Leadership and its implications on Work integrated social enterprises

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Andreas Petersson
Ivette Solla

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Supervisor: Dr. Maria Fregidou-Malama
Examiner: Akmal Hyder
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University of Gävle

Department of Business Administration and Economic Studies

801 76 Gävle

Sweden

Telephone (+46) 26 64 85 00

Telefax (+46) 26 64 85 89

Web site [http://www.hig.se](http://www.hig.se)

**Authors:** Andreas Petersson and Ivette Solla

**Supervisor:** Dr. Maria Fregidou-Malama

**Abstract**

**Aim:** Leadership and its implications on empowering employees of work integrated social enterprises

**Method:** We based our study on the data gathered from two interviews of Coompanion in Sweden and four interviews on Work Integrated Social Enterprises of Hudiksvall. The data was gathered through case studies.

**Major focus of the study:** How a leader and the way leadership is promoted within a social enterprise can influence the people working within a Social Enterprise and specifically the role of the empowerment in social enterprises are the major focus of this study. Situational leadership was used as the theoretic model to study the role of empowerment and motivation. In order to draw our conclusions we studied four social enterprises and Coompanion, which is an organization that works as an adviser of Social Enterprises.

**Result:** Our analysis illustrates how the unique network consisting of the public sector, Coompanion Hudiksvall and the four Work Integrated Social Enterprises creates a win-win situation for all parts. It also creates the foundation of empowerment with a clear vision to the leaders of these four enterprises, which flows through them.

**Conclusion:** The network, the work integrated social enterprises and the leaders within the social enterprises coexist to create social gain, increasing society’s welfare.

**Further studies:** A quantitative research to find out what are the specific aspects that are relevant to the employees in terms of being motivated. Correlations between what the employee thinks are important and empowerment could be measured.

**Key words:** Coompanion, motivation, empowerment, social enterprise, networking, Den glada Hudik-modell, situational leadership, case study, qualitative method.
# Table of Contents

1. Introduction ........................................................................................................................................... 1  
   1.1 Background of the Study ................................................................................................................... 1  
   1.2 Purpose and Limitation ....................................................................................................................... 2  
   1.3 Research Questions ............................................................................................................................. 2  
   1.4 Disposition ......................................................................................................................................... 3  
2. Literature Review ...................................................................................................................................... 5  
   2.1 Networks and Informal Networks ........................................................................................................ 5  
      2.1.1 Networking – A type of cooperation among enterprises ................................................................. 5  
   2.2 Social Enterprises ................................................................................................................................. 6  
      2.2.1 History of Social Enterprises / Cooperatives .................................................................................. 6  
   2.3 Co-operatives and Social Work Co-operatives .................................................................................... 7  
      2.3.1 Cooperatives and Management ..................................................................................................... 8  
   2.3.2 Social Enterprises in Sweden and the Concept of Social Enterprises of Social Integration .......... 8  
   2.4 Leadership .......................................................................................................................................... 9  
      2.4.1 Social Leaders versus Profit driven Leaders .................................................................................. 10  
      2.4.2 Leadership and Managing Social Enterprises .............................................................................. 10  
      2.4.3 Situational Leadership and the Goal of Situational leadership ...................................................... 10  
      2.4.4 Leadership and its influence on Business Strategy (Vision and Goal) ........................................... 12  
   2.5 Leadership and people: Empowerment ............................................................................................... 12  
      2.5.1 The three levels of Empowerment ................................................................................................. 13  
      2.5.2 Effective leadership ....................................................................................................................... 15  
   2.6 Motivation .......................................................................................................................................... 15  
   2.7 Reflection .......................................................................................................................................... 17  
3. Methodology ............................................................................................................................................. 18  
   3.1 Choice of subject ................................................................................................................................. 18  
   3.2 Summary of the methodology approach .............................................................................................. 18  
   3.3 Qualitative research .............................................................................................................................. 19  
   3.4 Methodological approach .................................................................................................................... 20  
   3.5 Data collection – A case study with an inductive approach ................................................................. 20  
   3.6 Type of data – Primary-, secondary and tertiary data ......................................................................... 21  
   3.7 Selection criteria .................................................................................................................................. 21  
   3.8 The interviews ..................................................................................................................................... 21  
   3.9 Data Presentation and Data Analysis ................................................................................................. 23
6.6 Reflection, implication, contribution and suggestions for further studies

5.4 – Developing new models by connecting to the presented theories

6.2 Social Enterprises

6.4 Empowerment

6.5 Motivation

6.6 Reflection, implication, contribution and suggestions for further studies

References

Website Sources

Appendix 1

Appendix 2
### List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Name</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Disposition of the Study</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Percentage of population belonging to cooperatives 1960</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>The different approaches to the leadership concept</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Situational leadership</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>Empowerment based on Fairness and Belief</td>
<td>14</td>
</tr>
<tr>
<td>6</td>
<td>The methodology approach</td>
<td>19</td>
</tr>
<tr>
<td>7</td>
<td>Relationship between questionnaire structure and interview type</td>
<td>22</td>
</tr>
<tr>
<td>8</td>
<td>Den glada Hudik-modellen</td>
<td>27</td>
</tr>
<tr>
<td>9</td>
<td>The process of choosing a leader</td>
<td>30</td>
</tr>
<tr>
<td>10</td>
<td>Vote cast process</td>
<td>43</td>
</tr>
<tr>
<td>11</td>
<td>Den glada Hudik-modellen and its implications on society</td>
<td>48</td>
</tr>
<tr>
<td>12</td>
<td>Leadership and its implication on Work Integrated Social Enterprises</td>
<td>49</td>
</tr>
</tbody>
</table>

### List of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Name</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coompanion Hudiksvall</td>
<td>33</td>
</tr>
<tr>
<td>2</td>
<td>Hushållsfixarna Hudiksvall</td>
<td>34</td>
</tr>
<tr>
<td>3</td>
<td>Kraftkällan Hudiksvall</td>
<td>35</td>
</tr>
<tr>
<td>4</td>
<td>Nyfraft Iggesund</td>
<td>36</td>
</tr>
<tr>
<td>5</td>
<td>Krafterkraft Delsbo</td>
<td>37</td>
</tr>
<tr>
<td>6</td>
<td>Goals and visions</td>
<td>38</td>
</tr>
<tr>
<td>7</td>
<td>Vision Similarities among the different companies</td>
<td>39</td>
</tr>
<tr>
<td>8</td>
<td>Result associated with Situational Leadership</td>
<td>42</td>
</tr>
<tr>
<td>9</td>
<td>The leaders view on empowerment vs. existing theories</td>
<td>44</td>
</tr>
<tr>
<td>10</td>
<td>The leaders view on motivation vs. existing theories</td>
<td>46</td>
</tr>
</tbody>
</table>
1. Introduction

In this chapter we present the main topics for this study; namely Work Integrated Social Enterprises, Networking, Leadership and Empowerment. This chapter shows the scope of our study.

1.1 Background of the Study

A social enterprise is an organization that uses business strategies to promote the human development and that do not seek financial gains for its activities; the social aim is the reason for its existence. As a private company a social enterprise will need leaders and leadership for being successful, this is mainly because of its deep social aims (Schöning, et al 2010).

A great leader will promote the company’s vision will and adapt its leadership style to each individual and will then motivate employees in their activities (Schöning, et al 2010).

To be successful in achieving these goals a leader will be helped by the use of networks. A network will help the leader gain the necessary means and resources to reach his/her goals; which in this case are to empower and motivate his/her employees. The network presented in this case in that of Coompanion, Arbetsförmedlingen and the labor market in Hudiksvall, Sweden.

Combining of all these factors is important when it comes to Work Integrated Social Enterprises in Hudiksvall. The social enterprises are also of great importance for the labor market in Hudiksvall. This is explained further in the background of the study.

More than one million Swedes are outside the labor market and the total costs for this were estimated to almost 200 million SEK in 2003 (Coompanion, 2011). According to Statistiska Centralbyrå (2011), which is a governmental statistics organization in Sweden; 29.6% of the Swedish population was outside the labor market the year 2011. Coompanion (2011) claims that social enterprises may be the answer to solving the problem of integrate people outside the labor market.

In Sweden there are currently around 220 social enterprises, the smallest employing only a few people and a turnover of SEK 40 000 per year, while the largest provides work for 100's of people with turnovers of nearly 50 million SEK per year (Coompanion, 2011).

Social enterprises are concrete examples of opportunities to create sustainable businesses, companies that are economic, social, and environmental sustainable. Social enterprises develop business units that provide new jobs integrating new groups into the labor market.

Managing and specifically Leadership among Social enterprises is a new subject since it is recently that countries, mainly industrialized countries, have realized on the advantages of those organizations, which is why their number has been increasingly growing.

Articles and books usually tackle the entrepreneurship aspect of Social enterprises, but how to manage these kind of organizations is still a new subject and one that, even it has been discussed in books such as Management for Social Enterprises, by Doherty et al. (2009); the concept of leadership and how it might affect the way in which the Social Enterprise or cooperative works is still new and its research has been scarce.
Social enterprises aim to provide society with an alternative to the common organization, which is usually one that bases its success on economic growth, as Lazonick (2003, pp 2-3) describes it “the ability to produce high quality, low costs goods and services” or simply to “get more output from a given amount of input”.

Growth for social enterprises is based on social gains, those acquired by means of empowering people that felt unwanted, or not needed; but also on economic gains; because a company cannot survive if it doesn’t reach economic development.

A solution on how to involve people to the labor market is a topic discussed much these days, this due to the fact of a high number of people outside the labor market after the financial crisis. This is why we have chosen this unique cooperation inside the borders of the small town of Hudiksvall in the northern part of Sweden. Is work integrated social enterprises an idea of how to solve long-term unemployment? Should we focus on the social aspects rather than the profit? Does work integrated social enterprises work in some aspects, similar to conventional enterprises? Is there a leader? And if so, does he/she choose to focus on social aspects? These are the questions that lead us to conduct this study.

1.2 Purpose and Limitation

The aim of this study is to investigate leadership in four work integrated social enterprises: Hushållsfixarna Hudiksvall, Kraftkällan Hudiksvall, Nykraft Iggesund and Krafterkraft Delsbo. To be able to do this, we need to study the factors that affect the leaders. This is the special feature of this study, the implications of leadership inside these special company structures. The network around the social enterprises is one factor that could influence the leaders and the organizational structure, at the same time a network can provide social welfare rather than revenue welfare Schöning, et al. (2012). All these factors play a major roll on the leadership and this gave us the purpose of this study:

- Leadership and its implications on empowering employees of work integrated social enterprises.

The limitations of this study are based on its focus on leadership in Swedish Work integrated Social Enterprises in the City of Hudiksvall.

The focus of this network model is on the Social Enterprises of Hudiksvall companies such as; Hushållsfixarna Hudiksvall, Kraftkällan Hudiksvall, Nykraft Iggesund and Krafterkraft Delsbo; which are why we chose to place the concept of Social Enterprises as a follow up to the network and networking related topics.

1.3 Research Questions

The following research questions are the result of our contact with Coompanion and their networking model named Den glada Hudik-modellen, which in English translates to “The Happy Hudiksvall Model”. These areas are related to Social Enterprises, for which there is not so much research material available, and where we saw that we could add knowledge to the theory of Social Enterprises in general, and Work Integrated Social Enterprises of the Hudiksvall network specifically:

- Which factors influence the leaders of work integrated social enterprises in Hudiksvall?
- Which type of leadership is used in these work integrated social enterprises?
- Are there any advantages of using this type of leadership?
- How are the employees of Work Integrated Social enterprises in Hudiksvall empowered by the leaders?
1.4 Disposition

In this study we began our theory with the concept of Networks and Networking. This is due to our contact with the company Coompanion; we were handed a networking model; Den glada Hudik-modellen, which main focus is to explain the network around the Work Integrated Social Enterprises of Hudiksvall. This is our starting point of the theory-based chapters.

Leadership and management were two topics presented as a whole because they are closely related in Social Enterprises, especially in these Work Integrated Social Enterprises that are a form of cooperatives; meaning that there aren’t any high management positions. These subjects were chosen as number three in the presentation process because the model which Coompanion had developed to explain the network regarding the Work Integrated Social Enterprises, named; “Den glada Hudik-modellen” didn’t explain the relationship between management / leadership in Social Enterprises thoughtfully. We also had to understand the network, social enterprises in general and cooperatives, to be able to dig deeper in the subject of leadership and management in terms of these Social Enterprises in Hudiksvall.

We found out quite early that the focus of Social Enterprises was the social gain instead of a revenue gain. We realized that having a network influences the Social Enterprises and the Social Enterprises influences the management/leadership, which affect then the employees/members. A natural fourth topic for this study felt like explaining the social gains for these companies and how the leadership could affect these gains due to the tools which were given to the leader and how they use this to influence the companies’ results. These two topics then became Empowerment and Motivation. Empowerment and motivation are the two topics that flow through the network and all the way to the employees and members of the Work Integrated Social Enterprises that gives welfare back to the society. This circle is at part of the idea behind the Social Enterprises, which we had to research further into.

The model below represents visually the steps that were followed during the study.
Explanation of the model

This model illustrates the way in which our study is conducted and the steps we follow through the study. The theory-based chapters begin with explaining Networks and Networking and was follow by Social Enterprises, Leadership and Management, Empowerment and Motivation.
2. Literature Review

This chapter reviews the theory, which is the base for this study. First we go through the concept of Networks and Networking followed by the Social Enterprise concept, leadership and management, motivation and empowerment, is described in the Disposition of the study.

2.1 Networks and Informal Networks

Borgatti et al. (2003, pp.1) argue that even tough “organizations are moving to network forms through joint ventures, alliances and other collaborative relationships; executives generally pay little attention to assessing and supporting informal networks within their own organizations”.

On the importance of networking Borgatti et al. (2003, pp 1) have found that “social network analysis a valuable means of facilitating collaboration in strategically important groups such as top leadership networks, strategic business units, new product development teams, communities of practice, joint ventures and mergers”.

Borgatti et al. (2003) argues that informal networks usually promote organizational flexibility, innovation and the quality of products or services, but they usually have to compete with formal structure, work processes, geographic dispersion, human resources practices, leadership style and culture.

While managers often think they understand the networks around them, studies show that they can vary widely in the accuracy of their network perceptions (e.g., Krackhardt, 1987 and 1990; Casciaro, 1998). Meaning a way to integrate labor into the working force making sure that they were allowed to develop both in their line of work and as individuals, warranting their fulfillment. By universal happiness, Owens (1998) meant working conditions and opportunities that applied to all sorts of people, warranting the wellbeing of entire communities and thereafter societies.

The author Lincoln (1982) points outs that the way in which an organization is designed can have an impact in the way that an informal network develops and relates to the otherwise usual company structure (Lincoln, 1982; Stevenson, 1990; Stevenson and Gilly, 1993; Brass, 1994).

As Galaskiewicz and Wasserman explain, network formation occurs as new relationships by incumbent firms or startups exploiting the inherent opportunities within the network, reinforcing the existing network structure or reshaping it (Galaskiewicz and Wasserman 1981, Marsden 1985, Kogut et al., 1994). New firms will then establish new relationships and by doing so make use of the opportunities that the network can provide to them in the early stages of their development.

2.1.1 Networking – A type of cooperation among enterprises

Carson et al., (2001) suggest a number of factors for improved cooperation, among those factors networking is included; which is especially important for small businesses.

They argued that cooperation between small enterprises is more common than what is usually found in literature. Business leaders often communicate with each other and exchange tips and advice. The way that leaders often work with networking is by building up reliability towards customers and other companies and also by creating few job opportunities. Recommendations and the exchange of work activities are also frequently used in networking (Carson et al., 2001).
2.2 Social Enterprises

According to Doherty, (2009) the most widely used definition of Social enterprises is the one by DTI or the Department of Trade and Industry, (2002, pp 26), “A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for a purpose in the business or in the community rather than being driven by the need to maximize profit for shareholders and owners”. A social enterprise is therefore created for social aid as its main reason of being. In his study Mustard (2010) shows the relationship that exists between unemployment and crime; higher unemployment rates will generate higher crime rates.

The UK’s Social Enterprise Coalition (2003) believes that a Social enterprise should follow the following three characteristics:

- **Enterprise orientation.** They are directly engaged in providing goods or services to market.
- **Social aims.** They have explicit social aims, such as job creation, training or the provision of local services.
- **Social ownership.** They are autonomous organizations in which structures of ownership are formed from participation by stakeholder groups. Profits are used to benefit the community.

Doherty (2009) concludes that behind all the different concepts of Social enterprises; there is a commonality and that is the drive towards creating an enterprise culture to achieve social aims.

2.2.1 History of Social Enterprises / Cooperatives

Cooperatives began in England and they are mostly associated with the industrial revolution; even though they existed before that (as early as 1530); they were not successful until The Amicable Society created around 1705 (Schaars, 1971).

According to Schaars (1971) Cooperative or Cuasi-cooperatives existed in England around 1760 and they were consumer-controlled organizations for flour and milling. But it was until the beginning of the 19th century when Robert Owen advocated the use of Cooperatives to alleviate the suffering of industrial workers, by providing humane working conditions; “Owens communities were originally conceived as a cure for unemployment but later as a way to replace private capitalism and competition with self-employment and with conditions that should supply universal happiness” (Schaars, 1971, pp 3). Meaning a way to integrate labor into the working force making sure that they were allowed to develop both in their line of work and as individuals, warranting their fulfillment. By universal happiness, Owens meant working conditions and opportunities that applied to all sorts of people, warranting the wellbeing of entire communities and thereafter societies.

According to Schaars (1971) both rural and urban cooperatives were popular in Sweden during the 60’s; 80% of the agricultural products came from farmers’ cooperatives. In the year 1965 20 % of the retail businesses in Sweden were handled by Cooperatives.

Figure 2 shows the percentage of Swedish population that belonged to Cooperatives during 1960.
2.3 Co-operatives and Social Work Co-operatives

According to Coompanion (2010), Cooperatives are volunteer organizations available for everybody who is able to use their resources; all their members have the same responsibilities (one member one vote) and rights; there is no discrimination of gender, social status, race or any political or religious convictions (Coompanion, 2010).

Specifically, Cooperatives give their members, managers and employees the opportunity to develop and gain a profession; in order for them to contribute to the development of the company (Coompanion, 2010).

According to Vitaliano (1985), one issue that differentiates a cooperative among other organizations or business forms rest in the relationship of user interests to ownership and control interests (Vitaliano, pp. 139-42). In a cooperative, the user is the focal point, with the direct status of user, owner, and control usually invested upon the same individual. According to Dunn (1986, pp 85) a cooperative is defined as:

“A user-owned and controlled business form which benefits are derived and distributed on the basis of use”

And the cooperative organization follows the following principles:

- **The User-Owner Principle**: Those who own and finance the cooperative are those who use the cooperative.
- **The User-Control Principle**: Those who control the cooperative are those who use the cooperative.
- **The User-Benefits Principle**: The cooperative's sole purpose is to provide and distribute benefits to its users on the basis of their use (Dunn, 1986).
2.3.1 Cooperatives and Management

The concept of the cooperative enterprise from the perspective of organization theory points toward the need for a more detailed knowledge of the actual decision-making processes within cooperative organizations Hoos, et al. (1995), an issue of this type of organizations can be to be able to treat the members of the organization/board equally, which in comparison with a profit seeking enterprise, in which usually all members or investors are equally treated; can be a problem and difficult to achieve.

According to Stryjan (2002) and specifically in Sweden a co-operative would be formed by one or two tutors (handledare) and between five and six users per tutor. The author introduced the Co-operative of Vildrosen in Växjö as an example of an organization that has been able to manage itself without the help of tutors.

The authors Hoos et al. (1995) specifically point out three issues that have to be taken into consideration since they usually create problems within co-operations, those are:

- Whether or not, and if so to what extent, cooperative enterprises are management controlled, meaning that there is another set of managers that have a saying on the way the company works and that might generate conflicts in the decision making process.
- The goals of the cooperative enterprise, meaning whether or not certain goals in certain situations could be inimical to the interests of members, the members might perceive the goals different, it is vital that the companies’ vision and goal are clear.
- The extent to which the cooperative enterprise commands the actual information needed for expertise in the decision making, it might be the case that the persons that conform the co-operative are not familiar with some of the issues related to social enterprises, a solution should be provided.

2.3.2 Social Enterprises in Sweden and the Concept of Social Enterprises of Social Integration

According to Heins (2009) there is still no formal definition of Social Enterprises in Sweden, but that of Social Enterprise of Working Integration, which is an organization that helps broaden work and rehabilitation possibilities for people that for a number of reasons have been out of the working market for a long time.

Social enterprises of working integration are organizations that produce and sale products and services and follow the principles:

- The purpose is to integrate people to the working market.
- The companies reinvest their profits mainly in their own or similar businesses.
- The companies create partnerships for the members’ by means of owning agreements or other documents.
- The companies are organizationally independent from states or governmental services that are tax funded. (Heins, 2009)

Stryjan (2002) in his research about Work Integrated Social Enterprises, WISE, in Sweden mentions the fact that in Sweden the two most common WISE are Social Work Co-operatives and Community Development Enterprises. Both organizations are constituted by their members and are govern in a democratic manner, and they tend to guard their members’ interests. The organizations are differentiated in that they are broad to life by different types of members: Social Work Co-operatives are started by people that have been excluded from society; and in Community Enterprises the formation depends on a local community which actively forms part of the government, meaning
communities that are active looking to create a place or organization to integrate all type of individuals into a working life.

2.4 Leadership

Leadership according to Lord and Maher’s (1993, p. 11) is “the process of being perceived by others as a leader.”

In the Handbook of Industrial Work and Organizational Psychology (2005) the authors discuss various concepts of leadership, shown in figure 3:

*Figure 3 - The different approaches to the leadership concept*

<table>
<thead>
<tr>
<th>Table 9.1 Defining leadership</th>
<th>Anglo-Saxon definitions of leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership is the influential increment over and above mechanical compliance with the routine directives of the organization (Katz &amp; Kahn, 1978).</td>
<td><em>Leadership</em></td>
</tr>
<tr>
<td>Leadership is the process of influencing the activities of an organized group toward goal achievement (Rauch &amp; Behling, 1984).</td>
<td><em>Leadership</em></td>
</tr>
<tr>
<td>Yukl (1998) broadly defines <em>leadership</em> as influence processes affecting the interpretation of events for followers, the choice of objectives for the group or organization, the organization of work activities to accomplish the objectives, the motivation of followers to achieve the objectives, the maintenance of cooperative relationships and teamwork, and the enlistment of support and cooperation from people outside the group or organization.</td>
<td><em>Leadership</em></td>
</tr>
<tr>
<td>Leadership is defined in terms of a process of social influence whereby a leader steers members of a group towards a goal (Bryman, 1992).</td>
<td><em>Leadership</em></td>
</tr>
<tr>
<td>Leadership is the ability of an individual to motivate others to forego self interest in the interest of a collective vision, and to contribute to the attainment of that vision and to the collective by making significant personal self-sacrifices over and above the call of duty, willingly (House &amp; Shamir, 1993).</td>
<td><em>Leadership</em></td>
</tr>
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*Source: Anderson et al. (2005), pp 167*

Leadership is therefore, and in a broader sense, associated to the process of influencing people to reach a specific goal; but it is also associated with the process of motivating people to follow together towards a goal; selflessly and for the greater good of the community, meaning all the individuals that integrate a group that live in proximity to each other.
2.4.1 Social Leaders versus Profit driven Leaders
Mainly a social leader differs from a profit driven organization leader in terms of what drives them. Social leaders are driven by their social mission; meaning to integrate all sort of types of individuals into the community and providing equal opportunity to them. According to Mort et al. (2002) this obviously affects how social leaders perceive and assess opportunities, and they are usually driven towards creating superior social value for their clients.

One of the problems of Social Enterprises leaders is that they “face multiple service objectives and are required to develop programs to satisfy the various needs of multiple sponsors, they face a problem of balancing financial and operational objectives and organizational purpose” (Mort, et al. 2002, pp 80).

Sponsors are individuals that guide others throughout the different aspects of their work, they might have different perspectives in respect to financial, social and the main reason behind the creation of the organization, which can be tough to balance; for all type of organizations it is crucial that objectives are clear in order to be able to drive the people in the organization towards and objective.

Which is why as a leader of a Social Enterprise and to be able to maximize their influence; potential leaders must provide a strongly articulated and idealized vision, and successfully attain high performance outcomes (Awameleh, 1999).

2.4.2 Leadership and Managing Social Enterprises
George Dees (1998), describes the Social Enterprises Spectrum to help social enterprises leaders manage their strategies in regards of the options they have when managing social enterprises. This aspect is interesting because and according to Dees (1998) managers need to find a balance between the “purely philanthropic goals” and the “purely commercial goals”. Figure 4 provides an insight of how determine in which side of the spectrum managers find themselves into, in terms of the level of maturity, skills, responsibility, experience and confidence to perform a task.

2.4.3 Situational Leadership and the Goal of Situational leadership
The situational leadership concept has evolved since its first appearance in 1977, and most recently it is called situational leadership II as a way to differentiate it even more from its beginnings. The fundamentals of situational leadership are that there is not a single leadership style; it is a mix of approaches and one that adapts to the individual or a specific group instead.

Graeff (1997) in his article Evolution of Situational Leadership Theory: a critical review goes through the process of evolution of the concept from its first appearance in the training and development journal (1969) in the article the Lifecycle of Leadership by Blanchard and Hershey.

Blanchard et al. (1997, pp 27) added “The goal of Situational Leadership II is to provide an environment that permits an individual to move along the development continuum — through the development cycle — from Development Level 1 (developing) to Development Level 4 (developed.) The leader uses a leadership style that is appropriate to the individual’s development level at each stage of development on a specific goal or task. As the development level changes, the leadership style should change accordingly. There is no best leadership style because development levels vary from person to person and from task to task.”

This means therefore that the leadership style will be adapted to each and every individual and will be the result of the level of maturity, skills, responsibility, experienced and confidence to do a task for each and every one of them.
The figure shown here explains how a leader can develop the commitment and skills of the individuals under his or her guidance, by means of self-motivation instead of by means of directing them to perform their tasks.

**Figure 4 - Situational leadership**

![Situational Leadership Diagram](image)

*Source: Blanchard et al. (1999), pp 286*

**Explanation of the model:**

The words directing, delegating, supporting and coaching are referred to types of leadership styles meant for developing and self-motivation of employees; a wider explanation is added in each box, for example: a Supporting Leader will show high supporting qualities but a low directive behavior; meaning this type of leader will choose to back up their subordinates ideas while showing them the way gently.

Directing will be characterized by high directive behavior and low supportive behavior, which means that the leader will focus on directing the individual instead of supporting their decisions, a reason for this might be that the employee has a low competence or is evidencing low commitment. The leader will then adjust when the individual commits or gets better competence or experience.

Each leadership style matches developing levels numbered as D4 high competence and high commitment, D3 moderate to high competence and variable commitment, D2 low to some competence and low commitment and D1 low competence and high commitment.

Blanchard et al. (1999) explain that the goal of the model of situational leadership is to provide an environment that allows an individual to move through the development cycle (from D1: in
developing to D4: developed); the leader will use a leadership style that matches the level of development of the individual and will therefore (the leader) adapt to the specific situation of each of the workers.

If the development of the individual changes the management style should change accordingly; the author specifically points out that there is not a perfect management style; it changes from person to person (Blanchard et al. 1999).

Situational leadership II focus on the development of the individual and that development is based primarily on two factors: Competence and Commitment.

*Competence* is the amount of knowledge and skills that an individual bring to a goal or task (Blanchard, el. at. 1999); and this according to the author can be developed over time and under the appropriate management and direction.

*Commitment*, on the other hand, is a mix of self-confidence and motivation on a goal or task (Blanchard, el. at. 1999); motivation is perceived by the way people tend to be attentive, active, involved in a specific project; self-confidence is basically perceived when a person knows how to act under different situations, and keep self-ascertain. Both characteristics need to be present in order for commitment to be considered high.

### 2.4.4 Leadership and its influence on Business Strategy (Vision and Goal)

A vision can be defined as a mental image that a leader evokes to portray an idealized future for an organization (Conger, 1989). In order to be able to promote an organization’s vision all members of the organization have to be clear of what specifically the company vision is. The process of informing and promoting an organization’s vision is usually in the hands of the organization’s leader, because he holds an idealized vision which is generally considered to be a prerequisite for a leader to become transformational or charismatic (e.g., Bass, 1990; Conger, 1991; Conger and Kanungo, 1987; Tichy and Devanna, 1986). By this the author means that when a leader really knows what the company is working for and what its core vision or reason for existing is, he or she will become an ambassador for the company and will promote its vision and goal among the workers.

Once formulated, this vision must be articulated to mobilize followers to pursue it.

Also the creation of a vision is often viewed as the starting point for leader efforts to transform followers, groups, or organizations (Bennis and Nanus, 1985; Conger and Kanungo, 1987, 1988a; Tichy and Devanna, 1986), this because it helps the employees to have a specific goal to pursue, and when in doubt they can always look into the company’s vision for guidance.

### 2.5 Leadership and people: Empowerment

Blanchard et al. (1999) explain that there is a void between what managers and employees think of what empowerment means; to managers means giving people the power to make decisions; to employees means being given free range to do what they think is best; and it is neither. Empowerment is a releasing of the power within people to achieve great results.

Empowerment refers to the delegation of power, and power enables people at lower organizational layers to make decisions, though empowerment means more than merely delegation (Malone, 1997);

In his article “*The real meaning of empowerment*” Kenneth Fracaro points out that upper management is the source of empowerment, this is because they can empower the level of management reporting to them. That level then empowers the next-lower level, and the process continues down through the
company hierarchy. It is important to realize that each level of management must receive the authority and decision-making power to accomplish its particular responsibilities; this is because each level must relinquish authority and decision-making power to employees on the level directly below it.

Blanchard, et al. (2006) points out that in order to change to empowerment it is necessary to understand what empowerment really is, knowledge of key action steps, and a dedicated effort. This because empowerment is a long process that requires commitment from the leader towards his or her employees but also towards the company, in order to work as an ambassador for the company and to promote the company’s vision to the employees.

2.5.1 The three levels of empowerment
Carol Yeh-Yun presents three elements to successfully achieve empowerment. Those are:

“Style—Empowered employees have a working style of self-management and possess a team spirit. Employees make, implement, and are held accountable for work-related decisions.”

“Skills—Empowered employees are trained to have effective problem-solving and communication skills. They challenge inefficient policies and identify problems.”

“Staff—Empowered employees are bred in empowering organizations. With empowering leaders as drivers, immersed in a culture of empowerment and reinforced by empowering management practices, employees are expected to grow” (Yeh-Yun, 1998).

Yehuda Baruch (1998) proposed a two dimensional model for empowerment based in perception, attitudes, beliefs, and values. The different values were grouped into two different categories: belief and fairness. The model is divided in four main categories; and those categories are based on the level and type of empowerment that managers choose to give to their employees.
Explanation of the Model

This model basically aims to reflect the way in which management acts upon empowering and the empowering process, going from low to high from fraudulent to miser; and from dissociated to enlightened from the belief perspective. The model is based in management’s belief in the process and upon the level of fairness when approaching different employees.

Baruch define Belief as “the level to which top management genuinely believes in the underlying ideas of empowerment and its potential benefits” and Fairness as “how far the top management approach to the employees is fair and just/honest” (Baruch, 1998 pp 80). Below the way in which the model is built, each point represents a manager type:

- **Dissociated** refers to a top management that does not approve of empowering their employees. By doing this, management shows high fairness and low belief for their employees.
- **Enlightened** refers to a top management who believe in empowering employees throughout the delegation of the work; while at the same time, approve of rewarding their employees efforts.
- **Fraudulent** are managers who support empowerment but at the same time are the ones with the last word on any matter; which in some cases can be seen as fake empowerment with low fairness and low belief on employees.
- **Misers** are managers that support empowerment but not the rewarding aspect of it; they believe that the mere ability to make a decision is a reward in itself. The management shows high belief in their employee but low fairness.

Source: Baruch (1998), pp 82
The model proposed by Baruch (1998) therefore associates top management and their true feelings towards the concept of empowerment and at the same time show if they approve or not of a remuneration system associated with the empowering process.

2.5.2 Effective leadership
An effective leader adapts its leadership style to a group of persons of individuals to gain the best results from each one of them, among the best qualities are being a good listener, give straight directions, follow up the employees activities, solve conflicts, openness to create a productive atmosphere (Druskat, et al. 2003).

Empowerment and effective leadership are related in the way that a good leader will want to delegate activities and rest responsibilities’ upon his or her employees. A good leader will tend to build his or her employees commitment and abilities to the company in order to develop, and one way of doing this is by means of empowerment (Druskat, et al. 2003).

Previous research demonstrate that empowerment is an important driver of organizational effectiveness, and practitioners and researchers alike have identified it as a construct warranting further inquiry (Kanter, 1989; Spreitzer, 1995; Thomas and Velthouse, 1990); but as pointed out by Druskat and Wheeler (2003); Sims and Manz, (1984) effective leadership is also a driver of success in organizations that have gone through or are empowered; the important factor is that effective leadership seems to be different in empowered organizations in comparison with those organizations that choose to not implement empowering.

Ahearne et al. (2005) in their study on Situational leadership claim that employees with lower rather than higher levels of development are those best suited to benefit from leader empowerment. They explain furthermore that those with less experience and knowledge may be seeking inspiration from their leaders, may embolden them, encourage them, and make them feel as if their new managers trust their ability to get things done their way.

2.6 Motivation
Motivation is defined as the conditions responsible for the variation of the intensity, quality and direction off ongoing behavior (Gummings and Worley, 2005). Meaning the need to reinforce behavior using different conditions, to achieve a goal. Other person, a working environment and rewards, like being able to get a promotion, can trig motivation. Factors that can differ in a task through motivation can be quality, intensity or direction.

Today the development of human resources is the focus of interest of new firms; organizations have realized that “without having a highly skilled, committed and motivated workforce their ability to compete and innovate is significantly handicapped” (Kontoghiorghes, 2008).

Motivation is closely related to organizational environment, meaning that the ability to learn and then transfer that knowledge is associated with the environment in which the process takes place, factors such as job design, and the ability to grow within the company and climb the organizational ladder influence motivation within employees (Kontoghiorghes, 2008).

In his study the author focus on motivation to learn as the combination of personal and situational characteristics, personal characteristics defined as the "personal attributes that affect directly or indirectly the extent to which the trainee is motivated or has the ability to learn" (Kontoghiorghes, 2008).
The factors that affect a person’s motivational capability are: self-efficacy, need for achievement, independence, cognitive playfulness or extraversion and openness to experience (Kontoghiorghes, 2008). A person that is open to new experiences wants to develop and has a mind of her own and it is given the tools to develop; will be easier to motivate.

Maslow theories classified human needs into a hierarchy which include five different levels (Maslow, 1954), being necessary to fulfill one level to be able to move to the next:

- **Physiological**, namely level 1 or basic needs including: food, sleep, sex, water, breathing, homeostasis, excretion.
- **Safety**, also known as level 2. This includes: security of body, employment, resources, morality, the family, health, property, stability and protection.
- **Love / belonging**, known as level 3. This includes: friendship, family, sexual intimacy, in other words to fulfill the sense of being part of a community.
- **Esteem**, namely level 4. Including: self-esteem confidence, achievement, respect of others and respect by others or need of self-respect.
- **Self-actualization** or level 5. This includes: morality, creativity, spontaneity, problem solving, lack of prejudice and acceptance of facts.

Maslow’s theory is criticized because it failed to include those who were raised in collectivistic societies and only included those of individualistic upbringing. Also it is not usually necessary to fulfill one level to go to the next; human needs might evolve differently (Mahmoud and Wahba, 1976).

**Self-determination Theory**

The Self-determination Theory is an approach to human motivation and personality that refers to starting an activity or work by oneself because it is interesting and satisfying in itself, also known as intrinsic motivation, as opposed of performing an activity to obtain an external goal, like money or recognition; or extrinsic motivation. Using extrinsic motivation might decrease the levels of autonomy in the employees; they might wait for a reward to perform a task. Intrinsic motivation and variability determine a sub theory of Self-determination theory that is known as Cognitive Evaluation theory or CET; which refers to the relationship that the external factors, such as the environment and the society, have on intrinsic motivation. Cognitive Evaluation Theory relates the process of providing feedback and rewards as a way to increase intrinsic motivation, or the activities people will start by themselves without expecting a reward; positive feedback will enhance intrinsic motivation while negative feedback will decrease it (Ryan et al. 2000).

Shortly, the difference between intrinsic and extrinsic motivation refers to the approach to fulfill a goal; a person who follows intrinsic motivation will perform a task to fulfill an internal goal, because he/she is interested. A person who follows extrinsic motivation will fulfill a goal because there is an external reward associated to the task, for example recognition.

Situational characteristics are a combination of career and job utility, (Clark et al. 1993), career utility was defined as “the perceived usefulness of training for attainment of career goals”; job utility “was defined as the perceived usefulness of training in facilitating the attainment of job goals” (Clark et al. 1993).
2.7 Reflection

Conventional organizations, meaning big-size companies which major focus is usually economic gain, commonly present a low efficiency in the use of networks and networking; this is usually related to the fact that management can choose to pay little attention to informal networks. One of the reasons behind this theory suggests (Borgatti et al. 2003), is that in these types of Companies there are several types and levels of management, top, middle and low management positions, which can make the process of network integration quite difficult.

In Cooperatives, on the other hand, the management is not usually divided into different levels; middle and low management doesn’t usually exists, this fact make it possible for the organization to have a better knowledge of their informal networks and therefore facilitate the collaboration between their members to make it possible to have a deeper focus on the main reason for its existence, which is society and social gain (Doherty, 2001).

The presence of several types of management within the organization will then affect the cooperation within the company and the leadership (Hoos, et al. 1995). The focus of the leadership will be affected by the Company reason for existing; that being a social or an economic gain; a leader in a cooperative will adapt his/her type of leadership to make possible that all employees develop professionally and as individuals using empowering and motivation techniques; the tendency is that leaders in Social enterprises focus on each of their employees development because they do not have to focus on economic gain. Creating the environment for individual development is the goal of Situational leadership (Blanchard et al. 1997).

We suggest that situational leadership creates the preconditions for empowerment through motivational techniques. Empowerment is the foundation of Social Enterprises (Heins, 2009).
3. Methodology

In this chapter the authors explain the way in which the study has been conducted, how it has been written, their view of data collection, how it was collected in conjunction with their philosophy and how the primary- and secondary data is used to create new questions and theories regarding work integrated social enterprise and its leadership.

3.1 Choice of subject
This research had its beginning in an interview at the local Coompanion office in Gävle, Sweden. This felt like a natural start since we, at the beginning, lacked knowledge on social enterprises. We used open questions in this interview and we recorded it so that we could listen to it again. We looked into the theory after this interview to find interesting gaps and thereafter be able to add new insights to the field.

Our first interview was held with Coompanion Gävle. Overall questions were asked in this interview to find a problem. After the first interview we found an interesting problem to study; we chose a method for our next five interviews, which were held in the town Hudiksvall at the local Coompanion office and also at the four work integrated social enterprises.

3.2 Summary of the methodology approach
Below we illustrate an overview of the methodology approach using a model:

*Explanation of the model:*

Figure 6 shows the approach used by the authors for the development of the study; the blue boxes reflect the path followed in this study. The white boxes refer to the options that were available to perform this study but were not chosen. This model is also used as a structure for the rest of the methodology chapter.
3.3 Qualitative research

We have performed a qualitative study which, according to Patton (1990); uses a naturalistic approach that seeks to understand phenomena in context-specific settings; in other words, the researcher should reflect the real world of the interest without manipulating the phenomenon.

We had access to four work integrated social enterprises for this study and two Coompanion offices. The choice of approach seemed natural for us when a qualitative method is required to view a research problem in depth with a small number of respondents (Carson, 2001).

What motivates the qualitative research approach it is to explore, interpret and analyze a problem in depth (Carson, 2001), but also the big picture, which has been given to the participants when interviewed. This subjective picture is central in a qualitative research method (Bryman, 2005). Since we lacked knowledge in the subject in the beginning, this subjective and big picture was important.

Through open-ended questions, we present a discussion that gave the respondents an opportunity to present the information that they thought important within the field.

This leads, as Carson (2001) points out, to a high validity; which is more important than reliability in qualitative research.
3.4 Methodological approach

There are three different definitions of methodology, called methodological approaches. These three approaches are according to Arbnor and Bjerke (1994):

- **Analytical approach**: The wholeness is the sum of the different parts and knowledge is individual dependent. The different parts in an organization, for instance, are explained through verified reviews. The result when using such approach will be an improved theory and verified hypothesis.

- **Systems approach**: Systems approach is based on the opposite assumption, namely that the whole differs from the sum of its parts. The theory on reality will improve with such mythological approach due to a greater understanding of the different system classes. The classification of the system classes will also change and improve with the result of such study.

- **Actor approach**: The wholeness only exists through structures of meanings, which are socially constructed. In other words; the wholeness is explained through actors, in the organization for example, and their reality images. The result of such study will improve the knowledge on the processes, which construct the reality.

The actor approach is used in this study. This choice was motivated due to the lack of knowledge from the authors in the subject of work integrated social enterprises and the lack of theory on the subject. This gives the interviewees the chance to give their view and version of the subject, according to Holme and Solvang (1997). To be able to make an analytical approach or a systems approach, existing theory is a most (Arbnor and Bjerke, 1994) this was a problem as we mentioned early.

3.5 Data collection – A case study with an inductive approach

Our overall goal with this study is to give a view of the phenomena of leadership in Work Integrated Social Enterprises, and then help Work Integrated Social Enterprises improve the way in which they empower people. We need to gain a deep view to be able to do that. The best way to investigate in depth is via a case study. A case study is often used in a qualitative approach (Merriam, 1994).

A case study is according to Yin (1994) useful when how or why questions are asked about things, the investigators have a small amount or no control over. Furthermore, a case study is commonly used to improve theory in different areas (Jacobsen, 2002) in this case the management area concerns Work Integrated Social Enterprises. Another aspect that was needed for this work was to be able to push the purpose forward, in this case that meant: from the first interview with Coompanion Gävle, to a later stage in the study process. This is possible with the use of case study according to Merriam (1994).

The data collection for this study was made in two separate occasions. The first one, held in Gävle November 3rd, had the purpose of increase our knowledge in the subject of social enterprises. The second interview occasion was when we were able to interview both the Work Integrated Social Enterprises and Coompanion. We would like to call our data collection inductive even though we did a pre-interview before the main interviews in the town Hudiksvall. In an inductive data collection the researcher goes from empiricism to theory (Jacobsen, 2002). This was the situation in both cases. Our purpose with the study was not narrowed enough when we performed the second interview.

The advantage with an inductive data collection is that the authors do not have any expectations and will therefore systematize the data they have collected, in other words, deductive research is more theory-testing and inductive is theory-generating. With the deductive data collection style it is more common to go from theory to empiricism (Jacobsen, 2002). This way you gain knowledge before performing the interviews; critics to this approach state that you may miss important facts due to
author’s expectations before the interviews (Jacobsen, 2002). This is quite obvious since you could miss a great deal of facts without interviewing the respondents which may add something important of their view of their context. There is a strong link between inductive research and qualitative research and deductive research and quantitative research according to Jacobsen (2002) due to the fact of theory testing in deductive research like surveys and experiments, and theory-generation in inductive research like interviews.

3.6 Type of data – Primary-, secondary and tertiary data
We used personal interviews when we interviewed Coompanion Gävle, Coompanion Hudiksvall and the four Work Integrated Social Enterprises. This represents our primary form of data for the work. According to Jacobsen (2002) primary data is collected from interviews, observations and/or polls, from persons or groups of persons. The secondary data is also used in this study. This is data, which is not collected for the research object (Jacobsen, 2002). The secondary data for this research are books, journals and brochures. We searched databases such as Google scholar and emerald insight. We used keywords such as; “social enterprises”, “social enterprises and leadership”, “situational leadership” and “social enterprises and management”. Tertiary data was gathered from encyclopedias and news magazines (Jacobsen, 2002).

3.7 Selection criteria
To make the empirical findings relevant we had to interview subjects who fulfilled some criteria. Our criteria changed based on our purpose. Our first purpose was to examine social enterprises during the first interview in Gävle. The criteria we followed during this interview were:

- Gather knowledge about Work Integrated Social Enterprises in Hudiksvall.
- Gather knowledge of the network around Work Integrated Social Enterprises.

After this interview, we developed questions for Coompanion Hudiksvall, which is the closest entity to the Social Enterprises. We also developed questions for the Social Enterprises at the same time. The criteria for these interviews were not only the criteria above, but also;

- Have a deeper knowledge of the enterprise they are working for.
- Have an influence on the work integrated social enterprises and their employees.

3.8 The interviews
The first interview was held at Coompanion´s Gävle facilities located at the Teknik Parken in Gävle, Sweden and the audio file we were able to record has duration of 41 min. We were able to interview Ulf Karlsson who is an advisor at Coompanion facility located in Gävle and Christian Blanck who is the Project Coordinator at the Coompanion facility in Gävle.

We recorded five interviews performed in Hudiksvall Friday 26 of November 2010 in order to increase the validity of the data gathered during the interviewing process. The first interview at Hudiksvall was held with Per Lundgren and Peter Berggren who are Advisors and Project leaders at Coompanion Hudiksvall. This interview took approximately 2 hours. The other interviews were held with the top management of the four social companies located at the Hudiksvall Kommun which are: Anna Ytell manager for Hushållsfixarna Hudiksvall, Lena Wik manager for Kraftkällan Hudiksvall, Åsa Båras manager for Nykraft Iggesund and Anki Djerf manager for Kraterkraft Delsbo. Each of the interviews took approximately 25 to 30 minutes. All subjects we interviewed were asked if they wanted to remain anonymous, they all refused.
According to Darmer, P. et al. (1995) there are different types of interviews and some are better than others depending on the interview’s purpose.

- **Explanatory interview:** This type of interview is characterized by how it can give knowledge to the interviewer, which the interviewer has a small amount of knowledge in. These interviews are also called “pilot interviews” since they are often used before the main interview.

- **In-depth interview:** When performing such interview you need knowledge in the subject but more knowledge is wanted. This interview examines subjects further, for example after an explanatory interview.

- **Targeted topic interview:** These types of interviews are focused on one subject with direct questions. The advantage of this may be that the data analysis becomes easier since the questioner is structured.

- **Depth interviews:** These interviews are performed after the main interview, in other words additional questions were asked after the first interview to gain a deeper knowledge on the subject. This type of interview can be similar to targeted topic interviews.

- **Focused interview:** This is commonly used when the interview treats advance set topics. When choosing this type of interview it is usual that many interviews will take place. The interview questioner, or set of questions, will be semi-structured in an array of different themes.

The connection between questionnaire and interview type is further illustrated below in figure 7. The explanation of the figure contains which types we used and why.

*Figure 7 - Relationship between questionnaire structure and interview type*

![Diagram showing the relationship between questionnaire structure and interview type](image)

*Source: Darmer et al. (1995) pp. 259*

- Choices made by the authors
- Available options which were not used by the authors

*Explanation of the model:*

This model illustrates the types of interviews that were made; shown with light blue color. The model also shows the connection between which types of structure to use for different interviews. “Type of
structure” relates to how the questioner, or set of questions asked to the interviewed subjects, will be structured; “type of interview” focus on the different types of qualitative interviews (Darmer et al., 1995).

We used an explanatory interview for our first interview in Gävle. This type of interview is semi-structured and it gives the interviewees a chance to be wide in their answers. The explanatory interview is preferred when the authors lack knowledge on the subject (Darmer et al. 1995).

For our second interview occasion we used a semi-structured and unstructured approach in our questioners, even though this can be seen as a semi-structured type. In-depth interviews are intended to provide more knowledge about the basic knowledge that exists already. The purpose of the study was not clear during our second interview occasion. But we had some areas in which we found differences when comparing to revenue driven enterprises and work integrated social enterprises; this was the subject of company structure and leadership. This is why we wanted the interviewees to give us their view of what they thought was important on these subjects. Our questioner was however more semi-structured than unstructured. Darmer et al., (1995) explain that in-depth interviews are mainly used when the interviewee’s point of view is relevant.

3.9 Data Presentation and Data Analysis
After we have gathered the information from the first interview at Coompanion we got the model Den glada Hudik-modellen and chose to focus on networking; that gave us the first topic of the study.

After all the interviews at Coompanion and the Cooperatives that integrate Companions’ network in Hudiksvall; we then look for aspects that could differentiate the Social Enterprises from conventional Companies. We then realized that the goals and visions for Social Enterprises were different of those of Conventional Companies; the goal for Social Enterprises was to increase the motivation and empowerment of their employees.

We found out then that increase Empowerment and Motivation among their employees and members was the final goal for Social Enterprises; but we needed a way to connect this answer to the concept of Networking and the relationship that exists between Networking and Social Enterprises. We then looked for a model to explain this relationship and found that leadership and management was also related to these goals within these Social Enterprises. The concept of Situational Leadership came up in one of our interviews at Coompanion in Hudiksvall.

During the examination of the existing theories, we found that Situational Leadership was linked to motivation and empowerment.

In the Empirical Chapter we chose to write down short and concise answers from the interviewees; meaning that we systematically reduced and categorized the data (Denscombe, 2000) to make the data easier to handle and analyze. The data was categorized under different topics; among those were social enterprise, empowerment, motivation, leadership, and network. Jacobs (2002) also claims that by categorizing the answers the process of comparison between them gets easier. This felt necessary due to the amount of data collected during semi structured and unstructured interviews. The process of categorization and systematization also helps during the Analysis ’Chapter since that chapter covers a comparison between our collected data and the existing theory in the field. Because of the fact that our knowledge on Social Enterprises was limited at the beginning of this study; we started with a broad approach; looking at the Networks of these Social Enterprises; specifically the “Den glada Hudik-modellen”. This network was the base of the analysis since this affected all the Social Enterprises. From here we narrowed down the study and focus the analysis on the factors influencing leadership
and management in Social enterprises; which led us to which factors influence the employees and members of social enterprises and why. It is our belief that the reader will found our way of presenting our research understandable due to the fact that we follow a coherent method from a broad perspective such as networks and narrow it down to empowerment and motivation; going through the different levels of the people or companies that are part of the network.

We also choose to present quotes from the interviewees in several parts of the empirical findings, to then explain those further due to the fact that this will increase the reliability to the study.

Some of the quotes that are missing in the Empirical Findings Chapter under the main topics are then presented at the Highlight Part under the same Chapter. This was because we chose to deepen the explanation for some of the quotes, those quotes that felt relevant to our research questions.

3.10 Reliability and Validity of the study

No matter what type of methodology you choose, you always have to ask yourself if it is valid and reliable. It’s extra important when you select a qualitative, inductive approach according to Thurén (2007, p.26). This may be due to the freedom, which is given to the authors and the interviewees.

Reliability is how trustworthy and correctly done the measurements are (Thurén, 2007). Reliability is based fundamentally on how the quantitative studies are made. This includes a representative sample of people to prevent that accidental circumstances affect the outcome in numbers (Thurén, 2007). Such factors are more relevant in quantitative studies since this may affect the results. This is a qualitative study and this means that there are not many measurements with numbers, so the reliability in this sentence is not as important in this study.

Validity means that you investigate what you were supposed to investigate and nothing else (Thurén, 2007). Did we accomplish what we wanted with our study? Jacobsen (2002) means that in a qualitative investigation you look to the quality of the study and examine it critical.

In this study we got data on networking, work integrated social enterprises, leadership and management. We recorded the interviews so that we could focus more on the interviewees and ask them relevant questions and follow-up questions. We informed the interviewees about the aim of the meetings and which type of questions we were about to ask before the actual interviews. This helped us increase the validity of our study; the reliability is low due to our choice of a qualitative method according to some authors, for example Jacobsen (2002). Could you rely on this study? We mean that an accurate display of the interviews and recordings of them helps this study to achieve a high reliability.

Some authors, devoted to the qualitative method, have rejected these terms; they propose that validity and reliability is based on a quantitative logic (Jacobsen, 2002). There is a discussion if the validity and reliability can be withdrawn in a qualitative research among the devotees of the different methodology schools (Jacobsen, 2002). We, the authors of this study, think that it’s important to prove to the reader that this study can be trustworthy and how it was made so that they, if needed, could get almost the same result if the same method, on the same subject and companies is used.

Because type of interview we choose and the structure of the questions we built; the interviewees had the possibility to answer broadly on each of the subjects; this could represent a weakness since the answers might be too broad and go away from our main focus of interest.
One problem we encounter was the lack of depth in some of the answers; this could be related to the fact that social enterprises was not a subject familiar to us, and as such we didn’t have a clear idea of what exactly will our questions lead us too; even though we tried to minimize this by arriving prepared for the main interviews in Hudiksvall. Relying on the answers we get from the interviews performed gives us the base and opinion to present our study as valid and reliable. The outcome of this study may be more general than we intended when we first started working with this subject even though the overall goal is to understand how these Work Integrated Social Enterprises work together and to create a theory on how do they work and how does that work affects the leaders in these specific enterprises.
4. Empirical Findings

Here we present the findings of our research based on motivational leadership and the role of each leader for four different Social Companies in Sweden; connected by a network directed by another company by the name of Coompanion. We present each company and the most relevant answers following our study on Situational Leadership and the role of motivation and empowerment.

4.1 Companions’ Network

Our study is based mainly on five companies, Coompanion and those who integrated Companions’ Network; 4 work integrated social enterprises, which we call social enterprises.

4.1.1 Coompanion

This is a data collection made from Companions homepage and interviews with the advisors/project leaders from Coompanion Hudiksvall; Peter Berggren and Per Lundgren.

The first company that we studied was Coompanion, which is a company who specialized in the creation or integration of cooperatives; the company defines itself as “experts in the field of cooperative enterprise offering customized information, advice and training – from idea to successful company” (Coompanion, 2010).

Coompanion is two thirds-financed on a regional basis by a number of organizations; which include the public sector and the consultancy income and EU funding. The Swedish Government, through the Swedish Agency for Economic and Regional Growth, provides the remaining one third of Coompanions funding. Through this financing Coompanion is able to offer advisory services free of charge (Coompanion, 2010).

Coompanion is the link that helps the process of interaction between the four other companies: Hushållsfixarna Hudiksvall, Kraftkällan Hudiksvall, Nykraft Iggesund and Kraterkraft Delsbo. They are able to help the companies in their process of growth and development by sharing not only their knowledge and network; but also their expertise in handling conflicts within the organizations.

In order to better communicate Coompanion involvement with these four companies’ development and growth; the company has chosen to build a model named Den glada Hudik-modellen (figure 8).

Companions’ objective is to support the four companies. For Coompanion it is important that the companies understand that together they are stronger; even when in some cases they can be competitors; their power lies in supporting each other and being able to communicate with one another; so the process of creating a network of integration between these four companies is of great importance to Coompanion.
Figure 8 - Den glada Hudik-modellen (glada, 2010)

Translation of the model

**Swedish:**

Model Name: Den glada Hudik-modellen

1. Companion Nätverk

**English (authors ‘translation from Swedish):**

Model Name: The happy Hudik model

1. Companion’s Network
Source: Homepage of the model, (Glada, 2010)

Explanation of the model:

Coompanion works with support and advisement for the social enterprises. They also work as a referent to the private companies, which we found in the upper right corner. Berggren (2010) claims that they use a situational based leadership on the social enterprises; “we are stricter at the beginning, and more lose later on”. The social enterprises get employees from the community and SPES, Swedish Public Employment Service, most commonly called Arbetsförmedlingen (Lundgren, 2010). These persons are placed in one of these social enterprises depending on their knowledge, following their work experience or personal aptitudes or capabilities for a specific task; in case they don’t have previous work experience. Coompanion takes care of the distribution of the labor. The employment in the social enterprises is called rehabilitation placements. Coompanion send trainees to the social enterprises that integrate their network. The social enterprises sell products and services to both community owned companies and private owned companies. We can find the Social enterprises in the middle of this tree and the community/unemployment firm to the upper left.

4.2 The work integrated social enterprises

Here is an overview of the social enterprises, which were a part of this study. Four supervisors were interviewed; Lena Wik (Kraftkällan), Åsa Barås (Nykraft), Anna Ytell (Hushållsfixarna) and Anki Djerf (Krafterkraft). The goal of these enterprises is to make people feel needed and help them to get into the labor market (Berggren, 2010). These companies give back to society in the way of revenues, coming from taxes and welfare; to the community in which they are located, in this case Hudiksvall (Lundgren, 2010).

Most but not the entire social enterprises started as projects by Coompanion. Coompanion came up with the business structure for these enterprises. This cooperation has made it possible for these companies to survive. One social enterprise even went bankrupt before they started the Coompanion project (Berggren, 2010).

4.2.1 Hushållsfixarna Hudiksvall

Hushållsfixarna perform a variety of chores, such as cleaning, window cleaning, cleaning after moving, laundry, grocery shopping, escorting, deep cleaning and gardening depending on the season. Every service we provide is to a very convenient price (Hushållsfixarna, 2010).

Today the company runs as a social cooperative, but it has not been like that in the past.
In May 2003 began a project within the working market called Pensioner Service. People that needed help, but could not get any because they did not meet the government’s requirements, could get help through the project. The target was that the project could later be driven as a cooperative.

As a result of the project success the 5 of November 2004 Hushållsfixarna was born, its mission is to: be able to gain working places for the unemployed. The business idea was clear: many people needed help and are alone: Hushållsfixarna perform housework but also provides Coompanion services to pensioners who not only need help with their housework but personal contact (Hushållsfixarna, 2010).

In other words, Hushållsfixarna is able to gain working places within cleaning services for unemployed people who, as a result of their background, have it hard to integrate to the normal working environment. Examples are: people with psychological disorders, alcoholics, drug addicts, or those who have been in prison for a period of time. Anna Ytell is the leader of Hushållsfixarna this year.

**4.2.2 Kraftkällan Hudiksvall**

Kraftkällan is a social enterprise driven as a cooperative. In the company’s key words: “In Kraftkällan people are the most important thing” (Kraftkällan, 2010). Kraftkällan is not only the name of the company; it can also be translated as “power source”.

One of the company’s wishes is to build a working place for those people who have been unemployed for a long period of time. The economic drive for the company relies on being able to gain contracts for as many people as is possible (Kraftkällan, 2010).

The company work areas are cleaning, rehabilitation, caretaker services, staffing, sewing, etc (Kraftkällan, 2010).

This social enterprise was registered 2005 and has 19 employees (Wik, 2010). Lena Wik is the leader of this company this year.

**4.2.3 Nykraft Iggesund**

This is a social company, also formed as a cooperative. Work related decisions are ideally reach in a consensus in which everybody has the same authority. The company has 12 workers and provides cleaning, gardening and carpentry services in the small town Iggesund (Kraft, 2010).

Nykraft Iggesund started as a project on 2009 (Barås, 2010). The leader in this enterprise is Åsa Barås. She took over the leading role on year 2009.

**4.2.4 Kraterkraft Delsbo**

Is a Social Enterprise located in Delsbo, which provides services within cleaning (vacuum cleaning, laundry, carpet cleaning), moving, gardening, transport, painting facades, hiring personal services and data courses (kraterkrafthem, 2010).

This enterprise started as a project 2005.

The company helps people who have been unemployed for a long period of time, due to several reasons, among them sickness, drug abuse, incarceration; to be able to reenter the market. The leader for this year, 2010, is Anki Djerf.
4.3 The process of choosing a leader

“The board chooses the leaders… (Lundgren, 2010)”

Lundgren (2010) claims that the process of choosing a leader for the work integrated social enterprises, also known as social cooperatives begins from the members. This he states is different from other business models. One person gets one vote. This is how the process looks like (figure 9):

*Figure 9 - The process of choosing a leader*

Source: Berggren (2010)

**Explanation of the model:**

The *social enterprises* receive personnel from the SPES, which gives the enterprise *employees*. These employees could become members; the members have one vote in the *board meeting*, which takes place every year. Every vote is worth the same. In this *board meeting*, which is held every year, a *board* is chosen. This *board* chooses the *leader* of the enterprise, and the process starts over next year (Berggren, 2010). Berggren (2010) also claims that the main and more important decisions are made every year through this process.

This model also shows that every employee does have a role, if they want the chance to become a member that is. Worth notice is that some are just members in this cooperative and not employees. According to Lundgren (2010) these people are there for the social interactions, which is fun for both of them and those who integrated the social enterprises.
4.4 Leadership and people in the social enterprises

Coompanion Hudiksvall states that they apply some kind of situation based leadership on the four social enterprises in Hudiskvall. Lundgren (2010) says, “in the beginning they need more strict leadership, but after a while we just give advices”. Djerf (2010) claims that:

“We look at abilities rather than disabilities”

Berggren (2010) states that the structure is one of the issues that is special for these types of companies and the purpose with these projects is to involve people who have trouble to get in the working market to gain experience and feel as they are part of something. This is why Djerf (2010) thinks it’s more important to look at abilities rather than disabilities when people are placed in different work teams. “We look at what people can do rather than what they cannot” (Ytell, 2010). This statement means the same but in different words by another leader in another social enterprise.

“I only tell people what to do when it is needed” (Wik, 2010). When Wik was asked if she is actively involved in the daily work, she told us that she acts when something is wrong or if she is asked. This question was asked to all the leaders in the four social enterprises. The only one who said that she is involved a lot in the employee’s daily work was Barås in Nykraft Iggesund. This she said was due to; “nothing gets done if I don’t tell them to do it”.

“We look at every individual one by one to see how much help and support they need (Wik, 2010)”.

Wik (2010) stated the need to look at every individual one by one since people, besides the fact of long unemployment, have different abilities. “We have everything from criminals to handicapped people”.

This is why as stated by Berggren (2010); “Some people have been 10 years without working, some have disabilities, some used to be criminals; we have to make sure that each one of them get a work that is suited for their specific situation; this in order to make sure they grow as individuals but also as a group”. Lundgren (2010) and Djerf (2010) both agree on that the ultimate goal of a Social Enterprise is that a member gets employment directly through the public sector or a private owned company.

4.5 Empowerment

“Empowerment is the catchword here. Responsibility and the feeling of power, gives the employees a personal commitment” (Wik, 2010).

All the social enterprises agree on one issue; their vision is to make the individual feel better. Presence a person growth fulfills the persons need to perform a meaningful task, which enables them to feel worthy. We found that the leader of Nykraft Iggesund, Barås, was unsure about this aspect, and she backed up that statement with the quote; “the company is still young”. The website for this specific company does state that their vision is to warrant the wellbeing of the individual.

The mission from Coompanions point of view is to get more people into labor and at the same time, see to the way in which the community gets affected by the integration of more individuals into the workforce. A Lundgren (2010) state, “if people feel better it affects the society we live in. There will be less drug related problems, which leads to less crimes and this leads to less costs to the society, to keep it simple”.

Lundgren (2010) also added that the mission of each leader is to make sure that each person gets a work for which he/she is suited; each individual situation should be taken into consideration when
placing the person in the job; this will warranty that each person experience a sense of belonging to a specific task or job; but at the same time; increase the levels of motivation when performing tasks.

### 4.6 Motivation

“People are a part of the company; they are members” (Lundgren, 2010).

People are involved in the decision making process of choosing a leader. They are also members and a part of the company. Wik (2010) states that many of the people in the company never felt they could be a part of something, this sort of work make it possible for them to work and feel as part of a team. Barås (2010) added that being a part of the company gives them the feeling of being important and useful, but not only that; these types of companies rely on the employees’ feedback, managers listen what the employees have to say; many of the employees have never felt that they could be useful or that their opinion mattered. Berggren (2010) claims that the overall goal of the Social Enterprises is to involve as many employees as possible in the decision making; in order to achieve that it will be necessary to become a member of the cooperative. He further explains that the overall goals for these Social Enterprises are to integrate workers in the labor market, therefore its name; Work Integrated Social Enterprises.

Ytell (2010) states that some of her employees had such a low self believe that in the beginning it was hard for them to even be able to communicate during the group meetings, after some time she was able to see the change in their behavior. Gaining a work gave the employees confidence; and improved their self-image.

According to Djerf (2010) sometimes, especially in cases of old drug use or criminal charges; it was hard to get some workers to feel motivated and she had to work as a reminder that things needed to get done, she believed that the workers needed time to adapt to their new lifestyle of being responsible of their life and choices.
4.7 Highlights of the in-depth interviews

We have taken the important aspects of the interviews performed in Hudiksvall and present them in 5 different tables. The topic of interest or question of interest has been placed in the left column and the answers have been placed in the right column. Each table will present one company, their tasks, vision and their views on leadership, empowerment and motivation.

Table 1 Coompanion Hudiksvall

<table>
<thead>
<tr>
<th>Company:</th>
<th>Coompanion Hudiksvall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professions:</td>
<td>Experts in the field of cooperative enterprise, the company offers customized information, advice and training – from idea to successful company (Coompanion, 2010).</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Per Lundgren and Peter Berggren</td>
</tr>
<tr>
<td>Position/Title:</td>
<td>Advisors and Project leaders.</td>
</tr>
<tr>
<td>Vision:</td>
<td>“Integrate people in the labor market and also create intrinsic value for those people.”</td>
</tr>
<tr>
<td>Leadership and management style apply to the Social Enterprises:</td>
<td>“In the beginning they need more strict leadership, but after a while we just give advices.”</td>
</tr>
<tr>
<td>How do you empower the Social Enterprises:</td>
<td>“Coompanion Hudiksvall supports the S.E with establishing contacts, conflict handling, give advices and administration. They also work as a reference to the private companies which are interested in the services of the social enterprises.”</td>
</tr>
<tr>
<td>How do you motivate the Social Enterprises:</td>
<td>By making sure that members and employees of the Social Enterprise can vote and therefore have a saying in the decision making.</td>
</tr>
</tbody>
</table>
### Table 2 Hushållsfixarna Hudiksvall

<table>
<thead>
<tr>
<th>Company:</th>
<th>Hushållsfixarna Hudiksvall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees:</td>
<td>16, of which 5 employees and 11 are trainees.</td>
</tr>
<tr>
<td>Professions:</td>
<td>Gardening, cleaning and window cleaning.</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Anna Ytell</td>
</tr>
<tr>
<td>Position/Title:</td>
<td>Manager / Responsible for the participants.</td>
</tr>
<tr>
<td>Vision:</td>
<td>“Involve as many as possible in the labor market and the society.”</td>
</tr>
<tr>
<td>Leadership and management of the company:</td>
<td>“There was no structured leadership before 2010, and with that no structure in the company. Every member and employee got one vote in bigger decisions. Anna Ytell takes charge of the employees when things go wrong. Ytell is not involved in the daily work; the companies have supervisors in different areas for that.”</td>
</tr>
<tr>
<td>How do you empower the employees:</td>
<td>“Give the employees responsibility. Challenge the employees to dare things, such as speak their mind and socialize.”</td>
</tr>
</tbody>
</table>
| How do you motivate the employees: | “Make the employees feel like they are a part of a group and that they are important.”

“Some employees had such a low self believe, in the beginning it was hard for them to even been able to communicate during the group meetings, after some time I saw a positive behavior change.”
### Table 3 Kraftkällan Hudiksvall

<table>
<thead>
<tr>
<th>Company:</th>
<th>Kraftkällan Hudiksvall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees:</td>
<td>19 employees.</td>
</tr>
<tr>
<td>Professions:</td>
<td>Carpentry, sewing, cleaning and staffing services, for example in restaurants.</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Lena Wik</td>
</tr>
<tr>
<td>Position/Title:</td>
<td>Manager / Director</td>
</tr>
<tr>
<td>Vision:</td>
<td>“The vision is to create a better environment for individuals and more jobs for people outside the labor market.”</td>
</tr>
<tr>
<td>Leadership and management of the company:</td>
<td>Lena Wik (2010) claims that she is more of a contact person rather than a leader. Every segment in the firm has one supervisor, in total 4. Lena Wik is a part of the board however. One vote to every employee and member is given.</td>
</tr>
<tr>
<td>How do you empower the employees:</td>
<td>“Make the employees feel like they are working for themselves, that it is their company. Give the employees responsibility and thereby the sense of power. Give an understanding of the personal commitment.”</td>
</tr>
<tr>
<td>How do you motivate the employees:</td>
<td>“Through empowerment.” Meaning giving the employees the tools for assuming responsibility for their actions and job related activities, which may have a positive effect on their motivation.</td>
</tr>
<tr>
<td>Company:</td>
<td>Nykraft Iggesund</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Number of Employees:</td>
<td>12, of which 7 are employees and 5 trainees.</td>
</tr>
<tr>
<td>Professions:</td>
<td>Cleaning, carpentry, painting and gardening.</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Åsa Barås</td>
</tr>
<tr>
<td>Position/Title:</td>
<td>Manager / Administrator</td>
</tr>
<tr>
<td>Vision:</td>
<td>“Unsure, the company is still young” Warrant the wellbeing of the individual.</td>
</tr>
<tr>
<td>Leadership and management of the company:</td>
<td>“My main tasks in the company are to take care of orders and reservations. She claims to step in when something go wrong. The companies have a supervisor in every section. She and the supervisors make most of the decisions.”</td>
</tr>
<tr>
<td>How do you empower the employees:</td>
<td>“Make both employees and members believe they are useful, important and their opinion matter.”</td>
</tr>
<tr>
<td>How do you motivate the employees:</td>
<td>“Give feedback if something good is done.” “Being part of the company gives them ,the employees, the feeling of being important and useful.”</td>
</tr>
</tbody>
</table>
Table 5 Krafterkraft Delbo

<table>
<thead>
<tr>
<th>Company:</th>
<th>Krafterkraft Delsbo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees:</td>
<td>23, of which 10 employees and 13 trainees.</td>
</tr>
<tr>
<td>Professions:</td>
<td>Sewing, cleaning and furniture reallocation employees.</td>
</tr>
<tr>
<td>Interviewee:</td>
<td>Anki Djerf</td>
</tr>
<tr>
<td>Position/Title:</td>
<td>Manager / Supervisor</td>
</tr>
<tr>
<td>Vision:</td>
<td>“Make everyone feel needed and gain self-confidence.”</td>
</tr>
<tr>
<td>Leadership and</td>
<td>“A voting is held every year where the board is chosen. This board chooses the manager. Anki Djerf has been the manager since 2009. She is also one of the supervisors which delegates work for the employees.”</td>
</tr>
<tr>
<td>management of the</td>
<td></td>
</tr>
<tr>
<td>company:</td>
<td></td>
</tr>
<tr>
<td>How do you empower</td>
<td>“Make everyone feel needed.”</td>
</tr>
<tr>
<td>the employees:</td>
<td></td>
</tr>
<tr>
<td>How do you motivate</td>
<td>“Motivates the employees through rewards, for example; if you work good today, then you can be off duty on Friday”.</td>
</tr>
<tr>
<td>the employees:</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of the Tables

In these tables we have chosen to present a highlighted version of the data shown under the main topics of the empirical findings. This will help us get an improved overview in the analysis chapter especially for those subjects that are relevant to our study namely; vision, leadership, empowerment and motivation and how they relate to the subjects of networking, management and the Social Enterprises.

Below is a table that presents the companies goals and vision and the leaders views on both subjects. We found this interesting due to the fact that it shows how the network affects the Social Enterprises.
Table 6- Goals and Visions

<table>
<thead>
<tr>
<th>Goal:</th>
<th>Vision:</th>
<th>About this, the leaders comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The overall goal of the Social Enterprises is to involve as many employees as possible in the decision making; to integrate workers in the labor market, therefore its name; Work Integrated Social Enterprises (Berggren, 2010).</td>
<td>Lundgren (2010): the members of the board are encouraged to take active participation in the decision-making discussions, is one member one vote. “People are a part of the company; they are members” (Lundgren, 2010)</td>
<td>Ytell (2010): “Involve as many as possible in the labor market and the society.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wik (2010): “Employees feel as they are a part of something.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Barås (2010): “Work related decisions are ideally reach in a consensus in which everybody has the same authority”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Djerf (2010): “Make everyone feel needed and gain self-confidence.”</td>
</tr>
</tbody>
</table>

Explanation of the Table

Coompanion Hudiksvall sets both goal and vision for each of the Social Enterprises within the network. The left column refers to the goal set by Coompanion, this leads to the middle column which relates to the vision. Also set by Coompanion. The right column shows comments from the leaders of each Social Enterprise.
5. Analysis

This is where the empirical data and the existing theories are compared. We begin our analysis by looking at the network and the companies’ visions; then we focus on social enterprises; specifically the goal and vision of each of the companies that integrate Companions' network; followed by Leadership and its role in every company.

5.1 Den glada Hudik-modellen – The network

These work integrated social enterprises would probably not exist if it weren’t for the network. According to Berggren (2010) one of these enterprises even went bankrupt before they started the cooperation with the public sector and Coompanion Hudiksvall. The Glada Hudikmodellen gives a picture of how these companies cooperate when it comes to products and services, rehabilitation spots, support and guidance. These types of services and information exchange are common in smaller enterprises according to Carson (2001). Carson (2001) also claims that a network can work as a reference for customers, which in this case is true according to Lundgren (2010). Another interesting aspect is how this network affects the vision of the leaders in the work integrated social enterprises. The visions’ similarities are compared in the table below; this is to help the reader get a better overview.

Table 7 - Vision similarities among the different companies

<table>
<thead>
<tr>
<th>Vision similarities among the different companies</th>
</tr>
</thead>
</table>
The vision and goal is important for them to know since the process of informing and promoting an organization’s vision to the employees is usually in the hands of the organization’s leader (e.g., Bass, 1990; Conger, 1991; Conger and Kanungo, 1987; Tichy and Devanna, 1986). Berggren (2010) also claims that they use a type of leadership on the social enterprises at the beginning; this also affects the vision of the leaders in the social enterprises. As we understand it, the goal is clear to the leaders in the beginning of the process; and changing the type of leadership is a consequence of this; starting with directing and ending with supporting the employees; because the goal is for the employees to be self-sufficient in their daily work.

This common vision comes from the network (Lundgren, 2010). Coompanion Hudiksvall can help people to start projects that are cooperatives thanks to the economic support from the public sector (Coompanion, 2010). These projects may later on become real companies. This gives the community an opportunity to send trainees to these social enterprises, where they can gain competence and feel needed (Djerf, Ytell, Barås, Wik, 2010).

This affects the society they live in, and therefore the community; meaning when people feel useful they try to give back to the community; this will decrease the levels of crime (Mustard, 2010); higher levels of unemployment will lead to higher crime levels. Lundgren (2010) further explain this by stating that people that feel useful and better will pay back to society rather than be an economic burden. Being unemployed for long time periods can lead to low self-esteem, depression and low income which in some cases might lead to crime costing the state. In some cases unemployed people will receive welfare from the state; costs that are funded by tax money.

The basics of empowerment are gained through this network because of the organizational structure, which is created by Coompanion Hudiksvall and their advices and support. A cooperative involves all the members in big decisions, one member, one vote (Wik, 2010). Empowerment refers to the delegation of power that enables people at lower organizational layers to make decisions, though empowerment means more than merely delegation (Malone, 1997). We found that Social Enterprises and their network create a win-win-situation both for the individuals within the enterprises and the community.

5.2 Organizational structure – The Birth of the Social Enterprises

Stryjan (2002) mentions that WISE, in Sweden are constituted by their members and are govern in a democratic manner, meaning that they tend to guard their members’ interests; this is in accordance to our findings; since every one of the companies we interviewed made it clear that the directive was run like a democracy and all the members had a saying in the decision making. By directive meaning the board of directors, which run all the companies following a network model, in this case “Den glada Hudik-modellen”.

According to Hoos et al., (1995) in profit driven companies board members are usually treated fairly similar, while in Cooperatives treating every member of the board equally can be very difficult; this because of the type of structure social organizations have; which is usually very flat. In a flat organization one tend to have a closer and more personal relationship with the employee; this is why if one feels like they know one another, making a differentiation between people might be easier that in structure organizations.

Another factor might be, that some of the board members are not workers and some are workers but aren’t members of the cooperative, as we found to be the case for the Cooperatives that integrate
Coompanion. This makes it difficult to handle a worker and trainee equally, meaning when they are not a part of the cooperative; because they don’t seem to be interested in the voting process or in the decision making process of the social enterprises, such as the process of choosing the leaders.

We have found that is the case for these companies; while the members are encouraged to take active participation in the decision making discussions, and even though is one member one vote; it is difficult for employees to treat members that aren’t employees as equal. According to Lundgren (2010) these people are just there for the social interactions, which is fun for both them and those who integrated the social enterprises. This can be a problem since the board meetings affect the work related questioning within the Social Enterprises and because some members that do not participate in the work can vote, this problem arise.

5.3 Leadership in the work integrated social enterprises

The leaders of the social enterprises did not call themselves leaders, instead they used terms like: responsible for the participants (Ytell, 2010), director (Wik, 2010), administrator (Barås, 2010) and supervisor (Djerf, 2010).

Every one of the managers interviewed by us has an influence on the people and the organization; which according to Anderson et al. (2005) is a broader sense of the definition of leadership. Managers are involved, by the use of the board electing process (described in chapter 5.3.1); as we understand it managers make sure that employees are involved and motivated too; since they are a part of the decision making.

Leadership is the ability of an individual to motivate others to forego self interest in the interest of a collective vision (House and Shamir, 1993); motivation plays a decisive part in the role of a leader; and so does the leader’s social mission (Mort, 2002). This obviously affects how social leaders perceive and assess opportunities, and they are usually driven towards creating superior social value for their clients.

The way the leaders delegate the work and take care of their employees’ needs to make them feel better about themselves; boost the employees self-esteem; as a consequence there will be an increase in the social value of their community. Being heard and valued as a member of the board is a process that helps increase the self believe of the employees and also helps increase the social value of each individual; as we interpreted in our findings.

On the process of motivating the workers, Berggren (2010) stated that the key is to integrate unemployed people to the working labor so that they gain work experience. An employee that has been without work for long periods of time might suffer for low self-esteem and feel non worthy; by integrating them back in the labor market; they will gain experience boosting their confidence and self-esteem.

5.3.1 Situational Leadership

We have found that this model describes the process of leadership that these Social Enterprises have gone through; we have found out that those leaders with experience, and who have worked longer with the employees; were able to achieve higher levels of development on the employees’ side.

After careful analysis, table 8 shows the results associated with Situational leadership:
### Table 8 - Results associated with Situational Leadership

<table>
<thead>
<tr>
<th>Leader</th>
<th>Lena Wik</th>
<th>Asa Barås</th>
<th>Anki Djerf</th>
<th>Anna Ytell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual development level</td>
<td>D4</td>
<td>D2</td>
<td>D3</td>
<td>D3</td>
</tr>
<tr>
<td>Type of leadership</td>
<td>Delegating</td>
<td>Coaching</td>
<td>Supportive</td>
<td>Supportive</td>
</tr>
<tr>
<td>Comments on their management</td>
<td>“I only tell people what to do when it is needed.” She claims that she is more of a contact person rather than a leader. Every segment in the firm has one supervisor, in total 4. She is a part of the board however. One vote to every employee and member.</td>
<td>“Nothing gets done if I don’t tell them to do it” “I step in when something goes wrong. The company has a supervisor in every section. I and the supervisors make the most of the decisions.”</td>
<td>“…I worked as a reminder that things needed to get done.” “I am one of the supervisors that delegates work for the employees.”</td>
<td>“I took charge of the employees when things went wrong. I didn’t get involved in the daily work; the company has supervisors in different areas for that.”</td>
</tr>
</tbody>
</table>

**Explanation of the table:**

Situational leadership gives us an insight of how involved every leader is in guiding and managing the employee. Situational leadership is the ability to guide the employee from level D1 to level D4 (Blanchard et al. 1999 figure 4).

In a social enterprise they look at abilities rather than disabilities (Djerf, 2010). Some people might need more support in the beginning if they have been unemployed for a long time. According to Berggren (2010) the leadership depends on the maturity of the group. An interesting finding here is that the leadership seems stricter in the youngest company Nykraft Iggesund (Barås, 2010), which has been formed in 2009. The fact that leadership is stricter in the youngest company corresponds to figure 3, where the individual development is low (D1) and the directing behavior of the leader is high (Blanchard et al, 1999).

The highest value of individual development (D4) is reached when the employees have high competence and high commitment. This is where the employee is empowered; and why Lena Wik chooses to give employees responsibility; since she found employees to be committed and to have the abilities necessary to perform the tasks; as shown in the Situational Leadership model, figure 4; where employees shown high personal commitment and competence levels.
Also from figure 4, management style D3 in which a leader with develop a supporting leadership style instead of a directive type; will enable higher levels of empowerment to the employees since they will choose by themselves how to approach their daily work activities, with support from their employers.

5.3.2 Empowerment

The foundation on which the work integrated social enterprises are built upon is a type of empowerment. Members have a chance to vote on major decisions (Berggren, 2010), figure 9 shows the process of casting a vote within each company.

Figure 10- Vote Cast process

Explanation of the model:

This is the same process as the “Process of choosing a leader-model” (figure 8), but this is also use to decide upon other major topics within the Social Enterprises, as stated by Berggren (2010).

Empowerment refers to the delegation of power, which enables people at lower organizational layers to make decisions, though empowerment means more than merely delegation (Malone, 1997).

The cooperative structure is based on work integration, but that is not only the way to empower people. The leaders of the social enterprises play a major role since they are the ones who can affect the employees more than any other. The vision must be clear to them before they can spread the word to the employees (Lundgren, 2010). The leaders view on empowerment is illustrated in the table below (table 9):
### Table 9 - The leaders view on empowerment versus existing theories

<table>
<thead>
<tr>
<th>Enterprise:</th>
<th>Leader:</th>
<th>Comments on empowerment:</th>
<th>Relationship between our findings and the existing theories:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hushållsfixarna Hudiksvall</td>
<td>Anna Ytell</td>
<td>“Give the employees responsibility. Challenge the employees to dare things, such as speak their mind and socialize”</td>
<td>From Baruch (1998); a fraudulent manager will support empowerment but at the same time believes they have the last word in the decision making.</td>
</tr>
<tr>
<td>Kraftkällan Hudiksvall</td>
<td>Lena Wik</td>
<td>“Make the employees feel like they are working for themselves, that it is their company. Give the employees responsibility and thereby the sense of power. Give an understanding of the personal commitment.”</td>
<td>From Baruch (1998); a Miser is defined as a manager who supports empowerment, but not its rewarding aspect; they believe that giving employees responsibilities and the power to decide is a reward itself.</td>
</tr>
<tr>
<td>Nykraft Iggesund</td>
<td>Åsa Barås</td>
<td>“Make the employees believe they are useful, important and their opinion matter.”</td>
<td>From Baruch (1998), a fraudulent manager is one that support empowerment but will have the last word in the decision-making.</td>
</tr>
<tr>
<td>Krafterkraft Delsbo</td>
<td>Anki Djerf</td>
<td>“Make everyone feel needed.” \ “…rewards with a day off…”</td>
<td>From Baruch (1998); An enlightened manager believes in empowering the employees and rewarding them if they have finished their duties successfully.</td>
</tr>
</tbody>
</table>

### Explanation of the Table:

Table 9 is a comparison between what the interviewees say and what the existing theories say, in other words our empirical findings versus the literature review in this study. The two columns to the left show the leader and the company for which they work. Their comments are presented in the middle column. The column to the right explains the existing theories view on the subject of empowerment.

Carol Yeh-Yun (1998) presents three levels of empowerment; styles-, skills- and staff-empowerment. These three levels indicate the importance for the employee to take initiative and dare to do things without an order from a leader and relates to the importance of the type of leader and their empowerment skills and vision. From the leaders’ comments in table 9, we can see that all of the three elements of empowerment are present. The Staff element from Carol Yeh-Yun (1998) theory is the
main driver in these Social Enterprises. The culture of empowerment and the leaders’ drive are the most tangible aspects in these interviews. The organizational culture is a consequence, from our perspective; of the Organizational Structure / Network which Coompanion provided for these cooperatives. The elements of style and skills of each of the leaders seem to be hard to grasp through their answers. The leaders find it hard to give us straight answers on how they worked with these aspects; therefore their answers were vague.

We think this might be as a result of different types of leadership applied to different types of employees; even sometimes the leaders themselves are not aware of their change in leadership styles; or situational leadership.

Yehuda Baruch (1998) states that two aspects, belief and fairness, are important when organizations apply empowerment. Since Coompanion helps people to start project, and therefore shares a vision of the project, they influence the belief of the leader. They also influence the leaders through meetings and advices. Baruch (1998) defined “belief” as the level to which top management genuinely believes in the underlying ideas of empowerment and its potential benefits. The other aspect, “fairness”, is based on the leader’s fairness and righteous to each of the employees. Fairness is also something that is built in the cooperative structure through voting, one member, one vote; everyone has a saying in the decision-making. By analyzing the comments of the leaders in the work integrated social enterprises we can see an indication on how their vision influence the way they empower people who are part of the organization.

5.3.2 Motivation
As theory suggests organizational environment affects how people evolve and feel motivated to perform in their job (Kontoghiorghes, 2008). Motivation is therefore closely related to how much a person can evolve in their career and what opportunities are available to them. The fact that people are involved in the decision making of choosing a board member (Wik, 2010) can be a source of motivation for the workers; feeling that their opinion matter, and that they are a part of something can boost their self-esteem and make them feel as a valued member of society. The statement made by Barås (2010) is another example of how people get motivated: being a part of the company gives them, the employees, the feeling of being important and useful. Being a part of an organization can improve the self-image of an individual; this is connected with a person need of being a part of something.
**Table 10 - Leaders view on Motivation versus existing theories**

<table>
<thead>
<tr>
<th>Enterprise:</th>
<th>Leader:</th>
<th>Comments on motivation:</th>
<th>Relationship between our findings and the existing theories:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hushållsfixarna Hudiksvall</td>
<td>Anna Ytell</td>
<td>“Some employees had such a low self believe, in the beginning it was hard for them to even been able to communicate during the group meetings, after some time I saw a positive behavior change”</td>
<td>From Kontoghiorghes (2008) the organizational environment is a factor that determines and affects the employees ‘development, meaning their ability to learn and transfer their knowledge to others. Positive feedback from the employer may boost the employee motivation and self-confidence (Ryan, et al. 2000). This relates to level 4 of Maslow’s Hierarchy of needs; associated to self-esteem, confidence and achievement (Maslow, 1943).</td>
</tr>
<tr>
<td>Kraftkällan Hudiksvall</td>
<td>Lena Wik</td>
<td>“Through empowerment” “Many of the people in the company never felt they could be a part of something, this sort of work made it possible for them to work and feel part of a team”</td>
<td>The highest level of Maslow hierarchy of needs; self-actualization (Maslow, 1943). Social environment affects intrinsic motivation (Ryan, et al. 2000).</td>
</tr>
<tr>
<td>Nykraft Iggesund</td>
<td>Åsa Barås</td>
<td>“Give feedback if something good is done.” “Being part of the company gives them, the employees, the feeling of being important and useful”</td>
<td>Cognitive evaluation theory and its relationship with positive feedback and the increase of intrinsic motivation (Ryan, et al. 2000). Level 4 of Maslow hierarchy of needs; achieving the respect of others (Maslow, 1943).</td>
</tr>
<tr>
<td>Krafterkraft Delsbo</td>
<td>Anki Djerf</td>
<td>“Motivate the employees through rewards, for example; if you work good today you can be off duty on Friday” “Make everyone feel needed”</td>
<td>Extrinsic motivation relates to motivating people through rewards (Ryan, et al. 2000). Level 3 of Maslow’s Hierarchy theory, which relates to the feeling of belonging and friendship (Maslow, 1943).</td>
</tr>
</tbody>
</table>
Explanation of the Table:

This table shows the leaders views on Motivation versus existing theories, built similarly to table 9, each of the enterprises and leaders are shown on the left columns; their comments on motivation are shown on the middle column and the relationship between existing theories and our findings are shown in the right column.

The ability to lead employees is deeply related to the ability to motivate employees; because leadership is the ability of an individual to motivate others a good leader will be one that motivates employees and make them feel worthy and capable of achieving the company’s goals. The process of making the employees feel motivated is associated with the type of leadership management chooses to follow.

As shown in table 10, there is a connection between motivation and the way the leaders behave towards their employees. In most cases, motivation was given through a set of activities chosen to motivate, not a specific example. We were given some specific examples from the leaders such as rewarding (Djerf, 2010) and feedback (Barås, 2010).

Even though we were given a small amount of specific motivational tools, for example providing feedback and rewards to employees; but also giving them the chance to be a part of the board; we were able to compare the leaders’ comments on motivation with existing theories which in general gave the leaders high motivational score levels in Maslows Hierarchy of needs Theory (Maslow, 1943). This might relate to the high focus that social enterprises have on belonging, esteem and self-actualization; which affects management ‘leadership and promotes feelings of motivation in the employees and members.

Another interesting factor is that the specific motivational tools that were used by the leaders affected the intrinsic and extrinsic motivation of the employees. By reinforcing and positive feedback, intrinsic motivation increased (Ryan, et al. 2000); meaning that the employees were self driven and were given autonomy and the right tools to perform a task by themselves without following a specific order.

One of the leaders used extrinsic motivational tools; giving the employees rewards and by doing so reinforcing their commitment to finish the task at hand. This behavior might slow down the process of gaining independence while performing a task; the employees might expect a reward to perform a task in the future, decreasing their levels of autonomy (Ryan, et al. 2000). The employees that were given rewards might expect a reward in the future, instead of being self-motivated, without the need of a reward; to finish a task. This behavior could be hard to change and slow down their autonomy of the employee and have a negative effect on the empowerment process; which strives to increase the independence of the employee when performing a task, as we understand it.

5.4 – Developing new models by connecting to the presented theories
The figure below is a developed version of "Den glada Hudik-modellen". In this figure we include the implications that leadership in Social Enterprises has on Society.
**Figure 11 “Den glada Hudik-modellen” and its implications on Society**

**Explanation of the model**

*Figure 11* summarizes networking in “Den glada Hudik-modellen”. The parts played by different actors are showed beside the boxes. The arrows illustrate the connection that exists between the processes.

The Society and their local offices provide Coompanion with workers and financial support to support their activities. The main goal of the local offices, such as the Swedish Public Employment Service, SPES; is to integrate as many employees as possible into the labor market; which translate into Coompanions mission. The support provided from local offices enables Coompanion to help a number of different organizations, which are included in the "Den glada Hudik-modellen"; but also to help start up social organizations from the bottom up; giving them the support they need to develop.

Coompanion develops their local offices’ vision further by increasing the social focus of the companies they choose to support. This is achieved by the creation of social cooperatives, where every member has the same amount of power; "one member, one vote".

These are the tools that the management of the Work Integrated Social Enterprises has to work with. As presented in the analysis section, these tools are: organization structure, support in terms of knowledge and financial aid, goals and vision to help decrease unemployment and increase social welfare.

Armed by these tools the leaders then adapt them to their working reality; each leader adapts his/her leadership style following the workers qualifications and behavior. The situational leadership model helps us determine the developing stage among the people involved in the Work Integrated Social Enterprises. After careful consideration, we are able to place each leader under a leadership style; which also helps us find a pattern of the stage of maturity of the company, leaders and members.
We found that the more experienced the leader and employees were the more advance the level of leadership was; meaning more delegation of tasks and less directive behavior towards the employees and members.

As shown in the theory, a Social Enterprise is about the social gain rather than financial gain; this was also shown in the interviews.

The importance of the process of empowering and motivating employees and members should not be underestimated; we can see a connection between leadership, empowerment and motivation; following our findings and the theories: Situational leadership, Empowerment based on Fairness and Belief, Maslow’s hierarchy of needs and Self-determination theory.

Figure 12 shows our model of how these theories interact to increase social gain, which is the main goal of Work Integrated Social Enterprises.

*Figure 12 - Leadership and its implication on Work Integrated Social Enterprises*

<table>
<thead>
<tr>
<th>Leadership Style:</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delegating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Empowerment Style:</th>
<th>D4x</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enlighten</td>
<td></td>
</tr>
<tr>
<td>Dissociated</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Motivational level:</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Esteem</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belonging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-actualization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leadership Style:</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coaching</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraudulent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissociated</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Empowerment Style:</th>
<th>D2x</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic motivation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Motivational level:</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belonging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extrinsic motivation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of the model**

Figure 12 summarizes our view on how the different theories on Leadership, Motivation and Empowerment relate to each other. The model begins with situational leadership theory and its effects on empowerment and motivation. We found a pattern, which is the more the leader, believes in the employee the empowerment and motivation levels on that employee in particular, might increase. According to the empirical findings the self-actualization of employees and members, D4x level in figure 12, is the goal that Coompanion and the Cooperatives seek to achieve in terms of employees and members working behavior. This strengthen with words like “they should feel like they are working for themselves”, “everyone should feel useful and a part of something”. D1x, D2x, D3x and D4x are our assumed definitions based on figure 4; they represent the workers individual development level, and they go from D1x or lowest individual development, to D4x which is the highest development value.
For our proposed model D1x, D2x, D3x and D4x will be affected not only by leadership style, as presented in figure 4; but also by empowerment style and motivational levels. By looking at this we can answer the question how the employees and members are empowered by the leaders in work integrated social enterprises. The empowerment and motivational level on the employees depends on which type on leadership the leaders in the Work Integrated Social Enterprises are using, our model proposes.

As an example, a leader who delegates’ tasks to their employees will have high believe in them and will choose not to support but delegate tasks to their employees rather than direct them. This process will, according to theory; give the employee a sense of self-worth, high empowerment levels and high autonomy and a sense of working for themselves rather than achieving “management” set up goal. After an employee goes through the process described in Figure 12; he will work for himself towards a common goal without expecting a reward, they will then achieve a task by themselves because they want to; and that is the reward in itself.
6. Conclusion

In this chapter we summarize the analysis and give our reflection on it. We provide suggestions on further studies and critically discuss our study.

6.1 The Network

We found that the network of the work integrated social enterprises gives a cooperative structure for each of these companies; structure provides order and the ability to understand the line of work better. The network also provides important knowledge, not only in the way of doing business, but also in the way of empowering people.

From early studies, we know that networks are important for revenue driven companies. We found that this factor is even more relevant for Work Integrated Social Enterprises. The cooperatives gain resources and knowledge through the network; this is vital for their survival. This was the case for one of the companies; which later turned out to be one of the most successful according to the amount of employees, even though it applied for bankruptcy in the past.

The network is the starting point of the companies’ visions and goals. This is provided by the organizational structure and through it the vision and goals are passed on to the cooperatives.

The concept of Work Integrated Social Enterprises implies the importance of integrating people to the labor market, which is a goal that derives from Network and that, has been required by the Swedish public employment service.

Our study proposes that the network of the Work Integrated Social Enterprises answers one of our research questions; factors that influence the leaders of Work Integrated Social Enterprises. Our proposed model presented in figure 11 answers this question; society has a need to integrate people into the labor market. This provides a goal a vision, which the Work Integrated Social Enterprises strives to fulfill.

6.2 Social Enterprises

Our first thought with this study was to focus on the network of the Social enterprises, but as said earlier; network it’s an aspect that is not only related to social enterprises but also to revenue driven enterprises. Networking is also a subject that has been the focus of several studies in the past while leadership in Work Integrated Social Enterprises has not. This was a fact we encountered while looking for existing theories like; books, reports and scientific studies, in the different subjects, which this study includes.

Even though we narrowed the focus of this study to only Work Integrated Social Enterprises and their leadership; we found that the amount of data was extensive. This was because of the way we conducted the study, meaning we choose to have a high focus on influential factors, such as network and its influence on leadership, and how leadership influences the labor force; by empowering and motivating employees.

Our study shows that the cooperatives share the same organizational structure, which helps them realize the importance of motivation and empowerment as tools to help increase employees integration and their working skills. The members and employees of these Work Integrated Social Enterprises
have different backgrounds, often troubled; this is why the social aspects play a big role; integration, self-esteem, self-worthiness are some examples.

We focused then in the feedback gotten from the leaders and the company that provided the network to the Cooperatives, Coompanion.

6.3 Leadership and Managing Style in Social Enterprises

We found that each leader adapted their leadership style to the workforce; or situational based leadership. The strength of the leadership depends both on the employee’s maturity and the leader’s maturity. This was back up further with the fact that the leader for the youngest company, Ása Barás, was forced to increase her involvement in daily management. Our first thought when we started the interviews was that the leaders played a big role in these enterprises. But we found out during the interviews that none of the leaders liked to be called themselves “leaders”. However, during this analysis we found out that even though they don’t want the title “leader”, they are still leaders.

We found that the changes in the different approaches, namely: supportive style, delegating style and coaching style; was related to the background of the employees and the amount of time they have been working as a part of each company; employees working for a longer period of time felt more motivated, this was suggested by the management of the cooperatives and it associated to the fact that through work and the feeling of being needed while performing a task, make the employees regain their self wordiness, through time. This is precisely what theory suggests; managing style will adapt and evolve with time according to their belief in the employee or member.

We think that adapting the leadership style to the workforce will increase their levels of empowerment and motivation. This we believe is the main purpose of the social enterprises; social gain.

6.4 Empowerment

The analysis shows that empowerment is built in the foundation, meaning the core of each one of the companies, but the leaders need to pass on that vision to the employees and members of their company. That is also related to networking and the ability to communicate as for the learning process that is established between the companies.

The empirical findings and the existing theory of empowerment matched. Both give us a sense on how to be able to provide power to the people in the company due to the voting process. The leaders also empower the employees and members through the autonomy process.

One interesting fact found during our interview with Anna Ytell, was that all workers in the company don’t have the possibility to vote, only members of the cooperative, not trainees. The analysis showed that the right to vote is the very foundation of empowerment in the work integrated social enterprises. This is an issue; we believe that leaders in Social Enterprises should have in mind in the future when dealing with employees.

6.5 Motivation

Motivation is the keystone of empowerment, people that feel motivated perform better and feel empower to take on more responsibilities; they gain self-belief and self-confidence. This is the reason why, including all workers in the voting session, giving them the right to vote as members, will motivate them and improve their working performance.

Leadership and motivation go hand in hand; we found that the types of leadership followed by the different managers in each company shows that each one of them is keen on motivating their employees; to make them feel important by listening to their input, that they are a part of the team and that their opinion mattered.
We found that the motivational theories and the empirical findings have many things in common, but one that stood out was the importance of self-actualization. Employees or members who believe in themselves gain autonomy that is the goal of the leaders in Work Integrated Social Enterprises. This will be reflected in their daily lives.

6.6 Reflection, implication, contribution and suggestions for further studies

We found that leadership in Social Enterprises followed the situational leadership model; because it adapts to the specific needs of each employee allowing the leaders to adapt accordingly, meaning meet the specific needs and reality of each employee.

It would have been interesting to analyze the employees view on empowerment in social enterprises. This could have been studied further by means of a quantitative research in order to find out several aspects that the employees think are important. Correlations between what the employee thinks are important aspects, what they value more; and empowerment should be measured. This will help us get a deeper understanding from the employees’ point of view and how it relates to the theories presented in this study.

Our study was based on Coompanion Hudiksvall and the Work Integrated Social Enterprises. We have conducted it to raise awareness of the use of methodology and tools to gain social gain, looking at these companies as a case to find out which tools and methods worked best, which didn’t in some cases. As an example; the companies we studied, namely Coompanion and the cooperatives that integrate their network; probably know the importance of feedback, but not how it connects to motivation. They might also be aware of the positive effects of giving autonomy to the employees, but not on how it may later lead to empowering the employees and members in the organization. We suggest that a high level of awareness on these aspects might help the leaders gain higher levels of empowerment from the employees and members.

A way to increase the validity of this study would have been by interviewing the employees instead / also to get a better sense of the Work Integrated Social Enterprises, leadership, empowerment and motivation; and how they relate further.

In the same way and to increase the validity of this study we could combine open and closed questions. Coompanion and the cooperatives handed us a vast amount of information to help us understand the way Social Enterprises work; this information would have been helpful before we preformed the interviews; we could have then included closed questions. Closed questions are usually easier to present to the readers.

A limitation of this study was that it focused on the views and input of the leaders of Coompanion and the cooperatives that integrate its network and not on the view of employees and members, that, we believe, can be an idea for a following study on this subject to deepen our understanding of leadership in work integrated social enterprises.

We have come up with factors that might influence the employees and members by means of a qualitative study, which is a type of study to create theories, a further study can then be a quantitative study based on how these theories relate to increase employees outcome.

Our theoretical contribution in this study is to include two new models. We believe they can help increase the awareness within Social Enterprises of how to use leadership styles and motivation and empowerment to increase social gain.

A worthy contribution of the study is to increase awareness of the effect Social Enterprises have on Society.
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Cooperation.


**Website Sources**


Appendix 1

Questions performed to the leaders at Coompanioon, Hudiskvall.

The following questions were performed at Companions’ head office in Gävle the third of October 2010. The questions were divided to help when analyzing.

Introduction Questions

- Can you explain how Den glada Hudik-modellen works?
- Which actors are involved?
- Where can we find your company/ you in the model?
- What do you get out of this cooperation, specifically the advantages of the cooperation?

Main Questions

- What are in your opinion the main advantages of the implementation of Den glada Hudik-modellen?
- Do you believe that the efficiency of the company has improved by the implementation of the Model?

2.1) If so, in which way? And, How?

2.2) If not, Why do think the model has not been successful in increasing the efficiency of the company?

3) In your opinion has the flexibility (the ability to adapt to uncertainty, change) improved after the implementation of the model?

3.1) If so, Why? And, How?

3.2) If not, Why do think the model has not been successful in increasing the flexibility of the company?

4) In your opinion has the company been more successful in retaining customers after the implementation of the model?

5) Do you believe that the company has increased their levels of internal integration (better internal communication, better internal relationships) after the implementation of the model?

6) Have you found any improvements in the way information is managed? (more efficiently/ faster)

About the Company

- Are this company revenue / profit driven?
- Is this a private or a state own company?
- Mission / Vision (purpose) of the company?
Appendix 2

Questions performed at Coompanion and the cooperatives that integrate Coompanions network.

The following questions were performed at Companions’ head office in Hudiksvall the 26 of November 2010. The questions were divided to help when analyzing.

Questions for Coompanion Hudiksvall

- Did you have a clear vision on what the “social enterprise” project was?
- Do you still have the same vision regarding this company?
- Do you take care of the market research for the social enterprises?
- How did you find the leaders for the social enterprises?
- How do you recruit people?
- Do you train the managers of the social enterprises? If so, how?
- How do you get work for the social enterprises?

Influence

- Do you give advices/specifications to the social enterprises, or do the enterprises come to you for information?
- Do you measure the efficiency of the advices/instructions you give? If so, how
- Do the companies give any sort of feedback on your advices/specifications/instructions?

Questions to the four Social Enterprises Kraftkällan Hudiksvall, Nykraft Iggesund, Kraterkraft Delsbo and Hushållsfixarna Hudiksvall

- Background of the managers.
- What is in your opinion the HRM competence of the management?
- Are the members of the board / management changed after a specific number of years?
- How, do you believe is the balance, if any, of the members of the management (board)
- How much do you involve the employees in the decision-making?
- Are you involved in the employee’s daily work?
- What’s your vision regarding this company?
- Do you believe that your work in this company reflects the core values of the company (mission and vision) and why?
- How do you motivate the employees?

How and why are you empowering employees?

Influence

- Do you measure the efficiency of the advices/instructions you give to your employees? If so, how? (Do you measure in social or economical terms?)
- Do you give feedback to your employees?