research (Bryman, 2008), especially in the ‘small world’ of South Korean social enterprise sector.

Both the codebook and data are stored on the password-protected university server or an encrypted portable hard drive. The consent forms gathered from the fieldwork are kept confidential as well. All data will be preserved and accessible for ten years only for research purposes.

Participants were asked if they wanted to receive a summary of the research findings, and if so, their email addresses were added to a dissemination list and each interested participant will be provided with a brief feedback report of the findings at the end of the research.

Other important guidelines to avoid misconduct in research including plagiarism (The University of Birmingham Code of Practice for Research 5.11 and 13.1.3), fabrication (The University of Birmingham Code of Practice for Research 13.1.1) and falsification (The University of Birmingham Code of Practice for Research 13.1.2) are abided by. The ethical issues and guidelines were considered throughout all the phases of the research process.

3.7 Chapter Summary

In this section, the methodological framework of the study, research philosophy and associated methodological strategies were illustrated.

Underpinned by a critical realist paradigm, this qualitative case study strived to understand the complex hybrid dynamics in and around social enterprises. As a qualitative case study, it collected data from around twelve social enterprises and

people around those focal organisations through semi-structured interviews. The fieldwork was conducted through four phases of fieldwork; scoping to gain a primary understanding of the field and insights on sampling criteria, mapping to identify suitable cases, and two separate phases of interviewing to collect data allowing reflections in between them. The thematic analysis strategies that were adopted for the data analysis were explained. The considerations on the quality of the research and ethical issues were also discussed.

CHAPTER 4 Case Study Findings
: Macro-level Dynamics around Social Enterprise Development in Korea

4.1 Introduction

This is the first of three analysis chapters that explore each level of dynamics in and around social enterprises. This chapter mainly explores the macro-level context that influences social enterprise development. To meet the research aims and answer the research questions, it analyses interview data of experiences and stories told by people in and around Korean social enterprises.

The findings particularly draw attention to the definition of social enterprise in this chapter. The ways of how social enterprise concepts and roles are defined and perceived in Korean society as a result of the macro-level dynamics have emerged throughout the data analysis.

Based on data, the chapter first shows how people perceive social enterprises as a tool to deal with unemployment issues from an economic perspective. It then demonstrates the political perspective that considers social enterprise as a tool to deal with government failure and market failure. After that, it finally explores the social perspective that views social enterprises as a way to strengthen civil society and promote social change.

The chapter also shows how the social enterprise sector has been constructed by various actors in Korea. It outlines the critical actors related to macro-level dynamics and their roles in shaping social enterprise sectors. It suggests components consisting of macro-level forces such as the political ideology of the actors, the history of the political economy and the welfare regime in Korea.

4.2. The Missions and Goals of Korean Social Enterprises

Social enterprises have emerged to meet various needs, and as a result, their main focuses, meanings and implications vary across the context (Kerlin, 2006; Teasdale, 2011). By exploring macro-level dynamics, one can explain how that has happened in a given society. In Korea, various factors and the socioeconomic situation such as the legacy of the mercantilist and development state and the productivist welfare regime have influenced the formation of social enterprise. Under the influence of those factors, actors from public, private and civil society have been shaping the social economy sector, which is an ongoing process (Teasdale, 2012).

The economic, political and social discourses were derived from the data as the realisation of macro-level dynamics around social enterprises in Korea. By exploring the details of these discourses, the dynamics that shaped Korean social enterprise sector can be demonstrated.

4.2.1 Economic Perspective: A Tool to Deal with Unemployment

The most mentioned concept of social enterprise among participants was that it was a tool to deal with unemployment.

> The main and most important role of social enterprise is job creation. (Staff SE5-b)

This can be understood from an economic perspective that values and prioritises factors linked to the economic conditions in favour of the nation's economy and expects social enterprises to contribute to it.

Literatures point out that strong state intervention is a distinctive feature of the East Asian social enterprise model (Bidet and Eum, 2011; Defourny and Kim, 2011; Jeong, 2015). As an East Asian country, the development of the Korean social economy

sector has also been under the 'strong state' or 'strong government' culture. As a policy maker SH-PC1 says, the growth of Korean social enterprises has been led by the Government.

> The SEPA was enacted in Roh Mu-Hyeon's administration. […] The institutionalisation and the incentives provided by the government have triggered the conversion of many organisations to social economy-based organisations and became the foundations of newly built social enterprises. Thus, in Korea, the systems established by the government have been followed up by the non-state sector, rather than the social economy activated in the non-state sector being reflected in legislation. (Policymaker SH-PC1)

As also explained in chapter two, the government's involvement is related to the fact that Korea is a productivist welfare state where social policy serves economic policy (Holliday, 2000; Aspalter, 2006). The Government wanted to mobilise the social economy for its policy goals in favour of the economy and adopted it as a policy tool to deal with the urgent unemployment issue from the early stage of the sector's growth. As a result, the government's intent has been represented a lot in the formation of the sector, and social enterprises have tended to be considered the way the government intended as SH-SL1 says below. In this vein, "A sustainable enterprise operating in the market and employing a majority of disadvantaged people" has been the ideal social enterprise model in Korea (Bidet and Eum, 2011).

> As employment has been the most important issue in any government since the crisis, the social economy has been considered as a means to provide jobs rather than a part of civil society or a complement to the market. (Support Agent SH-SL1)

On the other hand, regarding the proactive roles of the government in constructing social enterprise, the impact of the historical legacy of the developmental and mercantilist state, and related authoritarianism and statism were one of the most mentioned themes by participants. Under those contexts, a strong state utilises the image of Weberian idealistic bureaucrats, and plans, intervenes and controls society (Jeong, 2015). Policymakers at the national and local levels similarly say that the Korean government has taken the initiative in social enterprise development because it was the "usual Korean way", as seen below.

> The economic development was led entirely by the government. […] This should not be

> the case for social enterprise, however, since we are so used to this, the central government makes a policy and the budget for its implementation, which eventually leads to growth and the advent of an ecosystem. Excuse me if I am slightly biased, but even the social enterprise field is not free from the usual Korean way. (Policymaker SH-PC2)

> In Korea, the government or public institutions usually take the initiative rather than the non-state sector. Social enterprises also spread out with support from the public sector. (Policymaker SH-PL1)

The link between social enterprise and employment can be tracked back to the start of social enterprise history in Korea. SH-SL1, a social entrepreneur who participates in a project of the Seoul Metropolitan Government to support social enterprises says that Korean social enterprises are considered to have their roots in the self-support sector which is now one of the four main areas of the Korean social economy sector[21]. As explained in chapter two, the self-support sector started as a part of cooperative movements in civil society; later it was institutionalised as a part of the Government welfare-to-work programme as a fundamental part of the productivist welfare regime.

> The social economy sector really started as the self-support sector that is now one of the four main constituents of the sector. (Support Agent SH-SL1)

When the nation was suffering in the aftermath of the financial crisis in 1998, the term and concept of social enterprise were first introduced by social activists as an alternative to the existing unemployment programmes including the institutionalised self-support enterprises. Again, like self-support enterprises, social enterprises were quickly institutionalised by the Government as a policy tool mainly for employment and then for social service.

> Formerly, there were policies and programmes like the Social Job Programme. Those programmes were transformed into the way of social enterprises with the enactment of the law. (Policymaker SH-PC1)

[21] The four main constituents of Korean social economy sector; Social enterprise, Self-support enterprise, Community enterprise, Cooperative. “Social economy sector” is a term used to subsume various organisations with social enterprise characteristics but cannot be referred to as they are not certified social enterprises.

As the government intended to utilise social enterprise as a policy tool to mainly deal with the unemployment issue, relevant governmental support systems were constructed accordingly. The Ministry of Labour which is oriented to job creation, rather than the Ministry of Health and Welfare, took the leading role in social enterprise policy. In turn, as SH-PC1, a policy maker, says, the perspective and preference of the department have been inevitably reflected in social enterprise policies and the sector. For example, as policy maker SH-PC1 says, social entrepreneurs and the panel for certification perceived social enterprise as being focused on job creation, which made it easier for applicants to get certified as a job-providing social enterprise than other types such as social service provision or mixed-type social enterprise.

> As the Ministry of Employment and Labour is in charge of social enterprise policy, it feel s like social enterprise is only for job creation. 70% of certified social enterprise is the job-providing type. They choose to be that type to get certified. Plus, the Ministry of Labour also has led it in the direction of job creation. They would do that way because the Mini stry of Labour anyway has 'job-creation' as their essential task. (Policymaker SH-PC1).

As a result, the majority of the social enterprises in Korea became job-providing type social enterprises. The job-providing type of social enterprise accounted for approximately 70 per cent in the first year of certification in 2007 and was around 66 per cent as of 2021 as mentioned in chapter two (KoSEA, 2022).

The economic considerations and forces turned out to be one important component of macro-level dynamics around social enterprises. As civil society activists introduced social enterprise in accordance with the self-support movements and the government quickly institutionalised it mainly as an employment tool in line with the welfare-to-work and employment programmes, social enterprises were likely to be understood as 'a tool to deal with unemployment' in Korea. This development process of social enterprise as an employment policy tool in Korea is related to the productivist welfare regime, the historical legacy of developmental and mercantilist states and associated authoritarianism and statism resulting in the prioritisation of the economy and strong state culture.

4.2.2 Political Perspective: A Tool to Deal with Market Failure and Government Failure

The notion of market and the state failure that have been used to explain the existence of not-for-profits are also used to explain that of social enterprises (Spear, 2001; Teasdale, 2011).

In situations where the free market system, in which supply and demand determine the prices and allocation of goods and services, does not result in the most efficient or optimal outcomes for society, the government intervenes using various strategies such as regulation, taxation, and subsidy provision to supplement market function as well as welfare policies to help people who are marginalised from the market. However, Government are criticised for its failure in producing and operating appropriate policies to meet the needs of members of society as well as in the intervention to correct and counterbalance the free market and market failure. In such circumstances, social enterprises are thought to emerge to redress the shortcomings of both the market and the state (Schieffer and Lessem, 2009; Mair and Rathert, 2019).

These market failure and government failure arguments are often associated with political-ideological orientation and partisan politics. Political parties representing political ideologies related to the attitude towards the market tend to be on either side of the market failure or government failure stance, which may lead to different approaches to social enterprises. Also, the political parties would have different attitudes and approaches toward social enterprises based on other factors including practical considerations, authoritarian or democratic orientation, or their relationships with civil society that has been the major sources of the social economy sector members.

Social Enterprise to Redress Market and State Failure

As policy maker SH-PC2 says, social enterprise is perceived to fill a gap that is not effectively covered by either government or the market.

> I think the role of social enterprise is to fill the gap in the place where both the government and the market fail. (Policymaker SH-PC2)

Social enterprises are often viewed as a business-oriented solution for government failure to solve social issues that are out of reach of the state bureaucracy (Kerlin, 2010; Teasdale, 2011). A public officer SH-PC1 says that social enterprise engages in social problems with business methods that are too complicated to be addressed by the state.

> Social issues are so complicated, so many, and should be dealt with promptly, but it is hard for the government to respond to them effectively with the restricted budget. That's why non-state actors voluntarily engage, and among them, social enterprises deal with the issues drawing on business mechanisms. (Policymaker SH-PC1)

The perception that social enterprises do the government's work seems to legitimise the subsidies and support from the government in Korea as SH-SL2, a head of a local-level support centre who turned from being a social entrepreneur, says.

> Social enterprises deal with the blind spots in welfare services that the government misses. Given that, it is necessary to support social enterprises with the government budget. (SH-SL2)

However, at the same time, social enterprise is also considered as a solution for market failure as well as government failure, as policy maker SH-PC2 says.

> We thought social issues should be sorted by investing government budget. It was possible in good times, but during the recession, the state privatised the public sector and let the market deal with issues as it didn't have money. But, the market for sure wants to earn money and it isn't interested in solving problems people have. Their goal is to earn money for stockholders. Then, now that the government failed and the market failed as well, what should we do? Does the government have money now to deal with the issues again? That's why social enterprise emerges as an alternative. (Policymaker SH-PC2)

The area of the market and state failure subsumes a much wider range of social problems than the unemployment issue that the economic perspective focuses on. In particular, recently there are trends that the government and local governments' policy interests expand in association with social enterprise. They intend to utilise social

enterprise for various purposes such as urban regeneration, housing and culture (Presidential Committee on Jobs, 2017). Regarding this, SH-PL1, a staff member of the national-level support centre, and SH-SN1, a local policy maker, comment as follows:

> Although social enterprise's purpose is job creation, or of course, service provision, or other things, the Seoul Metropolitan government gives additional subsidies to social enterprises that go further and directly solve community issues, labelling them innovative-type social enterprises. […] We now lead them to contribute more to solving other specific social problems. (Policymaker SH-PL1)

> Moon Jae-in administration […] seems to be looking at the social enterprise from a broader perspective. For example, there are policy trends that attempt to use social enterprises or social economy organisations for urban regeneration and so on. (Support Agent SH-SN1)

Political Orientations and Other Considerations

The interviewees also suggested that attitudes and approaches towards the social economy sector vary across governments and political parties. A participant working at the national-level support centre (KoSEA) reported that the perspectives and attitudes on the social economy are different according to each administration.

> There seem to have been great differences in the perspectives on how to utilise social enterprise as a policy tool according to the governments. (Support Agent SH-SN1)

Although attitudes have been different in different governments and parties, the Korean social enterprise, being somewhat like a chameleon due to its hybridity, has been adopted by both liberal and conservative parties and administrations as a policy tool and enjoyed continuous growth of the sector in line with each administration's political faith.

Social service and redistribution to minorities that have been the focuses of the self-support sector and social enterprises have long been the theme of leftists. Thus, as SH-PC1 explains, the SEPA which is the legal basis for the social enterprise was prepared during the leftist Roh Moo-Hyun government (2003-2007) and enacted in 2007 in that government's last year.

> It was during the Roh Moo-Hyun administration when the SEPA was enacted. The administration was a leftist government. The law was made but it was without detailed policies yet. (Policymaker SH-PC1)

As a conservative government, the following Lee Myung-Bak Government (2008-2012) appeared to have had a complex attitude toward the social economy sector. In the early phase of the administration, it could not be favourable to the sector. A policymaker interviewee reported that the social enterprise policy was something that had been promoted by the former leftist government, and the members of the sector consisted of the people who were against the Lee Myung-Bak government.

> The Lee Myung-Bak administration was very negative toward social enterprises in its initial phase, as these were regarded as the former government's achievements. Also, it was unfavourable toward consumer cooperatives, because they took the lead in the civic movements in the 'mad cow disease' row.[22] So basically, the Lee Myung-Bak administration disliked the social economy sector during the early phase, as it was regarded as something against them. (Policymaker SH-PC3)

However, the government soon promoted policies to support social enterprises. Indeed, the dramatic increase in the number of social enterprises started under the Lee Myung-Bak government, as a policymaker says below.

> Initiated during the liberal Roh Moo-Hyun administration, its first proliferation was made under the conservative government. (Policymaker SH-PC1)

On the one hand, it was the administration's practical approach to the sector to tackle social issues such as unemployment and the shortage of social services, especially in the aftermath of the 2008 global financial crisis. However, on the other hand, the concept of social enterprise also fitted its political faith in the sense that it could reduce the government's responsibility in dealing with social issues by leaving them to be solved outside the government through the market and business methods. It would allow a small government that is consistent with the Lee Myung-Bak government's faith.

[22] Anti-government demonstrations against the Lee Myung-Bak administration during President Lee's first year in the office in opposition to the US beef import that were suspicious of mad cow disease.

> Later, it turned out that […] It was in line with their 'small government' standpoint to enlarge the social economy, where welfare problems would be handled within communities instead of the government. This was the reason why the government gradually showed interest in the social economy sector. […] They were favourable from the stance that social problems could also be solved with business methods. (Policymaker SH-PC3)

The market-friendly Lee Myung-Bak government particularly favoured solving public issues through market mechanisms. The Lee Myung-Bak government encouraged big private companies to participate in the social economy sector to ensure social enterprises got resources from the non-governmental sector and conglomerates to show that they could contribute to the general society as SH-PC3 explains below. It preferred private companies' Corporate Social Responsibility (CSR) activities to be exerted in particular ways based on market mechanisms rather than philanthropy principles.

> The government preferred private companies to make productive social investments in social enterprises than simply giving money in the form of donations to social welfare institutions. So, for example, giving money to social enterprises hiring the disabled instead of donating it to welfare facilities for the disabled better suits the CSR activity that this conservative government favoured. […] To avoid criticism that the Lee Myung-Bak government's policies were excessively business-friendly, the government wanted to show that the growth of large private companies would lead to the growth of the society as a whole, symbiotic development and cooperative growth. Thus, major private companies' support for the social enterprise was promoted. (Policymaker SH-PC3)

As a result, especially with the legacy of the developmental state where the state and large companies are close and the state has huge power over the market, many big companies started supporting or establishing social enterprises (Kim, 2010).

> Large companies are conscious of the state. […] Thus, private companies were led in such directions. (Policymaker SH-PC3)

The conservative Park Geun-Hye government (2013-2017) was reluctant to support the social economy sector having roots in civil society, as it was a rather authoritarian government, which will be explained again in the next section in association with the democratic nature of social enterprises. However, under the following liberal Moon Jae-In's administration (2017-2022), the social enterprise sector

was again expected to proactively fill the gaps not covered by the state and the market. SH-SL1, a social entrepreneur participating in a joint project with the Seoul municipal government to support social enterprises, says the Moon government was so interested in the social economy sector that the utilisation of the social enterprise sector was a bit too rapidly pursued by the government even before the sector had grown enough.

> In fact, as the government is taking the lead, it is not easy for the non-state sector to follow up. For example, President Moon Jae-in's government puts much pressure on public institutions to realise social value by adding 'social value' as an item for the public institution assessment. This made public institutions launch relevant projects to realise social value by partnering with social economy organisations. However, social economy organisations are still immature. There are only a limited number of social economy organisations with the capacity to participate in or lead the projects. (Support Agent SH-SL1)

As a liberal government, the administration took the stance that market failure could be redressed by the social economy sector.

> Regarding the question of what kind of partners would be needed to let the citizens and workers enjoy a better life and have a voice in the market that places almost exclusive emphasis on profit-making opportunities, the government perceived the social economy sector as the appropriate partner able to realise those goals. (Policymaker SH-PC3)

This section showed how social enterprise has been perceived as a tool to respond to market and state failure and how this has been realised by each administration in relationship with its political ideology, orientation and other political considerations in Korea. In promoting this role of social enterprise in society, each government has had differing approaches based on its underpinning ideology as well as other political conditions including its relationships with civil society. The market-friendly conservative government expected social enterprises to solve public issues outside the state through business methods. The authoritarian-conservative government was less supportive of the social enterprise sector as it was perceived to be against its political nature. The two liberal governments wanted to utilise social enterprises to realise social value and provide necessary social services in the market that

businesses were reluctant to enter. Although the dynamics behind each administration were different, social enterprise has generally been promoted in different administrations to fill the gaps caused by the market and the government.

The political perspective is different from the social perspective discussed in the next section in the sense that it focuses more on supplementing the market and the state functions, while the social perspective rather aims for a power shift and fundamental change in society.

4.2.3 Social Perspective: A Way to Strengthen Civil Society and Promote Social Change

Some people, mainly civil activists or others who are linked to cooperative movements, democratisation movements or oppressed-people-based movements, see social enterprise as an alternative form of organising and a vehicle of the social force that would change society. Their arguments are against the critical views that consider social enterprise as the embodiment of the neoliberal cause or a 'Trojan horse' that weakens society by incorporating market logic into the community (Mair and Marti, 2009; Hjorth, 2013). On the contrary, they consider social enterprise to hold a "counterhegemonic and emancipatory potential", which can be interpreted as being consistent with the tradition of "utopian thinking exemplified by Polanyi" (Driver, 2012; Wright, 2012; Spicer et al., 2019; Roy, Dey and Teasdale, 2021). Social enterprise is thought to be able to transform society by re-embedding economic activity in non-economic values and society (Driver, 2012; Beckert, 2007; Roy, Dey and Teasdale, 2021).

This could be possible partly due to social enterprise's role as a school of democracy that has the potential to expand and deepen democracy and change the power dynamics of society (Gleerup, Hulgaard, and Teasdale, 2021; Roy, Dey and Teasdale, 2021). Social enterprise exerts this function as a democratic organisation that manifests the spirit of solidarity (Gleerup, Hulgaard, and Teasdale, 2021; Roy, Dey

and Teasdale, 2021). Although there is criticism that social enterprises in the real world are currently less attached to the original social enterprise ethos in terms of democratic dimension, social enterprise is still thought to have the potential to pursue and strengthen participatory democracy as well as deliberative democracy (Eikenberry, 2009; Kay, Roy, and Donaldson, 2012; Gleerup, Hulgaard, and Teasdale, 2019; Roy, Dey and Teasdale, 2021).

In Korea, this understanding prevails particularly among many early social entrepreneurs who were among the social activists in anti-dictatorship movements or movements for excluded people. SH-PC3, a policy maker who turned from being a social activist, describes the function of social enterprise as a school of democracy with the potential power to change the market and political society.

> It would help the development of civil society and democracy, as people experience how they make their community healthier by utilising community resources this and that way there. The confidence that civil society could do a lot in solidarity with other citizens would make it capable of keeping state power as well as the monopolistic capital and conglomerates in the market in check. […] Social enterprise basically has democratic principles and tends to grow a sense of democracy. […] This trend of social economy that lets the community be full of attempts to make the community healthier, would generally help the development of democracy and civil society. (Policymaker SH-PC3)

SH-PC1, a policymaker, also says that the democratic value is a critical characteristic of social enterprise and experiences in the social economy would help develop democracy and rebalance excessive capitalism and economic fundamentalism.

> It also expands democracy, as one principle of social economy organisations is a democr atic decision-making structure and members' participation in decision-making. I think all these things in Korea have quite been distorted and skewed because of excessive capitalism, and social enterprise could alter these imbalances. (Policymaker SH-PC1)

This brings about the different attitudes of administrations based on their authoritative or democratic orientations. For example, the rather authoritarian Park Geun-Hye government was reluctant to support the social economy sector as its democratic nature was perceived not to be beneficial to them.

> It would be easier to think that new policies were absent during the Park Geun-Hye administration. (Policymaker SH-PC1)

> They were passive and negative based on their judgment that the reformative nature or solidarity that the social economy connotes was not beneficial to them in terms of political dynamics. […] They may have seen through this more precisely than anyone else. They may have responded well according to their own political interest, understanding that it basically contains the principles of democracy, tends to develop democratic citizenship, establishes the foundations for economic independence of the civil society, and that solidarities of these people are important in accumulating power in various forms into civil society to reverse the dynamics against political oppression. […] Because this government had quite a statist feature. (Policymaker SH-PC3)

The Framework Act for Social Economy pushed for passage failed due to the non-cooperation of the ruling party, which was perceived as a clear symbol that demonstrated the Park Geun-Hye government's attitude toward the social economy sector. The Framework Act for Social Economy bill has been proposed over 10 times since 2014 to be legislated. The act is expected to subsume fragmented policies on various social economy organisations including certified social enterprises, self-support enterprises, cooperatives, community enterprises and social ventures, comprehensively recognising and defining those social economy organisations.

> Agendas that were achieving mutual agreement, such as the Framework Act for Social Economy, have failed to pass due to the opposition of the Blue House (the office of the president). This well displays the Park Geun-Hye administration's standpoint. (Policymaker SH-PC3)

> The Framework Act is not yet legislated. The law achieved standing committee agreements, but the ruling party broke them afterwards back then. (Support Agent SH-SL2)

Although the support policies continued under the departments and institutions that were in charge of social enterprise, the unfavourable atmosphere was felt by people i n and around the sector. SH-PC2 who was working for the national-level support agency (KoSEA) during the Park Geun-Hye government felt that they were purposely ignored.

> The Park Geun-Hye administration was not at all interested and was unsupportive considering it as something throwing money to the leftists. The government or the Blue House gave no attention nor encouraged it. It seemed that if it continued that way, it

> would be left outside the area of concern. It was not absurd to have the pessimistic thoughts that at some point after 20 years or so, social enterprises might become an insignificant area that no one cares about. (Policymaker SH-PC2)

On the contrary, the liberal government (2017-2022) led by president Moon Jae-In, a former human-rights lawyer, was strongly willing to promote the sector to bring about change in society that was with the prevailing economic fundamentalism. The Moon Jae-In government seemed to regard social enterprises as a means to encourage changes in the market sector and society as a whole rather than a mere welfare service provision tool for the unemployed and vulnerable groups.

> This area will become more important, for sure, since the direction of this government is towards reinforcing social values, restoring democracy, and establishing an economy for all. (Policymaker SH-PC2)

> The government aims to protect and actualise social values […] the government is trying to keep large companies in check from exacerbating working conditions in spite of their ample profit. But on the other hand, we live in an era when the state cannot have strong control over the private market, which is why the state is taking an interest in the social economy as a way to actively promote new economic agents in civil society. In this sense, this government has tried to create an environment where the social economy could be active in all fields instead of a certain field. (Policymaker SH-PC3)

While the government has led the growth of social enterprise for more than 15 years with policies, the capacity of the Korean social economy sector has been growing. Related to this, SH-PC3 mentions a case of civil society's efforts to learn about the experiences of cooperatives in western society. Social activists and social entrepreneurs have kept visiting Italy to learn about Italian cooperatives, learning, sharing, and confirming the knowledge acquired.

> People used to think that the advancement of democracy means the change of regime to a 'more democratic government.' However, with globalisation and the development of IT, we learned that the various socioeconomic and cultural efforts carried out in the community and civil society could also contribute to the advancement of democracy that way. So, many people who yearned to learn about cooperatives visited Italy, and what they learned was soon shared nationwide through IT. Other people visited the country with the information and then they learned new things again. (Policymaker SH-PC3)

SH-PC1 reports the switch of positions between social entrepreneurs and staff in support centres according to the growth of social entrepreneurs' capability. The support agents used to have the knowledge of the certification system, support programmes, and the like to provide consultation; however, the knowledge of social entrepreneurs has accreted for more than 15 years and started surpassing that of the support centre staff.

> I heard this yesterday during a meal. In the early stage, […] those in the intermediate supporting institutions had a lot of knowledge about social enterprises. they knew how to obtain the certification and how to receive governmental support, and were able to provide consultation. Later, however, the positions were switched. Those who work for the intermediate supporting institutions are replaced by new ones from time to time, but the people in the field have worked longer and gained more capabilities. Now, those who operate social enterprises in the field have a complaint about the intermediate supporting institutions, because they think that the so-called experts of the institutions tend to intervene without having much knowledge. (Policymaker SH-PC1).

The discourse seeing social enterprises as a vehicle of a democratic force to lead to fundamental social change turned out to be one important component of macro-level dynamics around social enterprises in Korea. The social perspective focuses on the potential of social enterprise to strengthen civil society and to pursue economic, participatory as well as deliberative democracy, which could lead to a power shift in society.

Administrations with different political orientations have shown different attitudes towards social enterprises due to their democratic nature. The authoritarian-conservative government was unwilling to support the sector, while the liberal ones willingly promoted social enterprises to let them partake in reinforcing social values in society and correcting economic fundamentalism. The growth of civil society as well as the social economy sector has been ongoing in Korea.

4.3 Conclusion

In this chapter, the macro-level dynamics and related forces around social enterprises were explained in terms of the different perspectives and discourses of actors in and

around the social economy sector particularly related to the roles and goals of Korean social enterprises. Based on the interview data, three perspectives on the roles and goals of social enterprises were derived: to deal with the unemployment issue (an economic perspective); to deal with government failure and market failure (a political perspective); to strengthen civil society and promote social change (a social perspective).

To be specific, one component of macro-level dynamics around social enterprises turned out to be the economic forces and considerations. The economic perspective partook in the social enterprise construction in favour of economic growth, and the state acted as a strong supporter and operator of economic perspective. Indeed, one unique fact in Korea is that, although the concept of social enterprise as well as self-support enterprise was introduced by the civil society, the government soon took the lead role in the sector's growth to use them as policy tools, particularly to address unemployment (Jeong, 2015; Park, Lee and Wilding, 2015; Kim and Moon, 2017). The utilisation of social enterprises as an employment policy tool in Korea is related to the productivist welfare regime, the historical legacy of developmental and mercantilist states and associated authoritarianism and statism resulting in the prioritisation of the economy and strong state culture. As a result, the majority of the social enterprises in Korea (approximately 70 per cent in the first year of certification in 2007 and 66 per cent in 2021) came to be job-providing type social enterprises (KoSEA, 2022a).

Another component of macro-level dynamics around the social enterprise sector in Korea is the political perspective and forces related to it. Social enterprises have been expected to counterbalance the market and state failure. In utilising social enterprises for this role, governments showed different attitudes and approaches according to their ideology, political orientation and other political conditions. The market-friendly conservative government aimed to mobilise social economy sector resources to deal with social problems outside of the state through business methods. The two liberal governments wanted to utilise social enterprises to address gaps in social services and solve social issues in many cases caused by economic fundamentalism. As a result, regardless of the different political dynamics behind it, most administrations utilised social enterprises to redress market and/or state failure.

The last component of macro-level dynamics around social enterprise that was derived

from data was social forces and perspective. There have been social forces to promote democracy to bring about fundamental power shifts and change in society. There have been people, mainly consisting of civil society activists, who have expected social enterprises to have the potential to be the vehicle to pursue economic as well as participatory and deliberative democracy. Civil society and the social economy sector have been growing with the yearning for democracy in Korea. The governments' approaches to the social economy sector differed due to the democratic nature of the social enterprise. Particularly, unlike other administrations, the rather authoritarian-conservative Park Geun-hye government did not want to support a sector that did not fit its political nature. Understanding that the concept of democracy is inherent in social enterprises, and social enterprise develops democratic citizenship and a sense of solidarity that could reverse power dynamics, the administration was reluctant to actively pursue support policies.

This chapter also showed actors engaged in social enterprise construction in Korea who had different perspectives on what social enterprise is and what roles they should take. The East Asian social enterprise model is often characterised by the importance of state influence, the weaker but growing role of civil society, the contribution of cooperative movements and the role of market force (Doherty, 2018). Korea seems to share many of these traits. As in other East Asian model countries, the role of the state was essential in shaping the concept of social enterprise and its missions and goals. Civil society introduced the concept of social enterprise for the first time to the nation, putting an attempt to learn social economy from western countries. While the state took the lead for a while, civil society and the social enterprise sector have been growing their capacity. Private companies are also increasing their influence in the social economy sector.

As seen in this chapter, the macro-level dynamics and related forces have influenced the formation of social enterprises, and social enterprise construction is ongoing in Korea. The changing socio-economic conditions and the related forces will keep affecting the construction process.

The thesis now moves on to the next chapter to look at the meso-level dynamics, which explores inter-organisational relationships through which social enterprises acquire necessary resources.

CHAPTER 5 Case Study Findings
: Meso-level Experiences of Inter-organisational Relationships Surrounding Social Enterprises

5.1 Introduction

This chapter examines meso-level inter-organisational relationships, which are under the influence of the macro-level dynamics discussed in the previous chapter. On the meso-level, social enterprises interact with various external actors that have control over the resources that social enterprises need. The meso-level dynamics are important as they are directly linked to social enterprises' resource achievability that again is related to their survival and goal achievement.

With the broad theme of 'meso-level politics', sub-themes were derived from the data regarding the external actors that social enterprises interact with and the strategies that social enterprises adopt. The findings identify how social enterprises secure resources through various relationships with different external actors and strategic behaviours.

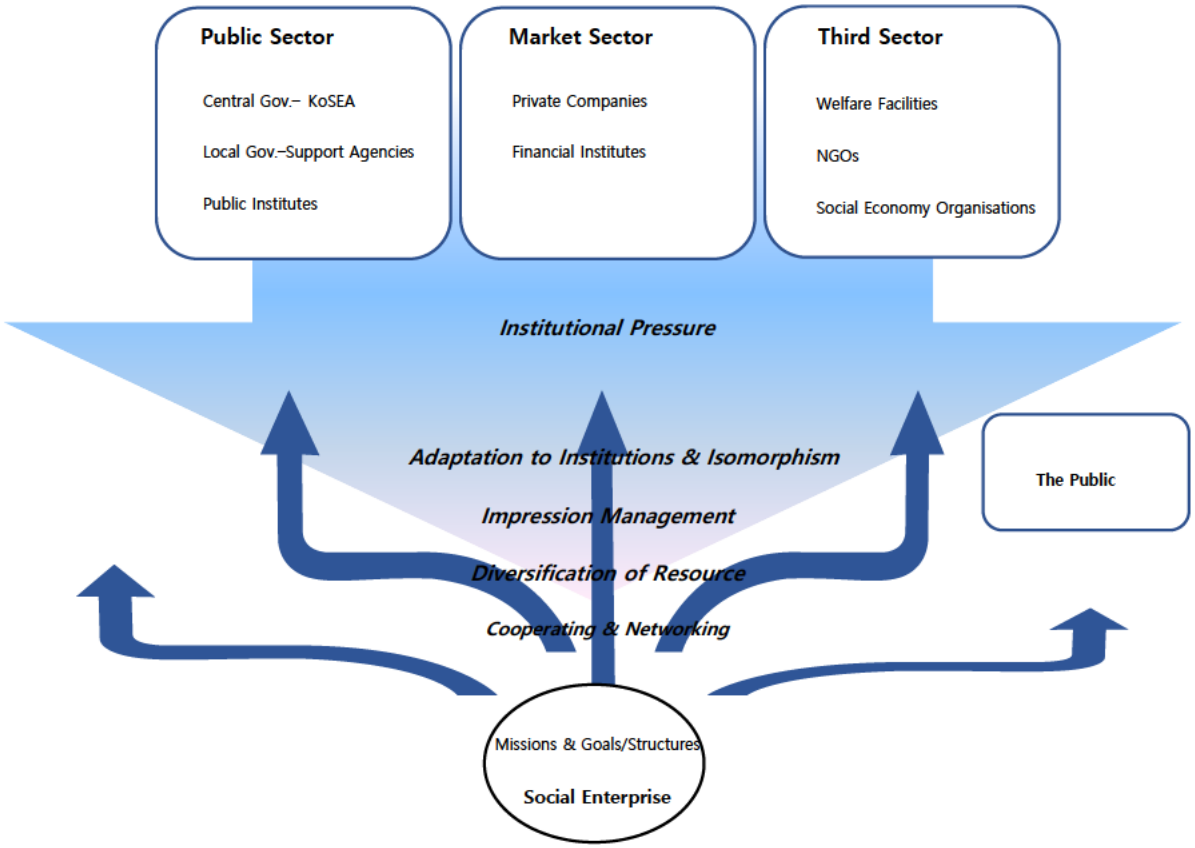
This chapter begins by providing an overview of meso-level dynamics around social enterprises. This is followed by the explorations of the external actors and the strategies adopted by the participant organisations to secure resources. Then, the influence of these on the goals and structures of organisations is explained.

5.2 An Overview of Meso-level Hybrid Dynamics around Social Enterprises

This chapter identifies important external actors around social enterprises that include the government, KoSEA, local governments, local support agencies, public institutes, financial institutes, private companies, welfare facilities, advocate NGOs and social economy organisations (in public, market, and third sectors as summarised in Figure 6.1). As volunteering is not active in Korean social enterprises, the public's role is limited to customers in most cases. Social enterprises gain resources and pursue goals through relationships with those external actors.

Under the institutional pressures that come from the relationships with the external actors, individual social enterprises adopt strategies such as isomorphic adaptation, impression management, diversification of resources, cooperating and networking to secure the necessary resources to survive and achieve their goals.

Figure 5.1 Meso-level Relationships around a Social Enterprise



These meso-level dynamics influence the goals and structures of social enterprise organisations, which is part of the isomorphic strategies. Figure 5.1 above summarises the meso-level dynamics identified from the data analysis.

5.3 Main External Actors and Relationships over Resources

Regarding the governance network to promote social enterprises in Korea, the SEPA outlines the roles of various entities, including the government, local authorities, public institutions and private companies. The Ministry of Employment and Labour is supposed to play pivotal roles in shaping policies and providing support frameworks. It also is in charge of social enterprise certification, regular surveys and assessments, providing supports such as expertise, information, and education. The execution of such policies is mainly carried out through the Korea Social Enterprise Promotion Agency which is the national level support centre for social enterprises, which was established based on SEPA (Article 20).

Local governments including municipal and district level bodies are expected to support local social enterprises aligning strategies with national efforts. Local support centres or support agencies which also are on municipal and district levels implement local policies.

Big private companies are invited to support social enterprises as ‘associated enterprises’ based on the SEPA that offer diverse assistance, including financial backing and managerial guidance, to particular social enterprises.

The public institutions purchase items and services from social enterprises encouraged by the Preferential Public Purchase System based on SEPA, and support and collaborate with social enterprises motivated by the Public Institutions Management Evaluation System that increasingly appreciate social value creation in the assessment of public institutions.

Meanwhile, third sector organisations have long been supporters, collaborators, clients and customers of social enterprises, regardless of the law.

5.3.1 Public Sector Actors

Many social enterprises depend on various forms of support from the public sector to overcome the lack of resources in forms of subsidies, tax reduction, space provision, priority purchase scheme, and a range of education programmes. Although still having sales as the main way to secure financial resources, many social enterprises depend on various support. The chief executive of SE6 states that the organisation's second most significant source of funding is support funding.

> For financing, profit from performances is the largest, and the second largest one is support funding. It's not much but helpful. (Chief Executive SE6-a)

Regarding this, SE9-a who is an employee of a fair-trading social enterprise explains that the social enterprise depends on public support to overcome the difficulty coming from its hybridity. The organisation tries to compensate for the cost of keeping fair-trade rules with public sector support.

> The production cost is necessarily high. […] We pay farmers more. […] That's wh y we pay close attention to programmes where we can get support. […] There a re programmes and projects from the Seoul Metropolitan Government, Social Ente rprise Promotion Agency, and government institutions. And there are many institu tions that support social enterprises. (Staff SE9-a)

Central Government and Korea Social Enterprise Promotion Agency (KoSEA)

On the national level, the Ministry of Labour in the central government is the main ministry that is in charge of the social enterprise policy. The detailed policies are operated by KoSEA. Employees in social enterprises SE4-b, SE5-b and SE6-b altogether state that the various government supports were helpful. SE4-b and SE5-b explain that they apply for government support programmes including education and procurement. SE6-b particularly says the Government support policies enabled the organisation to survive.

> We tried the things from the KoSEA. They really helped. We tried the education on

procurement. (Staff SE4-b)

We really focus on applying for the public call for support recipients by organisations like the KoSEA (Staff SE5-b)

Of course, there have been many hardships and difficulties, but I think we were able to keep going for 10 years because of the great support that we received from the government. (Staff SE6-b)

Many social entrepreneurs including SE1-a and SE7-a mentioned the impact of the government's policy direction and interest. They said profit-making opportunities were affected by the government's policy interest that influenced actors in the organisational environment including public institutions. SE1-a says the government's political interest regarding the sector affects its sales. As SE7-a says, the Blue House (the office of the president) purchasing fair trade coffee from social enterprises as a model customer showing the government's political will could encourage other actors to be more interested in social value and social enterprises.

There are barely any private company orders, so if these kinds of public events or programmes are reduced, our sales would go down. What kind of policies the government pursues really affects our sales. (Staff SE1-a)

It could be a symbolic example that the fair-trade coffee goes into the Blue House in this administration. […] Since the government target is set like this, public institutions like the Korea Land & Housing Corporation (LH) try to make departments or push policies that fit that target. As for LH, they created a new department so we contacted them and we are supplying them. It's slowly changing like this. (Staff SE9-a)

Public Institutions

Participants identified the importance of public institutions as supporters and customers. Public institutions are institutions founded and operated based on government investment or financial support. State policies influence other actors including public institutions to support social enterprises. For example, the Public Institutions Management Evaluation System, which includes the assessment of the

institutions' engagement in social value creation, made public institutions actively support, trade and cooperate with social enterprises.

SH-c1 explains that the Public Institutions Management Evaluation System encourages public institutions to support the social enterprise sector. Public institutions support and purchase from social enterprises to be assessed better in the system.

> The social economy now takes a considerable part in the management evaluation of public institutions, which is why public institutions have embarked on strategic projects to prepare the evaluations. The evaluation is related to the performance-based bonus and the evaluations of the heads of the institutions. It's extremely important. (Consultant SH-c1)

Also, SE8-a says the company took advantage of the public bidding system with the additional points given to social enterprises in the public bidding process.

> We take full advantage of the public bidding system, because we can obtain additional points in the bidding as a social enterprise. (Staff SE10-a)

Members of SE4 and SE5 mentioned the Preferential Public Purchase System. The Preferential Public Purchase System that is applied to public institutions defined in the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets [23] encourages public

[23] *Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets, Article 2* (https://elaw.klri.re.kr/kor_service/lawView.do?lang=ENG&hseq=62151&joseq=JO0002000 accessed on 6. 1. 2024)

(2) The term "public institution" means any of the following institutions or corporations:

(a) State agencies (referring to independent government bodies and central government agencies defined in Article 6 of the National Finance Act);

(b) Local governments (referring to the Special Metropolitan City, a Metropolitan City, a Special Self-Governing City, a Do, a Special Self-Governing Province, or a Si/Gun/Gu referred to in Article 2 of the Local Autonomy Act);

(c) Corporations established under Special Acts, which are prescribed by Presidential Decree;

(d) Public institutions, falling under Article 5 of the Act on the Management of Public Institutions, which are prescribed by Presidential Decree;

(e) Local government-invested public corporations and local government public corporations under the Local Public Enterprises Act;

institutions to purchase items and services from social economy organisations. According to SEPA, the heads of public institutions are required to inform the Minister of Employment and Labour of purchase plans and record of purchases (Article 12, SEPA). The chief of SE4 says the preferential purchase made by public institutions is most helpful for their business. He says the system helped them to expand the customer pool in the public sector. SE5-c says the system helped them overcome weak brand power.

> We are mostly helped by preferential purchases by public institutions. So, we sell our product throughout Korea. We sell to public institutions such as the nuclear power plants in Uljin, the Korea Forest Service, the National Pension Service and the National Health Insurance Service. (Chief Executive SE4-a)

> Our brand was too weak to enter the procurement market and sell to public institutions. After the Preferential Purchase System was implemented, the persons in charge of purchases in public institutions provided us with tips about how to design the products to satisfy their requirements. (Staff SE5-c)

As a result, as an employee in SE2 mentioned, public institutions became major customers, which helped the social enterprise considerably in surviving in the competitive market.

> Public institutions are our major customers. […] There is extreme competition in the printing industry. What we are thankful for is that public institutions try to use the products from social enterprises. Although it is not legally mandatory to do so, the evaluation system of public institutions considers the use of the products from social enterprises. […] So, we continuously receive orders from public institutions. (Staff SE1-b)

(f) Local medical centres under the Act on the Establishment and Management of Local Medical Centers;

(g) Offices of Education of the Special Metropolitan City, Metropolitan Cities, Special Self-Governing Cities, Dos, and Special Self-Governing Provinces;

(h) National and public educational institutions at various levels established under the Early Childhood Education Act, the Elementary and Secondary Education Act, the Higher Education Act, and the Act on Special Education for Persons with Disabilities;

Local Governments and Local Support Centres

Municipal Level

Local governments also play important roles in the social economy field, and have been instrumental in providing local-level support for social enterprises. In the case of the Seoul Metropolitan Government, the previous mayor Park Won-Soon (2011 - 2020) who was a former social entrepreneur proactively pursued social enterprise support policies. For example, Seoul Metropolitan Government established the Seoul Innovation Park which was established in 2015 based on the Seoul Metropolitan Government's Ordinance on the Establishment and Operation of Seoul Innovation Park (OEOS) (https://en.innovationpark.kr; https://www.innovationpark.kr). This is a complex that supports the ecosystem for social enterprises by providing spaces for the organisations (OEOS article 2).[24] The space, with its cheap rent, also provided social enterprises with opportunities to network with each other and to gain support from a support agency (KoSEA) that is located in the complex.

> The Seoul Innovation Park is a great help to us. (Staff SE10-a)

The Seoul Metropolitan Government also provides employment schemes. For example, SE9, a fair-trade company, hired interns with the labour cost compensation programme provided by the municipal government.

> There is the issue of young people's unemployment, so, the opportunity for those people to experience companies like social enterprises or social ventures is given through an internship programme where labour cost is supported for 1 year. They meet with social enterprises and, if they feel they are compatible with each other, the young people become interns for 1 year, which could lead to actual long-term employment. (Staff SE9-a)

The Seoul Metropolitan Government's 'Excellent Social Economy Organisation'

[24] In particular, the space is provided to (1) innovative institutions, groups and enterprises, (2) the support centre of Seoul, (3) cultural facilities for children and senior citizens, (4) the facilities for the experiences of urban agriculture, forest and innovation, facilities like hotels and arcades, (5) other facilities that the mayor confirms necessary (OEOS article 4), to (1) conceive innovative solutions for social problems, (2) study innovative ideas and business models, (3) foster innovative human resources and establish a support system for them (4) establish intensive fostering system for innovative institutions, groups, enterprises and the like, (5) spread the models both at home and abroad, and (6) provide space for exhibitions and experience opportunities of social innovation (OEOS article 3).

programme was also mentioned by several of the entrepreneur interviewees. The organisations that are designated as Excellent Social Economy Organisations are able to receive package support including marketing, public relations, education and training. Both SE1-a and SE12-b acknowledged that the scheme and the package support were helpful, also providing opportunities to contact public offices to sell their items and services.

> We received support for three years as an Excellent Social Economy Enterprise of Seoul. It really helped a lot. We could receive the support of about 15 million won a year for public relations, training and education, workshops, etc. (Staff SE1-a)

> The title of being an excellent social enterprise makes it actually quite easy to work with public offices. (Staff SE12-b)

Social enterprises were also found to partner with municipal governments. For example, SE2 was entrusted with a municipal nursing home. SE10 works as a service provider for municipal policy projects.

> Seoul orders many commissioned projects like popup markets for people who cannot afford shops to sell their items. (Staff SE10-a)

> We had a contract to operate a municipal elderly nursing home. (Staff SE2-a)

With the political interest and will of mayor Park Won-Soon, the municipal government pursued various ways to support and utilise social enterprises. Social enterprises achieve resources and selling opportunities through those forms of support.

District Level

There are 25 districts in Seoul, each of which has its own elected head of the district. The major actors in the district-level dynamics are the heads of district offices. The district-level support often varies according to the head of the district's political interest. According to participants, some district offices are not that interested in social enterprise support policies, as in the case of the district where SE3 is located.

> Our district is right now more into libraries and whatnot than the social economy. […] The

> person in charge of social enterprise doesn't know much either […] The people in charge of social enterprise in the district change often. […] People like them don't know the social economy. (Staff SE3-b)

However, many other districts try to promote social enterprises, having their own ordinances and support centres. They purchase items and services and support promotions as SE4-a says.

> Our district office buys items during national holidays to promote social enterprises. […] They also promote social enterprise products in the district office promotion hall where they display and sell the items. […] They also added that kind of thing to ordinances. (Chief Executive SE4-a)

Some districts also support spaces for social enterprise offices. In the case of SE11 that locates in the district support centre, the chief of the company says that the location benefited them with the opportunities to network and co-work with other social enterprises in the same building.

> We have luckily located in good places. […] The environment is so good. We came to good spaces that led to networking with good people that helped us carry on with the projects and businesses. (Chief Executive SE11-a)

Under the influence of government policies encompassing the preferential purchase system and the management evaluation system, public institutions became to support and collaborate with social enterprises. In the case of local governments and local support centres, they tend to practice differently according to the policy interest of the heads of the local governments.

5.3.2 Market Sector Actors

Private Companies

Market forces have increased their roles in the social economy sector. Many big

private companies support social enterprises as part of CSR activities. SH-SN1 from KoSEA and policy maker SH-PL1 say that there was also the government's influence related to the macro-level dynamics. This could be interpreted as a legacy of the developmental state that is characterised by close relationships and cooperation between the state and the market (Woo-Cummings, 2019).

> There has recently been growing attention from private large companies in accordance with the government's interest in this issue. Our team senses such an atmosphere. Institutionally, there is an amendment to the Capital Market Act that now requires descriptions of social value-related activities when a listed company publishes its management disclosure. […] Thus, companies seem to be thinking that a strategic usage of this will have an overall positive impact on the company. (Support Agent SH-SN1)

> There seems to have been a great perception increase of private companies in the social economy. Recently, we signed an agreement with 'LOTTE Home-shopping' to have it air social enterprise products. TV home-shopping companies are also certified by the government, which now includes social enterprises or social value contribution levels to such certification standards, right? This is when companies start to participate. (Policymaker SH-PL1)

As time passes, big private companies realised that supporting social enterprises can be an effective CSR strategy.

> At first, large companies followed the directions of the government. The CSR contribution was anyway annually pre-set for respective companies. There were tacit agreements on the contribution amounts depending on the business scale […] Partial amounts of these contributions were spent on social enterprises. On second thoughts, investing in social enterprises seemed to have more marketing effects in various aspects, with features of vitality compared to donation. The idea suited the minds of businessmen well, which enabled steady support. (Policymaker SH-PC3)

Korean big private companies' support now takes various forms. They purchase products from social enterprises, sponsor events or education programmes directly or through their foundations, or even found and operate social enterprises themselves. SH-SN1, a member of staff of a supporting centre, and SH-C1, a consultant, talk about this as below.

> There are diverse methods. […] There were a few cases where subsidiary social enterprises were established, for example, SK Happy Narae, Kyobo Dasomi, etc. [...] There were other cases where big private companies tried various CSR strategies. (Support Agent SH-SN1)

> Nowadays, foundations such as 'Asan'[25] provide support for social enterprises both in financial and non-financial forms. Money is given through financial support, and for non-financial support, consultants in terms of legal, PR or organisation management are provided. (Consultant SH-C1)

As private companies have increased support for the social economy sector in various forms, this brought about a change in the sector. Most notably, some organisations operating as social enterprises are choosing not to formally register as social enterprises. For example, as SH-C2 a social enterprise consultant explains, some social ventures do not aim for the certification and the linked government subsidies that come with regulations as they can instead secure resources from the private sector.

> Actually, there are so many restrictions imposed on social enterprises by the government. However, when considering the applications for financial support, private foundations like the SK Happiness Foundation and the Hana Financial Group now focus on the intention or goals of a project rather than the type of organisation and things like that. The wheelchair manufacturing company that I visited yesterday is drawing much attention, as it has an excellent approach and has even started exporting products. However, they purposefully refrained from getting the company certified as a social enterprise. Government certification leads to too many restrictions. We can say that the activities performed by the company are those of genuine social economy. They are doing the essential tasks of social economy. Nevertheless, the company is not a certified social enterprise. (Consultant SH-C2)

As private sector actors increased their support to the social economy sector, social enterprises started securing more resources through private sector support. This enabled some organisations operating as social enterprises including social ventures not to seek certification and linked government supports that come with regulations, which may have allowed social enterprises to avoid coercive isomorphic pressure from the government (Froelich, 1999; Teasdale, 2010a).

[25] The foundation was created by the founder of Hyundai.

Banks and financial institutions

There were social enterprises utilising loans. A fair-trading company SE9 and a space-providing company SE10 had been able to secure loans relatively easily. For SE9, this short-term loan enabled them to import agricultural products in bulk, and in the case of SE10, the loan helped them to become more financially sustainable by enabling the company to operate while it waited for the full payment at the end of one-year contract.

> If we need to, we take out loans, because we frequently need a considerable amount of money when we import. […] I don't think it has been that hard up to now. Since we've paid back well. (Staff SE9-b)

> We always use short-term loans. If there is a service business of one year, the advance payment is just 50% or 60%. Before we are paid with the remainder, we have to use the loan from banks. We have never used a loan specialised for social enterprises. We just often use short-term borrowings. (Staff SE10-a)

However, interviewees also reported that securing loans was not easy for many social enterprises. Although hoping to gain loans to manage their business more actively, many participants were experiencing difficulties in doing so. SE5-a attributes the difficulty to the lack of philanthropic capital and angel investors in Korea that invest with the consideration of potential or social values of companies. Social financing, philanthropic investment or impact investment is a financial service that seeks a financial as well as social return. Angel investors are funders of promising start-ups, providing the initial funding needed to get new social ventures off the ground. They usually invest in start-up companies in their early stages of development based on their potential in exchange for a piece of ownership. These types of investments are important for social enterprises, as they provide critical sources of funding that traditional investors may hesitate to provide.

> We don't have many social funds yet. We don't have many investors, especially angel investors. (Chief Executive SE5-a)

An employee of SE1 explains that his company took loans from social economy sector financial institutes including microcredit institutions, as it is hard to get loans from general banks.

> We take out a lot of loans. Not from general financial institutions. […] We take out loans from credit unions or the Korea Federation of Community Credit Cooperatives, etc. Also, there are places like the Social Solidarity Bank, Joyful Union and microcredit institutions. […] Most social economy organisations don't have massive profits, so there are difficulties. So, we ask for loans from places like microcredits. (Staff SE1-a)

To sum up, private companies find supporting the social economy sector an effective way of CSR activities. This seems to give social enterprises greater access to resources. Regarding financing from banks, although there are a few social enterprises that get loans from banks without problems, many social enterprises are experiencing difficulties. Regarding other types of finance including social financing and philanthropic impact investment, one participant said there are not many angel investors and one participant reported his organisation gets loans from social economy sector financial institutions rather than general banks.

5.3.3 Third Sector Actors

Third-sector organisations are supporters and customers of social enterprises. Some participant social enterprises were receiving support from parent organisations that were NGOs. For example, SE4, a soap and cosmetics manufacturing company, was legally separated from a welfare centre and had a separate business licence, but was still sharing some employees who were paid by the government subsidies for the welfare centre.

> I myself am paid by the government. Since we (the parent organisation) have the governmental license as a welfare facility, I am paid in the No. 30 salary class. Since some of our employees are paid by the government, that labour cost is not included in the production cost of the soap. Only the salary paid to the disabled is included in the labour cost, so we can lower the unit cost. (Chief Executive SE4-a)

SE3, a packed meal manufacturing company, also shares employees including the chief of the social enterprise with the parent welfare centre.

> The elderly in this social enterprise cannot take care of the administrative work, so we are dispatched to this social enterprise. […] Four of us, the president, myself, director Kim and another executive director, are here doing the management work without being paid by the social enterprise. (Chief Executive SE3-a)

Social enterprises utilise other resources as well from parent organisations. For example, SE4 is located in the building of the parent welfare facility and uses a classroom in a school that belongs to the same welfare foundation.

> We borrowed one of the classrooms from the school. (Chief Executive SE4-a)

SE3 gets help from trainees and employees of the parent welfare centre when it is short on hands. It sometimes uses the parent welfare centre's vehicle for sudden deliveries and other purposes.

> We get help from the trainees in the social welfare centre for simple work, like attaching labels and delivering the products. When we have many orders, the employees of the welfare centre sometimes help us. We ask for their help when we suddenly need a vehicle for delivery and a particular issue. […] They cooperate with us, because they are the employees of the same welfare foundation anyway. (Staff SE3-b)

There were also organisations that do not gain direct support from parent organisations. Although separated from welfare facilities, SE5 does not get any direct support from the parent welfare centre or the welfare foundation, except for the small amount of purchase. In the cases of SE1, SE2 and SE9, which were separated from advocacy NGOs, they did not mention specific support in terms of resources.

> We are not financially supported by the social welfare foundation, except for small help. I mean, they purchase our food ingredients a bit. We are an independent organisation. (Staff SE5-b)

Social enterprises sell items to NGOs and welfare facilities. For SE2 which was separated from an NGO, NGOs were loyal customers that agreed on the company's causes. SE3, which was separated from a welfare facility that was a government-supported NGO, also sold products to local welfare facilities. This can be partly because of the human network they maintained from the time when they were parts

of the NGOs, as SE2-a and SE3-b below explained.

> The NGOs have a considerable share in our sales. Many of them have been patrons for more than 10 years, as they were those who sympathised with the purpose of our parent organisation, the night school for the disabled. (Staff SE2-a)

> In the case of the A welfare facility, it places orders with us every year. […] There is a committee in the area of social welfare. […] We often attend committee meetings to gather and exchange information to attract orders to us. (Staff SE3-b)

From the analysis, the third-sector organisations turned out to be important customers and supporters of social enterprises. Sometimes as parent organisations, and sometimes as supporters of causes, NGOs have had close relationships with the social economy sector in Korea.

In particular, regarding social economy organisations, such as the main entities like certified social enterprise, cooperative, community-based enterprise, self-support enterprise, and social venture as suggested by the government (https://www.socialenterprise.or.kr/social/econ/mainEconEnt.do?m_cd=E061, accessed on 15 Jan 2024), they are inclined to engage more actively each other as customers, clients, collaborators, and competitors, rather than mere supporters. For example, SE9, a fair-trading company, has cooperatives as its main customers. In Korea, where there are not many retailers that deal with fair-trade goods, cooperatives are major wholesale customers for it.

> Our key customers are consumer cooperatives, to which we supply most of our products. (Staff SE9-a)

Many social enterprises were trying to purchase necessary products from social economy organisations, as, according to SE5-a, Korean social enterprises started trying not to be passively dependent on government support, as well as, according to SE3-b, they started thinking that purchasing from each other would be a win-win strategy to grow the social economy sector.

> In the past, I strongly believed in getting as much public support as possible. But now, […] we talked about it among ourselves like, 'If we don't know each other well enough, how do

> we expect others to use our products? Let's use products and services from social enterprises first among ourselves, then offer feedback and help promote each other. Then, let's make policy recommendations to the government.' (Chief Executive SE5-a)

> Our director has given a lot of thought to social enterprises and studied the subject continuously, which is why we also try to buy food ingredients from social enterprises. It is not cheap, which is actually the correct price. Unlike large private companies, social enterprises cannot easily adjust their prices. However, we use it because we think it's going to be a win-win. (Staff SE3-b)

Social economy organisations are also competitors or potential competitors of each other. For example, as the fair-trade market is very small in Korea with a small number of retailers that deal with fair-trade items, competition can happen between the fair-trade companies dealing with similar items although SE9-b says they are trying not to be involved in the severe competition with other social enterprises.

> In the social economy sector, we have to cooperate with the fair-trade organisati ons and, at the same time, compete with them […] The market of fair-trade coff ee is very small, but we have to share the small market. For example, when we are doing marketing, if the café is using coffee from another fair-trade company, we do not touch it. If we take it, competition can become severe. (Staff SE9-b)

As SE7-b also mentioned, social enterprises cooperate with other social enterprises. This will be explained in more detail in the next section on strategies.

Social enterprises are the customers and clients of each other, loan providers, collaborators, and sometimes competitors fighting over market share and resources.

5.4 Inter-Organisational Relationships and Strategies

5.4.1 The Adaptation to Conventional Institutional Logics and Isomorphism

As much as social enterprises depend on the resource holders, they care about the expectations of the resource providers and go through isomorphic changes for legitimacy taking forms, practices and norms as expected or as organisations in more institutionalised sectors have (Pfeffer and Salansik, 1978: 39-54; DiMagio and Powell, 1983; Di Maggio and Anheier, 1990; Powell and DiMaggio, 1991; Scott et al., 1994; Dart, 2004; Nicholls and Cho, 2006; Sud et al., 2009; Pache and Santos, 2010; Cornforth, 2014). The current section analyses these isomorphic processes occurring toward the public and market sectors or the resource holders' expectations.

Towards the norms and expectations of the public sector

Certification – Support System

When the Government is a critical resource holder, social enterprises choose to be included in the government system that guarantees resource acquisition by meeting the required conditions. For example, the government support given to certified social enterprises becomes one critical reason for the certification. Many participant social enterprises got certified as it was advantageous for resource acquisition as the chief executive of SE8 and staff of SE1 say.

> If it helps the utilisation of external resources for achieving the mission, then it would definitely be a part of the reason for the social enterprise certification. (Chief Executive SE8-a)

> We started as a night school but are separated into a limited company from a financial perspective. […] The certification was to utilise the resources that we could access as a social enterprise. (Staff SE1-a)

As a result, social enterprises locate themselves at the vantage points. The chief of

SE3 says, after the certification, the company's sales doubled due to the Preferential Purchase System and other support programmes for certified social enterprises.

> After the certification, the number of sales almost doubled. Many packed meals were ordered through the Preferential Purchase System, which increased sales. These days, we often participate in the social economy markets held by the Seoul Municipal Government and the like. So, we have more markets and opportunities to sell our products. (Chief Executive SE3-a)

The chief executive of SE6 recollected that the company would not have survived without the certification system that was linked to government support.

> If we didn't meet this (certification-support system) at that point in time, it would have been very difficult to survive in the cultural and arts industry. But in any case, we were able to come all this way with the support of the Ministry of Employment and Labour. I'm very thankful. (Chief Executive SE6-a)

This was a strategy, but the strategy inevitably included an isomorphic change of organisations. First, the organisations had to meet the conditions to be certified, and then once certified, as SE1-a explains, they should maintain the conditions as job-providing type social enterprises. SE1-a says that it feels that they are continuously supervised and managed by the government.

> From what I know, sales have to be maintained. Social enterprises can't easily fire employees and things like advisory resignations can be minus factors. Also, employment should be stabilised, and business reports are submitted in April and October which includes the employee list, average wage, average wage for each gender, and so on. Financial reporting is also done. So, the pay level has to be maintained, and at least 2/3 of profits must be reinvested for social purposes. From the moment of certification, it would feel like the government continuously manages and supervises. (Staff SE1-a)

Many social enterprises were institutionalised by satisfying the government-required conditions for the certification. There even were some participant companies that were certified as the job-providing type of social enterprise, although their aims rather fitted other types, because it was easier to fulfil the required conditions and to gain the understanding of the committee at the time when the social enterprise was understood as a domestic unemployment policy tool. As SE9-b and SE8-a say below, SE9 struggled to gain an understanding of the committee as a fair-trading company that

dealt with foreign farmers' communities, and SE10 had difficulty in proving their contributions, which lead to the conclusion that they need a strategy to be certified.

> At the time, awareness of fair trade was low […] so to get the social enterprise certification, we had to make some twists. […] The panel members had a very narrow view where they would think "How is that social economy? Isn't social economy about embracing the domestic vulnerable class or doing something for them?" The UK and Europe were very…, Despite having benchmarked them, the certification was not given, because the applications were very limited to the domestic scene. So, most got the certification in different ways. (Staff SE9-b)

> Actually, we should have gotten the certification for the miscellaneous type, but our accomplishments weren't detailed enough for the certification. The company was employing the vulnerable class at the preliminary social enterprise stage. So, with this requirement met, we were like, "let's apply for the job-providing type then." I mean, the number of employed young vulnerable class was already 50%, as the total number of employees was very small. (Staff SE10-a)

This was because the government's expectation of social enterprise as a tool to sort out the domestic unemployment issues was represented in the system and certification process. According to the chief of SE11, even consultants in the incubating programme suggested applying for the certification as a job-proving type.

> In fact, the people consulting and helping in the incubating programmes suggested it. Actually, the mixed type or miscellaneous type is correct for this business. But, it is very difficult to meet the certification conditions. […] So, they suggested we apply for the job-providing type because we happened to be meeting the conditions unintentionally employing young people from low-income families. So, we went with the job-providing type. (Chief Executive SE11-a)

Certified social enterprises try to be chosen for selective support programmes and public bidding as social enterprises. In doing so, they try to meet the expectations as well as the needs of the public sector actors, as these are important opportunities for resource-lacking social enterprises. SE10-a explains that the company depends on public bidding as it is hard for them to survive in the market competing with profit-maximising private companies that share the market logic. This also can cause isomorphic change. SE10-a says that the social enterprise adjusted its business for the bidding.

> Survival was the biggest problem. […] With only the original business model, survival was difficult. That's why many social economy companies in this field continue to take on public service projects in general. They survive doing public service projects, and then later they go on to something that they really want to do. […] The company can't be maintained. That's why we keep on doing public service projects. (Staff SE10-a)

In the case of SE5, it even diversified its business to better utilise the Preferential Purchase System.

> I once visited Korea Electric Power Corporation (KEPCO), and heard that around 100 million won is allocated for purchases from social enterprises. Social entrepreneurs brought bread, cookies, toilet rolls and office paper at the time. The staff said, "Could you purchase 100 million won of bread and office paper?" I was like "Ah, we shouldn't just bring our product and ask them to buy them. We should figure out what they want and develop and prepare them." Since then, we've been thinking we should diversify our business. (Staff SE5-c)

As such, meeting the requirements for certification or maintaining them after certification, social enterprises go through isomorphic change.

Other Systems: The Linked Employment System for The Disabled

There were participant organisations that tried to secure resources through other systems than social enterprise-targeted policies like the Linked Employment System for The Disabled. It is a policy programme that puts the responsibility to hire the disabled on big private companies, and lets the companies get reductions on contributory charges if they get supplies from the designated facilities hiring the disabled based on the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities.[26] In the case of SE7, it established the business model

26 *Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities* (https://elaw.klri.re.kr/eng_service/main.do)

Article 5 (1) Business owners are obligated to cooperate with the State in implementing policies on the employment of persons with disabilities, provide them with employment opportunities through fair assessment of their abilities, and conduct employment management in a proper way.

Article 33 (4) The Minister of Employment and Labor may reduce or exempt the contributory charge payable by a standardized workplace for persons with disabilities that obtains certification prescribed in Article 22-4 (1), or a business owner that awards a contract to vocational rehabilitation facilities for persons with disabilities prescribed

fully depending on the system in the first place. The social enterprise sells its items manufactured by the disabled to companies that want to reduce the contributory charge.

> Our success comes from the good use of policy to create business models. […] There is a government policy that mandates companies employ disabled people, and when companies fail to do it, they deal with companies like us to reduce the employment levy. When we employ many people, the companies that deal with us get a greater reduction in contributory charges. I think this is what allows us to successfully achieve our mission of the employment of people with developmental disabilities. (Chief Executive SE7-a)

In the case of SE8, it fulfilled the required conditions to be entitled to utilise the system. That is, it was certified as the Standard Workplace for Persons with Disabilities to be qualified to participate in the Linked Employment System for the Disabled.

> Of course, there are cases when the certification of the standard workplace for the disabled is pursued since the certification helps in the use of external resources. […] We are also a standard workplace for disabled people, but we haven't yet signed any contracts with institutions or companies through the Linked Employment System for the Disabled since it hasn't been long since we got the certification. […] We will try. (Chief Executive SE8-a)

Difficulties

Social enterprises utilise government systems and programmes by meeting the required conditions, which means the institutionalisation of social enterprises that serves the government aims. It seems that most social enterprises are willing to be institutionalised to be entitled to government support and other resources that they can access as social enterprises. However, some expressed difficulties in meeting the conditions. For example, the chief executive of SE6 says that keeping hiring the required ratio of the vulnerable is not easy particularly when most of the members have to have expertise such as artistic skills. SE5-b also says hiring the disabled and the elderly up to a certain per cent of the whole employees and keeping them as full-

in Article 58 (1) 3 of the Act on Welfare of Persons with Disabilities to be supplied with the products thereby manufactured by such facilities. <Amended by Act No. 10339, Jun. 4, 2010; Act No. 14500, Dec. 27, 2016>

timers with four main insurances are difficult in terms of cost management. SE5-c says it is hard to maintain the certification due to these reasons.

> Job creation is difficult at this time. […] Because we are an arts organisation, it is really not easy to find artistically talented people that satisfy the requirements. (Chief Executive SE6-a)

> 30% should be vulnerable people, and they should be full-timers having four main insurances. […] I cannot say it's not a burden. (Staff SE5-b)

> Actually, it is hard to maintain job-providing type certification. Because you should maintain employment. (Staff SE5-c)

Paperwork related to the government support also is a burden for some small scale social enterprises.

> Receiving the government support funding since the preliminary status, I realised that the paperwork is almost the work of one full-time employee. Going back and forth, preparing documents, submitting them, there was no time to do anything else, and the energy consumed in this process seemed excessive. (Chief Executive SE11-a)

As a result, some organisations give up depending on government subsidies as SE11 below which will be explained in the next section in more detail. Partly because market sector actors' support increases and the source of resources becomes diversified, this choice becomes more available for social entrepreneurs to choose.

> So, I decided not to do this, and I stopped getting the subsidy. The impact was greater than I thought, however, the work required for the year-end settlement and monthly paperwork were reduced and it was much better. […] Now that the wall is removed, other tasks can be focused on and we can do more tasks. (Chief Executive SE11-a)

When social enterprises give up support from the Government, the dependency on the Government and the pressure to meet the Government's expectations decrease. The chief of SE11 says she does not care about national policy any more because the company does not receive the subsidy.

> Now that we don't receive the subsidy, I am less concerned with government policy. (Chief Executive SE11-a)

Towards the norms and expectations of the market sector

The participant social enterprises also adopt traits of private companies and accept the expectations of the market sector.

First, social enterprises try to adopt market norms to be competitive and gain legitimacy in the market. They sometimes imitate the organisational structure and practices of private sector business organisations. A staff of the 11-year-old company SE1 says that the company experienced a crisis when the government support for personnel expenses ended and hired a sales director to overcome the crisis.

> After the Government labour cost support ended, we were in crisis for a few years. The labour cost of 20 million won that we received became 0 won so we had to earn 20 million KRW more each month. We worried whether the business operation was possible at the time. So, we brought in a sales director for sales and tried to expand our sales (Staff SE1-b)

SE6, a musical performing company, once had four marketing staff that was quite a big portion of the small company and focused on putting as many performances on the theatre as they could.

> There is almost no performance group that can have 400 shows per year. […] We once had staff for marketing as many as four for that. (Chief Executive SE6-a)

In the case of the SE5, it tried to benchmark what the successful big conglomerates and small blue-chip private companies do. It adopted a programme for future planning and mission management that is similar to the one a big private company has, invited lecturers from big conglomerates, and participated in meetings with private companies to learn from well-managed private companies.

> There is a team that manages the entire E-LAND Group in terms of the missions, goals and management. We are benchmarking the team. […] Also, we invite lecturers from LG, Samsung, Shinhan Bank, and the like to learn about each field. […] In addition, our president attends the meetings of managers. Our company may be the only social enterprise that participates in those meetings. We are benchmarking the business management of small private companies too, especially the blue-chip companies and well-managed companies from there. (Staff SE5-c)

Second, social enterprises try to fulfil the market sector actors' expectations of them to gain resources. As private companies expand their support for the social economy sector, social enterprises increasingly apply for private sector support programmes fulfilling the support providers' expectations. SE12-a says the company takes care of the change in support programmes to utilise them.

> Our company takes full advantage of the changes in external resources or other opportunities. For example, when the KoSEA and large companies announce programmes related to the social economy, we discuss how to utilise the programmes and submit proposals. (Chief Executive SE12-a)

To be chosen for support, social enterprises often feel the pressure to meet the expectations of the supporter companies. Related to this, a staff of a caregiving social enterprise SE2 says as below.

> The goals should be in harmony with the funding organisation to get support. Different organisations have different requirements. There are things that we have to add even though we don't like to do them. For example, they want time to do public relations activities for their companies or their CSR activities. We take it for granted because the fund is not free of charge. […] Lately, we have been funded a small amount by the CSR team of Kyobo Life Insurance to provide education to our caregivers by inviting a lecturer. The company is much interested in education. The company provided support to us because our proposal harmonised with its interests. We are often funded this way. (Staff SE2-a)

In addition to the individual companies' goals, there also are pressures that they should meet the general private sector companies' expectations, which is a bit different from the government's or the public sector's. It seemingly more focuses on social enterprises' continuous growth as well as innovative intervention into social problems rather than focusing on employment as the chief executive of SE4 and staff of SE2 say.

> It seems that they examine sustainable growth when evaluating performance. They have highly evaluated our substantial and sustainable growth. (Chief Executive SE4-a)

> They have examined what applicant social enterprises accomplished, what they would do further in the future, how the social values could be propagated, and how the organisations

can hire more people from the socially vulnerable class. (Staff SE2-a)

Social Performance Credit (SPC) programme launched by the conglomerate SK in 2015 shows another example of this. SK group suggests an evaluation tool through SPC that measures social performance in monetary terms and compensates for it. What made this important is the fact that this evaluation tool suggested to expand and change the views on social values by proposing social values in different categories including service, employment, environment, and social ecology (Rha et al., 2018). The chief executive of SE5 says, after SPC, he began to think about social values in different ways not focusing only on employment. SE5 even added a recycling business according to the change of view.

> There are differences between SPC led by a private company and social values KoSEA says, both of which are mixed in Korean society now. KoSEA is more interested in employment as it is under the ministry of labour, from which we are awarded for social value achievement. […] However, it is hard even for us to fit the value in SPC. It assesses economic and social values. It's like… "Which social value are you achieving through your business?" "We employ." "Other than employment." […] They're more interested in the benefit we produce from our service. It's the change happening now in society, which I had not thought about a lot and recently started considering important. […] So, we thought we could try environmental stuff, and recently added a recycling business. (Chief Executive SE5-a)

Towards the norms and expectations of the third sector

There was no participant who explicitly mentioned about their intentional effort to conform to the logic and expectations of other third sector actors or to mirror these organisations. However, there is a possibility that these kinds of strategies were not captured through data collection, even though they existed.

Some existing literatures mention the imitations and memetic isomorphic changes conducted by social enterprises that conformed to the widely accepted norms among peer NGOs that were changing themselves to become trading social enterprises (Oh, 2013a; Lee and Min, 2015). Thus, this part will become a subject for future research.

5.4.2 Impression Management

Organisational impression management means the organisations' attempts to influence the audiences' perceptions of them based on social cue manipulation or selective provision of information (Leary and Kowalski, 1990). Impression management theory was first developed to explore individual relationships; however, it could also be utilised to explain how organisations manage their legitimacy (Goffman, 1956; 1959; Schlenker, 1980; Leary and Kowalski, 1990; Bozeman and Kacmar, 1997; Bolino et al., 2008; Manning, 2008; Teasdale, 2010a). The participant social enterprises were presenting different faces to different audiences to convince them that they could meet the wide array of audience demands (Teasdale, 2010a). They tried to give the impression that they were more oriented towards the private or not-for-profit sectors according to the audiences. This helped them to gain different types of resources.

Like Private Companies

Many social enterprises struggle in marketplaces as they do not fit the traditional norms for market actors. Interviewees indicated that the prevalent impression of social enterprises is that they produce cheap and low-quality items.

> There is this common notion that social enterprise products have low quality. […] For whatever reason, this notion that the product from a workplace for disabled people or social enterprise will be of lower quality, even though it's the same product only sold by us, makes it difficult to make sales. (Staff SE8-b)

> People just think social enterprises would sell cheap items because we get subsidies. (Staff SE3-b)

The support and subsidies they get are sometimes interpreted as a sign that the company cannot survive without them because it does not have a competitive edge.

To overcome these kinds of prejudices in the market, some social enterprises attempt to foster images that are akin to competitive private companies. They selectively provide information and purposely present a particular image to be shown as businesses that fit market rules. For example, SE4 does not indicate that it is a social enterprise and hires people with disabilities.

> People think there would be product defects if you tell them that people with disabilities have made it. […] We rather don't indicate it on our products. (Staff SE4-b)

Similarly, SE5 tries to present the image of a big private company through behaviours, attitudes, words, and other things, adopting an interior design that is similar to that of big private companies and wearing formal suits.

> There is a negative image of social enterprise and its items or services. […] We are mindful of how consumers view us. I tell our employees that they must wear formal attire when meeting customers. I also wear suits all the time. […] We put much emphasis on our behaviour, attitude and words. People compare things based on what large private companies do. […] We also care a lot about our interior design because there could be negative preconceptions. (Chief Executive SE5-a)

The 'social enterprise' brand was felt not to resonate with quality and value by some participants, making them think they must appeal to their customers with products like other rival private companies.

> Simply asking people to buy our products since we are a social enterprise and work with people with disabilities doesn't work. I realised we have to show that we are a company that can match the quality of private companies and that our quality is good. What customers demand is the same for both private companies and social enterprises. […] I tried to instil a perception that "this company's items are of good quality". (Chief Executive SE1-a)

> We don't forcibly emphasise good values because we think, if we do not have a competitive edge, well, people might take a look once into our company but the interest would not be maintained. (Staff SE7-b)

In this vein, some social enterprises spent a lot of time on customer management. SE6 continuously updates its musical performance based on feedback. SE7 conducts surveys to figure out customers' needs and reflects the results. SE9 keeps in contact

with customers to check for any dissatisfactions and complaints. These actions could signal that those companies manage product quality and care for customers like private companies.

> We check all the feedback posted on ticket-selling websites and personal blogs. […] we continuously take in feedback. We keep on upgrading the work. (Chief Executive SE6-a)

> Once every two years, customers are surveyed, and the results are shared internally. […] For example, if there is a complaint about this and that, then feedback would be given immediately identifying the problem and how it will be resolved or improved. […] Why a certain topic is brought up is closely monitored and considered. By each division. […] Aspects like "Our team should make these improvements on these matters" are thoroughly analysed and reflected. We pay close attention to providing quick feedback to our customers and reflecting on their opinions in detail. (Staff SE7-b)

> As they order regularly, if they don't order at the time they should, it is a sign that something is wrong. So, we make sure to give a phone call to talk and figure out whether there is an issue. (Staff SE9-a)

Like Charities

Although many social enterprises present themselves like private companies in the market, in certain contexts, they also align themselves with the characteristics of charities. They emphasise their contributions to society and the social value they generate to compensate for the price that can be high, due to the considerations of social values, weak brand names and the negative image of social enterprises.

> Of course, the unit cost can't be better than large private companies. […] Also, we lack brand name value, and there are prejudices about social enterprise. […] However, setting aside promotional expenses separately is actually difficult. […] Instead, we think we can express our own unique colour as a social enterprise giving back to society. (Staff SE5-c)

Social enterprises actively show that they create social value when securing support to draw the attention of support providers. SE5 could gain a contract to run a food pre-processing centre that a big private company was planning to open, by emphasising the contribution the company could make through the contract to the social enterprise.

> We filed a proposal. […] We persuaded them that they could contribute to society as they supply the ingredients through us. Eventually, we received the contract to operate it. […] By convincing them that it is good to contribute to the community through social enterprises, we have been commissioned to run the pre-treatment centre. Otherwise, we would not even have had the chance. (Chief Executive SE5-a)

In the case of SE7, it puts effort into sharing information about the social goal achievement of the organisation with the client companies.[27] The social enterprise has sent gifts to customer companies whenever they achieved intermediate goals and continuously shared its inside stories through social networking services like Facebook.

> When we reached 100 companies of the Related Employment partners, we gave our baked goods as gifts. We share how we attain our goals and post our inside stories on Facebook for everyone to know there is a company like ours where people with developmental disabilities can work well. (Staff SE7-b)

SE4 even emphasise that it still belongs to the parent welfare foundation which is a charity and shares resources with it to advertise that the organisation is more focused on social value. The chief executive says with pride that 100% of the employees in the organisation are disabled people, adding that it is possible because the non-disabled staff are all dispatched from the welfare foundation and their salary also comes from the foundation. She says that kind of sincerity of the company has made both large private companies and public sector organisations provide financial support and purchase from it.

> We employ 100% of our staff from the socially vulnerable group. We are different from other social enterprises […]. That is why we interact often with large companies. […] I think they are helping us for our sincerity […] People can indirectly contribute to society by helping us. Supporting us is providing income for the disabled, which makes our business convincing. Large private companies purchase our products as corporate social responsibility activity. People from the Ministry of the Interior visit once or twice a month to volunteer, which improves recognition of the disabled community. They also buy products. (Chief Executive SE4-a)

SE6 and SE9 were seeking opportunities to secure support or sales routes related to

[27] Those are the companies indirectly contributing to the employment of disabled, fulfilling the government standard on the employment of the disabled through the social enterprise using the Linked Employment System for The Disabled. Those companies are called Related Employment partners.

big private companies' CSR activities, showing that they are social enterprises that create social value.

> I'm thinking of approaching banks. For a musical on social economy. Banks are related to the economy. They could sponsor the cost of performing at schools to teach the students the concept of social economy and instil a positive concept of economy. As social contribution. (Chief Executive SE6-a)

> I think there is considerable room for airlines to get the ingredients for the inflig ht meals from fair-trade companies in the name of social contribution. […] Rather than red oceans with fierce competition, we are looking for routes linked to soc ial contribution. (Staff SE9-a)

5.4.3 Diversification of Resources

According to resource dependency theory, organisations depend on their enviro nment for resources and attempt to manage the dependency, deploying strategi es to manage uncertainty in securing resources (Guo and Acar, 2005; Froelich, 1999; Pfeffer and Salancik, 1978).

As market sector actors have increased roles in the social economy sector, so cial enterprises have reduced dependency on the public sector and diversified t heir sources of resources. They have gained support from big private companies and sold items to them. For example, SE2-a says that the CSR programmes of big private companies are an important funding source along with government programmes.

> For financing, we file proposals and obtain funds. There are projects funded by the CSR department of private companies and government-funded programmes. […] Let's say that we plan a concert for single-parent families that participate in the self-support programme. If we need funding, we file a proposal. When we want to prepare a space like this, we request a space preparation fund. […] We prefer that kind of funds because we don't need to ask for a loan from the bank and pay the interest. (Staff SE2-a)

As the chief of SE8 and SE4 say, big companies are becoming major customers as

they purchase the items of social enterprises as a part of CSR activities.

> A large client is Happynarae, which is a social enterprise founded by the SK Group and its mission is to help out other social enterprises. They try to purchase from social enterprises. (Chief Executive SE8-a)

> Shinhan Bank and POSCO purchase our products regularly. The SK Group helps us by circulating our products, assisting the marketing and giving a subsidy. (Chief Executive SE4-a)

5.4.4 Cooperating and Networking

Cooperating and networking are among the strategies social enterprises adopt to increase resource attainability. Resource dependency theorists including Pfeffer and Salancik (1978) explain that many organisations try various linkages including i nformal or semiformal ways of establishing collective structures. They explain that organisations deploy cooperative strategies such as contract management, particip ation in alliances and associations and other uncertainty management strategies to secure crucial resources (Alvord et al, 2004; Guo and Acar, 2005; Froelich, 1999; Pfeffer and Salancik, 1978). Participant social enterprises have attempted to reduce dependency on main resource holders and shape their own environment in favour of them through cooperating and networking strategies. The study categorises organisations' cooperative strategies into cooperating, which is actual partnerships with other like-minded organisations and related activities, and networking, which is the network-building and foundation-building for future collaborative activities based on data.

Cooperating

Various ways of partnership development with other organisations are discussed in this section. First, the participant social enterprises collaborated and tried to co-work with NGOs. At SE9 a fair-trading company which has some employees, directors, and

a chairperson with NGO backgrounds, the participant employee who also moved from an NGO was making efforts to find ways to co-work with NGOs.

> As I'm from an NGO, I continuously propose things that we can do together with NGOs. For example, we suggested a product sponsorship to the Eco-Film Festival, although the plan was not realised because we had different goals. But we keep trying. We participate in the Book Festival and Kid Book Festival which are held twice a year in Paju to do public relations activities about fair trade there. We are looking for opportunities to co-work with NGOs. (Staff SE9-a)

SE11 developed a partnership with an NGO by combining its resources to create additional social value.

> We carried out a project to support children from North Korea with school supplies. One of the NGOs suggested we apply our design to the project. At that time, we were too small to implement an independent campaign, so I thought it would be a good way for us to collaborate with the NGO. (Chief Executive SE11-a)

Some of the social enterprise participants were also working with other social enterprises. SE9 which was a fair-trade company co-worked with other social enterprises. It also formed organisations with other social enterprises in similar industries in order to co-work.

> We had once collaborated with a social enterprise for urban beekeeping. […] We used to make an organisation with the social enterprises in the food industry, although the organisation is resolved now. But, we would take suchlike actions. (Staff SE9-a)

In the case of SE4, a soap-manufacturing company, it collaborated with a retail social enterprise (Beautiful Store) and other social enterprises in the cosmetics industry to make and sell sets of items.

> The Beautiful Store developed sets of items around two years ago; our soaps and other products like shampoo from different social enterprises were sold as product sets. (Chief Executive SE4-a)

Social enterprises in the district where SE6 is located interact with each other actively. They were collectively preparing a project to educate the concept of social enterprise

through musical performances.

> The gatherings are active among the social enterprises in our administrative district. In collaboration with the social enterprises in those gatherings, we are preparing something to make known the social economy in the form of a musical. (Chief Executive SE6-a)

The musical performance company (SE6) also formed a consortium with a social enterprise working on drone education to utilise drones for its performances.

> We are collaborating with a company for drone education to include drones in our musical by forming a consortium. (Chief Executive SE6-a)

There are also social enterprises in long-term partnerships. SE10 has been in a long-term partnership with another social enterprise since the social enterprise certification in 2015. As the company started co-working with the partner organisation, the company's previous goal of utilising every kind of space in every kind of way became focused on utilising unused spaces for pop-up or flea markets for retailers who are vulnerable and unaffordable with stable marketing routes. Conducting projects, the company has been in charge of the space hunting and arrangement while the partner company has been in charge of the content management for the space.

> We are specialised in discovering and organising spaces, while this company is specialised in creating content for, for example, the children and the vendors. Therefore, in the co-work for pop-up or flea markets, we search and organise the space, while this company fills the space with content. This provided us with an opportunity to grow more compared with our previous business model. (Staff SE10-a)

Some social enterprises form cooperatives with other social economy organisations sometimes including private companies in the same industry to co-work and cooperate. SE3, a packed meal manufacturing company, and SE1, a printing company, are members of cooperatives comprising social enterprises in their administrative districts.

> In the meetings of our administrative district, we established a cooperative of social enterprises. I was appointed as a director there. […] The cooperative consisted of about 20 social enterprises. (Staff SE3-b)

> The social enterprises in the administrative district have formed cooperatives to promote many joint programmes. […] We learned that we could do things like joint marketing. (Staff SE1-a)

SE6 was planning to form a cooperative with social enterprises and private companies in the same industry to carry out joint projects and activities.

> Our plan for this year is to organise a cooperative of social enterprises in the culture and arts industry to implement a school theatre project to perform in schools. […] A cooperative in Seoul consisting of social enterprises and private theatrical troupes. […] We are planning projects like school theatre and art market operated by the cooperative. We are collaborating to open a market fair where school teachers can visit and choose the items they can take to their schools. (Chief Executive SE6-a)

The experience in cooperatives seems to be positive for many participant social enterprises. SE11 was planning to join more cooperatives, while already belonging to several.

> We also joined and will join the local cooperatives. (Chief Executive SE11-a)

Some social entrepreneurs actively participate in associations. The chief of SE8 was presiding over several programmes in the district-level social economy association as a board member. The chief of SE5 was trying to open a store for social enterprises with the members of the district-level associations.

> We are participating in networks very actively. We are now serving as a board member of the district association, conducting many programmes. (Chief Executive SE8-a)

> There is an association of social enterprises and an association of social economy in our local area. We are trying to set up a store together with such organisations. (Chief Executive SE5-a)

SE2-a explains that the company participates in various associations based on its needs. Those are associated with the social economy, local community and the business areas of the social enterprise such as items/services and the target groups.

SE2-a and SE3-b similarly say that it becomes routes of information sharing, mutual support and purchase.

> This is really a huge advantage to us, we have various kinds of networks. So, we obtain the information quickly. […] Networks include the Social Economy Network for self-support in our administrative district; the Seoul Facility Association related to nursing homes; and the Seoul Childcare Policy Network related to childcare centres. We also have networks related to services related to the retired and the disabled, the social economy network of the administrative district, and the social economy organisations with public consignment network. There are various kinds of associations according to the purpose of our business areas. […] They have been organised according to the needs. […] They cooperate and exchange support with each other. If there is a vendor which is a social economy organisation, we will definitely purchase from there. (Staff SE2-a)

> Association… […] We share what we are up to. We ask questions when we encounter a difficult situation or questions about documentation. We share our knowledge to help others. […] We comfort each other. It may not help sometimes, but we talk about the current situation. We communicate with each other about how the enterprises are managed and what we can do to improve. (Staff SE3-b)

Similarly, an employee of SE1 a printing company says that the companies gain necessary information and knowledge, search for business partners, and collectively make contracts with print shops at a lower price through associations.

> An association of social enterprises in the field of design was formed a few years ago. […] It helped us a lot. For example, when we were looking for a new printery, we were introduced to one good printery. Sometimes, the social enterprises in the printing industry approach a paper vendor together to increase the discount rate. […] We obtain useful information and learn how to handle problems. Sometimes, we provide help each other. For example, we assisted a social enterprise without experience in sales promotion items. We could trust each other because we often gathered together through the network. (Staff SE1-b)

SE1-a says the district association played an important role in dealing with conflicts that a member social enterprise was going through.

> Recently, a social enterprise consigned by a welfare foundation conflicted with the foundation and was about to be kicked out. People in the association made efforts to address the issues. We realised that the Social Enterprise Association of our administrative

> district is a reliable assistance force to help social enterprises solve difficult problems by means of solidarity. (Staff SE1-a)

There also is more active environment shaping taking place. In the case of the district that SE8 belongs to, the local association drafted a social economy plan and suggested it to the district office. The district office and the association has been discussing it, and the association also is trying to make the necessary ordinances for the plan be legislated.

> We are participating in the social economy solidarity network in our administrative district. […] In 2017, we established the 5-year local social economy plan for our administrative district through a project in collaboration with Sungkonghoe University. We had a meeting with the head of the district office about the plan. According to the 5-year plan, we prepare the action plans for each year. We consult with the social economy team of the administrative district about the action plans as well. By doing so, a new ordinance can be made. (Chief Executive SE8-a)

Networking

Many social entrepreneurs put effort into networking. Many of the participants emphasised the importance of networking as the chiefs of SE4 and SE5 did below to lay the foundations for future collaborative activities.

> From setting up this company, I believed networking was the most important thing. […] So, the networks I am engaged have grown for the last nine years. (Chief Executive SE5-a)

> Networking, I say network-“ing,” which is a win-win situation and shared growth. Their sales grow as well as ours. We are currently working with a large company with very high sales for a social enterprise. […] We once created a joint product consisting of our soaps and other social enterprises’ products. […] I think these are all the results of the vast network that I have built here and there. (Chief Executive SE4-a)

Social entrepreneurs try to spot opportunities to network to collaborate. The chief of SE3 says he does his best to connect with people, continue the relationships, and keep expanding networks.

> I go to a lot of meetings and gatherings. Local meetings, the local Chamber of Commerce and Industry, and also meetings of small businesses, and I was a member of the board of directors of the Seoul Council of Social Enterprise before, although not anymore. I participated in more than 20 meetings and gatherings at my peak. It's networking. If people ask me to come, then I have to say "yes" and go. […] When I meet one person, I would go to any meeting or gathering that I get to know about through that person. (Chief Executive SE3-a)

According to a staff of SE1 and the chief of SE4, the education programmes where multiple social entrepreneurs gather often become the venue for lively networking. Participants continued informal or formal meetings with other social entrepreneurs whom they met from education programmes.

> It seems that the director formed an extensive human network, while taking a course at a university. […] I think these personal connections are enormous assets. […] Whenever there is a seminar or related networking meetings, we definitely try to have at least one or two employees participate. (Staff SE1-a)

> Participating in an MBA programme, I could build a network with the people in the same course. I think I made the most of it. After the programme, I went to a workshop in Japan in 2009. In 2010, I enrolled for a semester in a university's social enterprise programme where I built many networks. […] After 2 years, I received pieces of training in social enterprise programmes and professional teaching on social economy. I networked there as well. 2 years ago, I also took a similar course at another university and it also really helped me build networks. I think I utilised those opportunities well. (Chief Executive SE4-a)

In the case of SE4, the chief tries to include experts whom she meets from support p rogrammes into her informal network by establishing "friendly relationships" to supple ment the company's paucity of knowledge and expertise.

> Once you establish a friendly relationship afterwards with the people who provided consultation as external support, it is possible to get help consistently, which is great. When I lack expert knowledge, I would ask something like "How should I go about legal issues on overseas exports?" And they would explain in detail. (Chief Executive SE4-a)

These various networks often lead to resource acquisition itself as well as becoming the foundations for collaborative works. The chief of SE4 above says she asks the experts in her network when the company needs expertise as seen above. SE3 gets

consulting from two acquaintances of a director as below.

> Two acquaintances provide the consulting. […] Personal connections, yes. That is also a form of networking. So, they give opinions. They remind me of things that I miss. I hear about things like planning or marketing through them (Staff SE3-b)

Other than expertise, general information and knowledge are secured from networks. The chief of SE11 says they help each other with information and knowledge in searching for business opportunities and dealing with difficult situations. The staff of SE1 also says the company gains information from networks. He adds that the networks help in getting more orders as well.

> We exchange information through those kinds of gatherings. Sometimes we receive recommendations about a certain programme, or we help certain enterprises that are going through difficult times. The information from these sources is more reliable than others. (Chief Executive SE11-a)

> Social enterprises give many orders to us. Local networks are very important related to this, I think. […] We recently had a brief meeting with the people from the social enterprises in the printing industry. […] That kind of meeting helped us a lot. We try to have these kinds of meetings continuously. They are very important. We gain a lot of information from the meetings. (Staff SE1-a)

Networking and collaborations are strategies to secure resources for social enterprises that tend to lack financial and other resources as SE3-b and SE5-a say below.

> Resources. Well. (Laugh) I try to find everything that can be done free of charge. […] I get it free through people that I know. We cannot afford other ways. (Staff SE3-b)

> We try networking in various ways, because we compete with private companies with large capital. […] The most important thing for me is the establishment of various networks, because we are not a company with immense capital or assets. So, networks are the assets of our company and a very important resource. That is why we need to actively create connections with social welfare facilities and others as well. […] I think this is important. (Chief Executive SE5-a)

5.5 Inter-Organisational Relationships and Social Enterprise Goals and Structures

Missions and Goals

The locus of the meso-level dynamics is inter-organisational relationships. However, as inseparable results, individual organisations' goals and structures are often influenced by inter-organisational relationships.

Participants reported the influence of government, market sector actors and other social enterprises on the goals and missions of social enterprises. First, many participants say that government restrictions affect the goals and practices of social enterprises.

> There are so many restrictions imposed on social enterprises by the government. (Consultant SH-C2)

The restrictions particularly impact social enterprises through the certification system that links the fulfilment of condition to certification and support. Regarding organisational goals, the system requires social enterprises to realise social values as required by laws. Article 8 of SEPA and Article 9 of the Enforcement Decree of the Social Enterprise Promotion Act articulate the conditions for the certifications including the social goals,[28] limiting social goals into several cases such as social service

[28] *SEPA, Article 8.3*

That the primary objective of the organization shall be to realize social objectives, such as enhancing the quality of life of community residents by providing vulnerable social groups with social services or job opportunities, or by contributing to the communities. In such cases, the detailed criteria therefor shall be prescribed by Presidential Decree

Enforcement Decree of the Social Enterprise Promotion Act, Article 9 (Standards for Determining whether Social Objectives Are Realized)

(1) The standards for determining whether the primary objective of an organization is to realize social

provision to vulnerable people, employment of vulnerable people, social service and employment provision to vulnerable people, and contribution to the community. Reflecting its policy interest, the government suggests detailed ways to realise social value.

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objectives under the latter part of Article 8 (1) 3 of the Act shall be as classified hereunder:

1. Where the primary objective of the organization is to provide social services to vulnerable groups: The proportion of vulnerable groups among persons provided with social services by such organization shall be at least 30/100;

2. Where the primary objective of the organization is to provide employment to vulnerable groups: The proportion of vulnerable groups employed by such organization among the total workers of such organization shall be at least 30/100;

3. Where the primary objective of the organization is to contribute to a community as classified hereunder:

(a) Where the primary objective is to increase the income and employment of community residents by utilizing human and material resources of the community (referring to a community recognized by the Minister of Employment and Labor as needing contribution from social enterprises after deliberation by the policy deliberative council; hereafter the same shall apply in this subparagraph): The proportion of vulnerable groups employed by such organization, who reside in the community in which such organization is located (hereinafter referred to as "vulnerable groups of the community") among the total workers of such organization or the proportion of vulnerable groups of the community among persons provided with social services by such organization, shall be at least 20/100;

(b) Where the primary objective is to solve social issues, such as poverty, alienation, crime, etc., in the community: The proportion of revenue or expenditure of the part corresponding to the primary objective of such organization, shall be at least 40/100 of the total revenue or expenditure of such organization;

(c) Where the primary objective is to support a group seeking social objectives first, such as providing the community with social services or employment, enhancing the quality of life of community residents, etc., with consulting or marketing services, funds, etc.: The proportion of revenue or expenditure of the part corresponding to the primary objective of such organization shall be at least 40/100 of the total revenue or expenditure of such organization;

4. Where the primary objective of such organization is to provide vulnerable groups with social services and employment: The proportion of vulnerable groups employed by such organization, among the total workers of such organization, and the proportion of vulnerable groups provided with social services by such organization, among persons provided with social services by such organization, shall be at least 20/100, respectively.

(2) Notwithstanding paragraph (1), where it is impractical to determine whether social objectives are realized as prescribed by subparagraphs of paragraph (1), the Minister of Employment and Labor shall determine whether social objectives are realized after deliberation by the policy deliberative council.

As providing evidence for the certification for a certain type is comparably more or less difficult, social enterprises purposely chose to be certified as the job-providing type, which was considered to be easy to provide evidence for. As quoted in section 5.3.1., SE 7, SE8 and SE11 specifically explained that they obtained certification as job-providing type social enterprises, because the awareness of fair trade was low while that of job-providing social enterprise was high in the case of SE7, as SE7-b mentioned, and it was relatively easier to provide evidence for job-providing type social enterprise certification than other type social enterprises in case of SE8 and SE11, as SE8-a and SE11-a explained.

Once certified, as they have to continue meeting the suggested requirements to maintain the certification, those social enterprises could be induced to the suggested goals for job-providing social enterprises rather than the original ones. The director of SE6 says that the employment of long-term unemployed artists became another main goal with the certification as a job-providing type of social enterprise, although the original goal of the company was to produce quality art performances.

> As I said, we aimed to make quality performances and spread them in society. […] We could meet the long-term unemployed condition for the certification at the time, so we got certified as a social enterprise aiming to employ long-term unemployed artists. That's how it came to be a theatre where artists who were long-term unemployed commuted every day. (Chief Executive SE6-a)

In the case of SE11, the chairperson said the company was considering changing the certification type since it was hard to meet the employment requirements for the job-providing type of social enterprise and that was not the company's original mission.

> I am thinking if it would be better for us to change the certification type. (Chief Executive SE11-a)

Besides that, as many social enterprises have public sector actors as their clients, they were under pressure to meet their expectations, which could have influenced the goals of the organisations.

> The clients placing orders are mainly public sector actors, so we are under pressure to meet all the things required in the public project. […] I feel there must be influences from

governments. (Staff SE10-a)

In the market, big companies have been increasing their roles as resource suppliers for the social economy sector. Accordingly, the dependence on private companies influenced social enterprises to reflect the market perspective on their goals and practices. SE2-a says that funding organisations' expectations have impacted social enterprises.

> The goals should be in harmony with the funding organisation to get support. Different organisations have different requirements. (Staff SE2-a)

The Social Progress Credit (SPC) scheme launched in 2015 by the conglomerate and major social economy supporter SK that is linked to its social enterprise support programmes brought a new view by suggesting an evaluation tool with an expanded social values concept that is categorised into service, employment, environment and social ecology (Rha et al., 2018). The chief of SE5 says, after SPC, he began to think about a wider range of social benefits that their service can generate rather than only employment, which led him to start a recycling business.

> There's a new trend that is the SPC established by SK. SPC led by the private sector is a bit different from the social value KoSEA says. […] KoSEA's social values are a bit skewed towards employment issues, and this company got an award in our district as we were good at it. However, when we tried to assess ourselves based on SPC, it was hard for us to get a high score. […] So, other than just focusing on employing, we started a recycling business. (Chief Executive SE5-a)

Relationships with other social enterprises also influenced the goals of organisations. As quoted in section 5.3.4, a long-term partnership with another social enterprise made SE8 narrow down its goals and focus them on utilising unused spaces for pop-up or flea markets for retailers who are vulnerable compared to the former goal, which tried to utilise every kind of space for all purposes. This was the influence of the partner social enterprise focusing on flea-market organising.

In sum, participant social enterprises were experiencing changes in goals as a result of pressure that came from various forms of inter-organisational relationships. Social enterprises experienced the pressure to adjust goals when they depended on certain inter-organisational relationships, and they felt different requirements or expectations of the counterpart of the relationships on them.

Organisational Structure

Government restrictions also have an impact on the organisational structures of social enterprises. Article 8 of SEPA regulates the conditions for the certifications regarding social enterprise structures. Article 8.1. particularly suggests possible legal forms of organisations as the form of an organisation prescribed by Presidential Decree, such as a corporation or association as defined in the Civil Act, a company or limited partnership as defined in the Commercial Act, a corporation established under any Special Act, or a non-profit, non-governmental organisation (SEPA Article 8.1).

The decision-making system is also regulated based on the SEPA. According to article 8.4, a democratic decision-making system is a condition for the government certification as below.

> *Article 8.4. That it shall have a decision-making structure in which interested parties, such as the beneficiaries of services and employees, participate (SEPA)*

As a result, most social enterprises are equipped with democratic decision-making systems such as boards and operation committees as SE3-b and SE11-a say below. The actual operations of the system will be dealt with in the next chapter on the micro-level dynamics.

> We have the board of directors and the steering committee. (Staff SE3-b)

> There is a decision-making system. There are inside and outside directors. (Chief Executive SE11-a)

The workforce composition is also a part of regulation regarding the employment of the vulnerable. It is based on article 8.2 of the SEPA as below, as well as article 9 of the Enforcement Decree of the Social Enterprise Promotion Act in the above section. Article 9 articulates the percentage of vulnerable people in social enterprises due to their certification types.

> *Article 8.2. That it shall employ paid workers and conduct business activities, such as the production and sale of goods or services (SEPA)*

The relationships with market sector actors also influenced the goals and structures of social enterprises. Whereas the government influence on social enterprise structure occurred through restrictions and regulations, the market influence took place through benchmarking. As explained in section 5.4.1 as mimetic isomorphic change, social enterprises benchmark private companies by adopting similar programmes and hiring sales directors and marketing staff.

5.6 Conclusion

As seen from the analysis, social enterprises strive to secure resources through various relationships with external actors. Whilst public sector organisations have been the main supporters, private companies have more recently begun to increase their roles in supporting social enterprises. Third-sector organisations have been customers and supporters of social enterprises. The social economy sector organisations including social enterprises have been customers and clients of each other, as well as loan providers, collaborators and sometimes competitors fighting over market share and resources.

For resource acquisition, social enterprises adopt strategies. First, to gain government

support and to utilise government programmes to secure resources, participant social enterprises choose to be included in the government system like the certification system and the Linked Employment System for the Disabled by meeting the required conditions through isomorphic changes. They also try to meet expectations from private companies to be chosen for CSR support programmes.

Second, social enterprises were found to adopt impression management strategies to influence the audiences' perceptions of them. Organisations manage their images and impressions by manipulating social cues or selectively providing information. They often present different images to different stakeholders to convince them they can successfully meet conflicting demands from different external institutions (Teasdale, 2010a). Participant organisations try to look like businesses to overcome negative prejudices about social enterprises and look competitive in the market, adopting behaviour, attitudes, words, interior design and customer management schemes like businesses. However, when appealing for public sector or charitable support, social enterprises emphasise their traits similar to charities such as employment of the vulnerable and other social value creation.

The institutional theory explains how an organisation acquires legitimacy to get better access to resources by conforming to wider social beliefs, especially through isomorphic change adopting dominant organisational structures, practices and behavioural norms that are considered to be legitimate (Pfeffer and Salansik, 1978: 39-54; DiMaggio and Powell, 1983; Di Maggio and Anheier, 1990; Powell and DiMaggio, 1991; Scott et al., 1994; Dart, 2004; Nicholls and Cho, 2006; Sud et al., 2009; Pache and Santos, 2010; Cornforth, 2014). The research found out that social enterprises go through isomorphic change, and in addition to that, they also utilise impression management strategy to acquire legitimacy.

Third, as the market actors increase their roles in the social economy sector, participant social enterprises were trying to diversify resource-securing routes gaining resources from private companies, and reducing dependency on the public sector.

Fourth, social enterprises were cooperating and networking to secure and strengthen resource gaining routes. They co-worked, built long-term partnerships, consortiums, and cooperatives, and actively participated in associations. Formal and informal

networks became the foundations for collaborative joint activities and the routes to secure resources.

As resource dependency theorists explain, social enterprises depend on their environment for resources and attempt to manage uncertainty in resource acquisition (Guo and Acar, 2005; Froelich, 1999; Pfeffer and Salancik, 1978). In doing so, they try to reduce dependency on major resource holders by diversifying resource-gaining routes and strengthening them through cooperative linkage strategies.

These inter-organisational relationships also had inseparable results in the goals and structures of social enterprises mainly as parts of isomorphic change. Culture could be one area where social enterprises could be influenced by inter-organisational relationships; however, participant organisations did not mention it. This leaves an area for future research.

The thesis now moves on to the next chapter to look at the micro-level dynamics inside social enterprises.

CHAPTER 6 Case Study Findings
: Micro-level Dynamics in Social Enterprises

6.1 Introduction

This is the last of the three analysis chapters. The previous two chapters suggested how social enterprises were formed linked to the macro-level social, economic and political contexts and how they tried to gain necessary resources through meso-level inter-organisational relationships. Whereas those chapters analysed the organisations' relationships with the environment, this chapter delves into the inner-dynamics of individual social enterprises.

Specifically, this chapter seeks to understand the hybrid dynamics inside participant social enterprises. This is associated with the tensions that are caused by different sectoral principles that coexist within the enterprises (Smith and Lewis, 2011; Garrow and Hasenfeld, 2012; Jay, 2013; Smith, 2013; Maibom and Smith, 2016; Woodside, 2018; Mikołajczak, 2020). This tension that social enterprises often face as hybrid organisations is dealt with through inner organisational dynamics.

This chapter begins by providing an overview of micro-level hybrid dynamics in social enterprises. This is followed by the explorations of hybrid tensions and related dynamics in each domain including mission and goals, organisational structure and organisational culture.

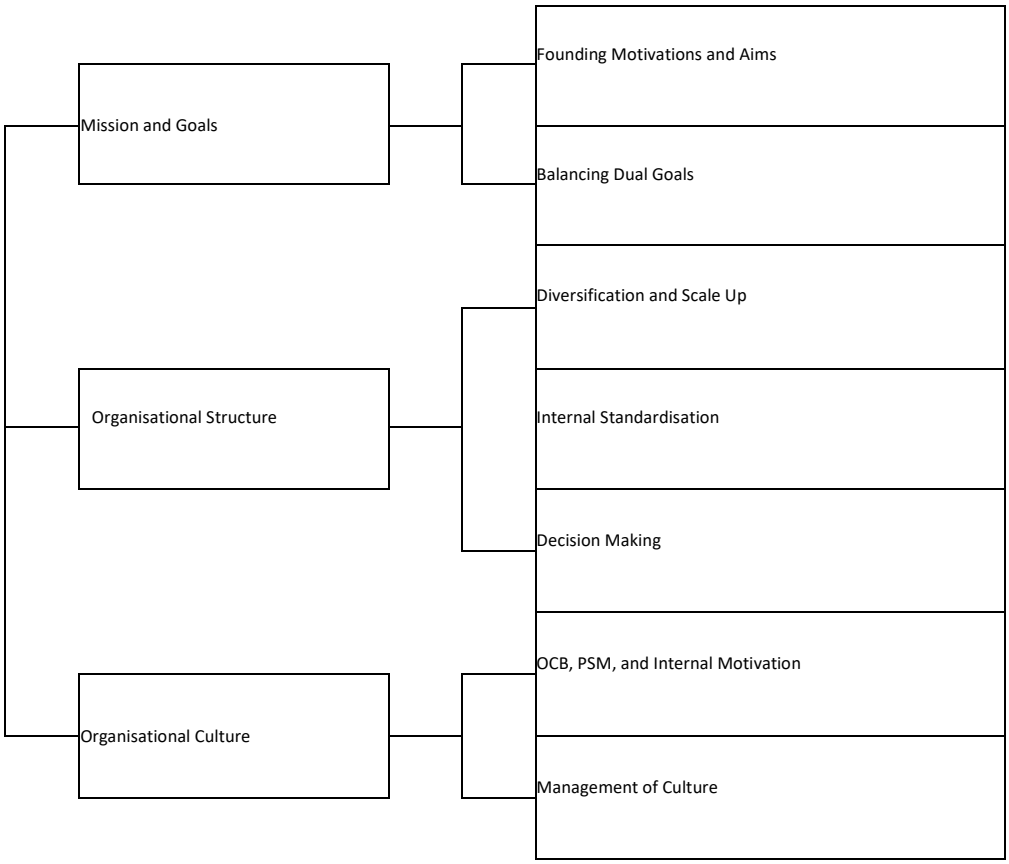
6.2 An Overview of Micro-level Dynamics around Social Enterprises

According to Maibom and Smith (2016), there are two streams of conceptualisation on hybridity. The first stream focuses on strategies adopted by organisations, whereas the second stream explores how multiple logics are reflected in the organisations. This thesis does not deliberately limit the scope or focus on a particular stream. Instead, it explores both the strategies and multiple logics reflected in organisational domains

based on data as told by participants.

Under the theme of micro-level dynamics, subthemes such as missions and goals, organisational structure and organisational culture as well as the second-level subthemes including founding motivations and aims, balancing dual goals, diversification, standardisation, decision making, Organisational Citizenship Behaviour (OCB), Public Service Motivation (PSM), internal motivation and management of culture were derived from data. As mentioned, some of them are strategies deployed by participant organisations and some of them are the domains of manifested hybridity in organisations.

Figure 6.1 Summarises the Domains of Micro-level Dynamics Identified within the Interview Data



6.3. Missions and Goals

Through data analysis, under the theme of 'missions and goals', two subthemes were derived on the micro level: founding motivations and aims; balancing dual goals.

6.3.1 Founding Motivations and Aims

During the interviews and the following analysis, several types of social enterprises were identified among participant organisations in terms of their founding motivations and aims. There are diverse social enterprises in the social economy sector in Korea which have largely been created with the inflow of people with various backgrounds and with different motivations. This thesis has identified four distinctive types of social enterprises based on the underpinning motivations of the social entrepreneur. The four categories that emerged from the data analysis are referred to here as social activist social enterprises, social worker social enterprises, young people social enterprises and economic entrepreneur social enterprises respectively as seen in Table 6.1 below, which is the researcher's own categorisation and naming.

Table 6.1. Founding Motivations of Participant Social Enterprises

Type	Founder	Motivation & Goals	Employees	Institutional logics
The Social Activists	Social activists NGO members	Empowerment of vulnerable people Employment of vulnerable people Changing society	Former NGO members & other workers Various groups of vulnerable people	Not-for-profit orientation
The Social Workers	Social workers	Stable employment of vulnerable people Better working conditions for the vulnerable	Social workers with social worker certificates who worked in welfare facilities The disabled or/and the unskilled elderly	Public orientation
The Young People	Young people	Creation of social value through new approaches Self-employment	Young people, including those who are unemployed	For-profit orientation

		opportunities for unemployed young people		
The Economic Entrepreneurs	Former or current businessmen	Various often connected to a combination of social contribution and exploiting a business opportunity	Various – including all ages, disabled/non-disabled	For-profit orientation

The Social Activists

There are three participant social enterprises that are categorised as the 'social activists' type. These companies tend to include social activists as their founders and members. Their goals are to provide jobs to solve the economic difficulties of vulnerable people as well as to empower them. These organisations tend to pursue fundamental change in the power dynamics of society.

First, social enterprises that belong to this type were founded by social activists and include social activists as their members. For example, SE1 was founded by the teachers and students of a night school for the disabled. Many members of the night school, which still exists, have been activists of the disability rights movement. The founding of the social enterprise was an attempt to provide opportunities for disabled students to have jobs.

> The teachers and students of a night school for the disabled started this company in 2006. It's been 11 years. We started this to make jobs, as it was very tough for disabled students to get jobs, although many of them wanted to. (Staff SE1-a)

SE2 has its roots in groups of people who worked for the urban poor who moved into the local area because of gentrification or eviction from squatter settlements. They ran night schools and opened a clinic for medical services as well as education on industrial accidents for them that included many small factory workers. They also participated in activities to promote democratic citizenship in collaboration with other civil rights movements and democratisation movements organisations. They then launched a self-support centre partly funded by the Government. One sub-group of

the centre was spun off for more freedom, then was certified as a social enterprise.

> There were community activists. They founded a self-support centre at some point. […] A sub-group separated from the self-support centre and became an independent community. […] We decided to separate, because people could not work for long due to the regulation. […] Growing, we got certified as a social enterprise. (Staff SE2-a)

SE9 was conceived as the current chairperson, who had been a founding member of another social enterprise, met a social activist who has devoted herself to the activities for solidarity in Vietnam following Korea's participation in the Vietnam War. The social enterprise that the chairperson had worked for also was a company founded by social activists who worked to deepen democracy in Korea. With the financial support from directors who agreed to the idea, SE9 started as a fair-trade company dealing with Vietnamese agricultural products produced in villages where victims of Korean troops resided.

> The chairperson had worked for another social enterprise […] One has been working as a civil activist, interested in the acts of brutality Korean soldiers committed in the Vietnam War and solidarity activities with suffering Vietnamese. […] The idea to do something through fair trade in the villages where the victims of the war live came up. The directors supported the setting up of the company financially. (Staff SE9-b)

Second, these three companies tend to aim not only to relieve the economic difficulties of the target groups but also to empower them. For example, SE9 gives extra money in fair trade transactions to let the farmers use it to deal with their own issues through the democratic process so that they can develop democratic citizenship.

> We give them a "fairtrade premium" extra per kilogram on top of the original cashew nut value. […] The farmers in cooperatives use this through democratic decision-making processes. […] On things like building homes for female farmers without a husband and with disabled children or poor female farmers. Or supporting poor children in a nearby elementary school with bicycles or tuition. There are also co-ops where the farmers divide it up into 1/N like a bonus. All this is decided by themselves, so we don't interfere. (Staff SE9-b)

As explained below, SE2 aims to change the recipients into independent citizens. Although SE1-a explains the goal is self-support, considering the founding history described above, it is clear that they have worked not only to help people with economic issues but also to empower them and enhance their democratic citizenship.

Self-support is intended to become the foundation of self-efficacy and social independence.

> The goal is self-support. […] It's to have the people really escape the status of welfare recipients. […] They receive livelihood benefits only when they work there. Conditional welfare recipients have this 'welfare disease'[29]. They are not active. Why? Because the country gives them money. They work just the needed amount to maintain it. If they work a bit more, their income goes up, but they lose their benefit entitlement. So they only reach that boundary. But self-support means having these people break away from this mindset and behaviour patterns to really work and become a member of society. That is our basic goal. (Staff SE2-a)

Interviewees in SE1 say that the company primarily aims for its survival to maintain jobs. However, the workers there have a sense of close ties to the disability rights movement that strives to eliminate the barriers and secure equal rights for the disabled. They also focus on the spirit of community and solidarity.

> Surviving is a success for us. […] So that people can work here for long. […] We cannot just disappear, as we have our chairperson who has been a social activist for the rights of the disabled, who strives for the equal life of the disabled. (Staff SE1-a)

Third, they tend to pursue relatively fundamental change in civil society and sometimes change in themselves that might lead to a shift in society's power structure. SE9 considers fair trade as one vehicle for change in the whole community. In the case of SE1, it tries to introduce education programmes as well as various group activities to enlighten or empower themselves.

> The chairperson believes that fair trade is very important as a keyword that can change civil society. Changing our country, I mean, he has this belief that this work can bring change to the entire civil society or consumption culture of Korea. (Staff SE9-b)

> We do education on the human rights of disabled people and gender equality. […] There is also a women's group established this year. They have seminars on women's rights and gender equality, hold movie showings on these topics, and share experiences of discrimination over lunch. […] We try to have many such small group activities. (Staff SE1-

[29] 'Welfare disease' is a term used to describe the tendency of recipients being overly dependent on welfare benefit, being work-shy, or lacking motivations for self-support.

a)

These organisations aim to provide economic assistance and empower marginalised people, while also seeking to bring about a transformative shift in power dynamics within society. This type of social enterprise is established by individuals involved in social activism, and their workforce typically consists of people with NGO experience. This makes the organisations rather not-for-profit-oriented; however, they are hybrids in the sense that they conduct business work and pursue economic goals.

The Social Workers

Three participant social enterprises were categorised as the 'social worker type' social enterprises. They were all established following their separation from welfare centres or sheltered workshops. Whereas the social activist type organisations have linkage to NGOs that have traits of unregistered NGOs that had often been against the Government as explained in chapter one, these organisations have their roots in welfare facilities. In Korea, social welfare facilities including welfare centres can be established by the state, local government, social welfare foundations, non-profit corporations and people who intend to provide welfare services as the Article 2, Article 34, and Article 34-5 of Social Welfare Services Act articulate (http://elaw.klri.re.kr/kor_service/lawView.do?hseq=45853&lang=ENG accessed on 31. 5. 2019). The facilities founded by the state and local government can be entrusted to non-state actors to be operated. Thus, in Korea, there are welfare facilities founded by governments and run by governments, founded by governments and run by non-state actors, founded by non-state actors and run by public sector actors, and founded by non-state actors and run by non-state actors (Park et al., 2003).

The social worker type of social enterprise can be understood as sharing some features of spin-outs in the UK (Millar and Hall, 2013). In these organisations, the founders and chairpersons as well as some of the workers are social workers with social worker certificates. In the cases of SE3 and SE4, the organisations even share several employees with the parent organisations (welfare facilities) including the chairpersons. Those people are social workers in the parent welfare centres and social entrepreneurs in social enterprises at the same time. These social enterprise

organisations are likely to belong to industries where they can hire unskilled, disabled or disadvantaged people. The motivation to turn to social enterprise seemingly is the government support that is given to the certified social enterprises, which would be the resource to provide better working conditions for the vulnerable. The fact that the vulnerable can be employed long-term in social enterprise, while workshop programmes in welfare facilities often have a uncertainty linked to the annual approval system, seems to be another motivation.

These organisations were once sub-parts, sheltered workshops or government-subsidised working programmes in welfare facilities to provide working or training opportunities for the target vulnerable groups. SE3 and SE4 are still branch organisations of parent NGOs, while SE5 has become a separate organisation.
The social enterprise was once considered as something similar to the working programmes in the society particularly during the initial phase of the Korean social economy sector, as the Government promoted these kinds of spinoffs to deal with the unemployment issue. It became one reason for many social workers to turn their welfare programmes into social enterprises.

> At the time I started this, around 30% of social entrepreneurs were social workers (Chief Executive SE3-a)

> Both social welfare and social enterprises share the word, 'social'. They look similar. […] With the necessity to create jobs, the government has been providing various employment programmes. Social workers assumed social enterprise as one of those employment programmes. People didn't think of social enterprise as a business, but one of the conventional policies to create more jobs. So, many of the social welfare facilities approached social enterprise as a nice employment programme for which they can obtain governmental support by submitting a proposal. (Chief Executive SE5-a)

Second, these organisations turned into certified social enterprises to provide 'more stable jobs with better working conditions' for the target vulnerable groups with the government support and the flexibility that social enterprises could enjoy. SE3, a former government-entrusted senior employment programme at a welfare centre, turned into a social enterprise to overcome the limitations of the working programme and to have the elderly work in better working conditions, for example, with social insurances.

> The senior employment programme only provides a pay of around 200,000~300,000 won a month, which is for working twice a week. The elderly can work only when the approval is issued over the submitted project plan that can be modified once a year, so it's not stable. […] So, we wanted to provide stable jobs as a social enterprise. […] Stable jobs for the elderly – that is our goal. […] Now, in the case of people who worked here for a long time, they even worked here for more than five or six years. (Staff SE3-b)

> I wanted to do it because it would mean the elderly could receive social insurance. (Chief Executive SE3-a)

Similarly, SE4 aims to provide stable jobs where the disabled can work for a long time.

> The goal is to provide stable jobs and to keep hiring them. The disabled workers love it. As you can see, they are delighted to work. (Chief Executive SE4-a)

SE4 started from a sheltered workshop for the disabled at a welfare centre and turned into a social enterprise while seeking opportunities to provide better jobs for the disabled. As a sheltered workshop of a welfare centre, it also experienced obstacles coming from the relatively strict control of the welfare centre which was run by people who did not understand business. It further had to be called a sheltered workshop of a welfare centre, not by a company name. The founder thought these deterred the organisation's growth as a business and, in turn, the achievement of the goal of providing better jobs for the disabled. Thinking of it as an excellent way to overcome the limitations of a sheltered workshop, the founder decided to turn the programme into a social enterprise.

> We did simple craftwork or manual work at the sheltered workshop for the disabled in the past. The work we did was packaging or other simple work, and thus the unit price was so low. Looking for high-value-added items, we started the soap business in 2005. […] I studied at an academy for the disabled which the KoSEA sponsored in 2008, and the organisation got designated as a preliminary social enterprise in 2009. […] The business carried out in a welfare centre has limitations. Whatever we do, we need to get approval from the head of the welfare centre who is an expert in social welfare services but not in business. […] I made this independent from a welfare centre and with a company name that is also a brand name; otherwise, this would be called a sheltered workshop of something welfare centre. (Chief Executive SE4-a)

SE5 started as a project team in a welfare centre by social workers who thought jobs could solve many issues for both the disabled and the elderly who were the target

groups of the related social welfare foundation. They heard of the concept of the social enterprise while trying the project, and considered becoming a social enterprise as a way to achieve their mission to provide stable jobs for those people.

> We were a project team that started in the basement of a welfare centre of a welfare foundation, an NGO, by our chairperson and a pastor. (Staff SE5-b)

> The announcement on the preliminary social enterprise policy was released by Seoul metropolitan government around that time. A worker here was like, "This looks the same as what we are doing." Reading it, I realised social enterprises pursued the same value we pursued. That's when I first heard of the social enterprise concept. "Ah, we should try to write a business plan [for the designation as a preliminary social enterprise]." […] That was how it started. (Chief Executive SE5-a)

Typically, these organisations are established by social workers who began with small sub-parts in welfare facilities. These sub-parts then evolve into social enterprises, seeking the government support that is given to certified social enterprises to improve the working conditions of the vulnerable groups they serve. These organisations tend to be public sector oriented, as they are separated from the either government established, public sector actor run; government established, non-state actor run; non-state actor established, public sector actor run; or non-state actor established, non-state actor run welfare facilities that are operated with government subsidies. However, they are hybrids in the sense that they pursue economic goals dealing with their business.

The Young People

Recently, young people have been considered as important actors in the social economy sector in Korea. The term of 'young people' has been quite an open concept with changing meanings and implications according to the times and contexts. The discourse on young people has changed a lot in Korean society from the 'leading political or social activists' against the colonial and authoritarian regimes, to the 'new generation' as consumers of items and cultures after democratisation, and to the problematic labour forces along with current NEET discourse (Ryu, 2014). Young

people have been technically defined as 15-29 year-olds in the Korean policy area considering the period for the mandatory military service, which is different from 15-24 year-olds that is generally used in other countries. However, it is expanding more in the employment policy area due to the severe unemployment issue. Article 2 of the enforcement ordinance of the Special Act on the Promotion of Youth Employment defines the young people as individuals aged 15-29, with an exception for public institutions and local public enterprises, where the age range is extended to 15-34 for the hiring of unemployed young individuals. The recently announced policy programmes of the central government for unemployed young people target individuals aged 15-34, aiming to address employment challenges (http://www.korea.kr/policy/pressReleaseView.do?newsId=156258828 accessed on 31. 5. 2019 in Korean). In local areas, the target group even goes up to 39 in Gyeonggi-do (province) and Gyeongsangbuk-do, 49 in Chungcheongbuk-do, and the 55 in Jeollanam-do (http://news.kmib.co.kr/article/view.asp?arcid=0923918187__accessed on 31. 5. 2019 in Korean). This study generally uses the term to refer to people in their 20s and 30s.

Young people have participated more in the sector according to the expansion in the perceived concept of social enterprise, from subsidised organisations focusing on hiring unemployed or excluded people to value-creating enterprises attempting to deal with various social issues through innovative approaches. The changing government policy interest due to the alarming unemployment rate among young people also accelerated young people's participation in the social enterprise sector (Ryu, 2014). The government started promoting young people to establish their businesses in the late 2000s in addition to the existing policies to have them hired, and the social economy sector was considered as a good place for young people to start new businesses as well as to be hired.

There are three participant companies established by or consisting of young people. These young-people type participant organisations consist mainly of young people in their 20s and 30s. Founders and workers have relatively less experience before working in the current social enterprises. These organisations also become a career option for the founders and the general workers rather than only for the target vulnerable groups. Some founders started the companies as the policy targets of

unemployed young people or NEET policies. This type of social enterprises tend not to include former NGO members or social workers.

> I joined this company as I met the director. Before this, I worked for the association of the cooperatives of Seoul for six months, which was a young social entrepreneur fostering programme. The director also was participating in the same fostering programme in the same year. Before that, I was a student. […] The chairperson is young compared to those of other social enterprises. I am in my 20s, other workers are all in their 20s, and there is one expert who has a bit more experience. (Staff SE10-a)

> I started this company with a musical professor while I was learning musical performance at a graduate school. […] I didn't have any experience in a general type of company. Before, I was a freelancer teacher. (Chief Executive SE6-a)

These organisations tend to focus on creative ways to produce social value, and their goals are more directly linked to their business models rather than hiring vulnerable people. Although all these companies were certified as job-creating social enterprises, no participant from SE10 and SE 11 says their goals are hiring the vulnerable. Only one among two participants from SE6 mentioned it. Even when they hire vulnerable people they tend to be young unemployed.

Two of those organisations were founded after incubating programmes of the KoSEA. Both companies tried innovative approaches to create social value, and experienced relatively big trial-and-error-like changes in their business models sharing some features of start-ups or ventures. For example, SE10 was established after the founder participated in the 'social entrepreneur fostering programme for young people and others' provided by KoSEA. The company started with the mission of sharing space resources, and after some trial and error with the initial business model that focused on 'space donation' of every kind of space for any purpose, it now provides a mixture of ad-hoc, semi-regular or regular 'street-stores' for those who cannot afford their own shops or need more marketing routes.

> This company was set up in 2013 after participating in an incubator programme in 2012. It started with the mission to share space to create social values. […] Our mission is to provide spaces where people like social entrepreneurs, young entrepreneurs, women with career interruption or one-person company entrepreneurs can carry out commercial activities at costs much lower than store rent. (Staff SE10-a)

SE11 also was established after the founder participated in the same incubator

programme. It started to create social value through food-related activities including social dining and food sharing. However, it is now making profits through design work. Social values are generated through collaborative projects where the company conducts design work. The company still tries to create social value through food-related campaigns. One factor of the founding motivation of this company seems to be the independent or dignified life of the founder and colleagues, which implies the organisation is also a career option for the young founder.

> I participated in the incubator programme for young people in KoSEA in 2012. After the one-year programme, I just launched this company in 2013. We tried to do something related to social dining as it was sort of a new trend at the time. But then, as I majored in art and there were members who were designers, we somehow got orders and started making profits with design. […] Although we are trying food-related and food-sharing projects, profits are generated from design work. (Chief Executive SE11-a)

> I don't know whether it can be a mission, but I just would like to live a life that is different from those in most private companies, and also to let my colleagues live a dignified life and be free of situations where they have to lie or suffer. I don't have a big goal, I just hope to continue the current work in good relationships with colleagues and partner companies (Chief Executive SE11-a)

SE6 was established as a performance group of young artists to make good performances to have a good influence on society.

> I think our goal is to have a good influence on society by making performances. (Staff SE6-b)

It then turned into a social enterprise while seeking financial support. It started aiming to hire long-term unemployed performers turning into a job-providing type of social enterprise. The organisation has become a good workplace for young artists as it is hard for young performers to find regular jobs.

> We funded the first performance project with our own money. However, the earning from the project was zero […] "How can we carry on this business?" At that moment, we learned about the funding programme for social enterprises implemented by the Ministry of Employment and Labour. […] We started a social enterprise to hire long-term unemployed performers, as it was the available condition we could meet for the social enterprise certification. […] There are so many young artists who are doing casual work based on one-off contracts. So, we became a performing company where artists can work

every day who were long-term unemployed. (Chief Executive SE6-a)

Although the organisations' initial missions are other than that, all these companies were certified as job-providing type social enterprises as they happened to have already fitted the condition for it or it was less difficult to meet the conditions for the job-providing type certification (Quotes are in chapter 6.3.1).

To sum, these organisations are typically established by and primarily composed of individuals in their 20s and 30s with little to no prior work experience who do not necessarily identify as social activists or social workers. Their goals tend to be more directly linked to their business models compared to that of other types social enterprises. They often pursue social objectives though innovative means, and may experiment with different business models in a manner that is akin to start-ups. These organisations may also become a viable career option for their founders. Thus, these organisations are rather for-profit oriented; however, they are hybrids in the sense that they aim to realise social values by business models.

The Economic Entrepreneurs

There has been an influx of actors from the market to the social economy sector. There were three participant companies established by former or current businessmen who had been founders of private companies. These companies were quite heterogeneous from each other with a wider spectrum in terms of founding motivation and goals. Among the participant organisations, one started seeking a new business opportunity, another had the intention to add social value to the business, and the other to contribute to society. They are quite different, however, none of them expressed reluctance on scaling up, while there were organisations in other types of social enterprises that aim to remain small-sized and were reluctant to scale up.

SE12 was founded as the chairperson sought new business opportunities. As an owner of a construction company, he founded an independent company and turned it into a social enterprise since he saw a business opportunity there.

Speaking of founding motivation, I once took the forest interpreter class. It was because,

> you know, businessmen should always think about what to do, and respond by instinct. After taking the class, I realised like “Oh, this forest, it looks like it could create some economic value, rather than social value.” I started with landscaping in the forest including walkway design or something, then launched an independent company for forest engineering and construction. Then I was like, as I was interested in social enterprise, it was a trend back then, “Let’s make this a social enterprise.” The company was designated as a preliminary social enterprise, and after three years, it became a certified social enterprise. (Chief Executive SE12-a)

The answer to the general question on the goals of the company is uniquely focused on business matters in the case of this company.

> First off, the short-term goal is to be well-off. We want to have our own assets rather than borrowing. We are currently preparing for this. Without capital, it’s hard to do things, right? We first need the basic assets. Then, in using such assets, a short-term goal is rural solar power. You would know that there are closed landfill sites in every city and county. […] Here, we would make solar power. In the long run, I want to make 12 towns where you want to spend the rest of your life there. We would provide consultation for things like this, provide support, and act as a bridge so that people can live there. (Chief Executive SE12-a)

Also, the definition of the success of the social enterprise is quite practical in this company as seen below.

> I think that a successful social enterprise has to have real social value. Social value. I mean, as I said before, if you could make the same amount of money, it would be picking the path with social value. There come situations when you have to make such decisions. When you decide where to use your money and you’re gonna make 30 million won whatever path you take, it would be picking the path with the social value, that would be it. (Chief Executive SE12-a)

SE8 started as a private company, then the chairperson changed it to a social enterprise after spending some time trying to employ the disabled. He had working experience in an NGO, and had been wanting to do something that fitted his value preference. SE8 tries to hire and co-work with the disabled, working to support the growth of the social economy sector as well.

> I worked for an environmental NGO for around three years after graduating from undergrad. Then I worked in a company dealing with promotional materials and souvenirs. I began my own business in 2005. […] As business activities only chased after profit anyway,

> I could not fulfil my personal value or vision. […] These values contributed to motivating me to turn the business into a social enterprise, and after the change, I felt a sense of pride. […] It was a private company at first. […] We had begun to slowly employ the disabled for two to three years before becoming a social enterprise […] I increased the employment of disabled people, experiencing greater satisfaction. Soon, I felt it would be good to turn the company into a social enterprise and that was how I went through with the change. (Chief Executive SE8-a)

> I want to do things for social enterprises to get closer to the local community. That's one of the reasons that I participate in the local social enterprise network as a director. (Chief Executive SE8-a)

SE7 was founded by two businessmen who wanted to contribute to society after the big success of a business where one was a founding member and the other was a director. While socially contributing through scholarships, venture investment, and the like after quitting his former job, the founder of the former business established the social enterprise with the former director to do something meaningful for people with developmental disabilities. The social enterprise was founded based on his investment, but he does not receive a salary or dividends. The company's goal is to increase the employment of people with developmental disabilities.

> The goal of our company is quite clear. Employing people with developmental disabilities a lot for both the long term and short term and contributing to such employment are the company's purpose. (Staff SE7-b)

These organisations are established by individuals who are either current or former businessmen, each with their own unique set of objectives and ambitions. Some of them started as private companies and turned into social enterprises. They are rather business-oriented in this sense; however, they are hybrids pursuing social goals.

To sum up, social-activist type social enterprises tend to aim to relieve the economic burden of deprived people and empower them. They also aim for some fundamental change in society. They tend to be founded by social activists or NGO members and include employees with NGO backgrounds.

Social-worker type social enterprises tend to be separated from welfare facilities or turned from sheltered workshops to gain government support for social enterprises to provide better working conditions for the target vulnerable group. These social enterprises tend to be founded and operated by social workers.

The young-people type social enterprises consist mainly of young people in their 20s and 30s with relatively little or no work experience who tend not to be social activists or social workers. These organisations tend to pursue creative ways of social value creation, and their goals and business models are more directly linked compared to other types of organisations. Social enterprises often become a career option for the founders themselves.

The economic-entrepreneur type social enterprises were founded by former or current businessmen with different founding motivations. While these organisations have heterogeneous goals and missions, none of them appeared reluctant when it came to scaling up their operation. This was not the case for other types of social enterprises some of whom preferred to remain small.

Billis (2010) suggests that organisations have their root sectors and move across sectors being hybridised. In line with this argument, social-activist type social enterprises can be categorised as not-for-profit-oriented or non-profit-rooted, social-worker type social enterprises can be categorised as public-oriented or public-rooted, and young-people type social enterprises and economic-entrepreneur type social enterprises can be said to be for-profit-oriented or for-profit-rooted. These social enterprises and people in the organisations started from a certain sector and moved to hybrid zones (see figure 3.1). These organisations are now pursuing dual goals as hybrid organisations. However, identifying the roots of the organisations would provide a way to better understand their organisational activities.

These types discussed above are only those identified among the participant social enterprises. There could be unidentified types in the actual field, as well as social enterprises that belong to these types but with different characteristics. However, it is still meaningful to show some types based on the collected data as it could help researchers and policymakers effectively map and understand the field.

6.3.2 Balancing Dual Goals

Balancing social and economic goals was reported by interviewees as one of the most difficult issues that social enterprises face. Many expressed the difficulties in dealing with this issue like a staff of SE1 who was afraid of severe conflicts coming from dual goals and related dual values. SE1-a was worried about the tensions and conflicts between the goal of caring for the lives of disabled people and the goal of managing the business in terms of money matters that might even break up the company.

> Failure would be, well, I don't really want to imagine it, but, if the organisation breaks apart because of some reasons like..., because for whatever reason the management couldn't get along. […] The chairperson is still working hard in the disability rights movement, and these are all the people who always work hard for the lives of people with disabilities. But there are business management works that must be taken care of. We also should make money managing the organisation, so the management feels the weight of responsibility in this regard. (Staff SE1-a)

Many social enterprises struggle in the market because they do not follow conventional institutional rules that lower costs and maximise profit for investors and shareholders. SE9-b said that the company with fair trade principles struggled in the market where the principles were different from the rules they abided by.

> The fair-trade rule is kept. The fair-trade principles and justice are kept from the production field to this company. However, the market where we must sell the products and create profits to be sustainable is a free market with unlimited competition. […] The profit margin should be 40% or 50% if we like to sell our product in superstores. That's impossible for us. The structure of the market itself makes it difficult for us to compete. (Staff SE9-b)

Considerations of general social values often limit social enterprises' profits. In the case of SE9, in addition to the burden from additional cost for fair prices, the fair-trade company's consideration of Korean farmers' interests along with the interests of the farmers in underdeveloped countries limits the market area the company could enter and increase profits.

> The items are quite limited, as we avoid importing items that are also being produced by

> local farmers in Korea. We think we should not compete with Korean farmers when we try to work for the better lives of farmers in third-world countries through fair trade. (Staff SE9-b)

A staff of SE3 explains their efforts to empower the social enterprise sector as well as the hard work to provide healthy food to society raise the cost.

> We try to get the food ingredients from social enterprises as the chairman has given a lot of thought to social enterprises and studied the subject. As I said, it is not cheap, which is actually the correct price for social enterprises. Unlike large companies, social enterprises cannot easily adjust their prices. [⋯] In addition, we do not use any artificial seasonings. We only use kelp and anchovies for our bean paste soup and it naturally does not have the strong savoury flavour [created by artificial seasonings]. We do not microwave instant food but actually cook most of the food. The rice we use costs 46,000 won for 20 kilograms, although you could easily buy the same amount at about 30,000 won. (Staff SE3-b)

As all these participant organisations are job-providing type social enterprises that are similar to the WISE, their beneficiaries and customers as well as social and economic activities are not integrated in the sense that beneficiaries are hired vulnerable people while customers are people purchasing the services and items. The trade-offs and tensions between two values become significant when social and economic goal-related activities are not integrated.

As the Korean job-providing type social enterprises aim for long-term employment of the vulnerable unlike many WISE in the UK, these organisations do not experience difficulties caused by short-term employment. Instead, to achieve the goal of employing vulnerable people who sometimes lack motivation or working skills, some organisations should deal with productivity and cost management issues to provide quality items and services at good prices to customers and clients.

Some participant social enterprises found the low productivity or motivation of the vulnerable as one of the weak points that hinder them from realising economic value. A staff member of one of the social activist social enterprises says that the company has issues in association with the efficiency and speed of work, working together with the disabled. A staff of a social worker-type social enterprise reports the low productivity of the senior citizens as their weak points. Senior citizens may take longer

to be trained as they tend to have presbyopia or take more sick leave.

> The disabled and the ones without disability work together. It's hard to become a very efficient system. As we are sort of the company that goes slow, competing with private companies is a bit hard. (Staff SE1-a)

> In our case, two or three elderly people are doing what one young person could do. That is why it is difficult to manage the business. (Staff SE3-b)

The chairperson of another social worker group social enterprise, SE4-a, also says they have difficulties because the people with the developmental disorder are slow and require the staff's extreme care.

> We work with disabled people who lack working ability and motivation. We have to work repeatedly to train them. It is our goal to work together with them although they lack somewhat in their working ability and are slow. […] Some are so slow that they can only finish one while their colleagues finish ten. They do not rush to work even though the delivery is due tomorrow. The teachers have to keep encouraging them. I tell the teachers not to trust them but to always check once more. They have intellectual disabilities, so we have to watch out for them doing something wrong. The teachers always have to be alert. (Chief Executive SE4-a)

SE5-b and SE1-a say the workers who are not disabled tend to work more in this situation.

> Our employees […] should do almost 150% of normal work, as the disabled do 80, 75% of the work. (Staff SE5-b)

> Team leaders who are not disabled, they cover for them doing overtime work. (Staff SE1-a)

SE4-a and SE3-b say the managers tend to bear the workload of supervising and checking the work in these organisations.

> Those with intellectual disabilities […] Everything should always be checked. If something goes wrong. (Chief Executive SE4-a)

> They are old so the meals in lunch boxes might not be in the right shape or some ingredients might be misplaced, but the managers are not always able to check all those things. We would have to hire more personnel, but that leads to higher operating costs. […] We need to constantly educate the elderly. […] Non-vulnerable staff should cover for

> them and work together. So, the staff have too many tasks. It is very hard work but we cannot expect any raise in payment. (Staff SE3-b)

In line with this, a member of another social-worker type social enterprise, SE5, and a member of an economic entrepreneur group social enterprise hiring the disabled, SE12, talk about the burden of personnel expenses to provide decent salaries to the vulnerable.

> We can create jobs but maintaining them is another story. The same pay spine is applied to both the disabled and the non-disabled groups. […] But to be honest, as the disabled can do 75-80% of what should be done, others must do 120-125% of the work. It's one difficult issue. (Staff SE5-b)

> People with mild disabilities that carry out simple tasks or people with severe disabilities receive nearly the minimum wage. If the minimum wage increases, productivity is still l ow for people with severe disabilities, so the increased cost is of concern. (Chief Executiv e SE12-a)

In Korean job-providing social enterprises, the actual situations of the trade-offs of social and economic values linked to the un-integrated core activities vary according to the individual organisations' situations in association with the productivity of the hired vulnerable. For example, whereas the trade-offs of companies hiring senior citizens without specific skills and the severely disabled are critical, the situation seems slightly different in social enterprises hiring the vulnerable who do not lack the work capability such as migrant women with foreign language skills or unemployed young people with work skills and capability. The participants from the organisations with the vulnerable who are migrants with language skills (SE9) and unemployed young people (SE10) actually did not mention the difficulty of hiring the vulnerable during the interviews. A staff in SE10 that employs unemployed young people comments as follows:

> Working with disabled people, people with limited ability or motivation is not this company's business area or mission. The company have not experienced related issues, as we simply have worked with young people who are determined to work. (Staff SE10-a)

As a result of difficulties in balancing dual goals, some organisations experience

predicaments in financing. A chief executive of a packed meal company says the company cannot make the necessary investment due to financial difficulty. The chief of SE4 says the company cannot hire necessary experts for the same reason. An employee from a food supply company says the company can neither expand its service nor provide it at a lower price, which makes the competition with big private companies hard.

> We're getting orders consistently so we're hanging on. But we should be thinking of "collecting our profits to make such and such supplementations" but it just doesn't get to that point (Chief Executive SE3-a)

> We don't have enough professional manpower. (Chief Executive SE4-a)

> Large private companies have top-notch facilities. We also want to provide more services and lower our prices, but in reality, it's difficult to have such facilities because it is very expensive. (Staff SE5-b)

This kind of difficulty seems to demotivate staff sometimes. A staff member of a social-worker type social enterprise says there are times when she personally feels frustrated, as the company has a difficult way to meet its social goals.

> If we consider only profit making, we can fire the elderly and replace them with younger ones at least people in their 40s or 50s. And we can hire part-timers instead of full-timers. Then the cost will be reduced tremendously, and productivity will increase. It is a bit frustrating that we don't do that. It's hard. (Staff SE3-b)

However, pursuing social values also brings about other values including motivation of members. Some participants actually reported staff motivation and job satisfaction in line with this, as literature mentioned (Dees, 1998; Thompson at al., 2000; Bacchiega and Borzaga, 2001; Austin et al., 2006; Haugh, 2007; Membretti, 2007; Battilana and Dorado, 2010). A member of staff of a social-activist type fair-trade company says that she is motivated when she witnesses changes in farmers in the field they trade with, and the chief executive of a social-worker type soap/cosmetics manufacturing company says that she is happy and satisfied when she sees that the workers with serious mental disabilities feel happy to work in the company.

> Changes in the field, changes of the farmers I contact.. […] motivate me. (Staff SE9-b)

> They are so happy to work here. I am happy. (Chief Executive SE4-a)

Balancing dual goals was the most critical issue among social enterprises. Particularly, not fitting the conventional institutional standards, social enterprises were struggling in the market to pursue economic goals. However, social enterprises are not solely about economic objectives; they strive to achieve social and economic goals simultaneously. By pursuing social values, social enterprises can also generate other values such as employee motivation and job satisfaction.

6.4 Organisational Structure

Although the researcher expected the organisational structures related to the core activities would be importantly discussed, the topic was hardly mentioned independently. As the topic of 'core activities' turned out to be inseparably intertwined with the 'balance of dual goals' topic, it was covered in the above section. As a result, unlike the arguments in chapter three, diversification, standardisation, and decision-making will be discussed as the categories of the organisational structure that are the domains of hybrid tensions.

6.4.1 Diversification and Sustainability

Most participant social enterprises adopted diversification strategies as a way to overcome the difficulty of balancing dual goals. For example, a social worker group social enterprise SE3 started to provide 'packed meals for events'. As this is high-value-added compared to the original packed meal business, the company is now depending on this business of profit to balance the budget.

> Right now, the daily items delivered to the welfare centre is fixed at 3,000 won for lunch boxes and 3,600 won for side dishes, […] and after paying for the ingredients, labour and operating expenses, there is no profit left. So, we started packed meals for events. […]. We're meeting the expenses with this. Packed meals for events are at the lowest 5,000 won, the profit margin is high. (Staff SE3-b)

Another social worker group social enterprise SE5 has diversified step by step in a food-related business first, then to other types of businesses including a shopping mall business, souvenir business, and 'CSR supporting business' that offers consulting on CSR programmes for client private companies.

> It began as a pre-processing centre, but it was difficult to maintain the employees with just that. There was no place to sell the pre-processed items, so we expanded the business to food material distribution. […] We have first expanded our business to food-related projects. Then now we're doing CSR business and other various businesses. Shopping mall business, souvenir business. There are a lot. […] We can manage the company only after we collect the profit from each business bit by bit (Staff SE5-b)

After the government subsidy ended, the social activist group social enterprises SE1 chose to diversify by adding high-value-added items as a break-through. The company keeps looking for high-value-added business areas as a strategy to overcome the difficulties of making profits.

> Government funding for job creation programmes ended in 2011. At the time, our short-term net profit was negative and there were a number of difficulties we faced. […] We started out with banners, and we expanded into a more value-added design business like brochures. We were founding a breakthrough. The added value was higher than the banners. […] We are trying to diversify our products and business, and we are also trying to create a shopping mall within a few years. (Staff SE1-a)

Young people group social enterprise SE6 newly added an education business using musical performances as a way to make more profit in addition to the original musical performance business.

> Making profits solely through performances in theatre is difficult. […] So, we produce small-scale performances for schools. […] We are now trying to carry out two types of education projects – "culture and arts education" and "social economy education through musicals". (Chief Executive SE6-a)

Another young people group social enterprise SE10 has been diversifying the places of projects and clients, and now, the company is planning to start a new business of renting shopping booths for events.

> We can't be sure until when pop-up markets will provide us with business opportunities. […] We are constantly trying out changes whether it be the form or the participants. For example, the location of project A is an outdoor street while project B is the underground space of a tube station. […] Plus, since we have designed booths for pop-up markets for almost 4 years, we sometimes get inquiries on whether they can be rented, so we're thinking of starting a rental business. […] We're considering all kinds of ways and always trying them out. (Staff SE10-a)

Economic entrepreneur group social enterprise SE8 also expanded its business from promotional items and souvenirs to printing, and the company is currently considering adding a new business of engraving service expecting high demands for the service. This will be an expansion from a B2B to a B2C business.

> We began as a company producing promotional items and souvenirs but are now printing as well. We are currently considering the option of adding the image engraving service on the product that customers want as a new business. It would be an attempt to expand our range to B2C from a B2B company now. There might be a bigger demand in that market. (Chief Executive SE8-a)

Another economic entrepreneur group social enterprise SE12 added a consulting business for making farm villages, in addition to the original landscaping business to balance dual goals and scale up.

> We provide consulting for making villages, making plans for such villages. […] That's because we couldn't really grow with it when we used to depend solely on the bidding for construction. In the past, 90 was the construction side and 10 was mainly consulting, and now, I am trying to change this structure by increasing the consulting side. (Staff SE12-b).

The participants said diversification was helpful for balancing the budget; however, with a few exceptions, they hardly mentioned scaling up. It seemed like their desire to scale up was not strong in general, which is in line with some research where micro-entrepreneurs prefer retaining control and better addressing local needs to scaling up (Lyon and Fernandez, 2012; Hall, Needham and Allen, 2019).

To sum up, a diversification strategy was adopted by many social enterprises as a strategy to overcome economic difficulties. Many social enterprises have met economic goals by diversification, adding high-value-added items and business areas.

6.4.2 Ensuring Sustainability through the Standardisation of Internal Systems

Standardisation is the process of generating and implementing standards (http://www.gov.uk/guidance/standardisation accessed on 13. 7. 2022). A standard is a written record that is agreed upon by a recognised body, which outlines rules, guidelines or principles or attributes for activities to make them replicable (https://www.gov.uk/guidance/standardisation accessed on 13. 7. 2022).

For many participant social enterprises, the standardisation of the internal system is considered as a strategy to improve the companies' efficiency and capability to ensure their sustainability. This tendency was found more often in companies hiring employees with limited capabilities including social worker group social enterprises. For example, all social worker group social enterprises hiring the disabled or the elderly expressed their strong interest in standardisation. In the case of the social worker group social enterprise SE5, it wanted to make work easy for the disabled as well as the work and decision-making fast through documentation and systemisation. The social worker group social enterprise SE3 hiring senior citizens is also trying to systemise its workflow.

> The work could be hard for the disabled to follow. That's why we systemise things as much as we can. […] We documentise and systemise for them to do easily. […] as well as for us to be able to make quick decisions and speed up in many things. (Staff SE5-b)

> I've realised that internal capabilities need to be developed. […] A manual is being prepared so that, whoever the person in charge is, when an employee becomes sick or cannot work, a different person can take over right away. […] also, so that this person can train another person easily. Then, when one person becomes sick or passes away, the next can directly take over the work. In this way, the workflow can be maintained. (Staff SE3-b)

The chief of the social worker group social enterprise SE4 that was hiring the severely disabled said the systemisation and systemised way of working were its strength and made mass production of many items possible. She also said that her working experience as a staff of a bureaucratised 'welfare facility', which is related to the path

that the hybrid company had come through, helped a lot in the bureaucratisation process of the social enterprise. The SE4 is now planning automisation to ease mass production.

> We made everything documented and manualised so that the system could operate according to the manual. Making 50,000 items by a social enterprise like this is difficult but we do it. There is a lot of work to do starting from considering the production cost. […] I think my somewhat expertise in administration was an advantage for this. […] Our future plan is to work more on automation. (Chief Executive SE4-a)

In the case of the SE10, a young-people-founded social enterprise hiring unemployed young people, is now developing manuals. This company considers it as an important strategy to improve the company's capability that would make the company's survival possible.

> The things like manuals are now being made. The experience of failure in competing with a private company, […] what is needed to gain extra points as a social enterprise in public bidding, what way is the best for a specific type of bidding, which way is best in design, planning, timetable... we're making all these into data. So our documents for applications and biddings are being developed. […] We luckily won the bidding last year, […] we learned a lot from doing it, and we're now adding it into the system. We think we can survive without the government subsidy only with these kinds of efforts. (Staff SE10-a)

On the other hand, however, there also were companies that did not seek standardisation, like SE11 and SE9. Both are relatively smaller than other social enterprises.

In the case of the young people group social enterprise SE11, it pursues flexibility instead of standardisation as it is a design company that requires creativity.

> It's a very comfortable atmosphere rather than a systematic one. Moving freely around each person's activities is possible because of the company size and because we do design. We have tasks not to be done sitting down but we can do it freely. […] The work overlaps so we can work on things simultaneously, and management is very flexible. I sometimes feel like I am working on club activities, not on business. At first, I thought, 'Ah, I should make it a proper company', but now I am thinking that searching for a different direction

might not be bad. (Chief Executive SE11-a)

In the case of the social activist group social enterprise SE9, the employees enjoy the independence and flexibility of their work.

> It's quite different from other companies. […] We are an organisation with a small number of people and need collaboration with each other, so there are flexible parts. Regarding work hours and break times, you can have a break when it's necessary. There is a bit more flexibility than other companies. (Staff SE9-a)

Many social enterprises adopt standardisation as a strategy to enhance the efficiency and capability of organisations. Particularly, social enterprises that hire people with limited capabilities focused more on standardisation to compensate for the low skills of individuals.

6.4.3 Decision Making

A democratic decision-making system is a condition for social enterprise certification in Korea (SEPA article 8). According to the 'Announcement of Social Enterprise Certification Plan and Evaluation Criteria 2023,' to be certified, the organisations' article of incorporation or operating rules must clearly state that various stakeholders participate in the main decision-making body; there must be a record of at least one meeting of the decision-making body within six months prior to the application for certification; corporations and associations established under Civil Law, companies and joint venture associations under Commercial Law and corporations under special laws shall have a board of directors with decision-making power specified in relevant laws as their main decision-making body, while non-profit organisations established under special laws shall have decision-making bodies specified in their articles of incorporation or operating rules (in cases where it is deemed necessary due to the characteristics of a specific non-profit corporation or association, the certification committee may recognise other types of decision-making bodies such as operating committees that have substantive decision-making power); the decision-making body

must consist of at least three members, and regardless of the type of social purpose, must include representatives of workers and external stake holders. In the case of a corporation with shares owned by a private company (including parent company), an employee of the parent company cannot be appointed as an external director; worker representatives must include workers who can effectively represent the interests of workers, such as labour union worker representatives or workers elected as representatives (Ministry of Employment and Labour, 2023).

Accordingly, participant social enterprises are equipped with democratic decision-making systems. For example, SE2-a says SE2 has a system that reflects cooperative members' opinions as well as directors that include various stakeholders. The system uniquely subsumes labour-management committees and labour unions. SE1-a says SE1 has a general meeting for employees and meetings of directors including various stakeholders. SE5 and SE8 also have boards of directors like other participant social enterprises. Boards of directors tend to consist of various stakeholders in and outside organisations with various backgrounds as explained below.

> In the decision-making process, cooperative members participate in all decision-making processes. […] There are separate labour-management committees for each business unit. The nursing home has a labour union from the Korean Confederation of Trade Unions. (Staff SE2-a)

> There is a general meeting for employees, and a meeting for the board of directors, with each being held once a year. There, important topics like business expansions and annual plans are discussed. […] The board of directors consists of key members as well as the CEO, the managing director, external personnel, investors and founding members. […] As for the external members of the board of directors, there are those who are interested in the labour and rights of the disabled, and special education teachers. (Staff SE1-a)

> The board of directors consists of two external directors, our chairperson, and another internal director. Ah, and one auditor. External directors are people who have a long track record in their business. […] Our chairperson may have wanted business perspectives, so he recruited acquaintances with businessman backgrounds who would be helpful. We report yearly performance at meetings of directors. (Chief Executive SE5-a)

> The board members include the current CEO, employees and one external member who helped with the foundation of the company. (Chief Executive SE8-a)

The equipment of a democratic decision-making system could be construed as coercive isomorphism (DiMaggio and Powell, 1983). SE3-b explained that they equipped the board and steering committee since they had to do it for certification.

> We have the board of directors and the steering committee. About four people from outside come to the steering committee twice a year. We report on our business there. We have these because social enterprises are supposed to report these things to the Ministry of Employment and Labour. (Staff SE3-b)

The CEO of SE12 explains that the board meeting is kept for legitimisation to show that the company abides by the article of incorporation and has a democratic decision-making system.

> Speaking of the twelve types of village business I just talked about, although they don't invest, I inform the directors through meetings. Because I can emphasise all those things later that we were according to the articles of incorporation. So, I keep them. (Chief Executive SE12-a)

However, there were de-couplings occurring in some participant social enterprises. In some cases, the democratic decision-making systems were there but remained a formality. This happened in all groups of social enterprises. SE8-a states that, although there is a board of directors and an operation committee, it is nominal.

> You can think it is all formality. Whether it is the board of directors or the operation committee, it's just a formality. […] Now, there are titles so grandiose to be called as the management committee or the board of directors. (Chief Executive SE8-a)

A director of SE9 says the directors are rather donors or advisors than actual decision-makers. In SE1, the board of directors with external directors remains an advisory role, and most decisions including important decisions are made by internal members.

> Directors are almost like donors. They just come twice a year, hear what's going on, and give good words and advice. We could see them rather as advisors than someone involved in the decision-making system. (Staff SE9-b)

> Besides some advice we get, most of the internal operation issues are dealt with by the people working at the site. As well as big decisions. After all, because we are not a public company and not distributing something to our shareholders, we run it that way with the trust of the board of directors in us. (Staff SE1-b)

In SE11, the decisions are made mostly by the chairperson rather than in board meetings. In the case of the SE7 as below, most decisions are made by the two co-founders, except for the operational decisions that are made by team leaders. In SE3, the chairperson and an internal director make the decisions.

> There is a decision-making system. There are internal and external directors, but they just tend to accept my opinions. As there is no significant change in business because we have small businesses, they tend to see the company as something like a one-person company. (Chief Executive SE11-a)

> We also have the board of directors, human resources committee, management committee, etc. The board of directors consists of the two representatives of the company and outside directors. […] There are not many cases where they directly influence decision-making about management. […] Although we have more than 200 employees, it is very difficult for the employees with developmental disabilities to make their own decisions. Therefore, it is difficult for them to participate in management-related decision-making. So, if you limit the scope of participation […], we are a small organisation with only about 50 people. So, the willingness of the founder and the strategy the founder wants to take become very important in decision-making. In that sense, CEO A, who is a 100% shareholder, and I are the two co-CEOs, and these two people make most of the decisions, big decisions in particular. However, the decision to operate specific businesses rests with the business team leaders. (Chief Executive SE7-a)

> When it comes to decision-making, directors don't seem to know about our internal problems. So, decisions are mainly made by our chairperson and me. (Staff SE3-b)

In SE5, although the company has a democratic decision-making system such as a board of directors and general meeting of shareholders like other organisations as the chief executive explains, the staff say that important decisions like business expansion are made by the chairperson than the board. Given that they say there is no conflict in decision-making and CEO has a bulldozer-like character, the general organisational communication and decision-making style seem to be top-down.

> The main decision-making structure we have includes the board of directors and general meetings of shareholders. (Chief Executive SE5-a)

> Actually, the CEO's decision has the highest priority when it comes to business expansion, so the CEO makes the decisions, and when the CEO decides on the larger issues, the next steps are carried out by the respective departments. […] We have no conflicts. (Staff SE5-

b)

The CEO is a bit like a bulldozer. (Staff SE5-b)

Similarly, in SE12, the chairperson explains there are two paths of decision-making including the board of directors and the chairperson. However, given that the important decisions on expansions of business have been decided solely by the chairperson as stated below, the role of the board seems to be more limited than explained.

There are two methods for decision-making. Sometimes the board of directors decides. Sometimes it is decided by the authority of the CEO. The CEO's authority is important when doing things quickly. When making a quick decision, the CEO just makes it. (Chief Executive SE12-a)

Business expansion from landscaping to solar power business. I don't think that's the board's thing. Because the decision on business expansion is made based on the vision of the CEO. If such a matter is discussed with the board of directors, almost all directors agree. […] We talk about it at the meeting, but almost all tend to be passed. (Staff SE12-b)

In SE8, decisions are made by team leaders and senior members.

Board meetings are difficult to do often. In Korea, the government certifies social enterprises, so they standardise such things too much. It is difficult for the board of directors to do such things, so we tend to make decisions based on the team leaders or senior members of each team. (Chief Executive SE8-a)

The decision-making seems to be more democratic in SE1 than in other social enterprises, although it happens outside the board and committee in many cases. Matters are decided through discussions among all members, not by a few people or the chairperson's will. The members often discuss till they reach an agreement.

Of course, disagreements are always there in the organisation. All 10 people saying the same thing is not ideal for running an organisation like this. We always have meetings. […] For example, we moved to this place in August of last year. About such things, team leaders tentatively make decisions, ask for opinions from the whole group about moving to the space, and then make decisions. This is how we usually do things (Staff SE1-b)

There are so many disagreements. We had an evening meeting yesterday. […] It started at 7:00 and ended at 10:30. Meetings tend to go that long. […] We tend to keep talking until we reach an agreement. […] We tend to be slow in terms of quickly taking on new business

> challenges or seizing opportunities, but I think we make sure that our members don't feel alienated about the direction of the organisation or business. (Staff SE1-a)

Overall, every Korean social enterprise has a democratic decision-making system due to the coercive isomorphism led by the government's certification system. However, although there are many social enterprises that make decisions democratically according to the system, there also are many cases where decoupling happens and the system remains a formality. While the democratic decision-making system remained nominal, the actual decisions were made rather hierarchically in many cases; however, in some cases, the decisions were made democratically although they did not follow the formal system.

6.5 Organisational Culture

Organisational culture is a set of shared norms among members (Schein, 1977; 1996; Jones, 2002). It helps members' understanding of their roles and interactions between members by providing shared standards on behaviours (Sinclair, 1993; Jones, 2002; Greenberg and Baron, 2008). It is formed as a result of dynamics among members; however, organisations also try to manage it (Sinclair, 1993). Organisational culture is first shaped by the initial members' traits, then gets strengthened by selective recruitment of people who fit the traits and by socialisation to assimilate people (Jones, 2002; Greenberg and Baron, 2008: 553). From the collected data, specific cultural values and traits that social enterprises favour as well as organisational attempts to manage organisational culture were found.

This section first explores Organisational Citizenship Behaviour (OCB), Public Service Motivation (PSM) and internal motivation as favoured values of social enterprises. Then, it explores how social enterprises try to manage and utilise organisational culture as a tool to manage internal tensions.

6.5.1 Organisational Citizenship Behaviour (OCB), Public Service Motivation (PSM) and Internal Motivation

OCB

As many social enterprises grapple with a shortage of essential resources including financial means, many participant social enterprises found that human resource was important for them. In addition, many also said 'the unity of people' was helpful for their survival and growth.

> It may be our weak point that we cannot think about investment in machines or future business strategies. Consequently, the most important resources for us are human resources. (Staff SE1-b)

> What helped me to continue the business has mostly been the unity between the members. […] The fellowship that we have with each other and that we are carrying out the missions of social economy together, not just for bread-winning, played a big part in helping this company sustain itself. (Chief Executive SE6-a)

Participant social enterprises tend to depend on members' hard work or OCB (Podsakoff, et al., 2000; Smith et al., 1983) to overcome the lack of resources. In many cases, the employees were overworking to cover the lack of personnel as well as expertise. SE5-b talks about the heavy workload due to the shortage of human resources in social enterprises. SE1-a mentioned the multi-tasking he had to do regardless of his own tasks. In addition to this overwork that comes from the lack of resources including human resources and expertise, there also are work burdens caused by the productivity issue of the vulnerable as explained in the previous section.

> Two people are responsible for our MRO business, but private companies including even small and medium-sized companies usually involve seven people for this task. […] We have two people but the two don't work on just that but take on other tasks as well. So, manpower is very much needed. (Staff SE5-b)

> The employees working for an organisation like this should be versatile. […] I should do multiple tasks here, unlike in general companies where different tasks are allocated to

different workers. (Staff SE2-a)

Social workers SE3-b and SE4-a say they have to do unfamiliar tasks such as delivery, driving, marketing and even design.

> I myself actually deliver the lunch boxes. I sometimes even have to drive. […] Up until last year, I was responsible for marketing so I had to upload photos to Facebook and information. (Staff E3-b)

> There have to be professional designers and professional marketing personnel, but our employees have to learn them all and do them. […] We don't have a professional designer. Social workers are doing the design work. (Chief Executive 4-a)

Overall, participant social enterprises depend on members' hard work or OCB to overcome the lack of resources. Many of the employees were burdened by workload of covering the lack of personnel and expertise as well as the productivity issue of the vulnerable.

PSM and Internal Motivation

Under this circumstance, as SE7-b and SE5-c say, people with PSM or internal motivation would become human resources for social enterprises that lack resources and depend on OCB. In many participant organisations, workers seem to be motivated rather by internal motivation, PSM or social contribution than economic rewards (Doherty et al., 2014). Those workers put up with the strenuous work and relatively lower economic remuneration.

> Work is not easy when you are working just for money in social enterprises. There is a lot of work but the reward is obviously smaller than in a private company. […] What motivates me is the meaningfulness of the work […], a perception that we are different from private companies that go after maximum profit with minimum input. (Staff SE7-b)

> When the employees don't have a sense of value, mission and duty, it's honestly hard to work in a social enterprise. We can't give them the same high pay as that of large private corporations. (Staff SE5-c)

In the same vein, there are many workers who are motivated by the change of the vulnerable or the customers and clients.

> Changes of the farmers, the sense of closeness coming from the tight partnerships with people, and the feeling that we are different from private companies. Such feelings. These are all motivations. (Staff SE9-b)

> I like to work with older workers. […] The work here may be viewed as a job to earn money from outside, but it is rather a life to the elderly. Many of them consider the work as a social activity to talk and associate with others. They like that they have a place to go regularly and they are happy to make some money by working. They feel that they are still valuable members of society. (Staff SE3-b)

> We hear our musical performances were very good, and they became some opportunities for family reconciliations or transformation of people. That's motivating. […] showing that it's not just exhausting work. […] There once was this feedback that someone said to his child that he loves him after watching our performance. […] These kinds of things are motivating. (Staff SE6-b)

To sum up, lacking resources due to unfitness to conventional sectoral rules, participant social enterprises tended to depend on workers' hard work, OCB and the unity of workers. In this vein, OCB, PSM and internal motivations were found to be favoured values of social enterprises.

6.5.2 Management of Organisational Culture : Recruitment & Socialisation

Recruitment

As many social enterprises depend on members to compensate for the lack of resources, the person-organisation fit is important for them. Accordingly, some organisations try to recruit people who can strengthen the favoured organisational culture that encourages a united atmosphere and OCB (Willcoxson and Millett, 2000).

They try to hire people who understand their causes or who have internal motivation and PSM.

SE4 prefers hiring social workers who are considered to have a better understanding of the disabled, have PSM and show more OCB.

> I used to hire those who were not social workers, but I now hire social workers. […] The people without a social-worker-background, having a low level of understanding of this type of organisation, often complain about their salary, which is equal to that of the disabled, and also about their amount of work. Social workers have a totally different mindset. They can take care of the disabled and do production tasks together. […] Because they're social workers, even when working late, they just think of it as their work. Regardless of the overtime pay, the mindset is different. […] They work late and show a stronger sense of responsibility. (Chief Executive SE4-a)

It is hard for social enterprises to recruit "hybrid individuals" with a blend of expertise, especially those who possess prior work experience in social economy sector or are adept at negotiating social and commercial values (Battilana and Lee, 2014). As a result, the majority of social enterprises employ individuals with prior experience in either of the conventional sectors (Battilana and Lee, 2014). As an alternative in this situation, these organisations try to hire those who at least understand social enterprise. SE11 recruited its members among acquaintances for this purpose.

> Most of the workers are acquaintances. I started this company with my acquaintances. Because, I thought it would be hard to explain and make them understand this type of business if I recruited through open recruitment or something. (Chief Executive SE11-a)

SE1 and SE5 focused on the applicants' understanding of the values the company pursues.

> We want our workers to make more effort and show a good attitude, and to share our missions. […] But, we cannot force them to do so. So, it's important to hire those kinds of workers and let them work with us for a long time. […] We think they have worked here for a long time regardless of the insufficient salaries, probably because they were persuaded by the values that we've been pursuing. (Staff SE1-b)

> When we're hiring, we hire people who come seeking these values and understand our company. (Staff SE5-c)

In the case of SE1, it particularly tries to hire people who understand people with disability, have that kind of experience or are willing to work with them.

> There are many workers with disabilities so it is important that we socialise together and have disability awareness, but people actually are not familiar with people with disabilities. […] There are many people who faced the disabled for the first time in the company. So, when we employ new people, we promote the fact that it's the company where people with disabilities and without disabilities work together, we aim to hire more people with disabilities, and we want to work with people who agree with our social economic purpose. We post our job posts on websites that way. (Staff SE1-a)

Socialisation and Mission Sharing

Once they hire staff, social enterprises try to socialise them. The socialisation process is to make members adapt to the organisational culture, which can be formal with induction or training programmes or informal taking subtle forms of peer or management pressure (Owens and Steinhoff, 1989; Harrison and Carroll, 1991; Willcoxson and Millett, 2000; Wilson, 2001).

Although having people from different sectors work together effectively can become an issue in social enterprises (Battilana and Lee, 2014), the issue was rarely found in the interviewed data. This would be partly because individual organisations tended to hire a certain type of person. For example, among the participant companies, social worker group companies hired more social workers. Social activists group companies hired more social activists. Businessmen group companies tended to hire more people with business backgrounds, a few people with social worker backgrounds when they hired disabled people, but almost no one with social activist backgrounds. And, young people group companies tended to hire young people with almost no working experience. Although there were cases where business experts were hired for certain functions in other types of organisations that were not the businessperson group, they were few people who did not have a big voice to put their own opinions that differed from others. There also were cases where people with social work backgrounds were hired in other groups that hired the disabled including businessmen group, but no participants mentioned the conflict between people with different backgrounds. Hiring

individuals who share similar minds can help organisations avoid conflicts that may arise from having people from diverse backgrounds working together. However, this may also result in a shortage of social or business expertise within the organisations.

What matters among the participant organisations was the adaptation of the people who came to the social economy sector from traditional sectors, rather than the harmony between the people with different backgrounds. It can be the issue of "alignment between individual identity and organisational identity" (Battilana and Lee, 2014). For example, SE9-b felt satisfied with the organisation's independence from donations as she has thought about the excessive dependence on donations and the sustainability of charities as a former charity member. However, she felt somewhat frustrated when social enterprises could not spend all of the budgets for the target vulnerable groups like charities. She realised that, unlike charities, the social enterprise had to operate the organisation as a business not depending on donations.

> Since I have worked in NGOs, it's great that I can experience the realisation of sustainability in different ways without having to depend on donations […] NGOs can use 100% of the funding they receive on farmers, but companies like this have to produce and there are way too many places that need money. Then what we can do for farmers becomes limited. There are disappointments in this regard. (Staff SE9-b)

People who used to be social activists and social workers particularly experienced difficulty in business management.

> People who come from NGOs and such are not professional managers or salespersons so this aspect is an obstacle to our success. […] Our CEO is not a professional manager, so although our CEO is strong-willed and value-oriented, there can be some shortcomings at times when it comes to actual management. (Staff SE9-b)

In the social worker group organisations, there were several cases where the participants still referred to themselves as social workers. This could be because some of them still maintain the status of social workers of parent organisations as explained before. A staff member in SE3 mentions she cannot quit the job because that is not something people whose vocation is social work would do. The effect of having a dual identity like this case will have to be researched further in future studies.

> I could quit when the work is too hard, but I cannot do it thinking of the elderly workers

> who feel so happy working. I cannot just quit, as a social worker, for my self-interest or my comfort. (Staff SE3-b)

The chief of SE4 who also holds dual positions refers to herself as a social worker and refers to the social enterprise as a welfare facility. She said she experienced difficulties because she lacked expertise in management, and recommended education programmes for social entrepreneurs with social worker backgrounds to overcome the lack of knowledge on management and social economy.

> It's particularly the case in this kind of welfare facility. […] As a social worker myself, I would very much recommend it (education programmes) for building networks and a business mindset. (Chief Executive SE4-a)

A staff member of SE4 shows how previous social workers experience the tension of moving across sectors by telling a story about how their perception of the disabled changed from those to protect and care for to those who are workers with capabilities as well as rights.

> Back then, although the disabled worked, I didn't perceive them as 'workers' or 'labourers.' We didn't think of them as workers who should have the four main insurance. Turning to social enterprise, it became like the vulnerable including the disabled should have the four main insurances. Experiencing those, we also started considering the disabled workers here as workers who deserve the four main insurances. (Staff SE4-b)

Social enterprises try to enhance members' understanding of their organisations through socialisations. This is also to manage organisational culture to promote a communal atmosphere, a bond among members as well as consensus on the mission that may lead to hard work and OCB. Particularly, SE5-c says the proactive consideration of organisational culture management started based on the consultant's suggestion.

> We are thinking to change from considering sales as the sole important aspect to thinking about the organisational culture, improvement of employee conditions and the direction for the future. We are constantly upgrading our mission and vision because we learned from our consultations and consultants that these aspects are important for further growth. (Staff SE5-c)

Social enterprises try various activities to reaffirm shared values, norms and missions as well as enhance social cohesion. In social enterprises where disabled and non-disabled people work together, they try to enhance their understanding of each other and strengthen unity among them. SE9 focuses on education to let the employees understand the disabled.

> Hiring people with experience of working with people with developmental disabilities is the most difficult. They shouldn't have a closed mind towards disabilities or developmental disabilities. That's why training and education is very important. […] When it comes to overcoming strategies, we invest heavily in the education of employees. When first coming to the company, new employees receive the training called "What are developmental disabilities?" and many cases are shown to help their understanding. (Staff SE9-b)

In SE6, the company focuses on mission sharing in meetings and gatherings to unite members.

> Whenever new members come in, we share and talk together about our missions. […] We always have meetings and gatherings, and remind each other so that we don't lose track of our goals. This is how we have kept moving forward without losing sight of our mission. […] Mission sharing is the biggest strength here. […] The direction of all our meetings is always based on mission sharing. […] Dreaming the same dreams feels very good. Sharing dreams is good too. […] It is the strength of the company, and the best part of working here. (Staff SE6-b)

SE1 runs a programme called the Happiness Committee and SE5 operates a programme called Culture of Monday as explained below.

> There is something called the Happiness Committee where two to three employees are given monthly budgets for housekeeping with rotations every two months. This involves taking care of coffee or consumables within the given budget and other trivial things like get-togethers. Employees are rotated so that after a year, all the employees become familiar with how we spend money. Through this, employees naturally learn about the company like "Oh, this is the spending of the company, this is how much is spent." (Staff SE1-a)

> We made a culture called the Culture of Monday. On Mondays, one employee makes a presentation for the entire office. […] The presentation topic is free choice so it can include something they want to share, singing with a guitar and celebrating birthdays. The company also deliver something if necessary. We're continuously developing this kind of

culture. (Staff SE5-b)

Several social enterprises are getting interested in the workers' welfare as a part of the efforts to manage a positive organisational atmosphere. They put effort into making a better working environment where employees work happily for a long time.

> Because people are important in this organisation, to avoid people getting tired, we made the necessary systems. […] Since January is a non-peak season, employees are given one-week vacation one after the other. This started this year and it was not part of the annual paid holidays allocated to each employee. (Staff SE1-a)

> We learned having employees work longer is important. That is because when one employee leaves the company, it is difficult to replace the knowledge and know-how that was accumulated up until then. We are trying out many things to establish a system that encourages working in the company longer. […] We created a culture of getting off work at the designated hour without overtime work on Wednesdays. For example, if today is "leaving the office Wednesday", we ask everyone to turn off their computers and have everyone leave by 6:30 pm. (Staff SE5-b)

As a result, employees are well aware of the mission and goals, and work in a united environment that encourages OCB.

> The employees are definitely well aware of the goal. And because our goal is clear, we are able to come together and move forward toward the goal in all kinds of situations. (Staff SE7-b)

To sum up, social enterprises try to recruit people with traits that fit their organisations such as PSM, internal motivation and OCB, as well as people who understand social enterprises. Following the hiring process, organisations socialise the staff by imparting shared norms. This cultivates a cohesive environment, fostering a consensus on the mission, ultimately encouraging dedications and OCB, the crucial elements upon which the organisation rely. Conflicts between people from different sectors were not reported, partly because each organisation tended to hire people with similar backgrounds. Recruiting like-minded people can let organisations avoid conflicts in having people with different backgrounds work together; however, it can often cause a lack of social or business expertise in those organisations.

6.6 Conclusion

This chapter explored the dynamics inside individual social enterprises. This level of dynamics cannot be considered in isolation from the macro and meso-level contexts within which they operate. The inner dynamics address the challenges arising from the hybridity-related environmental circumstances as well as internal hybrid tensions.

Under the theme of micro-level dynamics, subthemes were extracted including missions and goals, organisational structure and organisational culture as well as the second-level subthemes including founding motivation and aims, balancing dual goals, diversification, internal standardisation, decision making, OCB, PSM, internal motivation and management of culture. These domains are where the internal hybrid tensions reside as well as where the tensions and challenges are dealt with.

On the subject of mission and goals, four types of social enterprises were identified from participant organisations based on the analysis of interview data in association with founding motivations and aims. First, social-activist type social enterprises tend to be founded by social activists or NGO members and include employees with NGO backgrounds. Their goal is to economically help and empower deprived people as well as bring about a fundamental change in the power dynamics of society. Second, social-worker type social enterprises tend to be founded by social workers starting from a subunit of welfare facilities. The subunits turn to social enterprises to gain government support for social enterprises to provide better working conditions for the target vulnerable groups. Third, young-people type social enterprises are founded by and mainly consist of young people in their 20s and 30s with relatively little or no work experience who tend not to be social activists or social workers. These companies tend to pursue social values in creative ways, and some experienced trial-and-error like changes in the business model showing traits of start-ups. These organisations also become a career option for some founders themselves who are the targets of NEET policies. The goals and business models are likely to be directly linked compared to other types of organisations. Fourth, economic-entrepreneur type social enterprises were founded by former or current businessmen with differing aims and goals. These four types are identified from the interview data with the possibility that

there are unidentified types as well as social enterprises of these types displaying different traits in the actual field. However, it can help researchers and policymakers who need the information to map and understand the field.

Balancing dual goals was the most difficult issue for participant social enterprises, and many social enterprises were struggling in the market as they do not fit the conventional institutional standards by pursuing social goals. Considerations of social values often limited competitiveness in the market and funding for necessary investment and employment of experts.

Diversification, standardisation, and decision-making were mentioned by participants, regarding organisational structures. First, diversification was a common strategy adopted by many social enterprises to overcome the difficulties of balancing dual goals. They diversified businesses by adding high-value-added items and business areas to increase profits. Second, standardisation was a strategy to improve the efficiency and capability of many social enterprises. This happened more often in the cases of organisations that hired people with limited capabilities. Third, Korean social enterprises are equipped with democratic decision-making systems due to the requirement for the government certification. This could be interpreted as a coercive isomorphism. However, decoupling was also occurring in many cases, leaving the system nominal. Decision-making in many participant social enterprises was hierarchical; however, it was democratic in some organisations although they did not follow the formal system.

OCB, PSM and internal motivations were found as favoured values of social enterprises, regarding organisational culture. Resource-restricted social enterprises tend to depend on the OCB of members as well as members with PSM and internal motivations who can be motivated with nonpecuniary rewards to overcome difficulties.

For the management of favoured organisational culture and atmosphere, selective recruitment, socialisation and mission sharing were utilised. Social enterprises try to hire people who understand social enterprise and have PSM or internal motivation,

then socialise the hired members by sharing missions to foster a united atmosphere that encourages OCB.

Socialisation can also be utilised to help people from traditional sectors adjust themselves to hybrid organisations. Social enterprises hire people with conventional sector backgrounds as it is hard to hire “hybrid individuals” (Battilana and Lee, 2014). Conflicts between people from different sectors were not reported, partly because each social enterprise tended to recruit people from same sectors. However, with the people from traditional sectors, participant social enterprises experienced difficulties in having those people get adjusted to the new social enterprise’s values and standards.

This chapter is the final chapter of three analysis chapters. The following two chapters conclude the dissertation. The chapters draw the key themes of the three analysis chapters together and compare them to the existing literature. The chapters discuss the contributions and implications of the study. It also suggests future research and policy recommendations.

CHAPTER 7 Discussion

This penultimate chapter suggests the main contributions of the thesis to knowledge, which includes the suggestion of a new systematic and holistic multiple-level framework on social enterprise hybrid dynamics and a new scenario of the Korean social enterprise case beyond the East Asian model. It is followed by a reflective analysis on the research process.

7.1 A Systematic and Holistic Multiple-level Perspective on Hybrid Dynamics

The research revisits and focuses on the hybridity, hybrid tension and related dynamics as the fundamental factors of social enterprise phenomena. The social enterprise hybridity influences organisations positively by giving opportunities for various funding sources, diverse staff, and the achievements of innovative social missions. However, it inevitably poses challenges, particularly around different logic inside the organisations and around related stakeholder confusion outside them (Garrow and Hasenfeld, 2012; Jay, 2013; Battilana and Lee, 2014; Doherty, Haugh and Lyon, 2014; Karre, 2018; Maibom and Smith, 2016; Woodside, 2018; Mikołajczak, 2020). Understanding the hybrid dynamics in and around social enterprises is important, as it can provide a useful guide to explore social enterprise phenomena, providing insight on how those organisations survive, operate, and successfully create social impact.

Previous research on social enterprises has been on a wide range of themes (Granados et al., 2011). However, although there has also been research on social enterprise hybridity, the contribution to the multiple-level hybridity, hybrid tensions, and related dynamics of social enterprise has been limited. Researchers who studied the hybridity, domains of hybridity, and hybrid tensions, such as Jager and Schroer (2014), Battilana and Lee (2014), Doherty, Haugh and Lyon (20214), Vickers, Lyon, Sepulveda,

and McMullin (2017), Davies and Doherty (2018), and Davies and Chambers (2018), have rarely taken a multiple-level perspective. Although some studies on hybridity have talked about the micro-level dynamics (Doherty et al., 2014; Jäger and Schröer, 2014; Battilana and Lee, 2014; Davies and Doherty, 2018; Davies and Chambers, 2018), they hardly dealt with the meso- or macro-level except for a few cases that included inter-organisational relationships as one domain of social enterprise hybridity (Battilana and Lee, 2014; Vickers et al., 2017). These studies did not consider the different levels of these domains.

However, social phenomena cannot be comprehensively understood at a singular level in many cases, as Turner (2003) suggests. Thus, the researcher adopted a multiple-level approach of hybrid dynamics to explore social enterprise reality in a systemic and holistic way. In particular, the study takes a three-level perspective (macro-meso-micro) to navigate the social enterprise hybridity-related dynamics.

Macro-level dynamics are socio-political dynamics and ideological turf wars involving sectors in the form of political discourses, policies and other political acts at the global and domestic levels. Meso-level dynamics are the dynamics in the inter-organisational relationships in association with the resource acquisition of social enterprises. Micro-level dynamics are internal organisational dynamics around individual members in one social enterprise. Each level of dynamics and their influences are intertwined.

The hybrid nature of social enterprises attracts actors and organisations from different sectors that share some parts of organisational logic with these hybrid organisations, which puts them under the influence of larger scale social dynamics at the macro-level (Park and Wilding, 2014). This also turns organisational environment into the one filled with heterogeneous actors, making social enterprises engage with these external actors at the meso-level. The hybridity makes social enterprise itself into a political arena where members constantly experience conflict dealing with multiple logics.

In Korea, the macro-level dynamics have intervened in the formation of the social enterprise landscape. The economic forces and discourses have primarily influenced

Korean social enterprises, compelling them contribute to the economy focusing on the employment of the vulnerable. The political forces and discourses have let them to try to counterbalance market and state failures providing social services and solving other social problems. Furthermore, social forces and discourses have propelled social enterprises dedicated to fortifying civil society and advancing social change through the provision of experiences of democratic processes and the empowerment of minorities. Those forces and discourses have been formed by the socio-economic conditions of Korea including productive welfare regime, the legacy of developmental state, statism, and the history of democratisation as well as the influence of the global level trends such as welfare mix, neoliberalism, NPM, and NPG.

The civil society actors rooted in democratisation movements introduced the social enterprise concept as a means to bring about social change (Bidet and Eum, 2011). However, the socioeconomic conditions such as productive welfare regime, the legacy of developmental state, and statism gave the government the opportunity to prioritise the economy and implement social enterprise policies to tackle issues related to employment and social service provision beyond the government (Lee, 2014; Kim, 2008; Defourny and Kim, 2011). This has been justified by the worldwide trends of welfare mix, neoliberalism, NPM, and NPG. The market sector actors increasing their supports for social enterprises are bringing their own perspectives focusing on sustainability and innovative social entrepreneurship.

These forces and discourses surrounding social enterprises have impacted the sector from its formation to development, shaping perspectives on social enterprises. These macro-level dynamics also have influenced the meso-level dynamics and the organisational environment of social enterprises by affecting the interactions of actors as well as the micro-level inner-organisational politics by shaping the perspectives and values of individuals within society and entrepreneurs.

At the meso-level in Korea, social enterprises depend on their environment for the necessary resources, as resource dependency theory explains (Pfeffer and Salansik, 1978). The social enterprise hybridity attracts actors from different sectors, making the environment excessively heterogeneous as research on social enterprise hybridity

suggests (Park and Wilding, 2014; O'Toole, 1997). As a result, the resource acquisition process of social enterprises based on the relationships with various external actors becomes complicated due to the hybrid nature of social enterprises. The meso-level hybrid dynamics are under the influence of macro-level dynamics. Many of these actors were invited to interact with social enterprises by government policies such as 'associated enterprise' scheme and 'priority purchase' scheme.

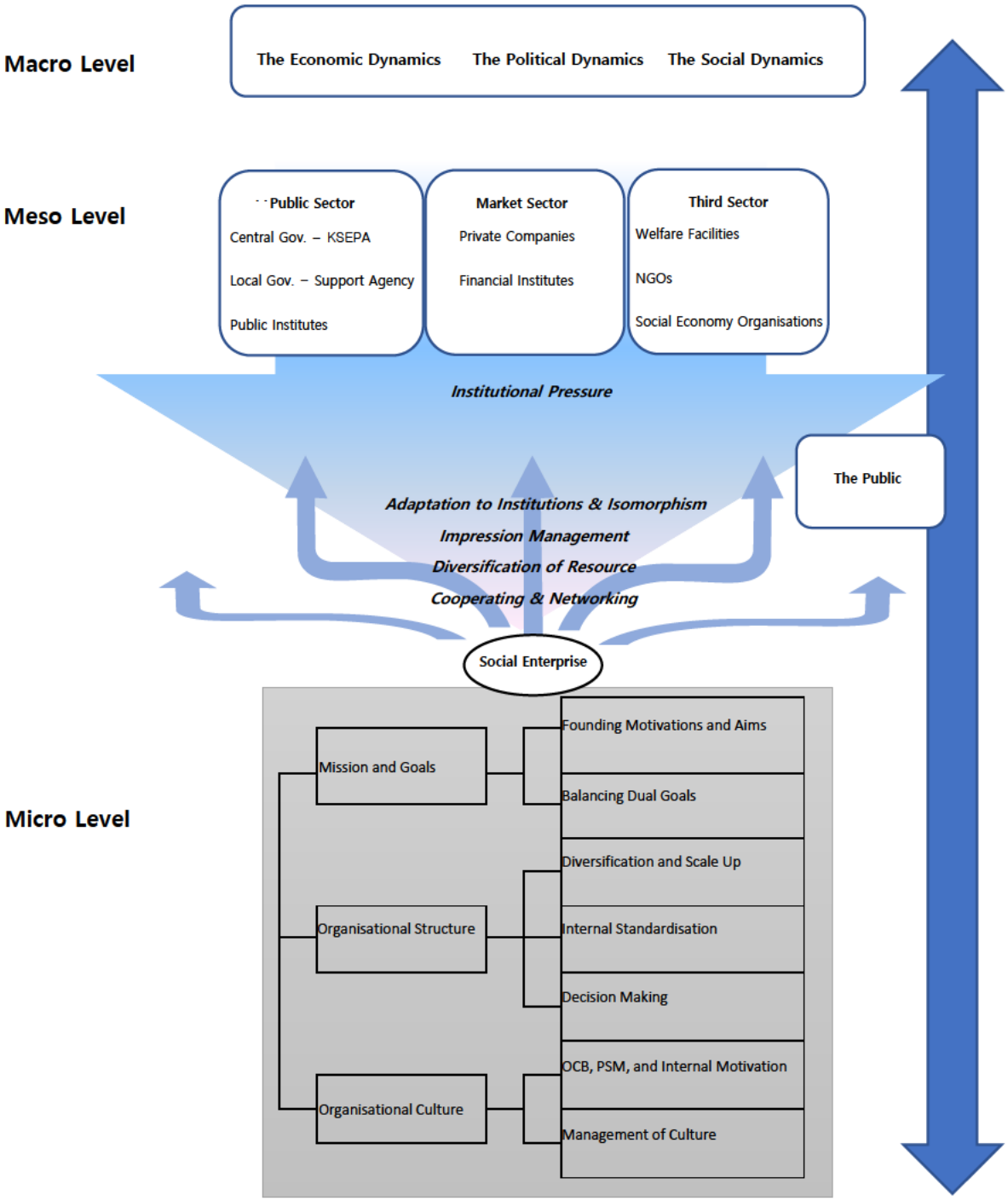
In interacting with the external actors, social enterprises face institutional pressures exerted by entities embedded in better-established sectors. To deal with these tensions, strategies such as isomorphism, impression management, resource diversification, cooperating, and networking are employed by Korean social enterprises. The isomorphic changes were occurring amongst many Korean social enterprises as institutional theory explained (Pfeffer and Salansick, 1978). The thesis figured out that the impression management strategy adopted by Korean social enterprises can also be interpreted through the logic of institutionalism (Guo and Acar, 2005; Froelich, 1999; Pfeffer and Salansick, 1978). Social enterprises intentionally show particular images when they cannot actually change or when they intend to emphasise the conformity to gain legitimacy in the relationships with counterparts. The strategies of resource diversification, cooperation, and networking that are explained by resource dependence theory are actively being utilise by most Korean social enterprises (Maggio and Powell, 1983; Powell and DiMaggio, 1991; Dart, 2004; Teasdale, 2012).

The meso-level dynamics also influences the inner-organisational dynamics of a social enterprise by forming the conditions to be considered for making decisions including the richness of the resources in the organisational environment. The meso-level strategies also influence goals and structures of individual social enterprises, for example, as parts of isomorphic changes.

At the micro-level, as a result of the co-existence of different logics viz. social enterprise hybridity, social enterprises experience tensions and conflicts, which are dealt with by inner-organisational dynamics. In the participant Korean social enterprises, these hybrid tensions were spotted in certain domains such as founding

motivation and aims, balancing dual goals, which were dealt with by strategies or processes like diversification, internal standardisation, decision-making, OCB, PSM, internal motivation and management of culture.

Figure 7.1. A Comprehensive Framework of Three-level Hybrid Dynamics of Social Enterprise



As seen in the Korean case, the whole picture of social enterprise phenomena can be gained through the multiple-level perspective. The three-level perspective helps researchers systematically explore each level of social enterprise reality and identify the interconnections among those levels, avoiding oversimplifying complex issues. This encourages a deeper understanding of social enterprise.

Thus, the thesis suggests a comprehensive framework as a result of the study as seen in Figure 7.1. The results of the research as well as the framework will make a valuable contribution toward an integrated understanding of social enterprise phenomena. The analytical framework could be used for further studies in different contexts. The framework can be utilised for other studies as a guide to explore social enterprise reality in a systematic and holistic way, which will provide a comprehensive understanding of social enterprise phenomena in a nation.

7.2 Reframing the Korean Scenario

: A Fresh Outlook beyond the East Asian Model

The research on Korean social enterprises has been on the rise, however, the majority has remained focused on limited research areas, particularly emphasising the government's role and policies (Jeong, 2015; Park, Lee and Wilding, 2017; Kim and Moon, 2017; Bidet et al., 2018).

The result of this study shows that the role of the state which is linked with the legacy of the developmental state and productive welfare regime has had a significant impact on Korean social enterprise development. The Korean government utilised social enterprises as a policy tool to address unemployment and social service shortage issues, and led a dramatic increase in the number of social enterprises in Korea with the certification-support package scheme.

However, although the role of civil society has been often downplayed, the social enterprise-like self-support enterprises which are the direct roots of Korean social enterprise sector as well as the concept of the social enterprise itself were first introduced by social activists. Moreover, with the accumulated knowledge and the influx of new groups of people, the capacity of civil society as well as the social economy sector is being diversified and growing in Korea.

In addition to that, although the roles of market sector actors have rarely been discussed in Korean context, it turned out that the increasing support from big private companies render opportunities for social enterprises to diversify income streams as well as reduce the dependency on the government sector. This also seems to enable some social ventures to be able to stay uncertified, remaining outside the government support-regulation systems. The market sector actors appear to first have started participating in the social economy sector invited by government policies including the 'associated enterprise' programme of SEPA scheme. However, they soon have found its value as a CSR tool and increased the support for social enterprises.

Korean social enterprises have been assumed to share characteristics of East Asian model of social enterprise along with China, Hong Kong, Taiwan and Japan. The model suggests certain features of those countries including strong states, weaker but significantly growing civil societies, cooperative movements that conduct important roles, a condition of necessity and a condition of shared destiny (Defourny and Kim, 2011).

As a result, East Asian social enterprises are positioned somewhat apart from civil society when contrasted with Western countries or the United States, as indicated in Figure 7.1. However, as Defourny and Kim also pointed out that the role of civil society was big in Japan and Korea unlike the other East Asian countries, this study revealed that the role of civil society has been underestimated in the development process of Korean social enterprise sector. It should not be erased that the social economy sector started in civil society with self-support movements. The concept was first introduced and actively promoted by social activists. The role of civil society in the early-stage emergence and development of Korean social enterprises should not be diminished by amalgamating it into East Asian model and simply mentioning “civil society is growing.”

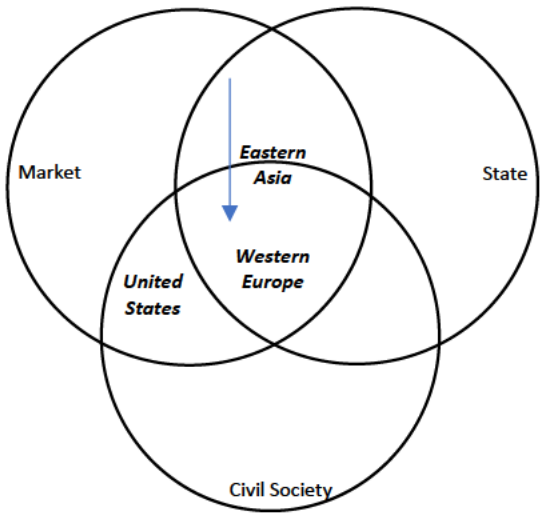
In addition to that, although the importance of the market sector was never mentioned in East Asian model and rarely discussed in Korean context, Korean social enterprises are now becoming less dependent to the government sector and getting closer to market sector. Korean social enterprises now interact more with private companies. More social economy sector organisations including social ventures decide to stay uncertified based on diversifying resource streams, which relocates their positions in between sectors.

In sum, as a result of the multiple-layers of hybridity-related dynamics, Korean social enterprises that started in civil society experienced an exponential increase with the support of the government. However, as the actors and resources are diversified, many of the organisations have been gradually reducing the dependence on the public sector, interacting more with market sector actors.

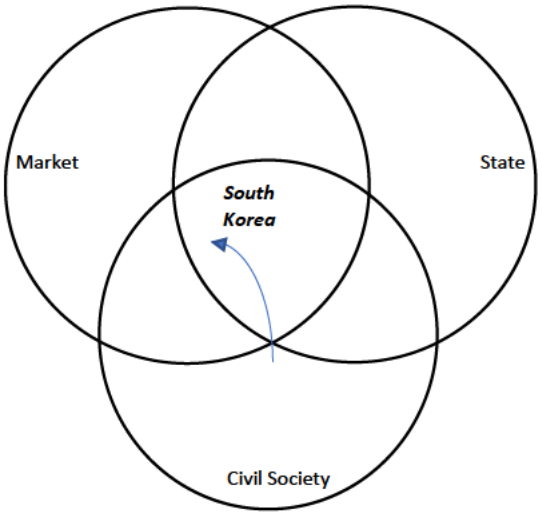
According to this discussion, the placement of Korean social enterprises may deviate somewhat from the East Asian model. By uncovering and acknowledging the roles of various sectors that have been obscured and blended with broader East Asian traits, we can see that Korean social enterprises exhibit a distinctive trace compared to other nations. They do not simply conform to the characterisation of the East Asian model with the relatively proactive roles of civil society and the growing roles of market sector. Although East Asian countries have been considered as a group sharing common features up to date, we should consider the fact that they can have unique traits that cannot be amalgamated into a singular model or they can deviate from one model anytime.

Figure 7.2. Positioning of Social Enterprise of Korea as of 2018

Positioning of Social Enterprise of East Asian Countries (Defourny and Kim, 2011: 103)



Positioning of Social Enterprise of Korea as of 2018



Thus, the researcher tried to re-position Korean social enterprise sector. Even though the current location remains same as East Asian model, the trajectory taken by Korean social enterprise sector diverges, especially when properly accounting for the roles of civil society and market sector as seen in Figure 7.2.

The Korean government has tried to keep other sectors under its power and utilise them across the Korean history, while other sectors have tried to overcome it (Kim, 2007). As the Korean government is now trying to embrace newly emerging types of social enterprises other than the certified social enterprises to government schemes adopting the term of 'social economy organisation,' the scope and direction of Korean social enterprises can change anytime.

In summary, although classification can enable clear understanding of fuzzy phenomena by simplifying reality, one should not ignore the unique features each member of the group might have. At times, dissolving categories and delving deeper can reveal valuable factors to be considered to advance knowledge and understanding of the phenomena.

Contrary to assumptions that Korean social enterprises align with East Asian model, this study reveals deviations. Korean social enterprises, started in civil society, experienced an exponential growth with government support but are gradually reducing dependence on the public sector as the actors and resources are getting diversified, engaging more with the market sector.

Understanding social enterprise phenomena, it is helpful to conceptualise social enterprises akin to species that thrive in diverse geographical regions and undergo distinct stages of evolution. With the conceptualisation, we can understand that there are different types of social enterprises across the world, which are at the different stages of development. As evolving species, as suggested by 'zoo' metaphor for social enterprises, the scope and direction of Korean social enterprises may continually change.

7.3 Reflective Analysis of the Research

7.3.1 Research Topics and Questions

The research deals with hybridity of social enterprises at the three different levels. Each of the sub-questions focuses on each level of hybrid dynamics.

Regarding the research topic and research questions, limited time and resources made the researcher hesitate to decide between focusing on a single level and examining multiple levels. The original research proposal was about the meso-level inter-organisational dynamics alone, leaving the rest of the levels for future research.

However, conducting the research, the researcher immediately realised how important it was to examine multiple levels of hybrid dynamics. To meet the aim of the research which is to deepen an understanding of social enterprise hybrid dynamics, multiple-level analysis was essential as those three levels of dynamics were closely intertwined and could not be interpreted in isolation.

7.3.2 The Case Study Design

The research aimed to explore multiple-level hybrid dynamics in and around social enterprises employing a qualitative case study method. The qualitative case study design provided an opportunity to gain an in-depth understanding of complex and multi-faceted phenomena around Korean social enterprises.

First, the qualitative research is particularly known for its usefulness in exploring new or poorly understood phenomena, as it allows for the emergence of new themes, concepts and theories. It is also useful in capturing the complex and changing nature of dynamics (Creswell, 1994; 1998; Marshall and Rossman, 1995). As there have rarely been multiple-level studies on hybrid tensions and dynamics around Korean social enterprises, the qualitative research methods allowed the researcher to have an appropriate instrument to explore an unknown area. Second, the qualitative case study methodology allowed the researcher to glean rich and detailed data that came from the participants who are the actual actors in and around the social enterprises. The data captured the complexity of social enterprise realities, which would generate

new insights. Third, the flexibility that the qualitative case study design granted enabled the researcher to adjust the research design (Verschuren, 2003). As the sampling criteria were chosen as a result of the pilot interviews at the scoping stage, the researcher decided to include more cases than initially planned to encompass organisatons of various ages and sizes. Also, after the pilot interviews that were conducted as unstructured interviews without a question guide, the main data collection was planned to be through semi-structured interviews with a question guide that reflected the experience of pilot interviews.

7.3.3 The Research Process and Limitations

Sampling, Recruitment and Data Collection

Sampling criteria was chosen based on the insight gained from the meetings with the staff of local support centres, which, in hindsight, turned out to be appropriate for the research to subsume a range of representative Korean social enterprises.

Recruitment was a long and exhausting process. When designing the data collection strategy, the researcher decided to contact every job-providing social enterprise in Seoul for a simple survey that is devised to gather basic information as a foundation of recruitment. That turned out to be an overly ambitious plan taking up excessive time and delaying the research process. Some social entrepreneurs neither took phone calls with an unknown foreign number nor opened email from a stranger. Some wondered whether they had to pay for the high price of international calls. Another plan for the recruitment was that the researcher would choose suitable participants among the people who expressed their willingness to be included in the research through the survey. However, as some changed their minds and some did not fit the sampling criteria, most participants were recruited through personal networks and snowballing strategy except for the participants in one social enterprise.

Participants should remain anonymous to be safe from any harm and to be honest and open-minded in interviews; however, in some cases, guaranteeing anonymity turned out to be a more complicated issue than expected. When there were multiple

participants in one organisation, in many cases, each knew that the others had participated in the research. In one particular case, when the researcher conducted an interview with a staff member, the chief executive was sitting behind the participant, sometimes tackling questions and answers. The researcher was a first-time interviewer at the time lacking the experience to handle that kind of situations; however, in hindsight, the situation should have been addressed by asking the chief executive to leave the place where the interview was conducted.

Collecting data, the researcher perceived that the same pattern started appearing from a certain point, but still could not be confident if it reached 'data saturation.'

Analysis and Interpretation of Data

The data analysis and interpretation processes were the most challenging parts of the research project for the researcher. The collected qualitative data was rich and in detail, but the amount of it was somewhat overwhelming. Accordingly, the process of reducing the large amount of data into manageable themes and patterns was tremendously time-consuming and challenging.

Moreover, qualitative data is often subjective. The researcher had to try to be aware of their biases and preconceptions when analysing the data. Further, the researcher also had to be self-reflective and critical of the interpretation not to project the researcher's own preconceived ideas or prejudices in the analysis process.

Some information provided by the data either from different interviews with different participants or even from one interview with one participant conflicted. In those cases, the researcher tried to consider the broader social and cultural context in which the comments were made to ensure accurate and meaningful interpretations.

CHAPTER 8 Conclusions

This final chapter answers the research questions based on the analysis of the collected data. To do so, it brings together the findings which are detailed in chapter 4, chapter 5, and chapter 6. Finally, the chapter suggests the implications and recommendations for policymakers and academics.

8.1 Answers to the Research Questions

The research answers three sub-questions and one overarching question about hybrid dynamics in and around Korean social enterprises. The questions and answers are as below.

8.1.1 Research Question 1:

How Does the Political, Ideological and Socio-economic Environment Shape the Development of Social Enterprises in Korea?

The first research question focuses on the macro-level hybrid dynamics that shape the construction of the social enterprise sector. Macro-level dynamics include the socio-political and ideological turf wars involving sectors in the forms of discourses and other political acts at the global and domestic levels. The hybrid nature that social enterprises bear allows differing perspectives and forces intervene in the sector.

As a result of data analysis, it turned out that there have been three different discourses on social enterprises in Korea, in terms of what social enterprise is and what social enterprises should do; organisations to deal with the unemployment issue (an economic perspective); to deal with government failure and market failure (a political perspective); to strengthen civil society and promote social change (a social perspective). These perceptions shaped as a result of the macro-level dynamics of the

public sector, the market, and civil society have influenced the social enterprise construction and development processes in the society.

1. Economic perspective: One aspect of macro-level dynamics related to social enterprise hybridity is economic forces and considerations. The construction of social enterprises was driven by the economic perspective that favoured economic growth in Korea. The state played a significant role in promoting and implementing this viewpoint. Although social enterprise was introduced by civil society, the development of the sector in Korea was soon taken over by the government which sought to use them as policy tools, particularly for addressing unemployment (Jeong, 2015; Park, Lee, and Wilding, 2015; Kim and Moon, 2017). As a result, social enterprise has been utilised as a policy tool to produce jobs by the state. The perspective spread fast with the active role of the state holding that view, which was enabled by the economic situation, the legacy of the developmental state, associated statism, productive welfare regime, as well as the global trends including neo-liberalism, NPM, and NPG.

2. Political perspective: The political perspective and forces surrounding the social enterprise sector in Korea represent another aspect of macro-level dynamics. Social enterprises are expected to counterbalance market and state failure. Regarding this, governments have exhibited varying attitudes and approaches that reflect their ideology, political orientation, and other relevant political conditions. A market-friendly conservative government aimed to utilise social economy sector resources to address social problems outside the government through business methods, dealing with the state failure. The two following leftiest governments sought to leverage social enterprises to provide essential social services and resolve social issues which were often caused by economic fundamentalism. Despite the different political dynamics that have formed these positions, most administrations have relied on social enterprises to address urgent social issues.

3. Social perspective: According to the data, the social forces and perspective form the final aspect of macro-level dynamics concerning the social enterprise. There have been concerted social efforts to promote democracy to drive fundamental power shifts and societal change. Some individuals believe that social enterprises have the potential to serve as a means for pursuing economic, participatory, and deliberative democracy, providing opportunities for democratic experiences. Many social activists

who started as members of democracy movements introduced the concept of social enterprise, and some of them became social entrepreneurs with the expectation that social enterprise can become a new vehicle for social change. In line with this, an authoritative-conservative government in Korea reduced the support for social enterprises, as it did not align with the democratic political nature.

8.1.2 Research Question 2:

How do Meso-level Inter-organisational Relationships Shape the Development of Social Enterprises in Korea?

The second research question asks how meso-level inter-organisational dynamics affect social enterprises. This is mainly about the resource acquisitions of social enterprises that are exerted through inter-organisational relationships with external resource-holding organisations.

1. Main actors and institutional pressures: The data indicate that the main actors constituting meso-level dynamics in Korea are the public sector, market sector, and third sector actors including the central government, local governments, KoSEA, local support agencies, private companies, financial institutions, welfare facilities, cooperatives, and certified social enterprises. The public sector actors have been the main supporters, while private companies are recently increasing their support for social enterprises. Third-sector actors have been customers, supporters, collaborators, and sometimes competitors fighting over market share and resources.

Social enterprises seeking resources face institutional pressures that engage in their relationships with other organisations. External actors from various sectors project their perspectives and interests onto the relationships and have certain expectations that are often different from those of social enterprises. Accordingly, resource-seeking social enterprises have to deal with the pressure that push them to meet the requirements and expectations of the resource holders.

2. Strategies: When encountering those challenges, social enterprises deploy a range of strategies.

1) Isomorphism: Social enterprises deploy strategies such as isomorphic change taking on the dominant organisational structures, practices and behavioural norms. They adjust their forms and practices to meet conditions for certification to be included in government systems that provide resources. They also try to fulfil the expectations of the market sector, third sector as well as public sector actors to gain supports or to look legitimate as partners and item/service suppliers.

2) Impression management: Social enterprises strategically manage impressions to highlight specific traits to appeal to resource holders. Deploying the strategy, social enterprises seek to influence the audiences' perception through social cue manipulation and selective provision of information to convince them that they meet their expectations. The delivered image can be either genuine or inauthentic. The data show that social enterprises adopt the strategy to emphasise certain aspects to show their conformity to the resource holders' logic. Social enterprises also often adopt the impression management strategy, when they cannot realistically exert the actual isomorphic change. According to the contexts, participant social enterprises sometimes present themselves purposefully as something like a competitive private company, while they sometimes put emphasis on the traits that they share with charities or public sector institutions.

3) Diversification of resource streams: Social enterprises adopt strategies to reduce excessive dependency on major resource holders. Some social enterprises try to balance resource dependency by diversifying resource-securing routes. For example, recently, many social enterprises interact more with market sector actors and reduce their dependency on public sector support.

4) Cooperating and networking: Social enterprises cooperate and network to create and strengthen resource-gaining routes. The participant social enterprises are active in building networks that can be the foundation of diverse cooperative activities. Based on the networks, they co-work through various projects and build long-term partnerships, consortiums and cooperatives for a range of activities.

5) Goals and structures: These inter-organisational relationships and related

strategies have an inseparable influence on the social enterprises' goals and structures mainly as parts of isomorphic changes.

8.1.3 Research Question 3:

How do Micro-level Organisational Dynamics Shape the Development of Social Enterprises in Korea?

Micro-level hybrid dynamics refer to internal organisational interactions between individuals in a social enterprise, which is related to the organisational management or decision-making. Social enterprises are natural habitats for intra-organisational politics because they have members with various backgrounds and differing understandings of the coexistence of different logics that sometimes conflict with each other.

On the subject of micro-level inner-organisational dynamics, subthemes such as missions and goals, organisational structure, and organisational culture as well as the second-level subthemes including founding motivation and aims, balancing dual goals, diversification, internal standardisation, decision making, OCB, PSM, internal motivation and management of organisational culture were derived.

1. Missions and goals: Social enterprises endeavour to balance and achieve dual goals as a result of successful organisational management. The analysis found out the four different types of organisations in terms of missions and goals. It also showed how they experience hardships in balancing dual goals.

1) Founding motivations and goals: Concerning missions and goals, four types of social enterprises were identified as a result of data analysis. These are the researcher's own categorisation and titles based on the data. The social-activist type social enterprises aim to economically help and empower deprived people as well as bring about a fundamental change in society's power dynamics. Social-worker type social enterprises spun-out from welfare facilities to gain government supports to

provide better working conditions for the target vulnerable groups. Young-people type social enterprises aim to create social value in creative ways, sharing some traits of start-ups. Some of the members were the target of NEET policies. Economic-entrepreneur type social enterprises are with a wide range of aims and goals and generally pursue scale-up and growth. The social economy sector has been diversified with the sector's growth, as various participants with different backgrounds have joined the sector with differing motivations.

2) Balancing dual goals and values: As hybrid organisations, many social enterprises have suffered trade-offs of dual values and goals. Many participant job-providing social enterprises have experienced low productivity of the vulnerable workers, related cost issues and a work burden to other workers. Many of the participant organisations have faced market challenges as their hybrid logic and social goals did not align well with competitive markets. Some have positioned themselves at a disadvantage in the market, considering general ethical issues that were not directly connected to their missions. As a result, many of them have lacked the finances.

2. Organisational structure: Social enterprises strive to manage intra-organisational dynamics, particularly in the domains of organisational structure through diversification, standardisation, and decision-making process.

1) Diversification: Most participant social enterprises have tried to diversify businesses by adding high-value-added items and business areas to secure more routes for revenue.

2) Internal standardisation: In dealing with internal dynamics, the standardisation of the internal system has been adopted as a strategy in many participant social enterprises to make the production process fast and efficient. The standardisation has been considered to be effective particularly in organisations that hire people of limited capabilities.

3) Decision making: Decision making is one part of organisational inner-dynamics. Korean social enterprises have a democratic decision-making system as a result of coercive isomorphism, because it is a condition for social enterprise certification. However, there are many cases where the system is decoupled and remains nominal.

There are many participant social enterprises where decisions are made in top-down and hierarchical ways; however, there are some organisations where the decisions are democratically made although they do not follow the formal system.

3. Organisational culture: Most participant organisations depend on workers' hard work, OCB and the unity of people to overcome the inner tension and conflict caused by hybridity as well as the lack of resources. Accordingly, the harmonious organisational culture and related person-organisation fit are considered important. To manage and promote favoured organisational cultures, participant social enterprises try to recruit the right people and socialise them.

1) OCB, PSM and internal motivation: Participant social enterprises tend to favour people with internal motivation who could be rewarded in a nonfinancial way or with PSM which often lead to OCB. They also try to hire people who understand social enterprises.

2) Management of organisational culture: The initial organisational culture is first formed by the starting members and founders, then continues through selective recruitment and socialisation. Participant social enterprises tend to hire people with favoured values such as internal motivation, PSM and OCB as mentioned above, and socialise them by means such as education and mission sharing events. As a result, a communal atmosphere, alignment on missions, and a strong bond among members are established, fostering diligent efforts in work and the OCB that are crucial for resource-lacking social enterprises.

8.1.4 Overarching Question:

How Do the Macro-, Meso- and Micro-levels of Hybridity-related Dynamics Shape the Development of Social Enterprises in Korea?

The overarching question needs to be considered holistically and systematically. The research suggests a comprehensive framework for this purpose as suggested in Figure 7.1 in the previous chapter. Through the application of the comprehensive framework, multiple-level dynamics could be explored from a systematic as well as holistic view. The framework shows each level of dynamics and suggests that these dynamics are intertwined.

At the macro level, the economic, political, and social forces and discourses have had social enterprises contribute to the economy mainly by hiring vulnerable people, counterbalance market and state failure by providing needed social services and solving social problems, and promote democracy bringing about societal change.

Those forces and discourses have been formed by the socioeconomic conditions of Korean society such as productive welfare regime, the legacy of developmental state, associated statism, and the history of democratisation. The civil society actors rooted in democratisation movements introduced and promoted social enterprise as a vehicle for social change. The socioeconomic conditions have allowed the government prioritise the economy over other matters, and to exert significant influence over society. Accordingly, the government pursued active social enterprise policies to address employment and social service provision issues through social enterprises. According to political orientations, the governments have had different opinions on social enterprises in terms of defining them as counterbalances for state failure or market failure. The global trends of welfare mix as well as neoliberalism, NPM and NPG have justified the discourses. The civil society actors have collaborated with the government in the process of social enterprise sector growth. The market sector actors have been growing their influence over the sector.

These dynamics have intervened in the construction and development of the social

enterprise sector. It also shaped the environment for social enterprises which is the domain of meso-level dynamics. In addition to that, the macro-level dynamics have influenced micro-level dynamics. For example, a social enterprise member SE9-b with a charity background mentioned that the global trend of neoliberalism and the faith in the market affected charity workers to concern market-logic based sustainability, which made some of them start social enterprises or become social enterprise workers. Further, the discourses around the roles of social enterprises influenced the goals of individual social enterprises in the society.

At the meso-level, there are organisational actors around social enterprises from different sectors including the central government, local governments, KoSEA, local support agencies, private companies, and other third sector organisations. Social enterprises interact with other actors to gain necessary resources, and they face institutional pressures in the process. Strategies such as isomorphism, impression management, resource diversification, cooperation, and networking are deployed to deal with those pressures and secure resources.

The meso-level hybrid dynamics are under the influence of macro-level dynamics. For example, the pressure that comes from the political interest and policies of the government have invited the public sector and market sector actors to support social enterprises. The meso-level dynamics also influence the micro-level inner-organisational dynamics of a social enterprise by forming the conditions such as the richness of the resource inside and outside of the organisation that should be considered when making decisions. The strategies adopted by social enterprises to manage institutional pressures sometimes have direct impacts on the organisational goals and structures.

At the micro-level, hybrid tensions exist and are dealt with around founding motivation and aims, balancing dual goals, diversification, internal standardisation, decision-making, OCB, PSM, internal motivation and management of culture. The challenges formed through the macro, meso, and micro-level dynamics such as lack of resources, dual goals, and coexisting heterogeneous logic are dealt with through inner-

organisational hybrid dynamics on these domains.

8.2. Implications and Recommendations

8.2.1 Implications and Recommendations for Policymakers

The findings could deepen policymakers' understanding of social enterprise reality to promote appropriate policy interventions.

▪ The early-stage support policy in Korea has focused on increasing the number of social enterprises (Lee, 2014). The certification system that limited the social enterprise title and associated support to certified organisations is said to have accomplished the goal, raising public awareness and spreading the positive image of social enterprises (Lee, 2014). However, as observed in the interviews, the certification requirements impose limitations on social enterprises (Cho, Sun, and Kang, 2017) prompting organisations voice complaints or hesitate to undergo certification. As organisations started to choose not to be certified for government support as seen from interviews, the certification system might not remain effective. In this situation, to promote the emergence of a variety of innovative social enterprises, the certification system could be modified to a registration system (Kim, H. W., 2017).

▪ The enactment of the Framework Act on Social Economy that has been suggested several times since 2014 can help the development of social economy sector in Korea (Ji, 2021). The act is a top-level law on social economy that establishes basic matters regarding the development, operation, and related coordination of comprehensive policies. It seeks to establish a system that supports various social economy organisations existing in Korea including certified social enterprises, cooperatives, community enterprises, self-support enterprises, credit unions, and sheltered workshops for disabled people through comprehensive support measures.

▪ The participants said the socio-economic environment, government policy and the social enterprises' dependence on government support influenced Korean social enterprises to focus on the employment. Regarding this, the influence of the Ministry of Employment and Labour as the main ministry in charge of social enterprise policies

was also mentioned. The installation of the control tower of social economy policies that is not the Ministry of Employment and Labour can help expand the roles of social enterprises as well as support these hybrid organisations with various goals effectively (Ji, 2021).

8.2.2 Recommendations for Further Research

Research on a Wider Range of Social Enterprises

Although job-providing social enterprises account for the majority of Korean social enterprises, there still are other types of social enterprises that would have differing characteristics. The diverse social enterprises can respond to macro-, meso- and micro-level dynamics in different ways. By including a diverse range of social enterprises in studies, researchers can gain a more complete picture of the social enterprise landscape.

Comparative Research

Comparative research allows researchers to gain a deeper understanding of the similarities and peculiarities between social enterprises that operate in different contexts. With that nuanced understanding, researchers would be able to identify various contingent factors that contribute to the success or failure of the organisations in specific contexts. The result can help inform policymakers to develop tailored policies and programmes for social enterprises with differing needs.

Also, comparative research can help social entrepreneurs and policymakers to get ideas that can be adapted across contexts. By comparing social enterprise in different contexts, researchers and practitioners can identify strategies and practices that have been successful in one context and explore how they might be adapted to work in another context.

Longitudinal Research

Longitudinal research involves data collected over an extended period of time. By

analysing the longitudinal data, researchers can identify patterns and trends in the growth of social enterprises. Further, researchers can track changes in specific important factors that can influence crucial outcomes over time. For example, by tracking changes in structure, leadership, funding, socioeconomic environment as well as other variables, researchers can identify factors that are associated with sustainable growth and goal achievements of social enterprises. As a result, longitudinal research would provide researchers with the opportunities to gain a more comprehensive understanding of social enterprise development.

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Appendices

Appendix 1. Participant Information Sheet

Title of the Study

SOCIAL ENTERPRISE GROWTH AND DEVELOPMENT IN SOUTH KOREA
: A QUALITATIVE STUDY OF HYBRIDITY ACROSS MACRO, MESO, MICRO LEVELS

Researcher Ji Won Park
Lead Supervisor Dr Kelly Hall
Co-Supervisor Dr Ross Millar

Invitation

Thank you for showing interest in the study. Before you decide if you would like to take part, you need to understand why the research is being done and what it would involve for you. Please read the following information carefully. You can ask if anything you read is not clear or would like more information. Please take your time to decide whether or not to participate.

What is the purpose of the study?

The aim of the study is to deepen the understanding of the Korean social enterprises. In particular, the research explores the influences of hybridity-related dynamics on the growth and goal achievement of social enterprises.

Why have I been invited?

You have been chosen because you are working in a social enterprise in Seoul or your work is related to it.

Do I have to take part?

No. It is up to you to decide based on the information given on this sheet and any questions you would like to ask. If you choose to take part, you will be requested to sign a consent form to show you agreed to participate. You are free to withdraw at any time, and you don't need to give a reason.

What will happen to me if I take part?

- You will be asked to take part in an interview, which will take approximately one hour.
- Some participants can be asked if they would like to take part in a supplementary follow-up interview.

What are the possible benefits or risks of taking part?

The information we get from the study will contribute to enhance the understanding of social enterprises in South Korea.

Although we do not anticipate there will be risks, it is possible that you may find particular issues sensitive to talk. You do not have to talk about anything you feel uncomfortable.

What if there is a problem?

If you have a concern about any aspect of this study, you should speak to the researcher who will do her best to answer your questions (see contact details below).

If you remain unhappy, you can contact the lead supervisor for this PhD research: Dr Kelly Hall at [redacted]

Finally, if you wish to complain formally, the University of Birmingham Research Governance Team can be contacted at researchgovernance@contacts.bham.ac.uk.

Will my taking part in the study be kept confidential?

- Yes, your identity will remain anonymous, and codes or pseudonyms will be used for references.
- Your data will be stored in a password protected storage server or an encrypted portable drive, and any printed information will be kept in a locked cabinet in a locked office.
- All Information gathered will be retained for ten years before being disposed of securely.

What will happen if I don't carry on with the study?

You can withdraw from the study at any time while the research is taking place, up to 5 working days after the data collection is completed. If you decide to withdraw from the study and notice the researcher, your data and contact information will be destroyed.

What will happen to the results of the research study?

The results of the study will be used for a PhD dissertation and can be presented in academic conferences or publications in academic journals. No participants will be identified in any report or publication.

Who is organising or sponsoring the research?

The research is part of a PhD dissertation in the Department of Social Policy at the University of Birmingham.

Further information and contact details:

If you have any further questions or would like any more information about the study, please contact me at: Ji Won Park, Department of Social Policy, Muirhead Tower, University of Birmingham, Edgbaston, B15 2TT [redacted]

Appendix 2. Interview Consent Form

Title of the study

SOCIAL ENTERPRISE GROWTH AND DEVELOPMENT IN SOUTH KOREA
: A QUALITATIVE STUDY OF HYBRIDITY ACROSS MACRO, MESO, MICRO LEVELS

Researcher Ji Won Park
Lead Supervisor Dr Kelly Hall
Co-Supervisor Dr Ross Millar

Statements of understanding/consent

I, the undersigned, confirm that (please tick the box as appropriate):

- I have read and understood the participant information leaflet for this study. □
- I have had the opportunity to ask questions if necessary and have had these answered. □
- The procedures regarding confidentiality have been clearly explained (e.g. use of names, pseudonyms, anonymisation of data, etc.) to me. □
- I understand that my participation is voluntary and that I can leave the study at any time without giving any reason up to 5 working days after the data collection. If I leave, my data will be removed from the study and will be destroyed. □
- I understand that the data will be stored securely according to the regulation of the University of Birmingham. □
- I agree to take part in this study. □
- I agree to the interview being audio recorded. □
- I allow for data of my interviews to be archived for ten years. □
- I agree to the use of anonymised quotes from my interview in presentations, publications, and the thesis related to this study. □

If you would like to receive a copy of the summary report for this research, please provide your email address so that the researcher can send it to you: (_____)

Name, Signature and Date:

Name of participant…… Date…… Signature……..

Name of researcher ……. Date…… Signature……..

Appendix 3-a. The Interview Guide for Social Enterprise Workers

Topic Guide

Name of interview respondent:	
Type of respondent	
Time:	
Date:	

Introduction:

Hello, my name is Ji Won Park and I am a student at the University of Birmingham. I am carrying out this interview as part of a study into Korean social enterprises and their experiences related to political relationships that can facilitate or hinder their goal achievement and growth.

I would like to make a recording of this interview so that I can remember our conversation exactly. The recording will be kept securely and nobody will be able to access the recording except for me. Is it ok to record this interview?

YES ☐ **NO** ☐

Have you had the opportunity to read and understand the information sheet?

YES ☐ **NO** ☐

Do you understand that all your information will be confidential and will be securely s tored, and that the transcript of the interview will be anonymized using codes and all identifiable references will be removed? Please let me know if you are unhappy with the transcript being used in this way.

Do you understand that the only instance in which I would break confidentiality is if you inform me of any harm or proposed harm to yourself or another person, or if yo u disclose any criminal activity?

YES ☐ **NO** ☐

Background Information

1. Could you please tell me a bit about yourself?

Hybrid Dynamics

1. Please tell me a bit about your organisation in term of growth and goal achievement.
2. Could you please tell me what it is like to work in a social enterprise?
3. What has helped and hindered your organisation to achieve goals?
4. Could you please tell me about the decision-making process of your organisation, particularly in cases where you have different opinions?
5. Could you please tell me about your organisation's relationships with other actors in and around the social economy sector?
6. How does your organisation obtain necessary resources such as finance, human resource, information, knowledge and skills?
7. How have global and domestic trends or domestic politics impacted your social enterprise?
8. Could you please tell me briefly about the relationships between social enterprises and society?

※ Do you have any questions about the interview or any further comments a bout the subjects discussed?

※ Thank you very much for participating in this research.

Appendix 3-b. The Interview Guide for Central Level Policymaker

Topic Guide

Name of interview respondent:	
Type of respondent:	
Time:	
Date:	

Introduction:

Hello, my name is Ji Won Park and I am a student at the University of Birmingham. I am carrying out this interview as a part of a study on Korean social enterprises, particularly in association with the hybridity-related dynamics that can facilitate or hinder their growth and goal achievement.

I would like to make a recording of this interview so that I can remember our conversation exactly. The recording will be kept securely and nobody will be able to access the recording except for me. Is it ok to record this interview?

YES ☐ **NO** ☐

Have you had the opportunity to read and understand the information sheet?

YES ☐ **NO** ☐

Do you understand that all your information will be confidential and will be securely s tored, that the transcript of the interview will be anonymised using codes or pseudon yms, and all identifiable references will be removed? Please let me know if you are u nhappy with the transcript being used in this way.

Do you understand that the only instance in which I would break confidentiality is if you inform me of any harm or proposed harm to yourself or another person, or if yo u disclose any criminal activity?

YES ☐ **NO** ☐

Background Information

1. Could you please tell me a bit about yourself?

Hybrid Dynamics

1. Could you please tell me about the social enterprise development in Korea?
2. Could you please tell me about the main actors and their relationships around social economy sector?
3. Could you please tell me about the social enterprise policies?

※ Do you have any questions about the interview or any further comments a bout the subjects discussed?

※ Thank you very much for participating in this research.

Appendix 3-c. The Interview Guide for Local Level Policymaker

Topic Guide

Name of interview respondent:	
Type of respondent	
Time:	
Date:	

Introduction:

Hello, my name is Ji Won Park and I am a student at the University of Birmingham. I am carrying out this interview as part of a study into Korean social enterprises and their experiences related to political relationships that can facilitate or hinder their goal achievement and growth.

I would like to make a recording of this interview so that I can remember our conversation exactly. The recording will be kept securely and nobody will be able to access the recording except for me. Is it ok to record this interview?

YES ☐ **NO** ☐

Have you had the opportunity to read and understand the information sheet?

YES ☐ **NO** ☐

Do you understand that all your information will be confidential and will be securely stored, and that the transcript of the interview will be anonymized using codes and all identifiable references will be removed? Please let me know if you are unhappy with the transcript being used in this way.

Do you understand that the only instance in which I would break confidentiality is if you inform me of any harm or proposed harm to yourself or another person, or if yo u disclose any criminal activity?

YES ☐ **NO** ☐

Background Information

1. Could you please tell me a bit about yourself?

Hybrid Dynamics

1. What do you think about the social enterprise development in the national and local level?
2. Could you please tell me about the social enterprise policies?
3. Could you please tell me about the context surrounding the policy-making and implementation processes?
4. Could you please tell me about your experience related to the relationships with main actors in and around the sector?

※ Do you have any questions about the interview or any further comments a bout the subjects discussed?

※ Thank you very much for participating in this research.

Appendix 3-d. The Interview Guide for Other Stake Holders

Topic Guide

Name of interview respondent:	
Type of respondent	
Time:	
Date:	

Introduction:

Hello, my name is Ji Won Park and I am a student at the University of Birmingham. I am carrying out this interview as part of a study into Korean social enterprises and their experiences related to political relationships that can facilitate or hinder their goal achievement and growth.

I would like to make a recording of this interview so that I can remember our conversation exactly. The recording will be kept securely and nobody will be able to access the recording except for me. Is it ok to record this interview?

YES ☐ **NO** ☐

Have you had the opportunity to read and understand the information sheet?

YES ☐ **NO** ☐

Do you understand that all your information will be confidential and will be securely stored, and that the transcript of the interview will be anonymized using codes and all identifiable references will be removed? Please let me know if you are unhappy with the transcript being used in this way.

Do you understand that the only instance in which I would break confidentiality is if you inform me of any harm or proposed harm to yourself or another person, or if yo u disclose any criminal activity?

YES ☐ **NO** ☐

Background Information

1. Could you please tell me a bit about yourself?

Hybrid Dynamics

1. What do you think about the social enterprise development in Korea?

2. Could you please tell me about you experiences in terms of the relationships between your organisation and social enterprises?

3. Could you please tell me about your opinions on social enterprises?

※ Do you have any questions about the interview or any further comments a bout the subjects discussed?

※ Thank you very much for participating in this research.