How the Social Enterprises Support Social Sustainability

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ABSTRACT

The purpose of this paper is to investigate whether or not the social enterprises in Finland are in reality socially sustainable. This paper mainly draws on the empirical data gathered from surveys sent to the social enterprises all across Finland. In addition, a part of the data was also collected from four workshops that focused on social enterprises in Finland. The authors’ analysis showed that employee participation was highly valued and the employees were given equal opportunities. However, the organisations needed some improvements in terms of their workplace practices. Most of the social enterprises collaborated with businesses, non-governmental organisations and public sector organisations but had little collaboration with universities and research organisations. The role of the social enterprises is still unstable and developing. Their most important role is the employment generation which has had a tremendous positive social impact.

Keywords: Employee, Finland, Social Enterprise, Social Sustainability, Workplace Practices

INTRODUCTION

A social enterprise is viewed as a new and distinct entity compared to classical business and traditional non-profit activity, combining different elements of the social purpose, the market orientation and the financial performance standards of business (Young, 2008). It is also viewed as an organisation that can be structured as a traditional non-profit, a for-profit organisation, a cooperative or a charity organisation; however, it is focused on addressing social issues (Borzaga & Defourny, 2001). A social enterprise has been equated with an innovative approach to tackling social needs and promoting social inclusion while providing a source of revenue for socially oriented activities (Defourny & Nyssens, 2006; Kerlin, 2006).

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Social enterprise has been conceptualized in different ways across nations (Kerlin, 2006). In Finland, the concept of social enterprise has gained popularity in recent years. While social enterprise is considered to be a relatively new phenomenon, it has lately attracted considerable political interest. The Ministry of Employment and the Economy brought this concept to the forefront (Peiponen, 2013). Due to its social aims, this concept is generating great interest among all levels of Finnish society.

Most of the governments around the world are aiming towards achieving ambitious sustainable goals for the current and future generations. They engage in interdisciplinary work in order to deal with the pressing problems of the world (Turvey, 2015). In the sustainability debate, ecological concerns have often taken precedence over the societal concerns (Ratamäki, 2013). There is an urgent need to focus on the social problems plaguing our society and develop ways to tackle such complex problems. The aim is to create a socially sustainable society which is equitable, diverse, connected and provides a good quality of life (McKenzie, 2004). The development of the social enterprise is viewed as a small step towards the realization of social sustainability. So far, a lot has been written about the concepts of social enterprise and social sustainability. However, the link between the two concepts has been discussed far less often. This paper attempts to investigate whether or not the social enterprises in Finland are in reality socially sustainable. This research thus answers the following question: Do the social enterprises in Finland support social sustainability?

The central contribution of this study is that it shows the link between the two essential concepts of social sustainability and social enterprises and also recognizes the possibility of realizing social sustainability through the development of social enterprises.

THEORETICAL BACKGROUND

About Social Enterprises

Social enterprise can be seen as an outcome of social entrepreneurship (Mair & Martí, 2006). Social enterprises combine business logic and social goals, and this characteristic distinguishes social enterprises from traditional for-profit or non-profit activity (Borzaga & Defourny, 2001; Huybrechts & Nicholls, 2013). Social enterprises usually tackle the most intractable problems of our society, including environmental problems, social exclusion, injustice and poverty. Social enterprises have solved those problems that other bodies, such as traditional private, public, voluntary or community mechanisms, have not been able to solve despite their efforts (Shaw & Carter, 2007). The definition of social enterprises varies in the literature; furthermore, social enterprises have different legal/political standings in different countries, and this greatly affects how they are set up and funded, including by and for whom. This obviously impacts how they may be evaluated or compared to one another, which thus makes them challenging targets for research.

Social enterprises are rather small-sized, act at a local level and depend on public funds. Their development is influenced by external barriers and driving forces, such as legal and taxation frameworks, public policies and budgets, demographic developments and unemployment rates. Thus, the promotion and development of social enterprises concern several policy sectors, such as social, employment and industrial policy (Heckl et al., 2007).
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