

Social enterprise resilience in sub-Saharan Africa

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Abstract

This paper examines resilience in development-oriented social enterprises in sub-Saharan Africa drawing upon in-depth case study research. It explores the nature of the strategic challenges faced by social enterprises in sub-Saharan African contexts and which necessitate organisational resilience. Key resources and capabilities possessed by resilient social enterprises are identified. Finally, strategies adopted by resilient social enterprises are explored. This research not only contributes to literature on resilience in social enterprises but also works on wider organisational resilience, particularly in complex and unpredictable environments. Furthermore, it contributes to hitherto limited work on social enterprises in sub-Saharan Africa. Finally, this paper has implications for practicing managers in social enterprises who are looking to build organisational resilience.

KEYWORDS

capabilities, development, resilience, social enterprise, stakeholders, strategy, sub-Saharan Africa

1 | INTRODUCTION

Called “kushinga” in Shona, “ujasari” in Kiswahili, and “kupilila” in the Zambian language Nyanja, resilience is a salient concept across sub-Saharan Africa. Social enterprises in sub-Saharan Africa face numerous and varied strategic challenges. These may relate to their external environments, encompassing issues such as political instability and conflict (Branzei & Abdelnour, 2010); poorly functioning markets and “institutional voids” (Parmigiani & Rivera-Santos, 2015); institutional inefficiencies, complexity, and pluralism (Zoogah, Peng, & Woldu, 2015); and natural environmental challenges (Linnenlueke, Griffiths, & Winn, 2012). These challenges are reflected in rankings such as the World Bank’s Global Ease of Doing Business Index, with five of the bottom 10 countries in the index located in sub-Saharan Africa (World Bank, 2017a). Simultaneously, internal weaknesses and tensions exist in social enterprises in sub-Saharan Africa as elsewhere that may also ultimately lead to their failure. For example, difficulties in developing and maintaining viable social business models, managing tensions associated with competing internal logics, breakdowns in relationships with key internal stakeholders, and so forth. Therefore, in the kinds of “complex,” “uncertain,” and “unpredictable” conditions (Alexander, Walker, & Naim, 2014; Chironga, Leke, Lund, & Van Wamelen, 2011; Zoogah et al., 2015) that prevail across much of sub-Saharan Africa, and in light

of such internal strategic challenges, social enterprise resilience is imperative.

This paper examines resilience in six development-oriented social enterprises in Kenya, South Africa, and Zambia. Specifically, it addresses the following research questions:

- What strategic challenges do social enterprises in sub-Saharan Africa face necessitating their resilience?
- What resources and capabilities are key in this context?
- What kinds of strategies do resilient social enterprises adopt to survive and prosper?

This research makes a number of contributions. To date, there has been limited consideration in extant resilience literature of social enterprises, particularly in developing country contexts and especially in sub-Saharan Africa. Our research contributes towards addressing this gap by conceptualising the challenges faced by social enterprises in sub-Saharan Africa that necessitate organisational resilience; by identifying resources and capabilities key for such resilience; and through exploring strategies adopted by resilient social enterprises. Work on social enterprise and entrepreneurship in Africa also remains limited (Rivera-Santos, Holt, Littlewood, & Kolk, 2015). By drawing

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upon case studies from across three countries, with contrasting levels of development, our work also deviates from the norm of single country social enterprise studies. In social entrepreneurship literature more generally, writers have also identified a need for more theoretically engaging scholarship (see Short, Moss, & Lumpkin, 2009). In this study, we respond to this call by drawing upon theoretical perspectives from resilience literature, which are utilised as a conceptual framework for our analysis. Finally, our work has significant implications for practice in the learning it may provide for social enterprise managers.

The paper is structured as follows. First, we review literature on social enterprises and entrepreneurship in sub-Saharan Africa, on strategy and social entrepreneurship and on resilience. The methodology is then presented, and the cases introduced. Challenges faced by social enterprises in sub-Saharan Africa are then discussed. This is followed by consideration of key resources and capabilities possessed by resilient social enterprises and of the strategies adopted by them. Finally, conclusions, implications for practice, and the future areas for research are identified.

2 | LITERATURE REVIEW

2.1 | Social enterprises in sub-Saharan Africa

What social entrepreneurship is, what the characteristics of a social enterprise are, and who is a social entrepreneur remain subject to debate in both academia (Choi & Majumdar, 2014; Mair, Battilana, & Cardenas, 2012) and among practitioners (Financial Times, 2013). In relation to the first of these questions, although definitions of social entrepreneurship abound, one with particular relevance for this research is offered by Seelos and Mair (2005, p. 48) who propose that “social entrepreneurship creates new models for the provision of products and services that cater directly to basic human needs that remain unsatisfied by current economic or social institutions.” This definition resonates with discussions in this paper, as poverty alleviation and the fulfilment of “basic human needs” are the focus of activities by the development-oriented social enterprises we study.

Moving next to the question of what social enterprises are, in this paper, we define social enterprises as organisations that trade for a social purpose (see Peattie & Morley, 2008). Unpacking this further, it is recognised that social enterprises may vary significantly in the nature of their social missions (e.g., work integration, market linkage, livelihood creation, etc.); in the legal forms they adopt, often linked to national institutional factors; in the nature of their hybrid social business models (Haigh, Dowin, & Walker, 2015; Holt & Littlewood, 2015); and in their approaches to governance and stakeholder participation (Defourney & Nyssens, 2006). In this research, the presence of a central social mission in the field of development, and organisations engaging in some form of trading, informed our case study selection. Finally, a social entrepreneur is the individual, or in more collective forms of entrepreneurship individuals, who recognise a social need and develop a venture to address that need (see Chell, 2007).

Having offered definitions of social entrepreneurship, social enterprise, and social entrepreneur, we turn now to what we know about them in sub-Saharan African contexts. Work on social entrepreneurship and social enterprises in sub-Saharan Africa although still limited is growing.

One early example of such work is Kerlin's (2008) examination of social enterprises in Zambia and Zimbabwe as part of a comparative global study. More recently, in 2011, the International Labour Organization and Belgian government funded a large-scale study of social enterprises in South Africa. Indeed, social entrepreneurship in South Africa is now comparatively well researched (see, e.g., Karanda & Toledano, 2012; Kodzi Jr, 2015; Littlewood & Holt, 2015a, 2015b), albeit varied research questions remain. Scholars have also, although to a lesser extent, examined social entrepreneurship and enterprises in other African countries. These include studies of Nigeria (Omoredede, 2014; Thorgren & Omoredede, 2015); Kenya (Holt & Littlewood, 2017); the Democratic Republic of Congo and Rwanda (Kolk & Lenfant, 2016); and Tanzania (Calvo & Morales, 2015), among others. On the whole, cross-country studies of the kind presented in this paper remain limited (for examples, see Holt & Littlewood, 2015; Littlewood & Holt, 2015b; Rivera-Santos et al., 2015).

Across this extant literature, the need for further research on social enterprises and entrepreneurship in sub-Saharan Africa is widely noted. Our study responds to this need. In this existing literature, less explicit attention has also been given to strategy in social enterprises in sub-Saharan Africa, a subject to which we now turn.

2.2 | Social enterprises and strategy

Strategy has received some attention in the social entrepreneurship literature. Moizer and Tracey (2010), for example, explore strategy and resource allocation in social enterprises and tensions between allocating resources to commercial and social activities. Meyskens, Robb-Post, Stamp, Carsrud, and Reynolds (2010), meanwhile, adopt a resource-based perspective in their examination of Ashoka social entrepreneur fellows and their resource management and mobilisation strategies. Strategic alliances in social enterprises have furthermore been explored by Smith, Meyskens, and Wilson (2014) who deploy an identity-based perspective to consider how such alliances form and persist. Whereas Yang and Wu (2015) consider the internationalisation strategies of social enterprises. Further strategy topics that social entrepreneurship scholars have considered include rhetorical strategy in social entrepreneurship (Ruebottom, 2013); social enterprise business models (Santos, Pache, & Birkholz, 2015); strategic alignment and impact in social enterprises (Ormiston & Seymour, 2011); and social enterprise performance and strategy implementation (Bull, 2007). There is also significant work on strategy in hybrid organisations, of which social enterprises can be considered a form (see Doherty, Haugh, & Lyon, 2014). Such work has examined social enterprise hybrids through a “shared value” strategic lens (Florin & Schmidt, 2011), as well as how hybrids may alter their legal structures for strategic gain (see Haigh et al., 2015).

Nevertheless, although there is growing work at the nexus of strategy and social enterprises and social entrepreneurship, there remains significant scope for further enquiry. Social enterprises as an organisational type have also received little explicit attention in strategy journals. Short et al. (2009) identify various avenues for future research on social entrepreneurship and strategy, including examination of the types of entrepreneurial and strategic processes that are most effective for creating social value; work extending long-standing strategy debates about the significance of firm versus industry factors

in performance to social enterprises; and exploration of strategic decision-making in social enterprise contexts. Short et al. argue that such work could provide insights for social entrepreneurship scholarship but also wider strategy and entrepreneurship literatures.

Additionally, the subject of strategic resilience in social enterprises has to date received little attention. In one of the few studies explicitly examining the intersection of resilience and social entrepreneurship, Sonnino and Griggs-Trevarthen (2013) examine resilience in the UK's community food sector. They address questions around its potential for upscaling, the "alternativeness" of the sector and the resilience of organisations therein. They also identify factors contributing most towards social enterprise resilience. Sonnino and Griggs-Trevarthen further highlight the contextual specificity of organisational resilience and how it is shaped by particular institutional arrangements. This suggests a need for further exploration of social enterprise resilience in divergent institutional settings, including in the complex and unpredictable conditions prevailing in many sub-Saharan African countries. In this paper we undertake such an exploration.

2.3 | Social enterprises and resilience

We have identified a general paucity of work on resilience in social enterprises but have yet to actually explain what resilience is and how it is understood in our research. Much like social entrepreneurship, resilience has been the subject of increasing academic interest across a range of disciplines in recent times. This includes in geography (Adger, 2000), psychology (Luthar, 2003), hazard studies (Berkes, 2007), and also business and management (see Bhamra, Dani, & Burnard, 2011; Linnenlueke, 2017). Indeed, engagement with resilience in business and management scholarship has often drawn quite variably upon perspectives from these wider disciplines, and perhaps reflecting this remains somewhat fragmented.

In her recent review of resilience research in business and management, Linnenlueke (2017) identifies five principal lines of enquiry. These are the following: (a) resilience as an organisational response to external threats; (b) resilience as organisational reliability; (c) resilience through employee strengths; (d) resilience and business model adaptability; and (e) resilience through design principles that reduce supply chain vulnerabilities and disruptions. Linnenlueke (2017) notes that these different research streams have developed their own definitions, theories, and understandings of resilience. For example, in positive organisational scholarship, and the employee strengths tradition, Luthans, 2002, p. 702) definition of resiliency as "the positive psychological capacity to rebound, to 'bounce back' from adversity, uncertainty, conflict, failure or even positive change, progress and increased responsibility" is widely referenced. Meanwhile, in supply chain literatures, a definition of resilience often turned to is that offered by Ponomarov and Holcomb (2009, p. 131) who defined resilience as "the adaptive capability of the supply chain to prepare for unexpected events, respond to disruptions, and recover from them by maintaining continuity of operations at the desired level of connectedness and control over structure and function."

The first of these lines of enquiry identified by Linnenlueke (2017), and which focuses on resilience as an organisational response to external threats (e.g., Staw, Sandelands, & Dutton, 1981), underscores the relevance of our research's aim of understanding the challenges and threats

(often external) faced by social enterprises in sub-Saharan Africa and indeed how such social enterprises respond to them. Looking at the resilience literature chronologically, in the early 2000s, after a period in which resilience scholarship in business and management had largely focused on concerns of internal organisational reliability (see Roberts, 1990; Sitkin, 1992), the emphasis shifted back to the external environment, following particularly the events of 9/11. Scholars became once again interested in how organisations could cope and respond under conditions of great environmental uncertainty and stress. One stream of work stemming from this period focused on how companies can adjust, adapt, and reinvent their business models in an unpredictable fast-changing environment—and indeed ideally pre-empt any need to do so. Hamel and Välikangas (2003), for example, identified the need for managers to conquer denial and to undertake an accurate and honest appraisal of decay in their strategies. They entreated companies to "value variety" experimenting constantly and not to be afraid of failure. Wider scholars in this business model resilience tradition (e.g., Sutcliffe & Vogus, 2003) similarly identify the importance of business models that allow for the build-up of slack resources that can be mobilised in times of crisis. Finally, works in this resilience and business model adaptability tradition perceived resilience as encompassing both small adjustments to ongoing stress but also adaptability in the face of severe disruptions due to external events.

How organisations can build resilience through employee strengths is another line of enquiry identified by Linnenlueke (2017), and one that also emerged in the post 9/11 period. Scholars like Coutu (2002) proposed that employee capabilities are important for building resilience and identified three key characteristics of resilient people and organisations. These are the following: (a) the ability to face down reality, whereby rather than slipping into denial to cope with hardships, resilient people and organisations take a sober down to earth view of their situations; (b) the ability to find meaning in terrible times, often buttressed by strongly held values and beliefs, and long-standing value systems; and (c) the ability to continually improvise, to be inventive when disaster strikes, and putting resources to unfamiliar and unconventional uses, to be "bricoleurs" (Baker & Nelson, 2005).

The final line of enquiry identified by Linnenlueke (2017) relates to resilience through design principles that reduce supply chain vulnerabilities and the potential for disruptions. There is now a substantial literature on resilience in supply chains (e.g., Pettit, Fiksel, & Croxton, 2010; Ponomarov & Holcomb, 2009). Within such work, it has been suggested that efforts to enhance efficiency in supply chains and their competitiveness can also make supply chains more vulnerable to disruption (see Christopher & Peck, 2004). Supply chain scholars have called for greater consideration of concerns of resilience as organisations develop their supply chains, as well of social and environmental issues in supply chains (see Lee & Rammohan, 2017). This more critical supply chain resilience literature provides insights for our research in its identification of the need to adopt a broader perspective on what may foster or undermine resilience, in supply chains but also wider organisations, but also that there are trade-offs in the pursuit of resilience.

We draw upon these varied resilience literatures in constructing the guiding conceptual framework for our research. First, resilience is understood as concerned with both how social enterprises respond to external threats, particularly environmental shocks or "jolts" (after Meyer, 1982), and how they adapt and adjust to longer term more

TABLE 1 Case study organizations

Country	Name	Age (year founded)	Activities
Kenya	K1	20 years (1995)	Internationally registered NGO/social enterprise working on environmental-focused projects in Kisumu region. Mix of activities ranging from informal economy entrepreneur training, conservation initiatives, advocacy, and social development programmes. Conservation, livelihood models, market access, social protection, and community development.
Kenya	K2	32 years (1982)	Produces, markets, and sells innovative energy saving charcoal and wood-fuelled stoves and ovens. Aims to reduce use of charcoal through efficiencies and promotes self-sufficiency in fuel through seed-to-ash activities. Hybrid of social enterprise and commercial partnership.
South Africa	SA1	26 years (1989)	Skills development and training in a variety of fields. Job creation. Entrepreneurship and business support programmes. Partnership with large South African multinational.
South Africa	SA2	11 years (2004)	Produces handmade cookies and biscuits providing empowering employment for women from Khayelitsha township community. Employee equity through Trust Fund.
Zambia	Z1	21 years (1994)	Craft-based association in rural Zambia with 3,500+ producers. Aims to improve standards of living in local communities by providing income through craft production facilitating self-reliance in community development
Zambia	Z2	24 years (1991)	Social enterprise based in Zambia producing unique hand-painted textile products. Fair trade business practices generating sustainable local employment and paying fair wages. Over 100 staff based in rural location.

incremental environmental changes as well as internal tensions and challenges. Second, we do not perceive resilience in organisations statically and in relation to how quickly organisations can return to full performance after a shock, but rather view it as a more dynamic ongoing process of resilient organising, whereby organisations change and adapt to achieve new equilibria while ultimately still delivering key functions—or in the case of social enterprises their mission. Third, resources and capabilities, for example, the ability to “face down reality,” are clearly key in organisational resilience. Therefore, in our study, we aim to identify those resources and capabilities important for social enterprise resiliency in sub-Saharan African contexts. Finally, organisations may adopt strategies that make them more resilient, for example, experimenting and developing slack in resources. We therefore explore the strategies adopted by resilient social enterprises in sub-Saharan Africa that allow them to survive and prosper.

3 | METHODOLOGY

This paper draws upon data collected during extended fieldwork from 2011 to 2013 working with six development-oriented social enterprise case studies in three sub-Saharan African countries (Kenya, South Africa, and Zambia). Although all of the social enterprises worked in the broad field of development, their precise missions varied as did their business models. A key selection criterion for the cases was that they had all been operating for more than 10 years indicating that they had moved beyond start-up and were demonstrating a degree of permanency and resilience. The youngest organisation at the time of the research had been operating for 11 years, the oldest 32 years. Meeting the key characteristics of social enterprises identified earlier in the paper, they each generated some income from trading and gave primacy to a social mission. They also self-identified as social enterprises. This is a commonly used approach in social enterprises research, although not without its acknowledged limitations (see Rivera-Santos et al., 2015). Background on each of the case studies is provided in

Table 1, including their age, country, and area of activity. To ensure confidentiality for participant individuals and organisations, the cases are anonymised and given a title corresponding to their country, for example, Kenya 1 = K1 and so forth.

The three countries—Kenya, South Africa, and Zambia—were chosen because of their varied levels of socio-economic development, institutional environments, and geographies. South Africa is classified as an upper middle-income economy by the World Bank, Kenya a lower middle-income economy, and at the time of the research, Zambia was a low-income economy¹ (World Bank, 2017b). They are also positioned 119th, 146th, and 139th, respectively, according to the latest United Nations Development Programme human development indicators (UNDP, 2017) and 74th, 92nd, and 98th, respectively, in the Global Ease of Doing Business Index (World Bank, 2017a). Alongside their geographical, historical, and institutional variability, which has implications for the types of strategic resilience challenges social enterprises will face, they were also accessible for fieldwork and had developed social enterprise communities.

This paper draws upon interviews with the founder social entrepreneurs and senior management within the cases. These interviews were especially insightful regarding the histories of these social enterprises; their business models; the types of challenges they have and continue to face necessitating resilience; their key resources and capabilities; and strategies they have adopted to overcome challenges. In total, 18 interviews were undertaken across the six cases. During interviews, verbal informed consent was ensured, and wherever possible, interviews were recorded. An interview guide was used but with a flexible approach adopted in discussions to allow for following of emergent themes. Recordings were then transcribed for data analysis. Interview data were supplemented by analysis of secondary data and materials, including reports and wider online materials. These were especially useful for understanding the histories of the different case studies.

¹In July 2011, after the fieldwork for this project began, Zambia was reclassified from a low to a lower middle income economy by the World Bank.

3.1 | Data analysis

Data analysis entailed an inductive thematic coding process, building from the ground up. Initial analysis involved the reading and annotating of interview transcripts by members of the research team who then met to discuss and compare preliminary impressions. This was followed by an intensive, largely open coding process focusing on the identification of first-order thematic codes. The identification of these initial codes was informed by the study's research questions. Each case study was analysed individually first before any cross-case analysis occurred, as it was felt to be important to develop a rich understanding of each case. This approach is in line with best practice in the field (see Eisenhardt, 1989). This first level of analysis continued until no further new relevant codes were identified, and no adaptation of codes, for example, amalgamation, was deemed necessary.

A second level of analysis then followed entailing cross-case comparison searching for patterns and recurrent themes but also areas in which data contradicted. In these latter instances, deeper probing was undertaken to explain differences. This more axial coding (Corbin & Strauss, 1990) process led to the identification of higher level, cross-

case, conceptual codes relating to the study's research questions. These more conceptual codes were reviewed and adapted by the research team, to form the basis for core categories (Corbin & Strauss, 1990) relating to the study's research questions. This analysis and coding process was highly iterative throughout and entailed repeated comparison with and tying of emerging findings, codes, and categories to extant literature on social enterprises and resilience (see Eisenhardt, 1989). These codes and categories are illustrated in Figure 1 below.

4 | STRATEGIC CHALLENGES

First, we consider the strategic challenges faced by social enterprises. These challenges may be exogenous, originating externally in the complex and unpredictable environments that prevail in African contexts; they may relate to internal tensions and weaknesses within social enterprises, or lie at the intersection of these. They may also develop quickly, in the form of environmental shocks, or more incrementally. In describing business environments across Africa, scholars have applied various labels, including "complex," "unpredictable," "dynamic,"

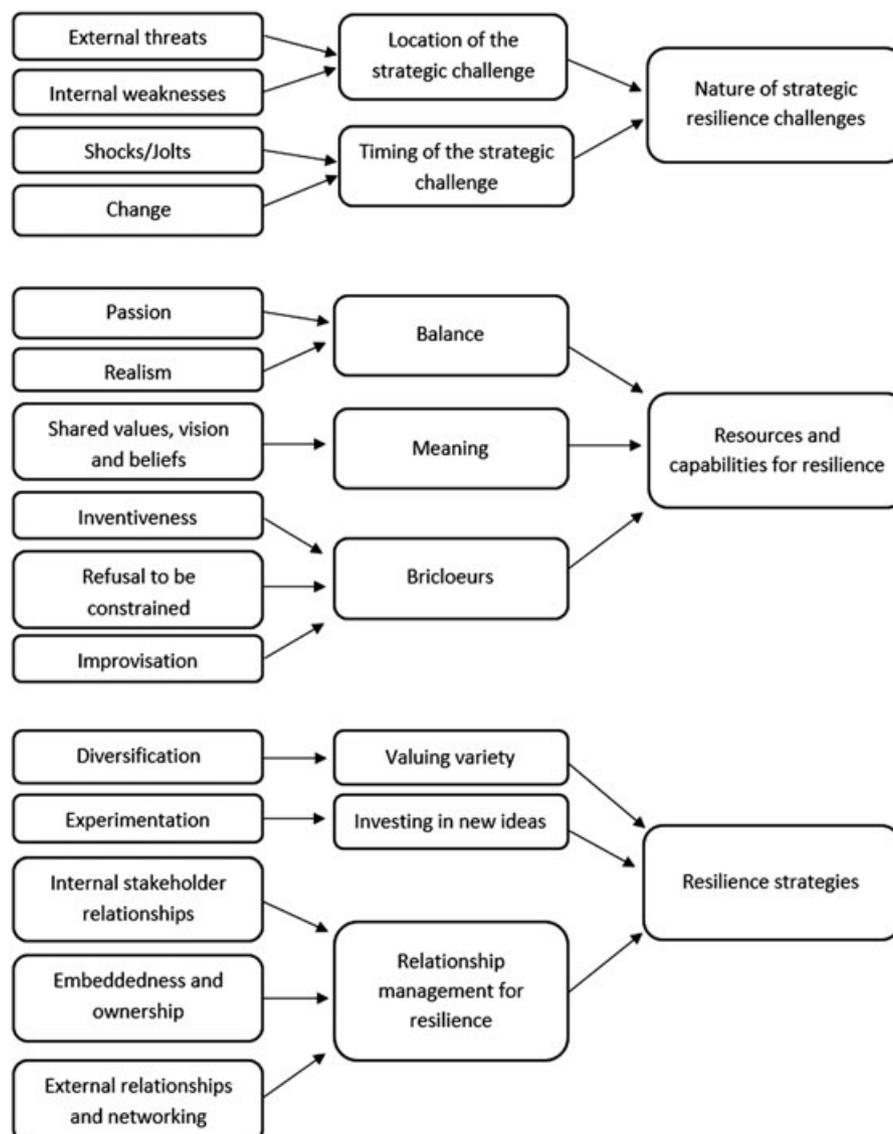


FIGURE 1 Data analysis process to identify codes and categories

“uncertain,” “ambiguous,” and so forth (see Chironga et al., 2011; Zoogah et al., 2015), few of them positive. In extant literature, the prevalence of “institutional voids” (Parmigiani & Rivera-Santos, 2015) in African contexts and difficulties arising from these for firms and society have also been widely noted (e.g., Littlewood & Holt, 2015a; Rivera-Santos et al., 2015). Meanwhile, organisations in Africa often face conditions of resource scarcity as they look to work in, and with, poor marginalised communities. The external environment for social enterprises in sub-Saharan Africa is thus clearly challenging. This is further evidenced at a macro level by the low ranking of African countries on the Ease of Doing Business Index (World Bank, 2017a). Meanwhile, other indicators of this include the poor overall performance of African countries in the Global Corruption Perception Index (Transparency International, 2017) and a preponderance of African countries listed as most at risk and least able to adapt to climate change (CGD, 2017). In these challenging economic, political, and natural environments in Africa, resilience is therefore a key trait for social enterprises.

This difficult environment for social enterprises in African countries is illustrated by the following interview quotation:

So there's always going to be challenges, we're in Africa. I mean next it will be the rains or floods or you know there will be a natural disaster or something will happen. (Interview social enterprise manager Z2)

The external challenges social enterprises face vary. They may be political. For example, the rapid change in the political system experienced by SA1 in 1994 with the end of apartheid, or the post-election violence that occurred in Kenya in 2007–2008 and was experienced by both Kenyan cases. Challenges may also be associated with natural hazards, as suggested in the above quotation and experienced by Z2, a social enterprise operating in a remote, difficult to reach part of Zambia. Poor physical infrastructure such as roads can create challenges for transporting products to the market. Meanwhile, socio-cultural challenges might include events like the 2014 Ebola outbreak in West Africa, which alongside its terrible cost in human life also disrupted business activities in affected countries.

More economic type challenges include those originating at a global level, for instance, the 2008/2009 global financial crisis, but also more localised and case-specific ones. For instance, the Zambian government's sudden announcement in the mid-2012 that U.S. dollars would no longer be the legal tender in the country, followed by the “rebasement” of the Zambian currency (the Kwacha) in January 2013. This was disruptive for Z2 especially due to its strong links to the tourism industry, as illustrated below:

We've lost money because of this currency change over. We've lost sales. We're probably down about 35% where we should be this month because we've been turning people away because of this. People are spending less because there is uncertainty ... so there's always going to be challenges. (Interview social enterprise manager Z2)

In a further example of an economic shock, representatives of K2 discussed instances where Western NGOs had flooded and destroyed nascent energy saving cook stoves markets in some

regions by donating large numbers of low quality products to households.

External challenges may also relate to legal changes, for instance, in labour laws, company and ownership laws, environmental regulations, and so forth. For example, K1 was required to legally register as an International NGO because it has the word “Kenya” in its name, despite its local origins. Such changes may affect social enterprises directly or indirectly through their suppliers or distributors. Finally, developments in technology may disrupt established social enterprise business models, for example, the M-PESA mobile money system in Kenya has drastically changed how microfinance and wider business transactions work.

So far, we have largely provided examples of challenges in the form of external change and shocks to which social enterprises must respond. However, external challenges can also be more incremental. One example might be the changing attitudes towards donations by individuals and governments in donor countries. For instance, the gradual decline in international donor funding for charities in South Africa after 1994 made it necessary for these organisations, including SA1, to look for other sources of income, including through trading.

A further example illustrating economic changes is the growing number of for-profit providers entering the field of microfinance provision, leading to competition in subsistence markets between NGOs, social enterprises, and these for-profit businesses. SA2 also identified a longer term trend of increasing buyer expectations, and demands for accreditations, which can be costly for small- and medium-sized social enterprises:

Everyone is jumping on the bandwagon so now you need to also certify what the employment conditions are, which your staff work. You need to measure their happiness from zero to five ... but again it does take quite a lot of management time as well to conduct these audits and clear the findings. (Interview social enterprise manager SA2)

Finally, in the case of Z1, the social enterprise was grappling with the challenge of the sophistication and technological innovation of craft products sold by competitors.

External strategic challenges faced by social enterprises also have an internal dimension. For example, the presence or absence of necessary resources and capabilities to respond and adapt to external shocks or longer term change. However, strategic challenges may also originate more internally and again develop rapidly or more incrementally. An example of an internal challenge faced by one case study was a break down in relationships with key internal employee stakeholders that resulted in industrial action. Another example of an internal strategic issue was the challenge of succession faced by K2, which has been operating for 32 years. The original founder of the venture also had particular technical capabilities that were difficult to replicate upon his retirement. Transitions in leadership were similarly a challenge faced by Z2 and were identified as a cause of failure for previous craft projects in Western Zambia by Z1.

The challenges identified thus far have been quite short term in nature. In the case of Z2, a more incremental internal strategic challenge related to the achievement of sustainable growth. As explained

by a manager in Z2, she joined a venture that had grown in a way that was not financially viable:

It had become this big squally mess with you a thousand different product lines and no-one really in control and trying to do too much ... it was just massively over complicated. (Interview social enterprise manager Z2)

Another example of a more incremental internal strategic challenge identified in the cases was the potential for “mission drift,” especially when reliant on donor funding or when working in partnership with for-profit actors. Related to this, tensions between achievement of financial and social objectives inherent to social enterprise hybrid business models represent another such challenge.

On the basis of the above discussions, we introduce a framework for categorising the strategic challenges faced by social enterprises in sub-Saharan Africa. This framework is illustrated in Figure 2. Dimensions of the framework relate to the location of the challenge, whether it is more internal or external, and the timing in which it unfolds, is it a short-term disruptive event or crisis that develops rapidly, or the result of more long-term incremental changes. In this framework, we also recognise the potential for strategic challenges to stem from the interaction between and at the intersection of these dimensions.

5 | RESOURCES, CAPABILITIES, AND SOCIAL ENTERPRISE RESILIENCE

Like when you go there the road is so rough and you find a tree has fallen down on the road. Does it mean then that you have to turn back to where you have come through? Or do you find other means to really see how you can move that tree and get on your way. (Interview social entrepreneur Z1)

This quotation illustrates a number of aspects of resilience, including bouncing back from adversity, facing the reality of a situation, and being inventive to overcome challenges. Through analysis of data from the case studies, and informed by extant literature, we identify key

resources and capabilities for social enterprise resiliency in sub-Saharan African contexts.

5.1 | Combining passion and vision with realism

In extant literature, the ability to “face down reality” (Coutu, 2002), to “conquer denial” (Hamel & Välikangas, 2003), and to undertake an honest appraisal of current circumstances is identified as key traits of resilient individuals and organisations. Concurrently, social entrepreneurship literature emphasises the passion, vision, and ethical character of social entrepreneur “change-makers” (Bornstein, 2004; Thorgren & Omorede, 2015). Analysis of our cases suggests that successful and resilient social enterprises and entrepreneurs are able to combine such passion and vision with realism and the capability to face reality, undertake an honest appraisal of their own situation and strategy, and to take decisive action to address these.

An illustration of such realistic and honest assessment and action is provided by case study Z2, who faced significant challenges as it grew, to the extent that it became, as one respondent described, a “big squally mess.” When new management arrived, they took tough decisions including reducing the number of product lines, and cutting overheads and expenditure, to get the company back into profitability but without jeopardising the social mission. This combination of realism with passion and mission is illustrated by the quotation:

I just got quite firm about you know what we would do and how we would do it and kind of just try to reign it back in ... what I didn't want to cut back on was conditions for the staff, so you know we worked with them to improve their conditions here and improve their diet, give them bonuses (Interview social enterprise manager Z2)

Another example of such realism and action is provided by case study SA1, which was established in 1989 as a church training project. Upon joining the organisation in the early 1990s, the social entrepreneur in this case sets about drastically reshaping the venture starting with an honest appraisal of its current situation and weaknesses. This process is described below:

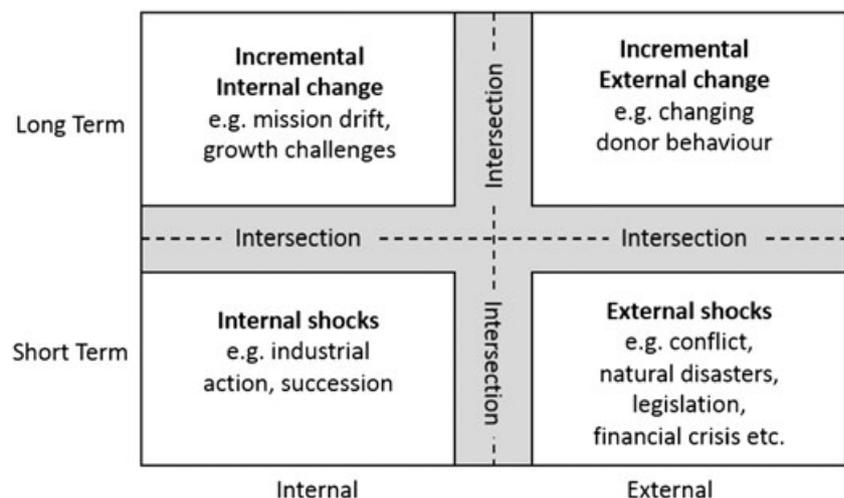


FIGURE 2 Strategic challenges faced by social enterprises in sub-Saharan Africa

It was essentially informal, it wasn't constituted it wasn't registered. It just operated on an ad hoc basis ... I essentially took over two people that were technically staff but had no contracts and had not been paid for six months ... the project didn't even have an account. So I went on the Monday to the bank and opened an account in the name of the project ... I wrote up the constitution appointed a board.... registered with the South African revenue services for public benefit organisations status. (Interview social entrepreneur SA1)

Since then, the ability to scan, understand, and adapt to the changing institutional environment in South Africa has been a defining characteristic of SA1.

5.2 | Finding meaning through shared values and belief in the mission

All of the case studies had experienced trials and faced challenges. During such hardships and difficulties, it was found that resilient social enterprises would draw upon shared values, and belief in their social mission, to find meaning in the situation and to interpret events, including setbacks. This finding aligns broadly with the second of Coutu's (2002) characteristics of resilient individuals and organisations. An illustration of this capability, and shared values as an important resource for social enterprises, is the case of SA2, a social enterprise in Cape Town that provides empowering employment for disadvantaged women from former township communities, particularly Khayelitsha. SA2 is 30% employee owned with staff receiving a dividend dispersed through a trust fund. It is also strongly committed to staff training, development, and progression. The following quotation from an interview with a senior manager at SA2 illustrates how, particularly in times of difficulty, they turn to their shared values, mission, and the strong positive social impact they have to get through this:

Every time what kept us from closing this company down is what about the families and that is the core value that all three of us have [...] So for us the money that they ploughed into this company they have the view that if we lose it we lose it, we know that we have assisted mouths being fed in Khayelitsha, and people having sustainable lives and that is reward enough (Interview social enterprise manager SA2).

5.3 | Improvisation, inventiveness, and “making do”

A third area of capabilities for resilient social enterprises relates to their capacity for improvisation and inventiveness, and to act as bricoleurs—making do with what is at hand and refusing to be constrained by their environments and a lack of resources (Baker & Nelson, 2005; Holt & Littlewood, 2017). It is perhaps axiomatic that social entrepreneurs in sub-Saharan African contexts would possess such traits. However, we would argue that the ability to improvise and be inventive in the face of adversity on a more ongoing basis is not possessed by all social entrepreneurs and enterprises, or at least

sufficiently, with this capability one reason for the longevity of our cases.

One example of such improvisational capabilities can be found in case study K1. This case study works in a wide variety of fields but particularly relating to community development through sustainable entrepreneurship. In interviews with K1's leadership, a willingness and capability to adapt and improvise in the face of changing local conditions, for example, the end of project funding and in response to new opportunities, was readily apparent. In another example of “making do” (Coutu, 2002) and refusing to be constrained by the environment case study Z1, a social enterprise working in the field of craft production and sale has prospered despite being founded with little money and operating in an environment characterised by few resources, as illustrated by interview quotation below:

So I sold one of my wooden cabinets at 60,000 kwacha it was not a lot of money I would just say about 9 US dollars. So I gave this as a donation to the Association as the starting point. (Interview social entrepreneur Z1)

6 | STRATEGIES FOR RESILIENCE

Next, we consider the strategies adopted by these ventures, which facilitate their survival and prosperity.

6.1 | Variety and experimentation

In their discussion of strategic resilience, Hamel and Välikangas (2003) entreat business managers to “value variety” as an insurance against the unexpected and to “liberate resources” for experimentation, accepting the fact that experiments will fail. At the same time, they caution against “dim-witted” diversification, arguing that a balance must be struck between experimentation and exploitation. Across our case studies, we find evidence of successful experimentation, diversification, and resource investment in new ideas and initiatives as a strategy for resilience.

One example of this is case study K2, which produces and sells energy-efficient cook stoves. K2 undertakes extensive experimentation in its products but also throughout its wider value chain including in production, distribution, marketing, and sales (domestic and international). This experimentation is illustrated by the following quotation, as is a willingness to accept but also learn from losses and failure:

I use every last penny I get to promote and to try something else out, you know send four on consignment to Garissa and maybe you never hear from them you never get your money back and so you count that one off and damn it that was a loss, try again. So that is basically what I have been doing with probably 80 or 90 percent of the profits that come off that company is just to try out new areas ... I have always been trying to modify these ... everything has to change when you have got customer feedback and stuff. (Interview social entrepreneur K2)

The value of variety meanwhile can be illustrated with reference to case study K1. As discussed previously, it uses its bricolage capabilities to engage in a wide portfolio of sustainable entrepreneurship activities.

6.2 | Resilience through relationships and networks

Across our case studies, we find evidence of social enterprises developing resilience through their strong supportive relationships with internal and external stakeholders, utilising these relationships for support during time of crisis and to adapt to ongoing challenges and change.

An example of the importance of supportive relationships for resilience is illustrated by Z1. Numerous historical donor-funded craft projects in Zambia's Western Province had failed/ended when expatriate leaders left. In contrast, Z1 was founded locally from the bottom-up. Crucially, it has been able to build strong relationships with its 3,000+ craft producer members who are committed to the organisation and feel a strong sense of organisational ownership. This sense that Z1 belongs to its members is illustrated by the quotation below and is something Z1 has drawn upon during difficult periods:

The handicraft association was formed in 1994, but under very difficult conditions, but what I think really made it go up was a lot of support from the members, and then it is something to do with ownership. They felt this is our organization, hence you see that from all the centres that we visited, everyone was also participating, did his own part. (Interview social entrepreneur Z1)

In their study of social enterprises in the U.K. community food sector, Sonnino and Griggs-Trevarthen (2013) identify the significance of local embeddedness for organisational resilience. It may be that a lack of embeddedness played a role in the failure of earlier craft projects in the region, whereas embeddedness is a strength for Z1.

External relationships are also significant for resilience. Again, illustrated by Z1, it has adopted a networking strategy to upgrade its products receiving support for workshop events and technical advice from experts funded by international agencies in order to respond growing competition and technological sophistication in global craft producer markets. Meanwhile, the highly diversified social enterprise K1 networks extensively with academics, development agencies, government, and the private sector, to maintain and enhance its programmes and to launch new activities.

7 | CONCLUSIONS, IMPLICATIONS, AND DIRECTIONS FOR FUTURE RESEARCH

This paper contributes to business strategy and development scholarship in a number of ways. This research contributes towards addressing the research gap on resilience in social enterprises in developing country contexts. We explore why social enterprises in sub-Saharan Africa need to be resilient, and present a novel framework for characterising the challenges faced by such ventures. Furthermore, we identify key resources and characteristics of resilient social

enterprises and some of the strategies adopted by them. Work on social enterprises in sub-Saharan Africa remains limited with few cross-country studies of the type undertaken in this paper existing. This work also has the potential to contribute to wider scholarship on resilience in organisations, especially those in challenging and unpredictable environments, and in so doing showcases Africa as a rich setting for research.

This work also has implications for practice. First, through identifying some of the challenges social enterprises in Africa face, and which should be considered by aspiring and current African social entrepreneurs, as well as policymakers looking to support such ventures. Identification of key resources and capabilities for social enterprise resiliency may also be beneficial in encouraging reflection by practitioners. Similarly, the strategies discussed as being beneficial for resilience may be taken up by social enterprises with potential benefits for them and the communities they work with.

A number of areas for further enquiry are identified. First, further resilience resources and capabilities, and strategies, might be identified through examination of additional social enterprise cases, perhaps in wider sectors, and in other sub-Saharan African countries. Work comparing resilience in social enterprises and more traditional business ventures or non-profits would also provide an interesting comparison. Given the nature of resilience, longitudinal studies of it in social enterprises could provide valuable insights. Finally, survivor bias is a limitation in resilience scholarship; therefore, examining social enterprises that failed and did not process resilience would offer a useful alternative perspective.

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